

Letter to Stakeholders

by Maximo Ibarra

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In 2023, the continuation of a complex macroeconomic situation and rising geopolitical instability inevitably had strong repercussions on businesses, which were required to deal with higher inflation, growing interest rates and persistent critical issues in supply chains.

In this context, in and of itself highly complex and uncertain, two topics took center stage in the political agendas of the entire European Union and the industrial strategies of players across every economic sector. The first is linked to the increasing incidence of extreme weather events, which is driving us to ask questions about our real ability to meet the targets set by the 2030 Agenda just under six years from its deadline and which tools we own to defend our planet and optimize the use of natural resources. The second concerns an increasingly compelling debate on the revolutionary capacity of Artificial Intelligence, its potential and its risks: discussions that are generating significant synergies between the world of institutions and that of businesses, and which have resulted in the launch of the AI Act, which for the first time establishes rules and limits on the use of technology destined to revolutionize our lives and that, for this very reason, must remain democratic and inclusive.

The AI Act marks a historical milestone, which in the coming months will however need to be accompanied by a reflection on the investments

required to make Europe not only an arbitrator, but also a veritable key player in the ongoing technological evolution. This was also one of the focuses of the B7 led by Emma Marcegaglia, an engagement group which brought together important Italian companies, including us from Engineering, to draw up a series of proposals, also in the technological realm, to be presented at the G7 summit just held in Puglia. Amongst these, the increasingly compelling need emerged to focus on research and boosting skills, to ensure that Europe can become competitive with respect to the United States and China and also inclusive with respect to the citizens to be involved in the benefits generated by digital development.

The two topics of environmental sustainability and Artificial Intelligence, only apparently disconnected, also pose another fundamental question: what can new technologies do to support our sustainability strategies? How can they help us to create social and economic ecosystems capable of generating benefits for all?

In the face of such challenging questions, Engineering is moving forward with an in-depth transformation process, with the hope and objective of increasingly becoming a change agent for itself and for its partners, with the conviction that such significant challenges can be overcome only with a shared strategy.

Last April, we approved the Strategic Sustainability Plan for the years 2024-2026, which for the first time defines measurable goals and targets for all 21 countries in which the Engineering Group operates with more than 80 offices. This step, which has been fundamental for us, bears witness to our increasing desire to strengthen the centrality of ESG policies in company strategies, making technology not only a driver of efficiency, but also an accelerator of environmental and social sustainability: Artificial Intelligence, Virtual Reality, Digital Twins and the Cloud therefore become our change agents, making it possible to create digital solutions capable of responding to current and future global challenges.

The Plan places significant importance on the targets we have set ourselves at environmental level, which in the coming years will see us



committed to reducing scope 1 and 2 greenhouse gas emissions by more than 40%; making efforts to ensure that our offices and data centers in Italy use 100% electricity from renewable sources; making the Group's supply chain greener and helping our suppliers to set CO2 emission reduction targets aligned with the most recent climate science.

We have also set considerable goals in the social and governance sphere, for example by approving a strategy aimed at eliminating the gender pay gap in Italy, which is currently 1.8%, by 2026. With respect to Diversity & Inclusion, the goal is also to increase the presence of women in leadership roles in Italy to 22%, compared to 17% in 2022.

All of the phases and projects of our concrete commitment to ESG matters are described in this new edition of the Sustainability Report, for the third time certified by an external body and designed to discuss how every day Engineering pursues its goal of becoming the most important digital company in Italy and the most significant Italian company in its sector at global level, capable of supporting its partners in increasingly integrating sustainability principles into business activities. This is a challenge that we face by deploying more than 30 proprietary products and our partnerships with the main international tech players and by accelerating our offer of digital solutions that can enable the achievement of ESG targets and which include the adoption of green coding criteria for the development of software with a lower environmental impact.

Obviously, at Engineering we know that all of these challenges can be met only by investing in people, focusing on their training and boosting their skills, to ensure that each and every person can become part of this ongoing change. In 2023, our IT & Management Academy, a fundamental Group asset for nearly 25 years now, provided more than 260,000 training hours to its people. This enabled us to intensify the upskilling and reskilling of our professionals and the young talent entering the company, increasing and complementing their technological and managerial expertise.

A focus on training is part of the new People Strategy, which has seen us evolve from a company that used to manage people in a very traditional manner to an increasingly innovative and structured company: a change driven by a constant commitment to harmonizing, simplifying and digitalizing our HR programs. We worked comprehensively on a new organization, new recruiting methodologies and new training, development and retention plans, without ever overlooking the enhancement of the corporate culture which retains a significant human touch, favoring an inclusive work environment in which everyone feels heard and valued.

The Sustainability Report tells this entire story; About how our Group has made efforts every day to accelerate and support the country's digital and green transformation, to favor inclusive and sustainable economic and social growth. We do this with a view to elevating technology as a tool capable of bringing real benefits to all people: a mission that we strive and need to share with all of our stakeholders, in order to build increasingly solid partnerships and connections to achieve shared objectives. Only by working side by side will we be ready to meet the challenges of tomorrow. The next few years will be crucial, and it will be up to all of us to design, guide and achieve the change with which we can build a future in which technological innovation, the protection of the environment and social well-being can all coexist.

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