

TXT Group

SUSTAINABILITY REPORT

2024

The following document has been drawn up in accordance with Legislative Decree 125/2024, implementing Directive 2022/2464/EU with regard to corporate sustainability reporting.

With regard to the methodology for the application of regulations and standards, please refer to the Methodological Note at the end of the document.

Powered by:



Sustainability Report

2024

Summary

Letter to Stakeholders	11
The history of TXT Group	12
The TXT Group guiding vision	13
ESG Overview	14
 ESRS 2 - General Information	 17
Organization profile	
• Strategy, business model and value chain (ESRS 2 SBM-1)	18
» The sustainability strategy and future objectives	34
» The TXT Group's ESG offering	35
» Economic value generated	37
» The Sustainability Targets (ESRS 2 MDR-T)	39
 Basis for preparation	 42
• General basis for preparation of sustainability statements (ESRS 2 BP-1)	42
» Relevant information on the value chain and ESG activities	44
• Disclosures in relation to specific circumstances (ESRS 2 BP-2)	46
» Metrics for measuring ESG impacts	46
 Governance	 47
• The role of the administrative, management and supervisory bodies (ESRS 2 GOV-1)	47
• Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies(ESRS 2 GOV-2)	51
• Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3)	52
• Statement on due diligence (ESRS 2 GOV-4)	53
• Risk management and internal controls over sustainability reporting (ESRS 2 GOV-5)	54
 Strategy	 58
• Interests and views of stakeholders (ESRS 2 SBM-2)	58
» Stakeholders selected by the Company	59
• Material impacts, risks and opportunities and their interaction with	

strategy and business model (ESRS 2 SBM-3)	60
» Outcome of the analysis assessing impacts, risks, and opportunities, as well as relevant sustainability issues	62
» The relevant issues and their interactions with the company's strategy and business model	68
» Summary of the material issues relevant to the company	70
» The double materiality map	71
Impact, risk and opportunity management	73
• Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO 1)	73
• Disclosure requirements in ESRS covered by the undertaking's sustainability statement (ESRS 2 IRO-2)	74
• Policies adopted to manage material sustainability matters (ESRS 2 MDR-P)	75
• Actions and resources in relation to material sustainability matters (ESRS 2 MDR-A)	77
Environment: Environmental Information	85
Taxonomy Regulation	86
• Introduction	86
• Eligibility and alignment analysis	87
ESRS E1 -Climate change	94
Strategy	94
• ESRS E1-1 – Transition plan for climate change mitigation	94
Impact, risk and opportunity management	95
• E1-2 – Policies related to climate change mitigation and adaptation	95
• E1-3 – Actions and resources in relation to climate change policies	104
Metrics and targets	108
• E1-5 – Energy consumption and mix	108
• E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	112
• E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	113

ESRS E5 - Resource use and Circular economy	114
Impact, risk and opportunity management	114
• E5-1 - Policies related to resource use and circular economy	114
• E5-2 - Actions and resources related to resource use and circular economy	115
Metrics and targets	117
• E5-4 - Resource inflows	117
• E5-5 - Resource outflows	118
Social: Social information	121
ESRS S1 - Own Workforce	124
Impact, risk and opportunity management	124
• S1-1 – Policies related to own workforce	124
• S1-2 – Processes for engaging with own workers and workers' representatives about impacts	127
• S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns	130
• S1-4 – Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	132
Metrics and targets	133
• S1-6 – Characteristics of the undertaking's employees	133
• S1-7 – Characteristics of non-employee workers in the undertaking's own workforce	137
• S1-8 – Collective bargaining coverage and social dialogue	137
• S1-9 – Diversity metrics	138
• S1-10 – Adequate wages	139
• S1-11 – Social protection	140
• S1-12 – Persons with disabilities	141
• S1-13 – Training and skills development metrics	141
• S1-14 – Health and safety metrics	143
• S1-15 – Work-life balance metrics	143
• S1-16 – Compensation metrics (pay gap and total compensation)	144

ESRS S3 - Affected Communities	146
Impact, risk and opportunity management	146
• S3-1 – Policies related to affected communities	146
• S3-2 – Processes for engaging with affected communities about impacts	146
ESRS S4 - Consumers and end-users	
Impact, risk and opportunity management	152
• S4-1 – Policies related to consumers and end-users	152
• S4-2 – Processes for engaging with consumers and end-users about impacts	152
• S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	153
• S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	154
	156
Governance: Governance information	
ESRS G1 - Business Conduct	159
Impact, risk and opportunity management	162
• G1-1 – Corporate culture and Business conduct policies and corporate culture	162
• G1-2 – Management of relationships with suppliers	162
• G1-3 – Prevention and detection of corruption and bribery	164
	165
Metrics and targets	
• G1-6 – Payment practices	167
	167
Methodological note	
Glossary	169
	181





“TXT Group is committed to responsible innovation, building a sustainable future for people and the environment.”

Enrico Magni, Chairman of TXT Group

Letter to Stakeholders

A concrete commitment to sustainability

ESRS 2 GOV 4
GRI 2-22

Dear Stakeholders,

We are proud to share an important step in our journey: TXT Group's ongoing commitment to sustainability. For us, this is not just a strategic priority, but a core value that guides every aspect of our business. We believe that innovating also means contributing to a better future for people, communities and the environment.

Investing for the Common Good

For some time now, we have adopted policies and technologies that reduce our environmental impact. Through targeted initiatives, we promote responsible business practices that support not only our business objectives, but also the well-being of future generations. This means embracing innovative solutions that respect the ecosystem and encourage sustainable development.

Collaboration with Stakeholders

Sustainability is a journey we cannot take alone. We actively engage with our stakeholders – employees, partners, customers and local communities – to create shared value. We involve all levels of the company in initiatives that promote inclusion, innovation and social responsibility.

Transparency and Responsibility

Sharing the results of our efforts is a testament to our transparency and determination. Publishing sustainability reports and openly communicating our social and environmental impact is a commitment to making our actions measurable and concrete. We believe this approach is essential to building trust and creating a more equitable future.

Looking to the Future

Our journey towards sustainability doesn't end here. TXT Group will continue to invest in projects that foster progress and resilience, ensuring that every action we take is geared towards a sustainable growth model. Our goal is simple: to contribute to a world in which innovation and sustainability go hand in hand.

Enrico Magni - Chairman of TXT Group

The history of TXT Group: A Journey of Innovation

Founded in 1989, TXT Group started out as a small business with the aim of helping companies face the growing challenges of the digital world. In the early years, the focus was on developing customised software solutions, anticipating the need for innovative digital tools at a time when technological transformation was in its infancy.

During the 1990s, TXT expanded its offering, introducing advanced supply chain management solutions and applications for the aerospace and manufacturing sectors. With a vision focused on internationalisation, the company gradually strengthened its presence in the main European markets.

In 2000, TXT reached a milestone with its listing on the Italy Stock Exchange, entering the STAR segment, confirming the solidity and transparency of its business model. This achievement made it possible to accelerate investments in research and development, leading to the creation of cutting-edge technologies.

Today, TXT Group is recognised as a leading Digital Enabler, with a diverse portfolio of solutions ranging from artificial intelligence to flight simulation and digital sustainability. With over 30 companies and a future-oriented vision, the company continues to innovate, while maintaining its values of quality, inclusion and social responsibility.

The TXT Group guiding vision: constant innovation at the service of stakeholders

The mission of the TXT Group is to provide innovative, high-quality technological solutions, responding to the needs of dynamic and constantly evolving markets.

The company is committed to offering products and services that support the growth of its customers, promoting an environment of fair competition and compliance with current regulations. The Group's **vision** is based on constant innovation, process **improvement and the integration of emerging technologies** to create lasting value for all stakeholders, including employees, customers, suppliers and shareholders.

The core values that guide the TXT Group's operations are reflected in the updated Code of Ethics, which guarantees **legality, honesty, fairness and transparency** in all company activities. The company promotes impartiality and equal opportunities, and is committed to fighting all forms of discrimination. TXT aims to protect competition, avoiding conflicts of interest and promoting a **fair and safe work** environment for all.

The TXT Group is also deeply committed to **sustainability** and integrates social and environmental responsibility into its daily operations.

The reduction of environmental impacts and **respect for people** are at the centre of the company's strategy, with concrete objectives for the future, including the **transition to more ecological and sustainable practices**, for the benefit of the community and the planet.

ESG Overview*

ENVIRONMENT

1952,88 MWh

Electricity consumption

50.000€

Investment for energy

554,92 ton CO₂eq

Scope 1 emissions (direct emissions)

606,39 ton CO₂eq

Scope 2 emissions (indirect emissions caused by the generation/purchase of electricity)



SOCIAL

2766

Employees as at 31/12

2664

Permanent employees

50.039

Hours of training provided

221.991€

Training investments

*The data refers only to our reporting scope.

GOVERNANCE

95,1%

Italy suppliers

4,9%

Foreign suppliers

Code of Ethics

adopted by the Group

Mog 231

Coverage 80% company



CERTIFICATIONS HELD BY THE GROUP

- **ISO 9001** - Quality Management System
- **Standard EN 9100** - Recognition of the International Aerospace Quality Group (IAQG)
- **Standard ISO 27001** - Information security management system
- **Standard ISO 45001** - Occupational health and safety management system
- **Standard ISO 14001** - Environmental management system
- **Standard ISO 37001** - Management system for preventing and combating corruption
- **Standard SA8000** - Working conditions within the organisation
- **Standard UNIPdR 125** - Gender equality management system
- **ISO 30415** - Diversity and inclusion (D&I)
- **ISO 18295-1** - Quality certification of contact centres
- **ISO 22301** - Business continuity management





General Information

ESRS 2

ORGANIZATION PROFILE

Strategy, business model and value chain

ESRS 2 SBM-1
GRI 2-1, GRI 2-2,
GRI 2-3, GRI 2-6,
GRI 2-7, GRI 2-28

TXT Group is a Global Digital Enabler that operates internationally, specialising in the supply of software engineering solutions. The Group effectively supports its customers in high-tech markets, in their mission, in core business-critical processes and throughout the entire life cycle of their products.

TXT's journey began in 1989 and, since July 2000, the Group has been listed on the STAR segment of the Italy Stock Exchange (TXT.MI). The parent company TXT e-solutions S.p.A. is a legal entity organised under the laws of the Italian Republic. TXT's ordinary shares are listed on the Milan Stock Exchange electronic trading system - MTA - STAR Segment.

View Assessment
di TXT e-solutions



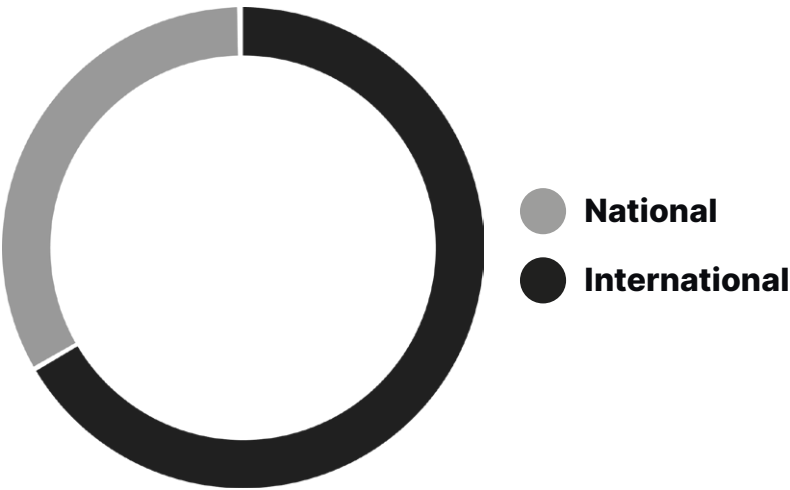
TXT e-solutions S.p.A., together with TXT e-solutions S.a.r.l., is an international leader in the supply of software products and strategic solutions in dynamic markets that require high specialisation and innovation capacity. TXT focuses on software for the aerospace, aeronautics and automotive sectors, where it offers specific products and specialised engineering services, and on the banking sector, where it focuses on services related to software testing and quality, also exploiting technologies such as Artificial Intelligence (AI), Machine Learning and the Internet of Things (IoT). Intellectual property management significantly increases the Group's revenues and growth.

To reflect TXT's new and broader positioning in the digital innovation market, the Group has been structured into three divisions representing the type of offering:

- **Smart Solutions:** proprietary software and solutions and related services to accelerate the digital transformation of customers' offerings.
- **Digital Advisory:** specialised consulting services for the digital innovation of large enterprise processes and the public sector.
- **Software Engineering:** software engineering services for the innovation and servitisation of customer products driven by expertise in enabling technologies.

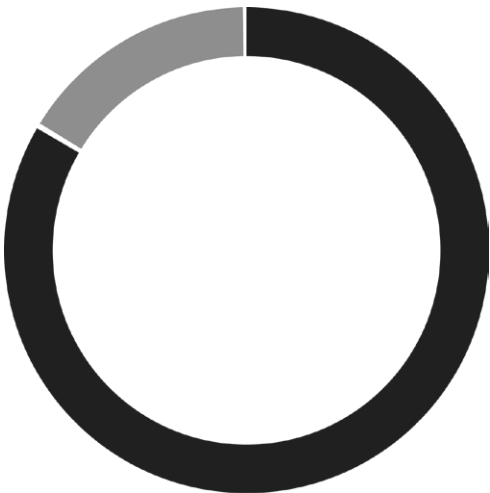
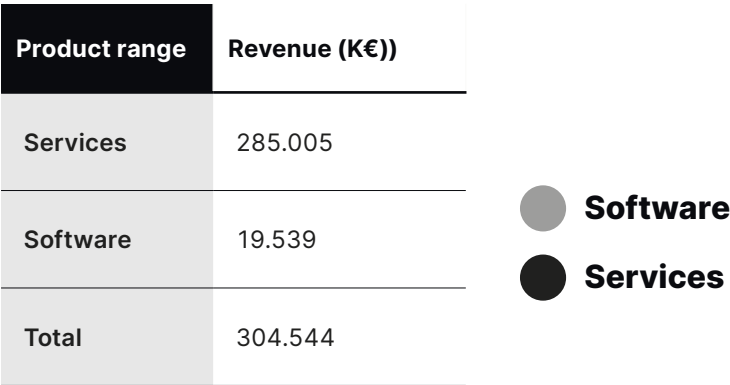
With its headquarters in Milan, to be precise in Cologno Monzese (Milan), at 150 Via Milano, and several offices located throughout Italy, Germany, France, the UK, Switzerland and the United States, TXT Group is a company that operates in both the domestic and foreign markets.

Revenue distribution by market

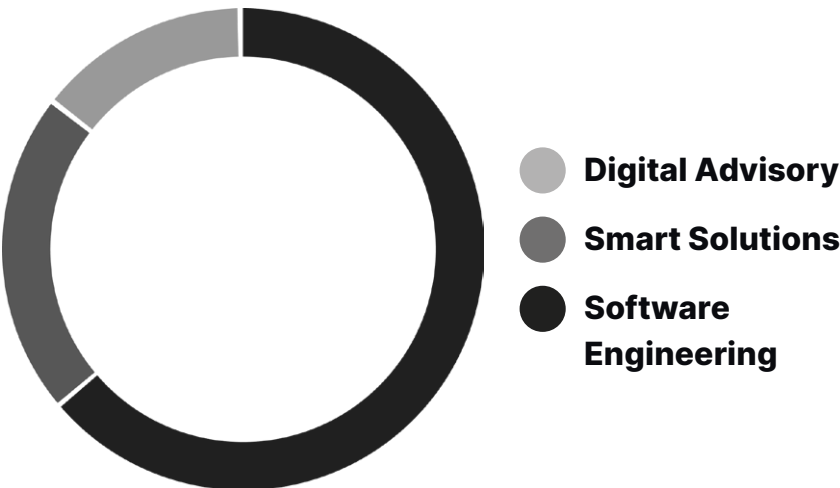


Market	Revenue (K€)
National	228.408
International	76.136
Total	304.544

TXT revenue in 2024 by product



Turnover TXT 2024 per Division



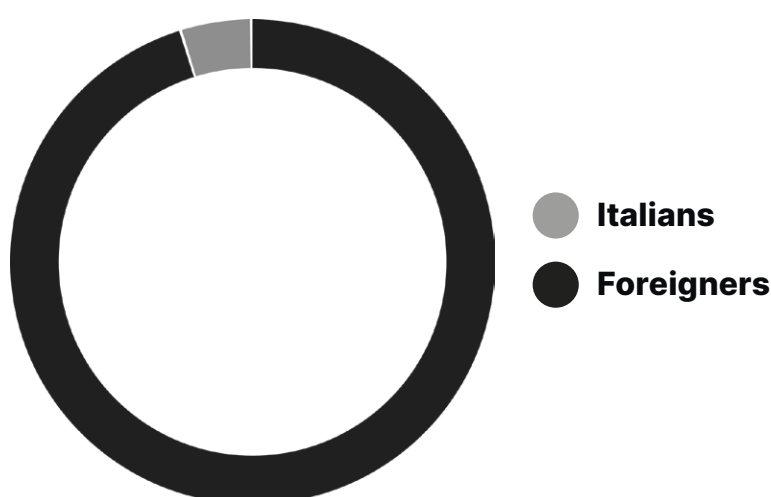
Division	Revenue (K€)
Digital Advisory	48.932
Smart Solutions	63.964
Software engineering	191.658
Total	304.544

The products and services sold by TXT are mainly the result of activities carried out by internal staff. The supply chain is largely represented by commodity/utility suppliers, in particular providers of connectivity and hardware/software services. There are no strategic suppliers for TXT that could significantly influence its choices or business model.

The suppliers are mainly Italian, about **95.1%**, while the percentage of foreign suppliers is limited to **4.9%**.

Downstream activities, on the other hand, are limited to outbound logistics for the transport of equipment and to customers who use the hardware and software services provided by TXT.

Subdivision of suppliers



The company is affiliated with associations in which it holds a position in the governing body, participates in projects or committees, provides considerable funding and considers them strategic. TXT and its German subsidiary PACE participate in and collaborate with the main trade associations and their activities, which support and guide the future growth of the aerospace, aeronautics, defence and automotive industries.

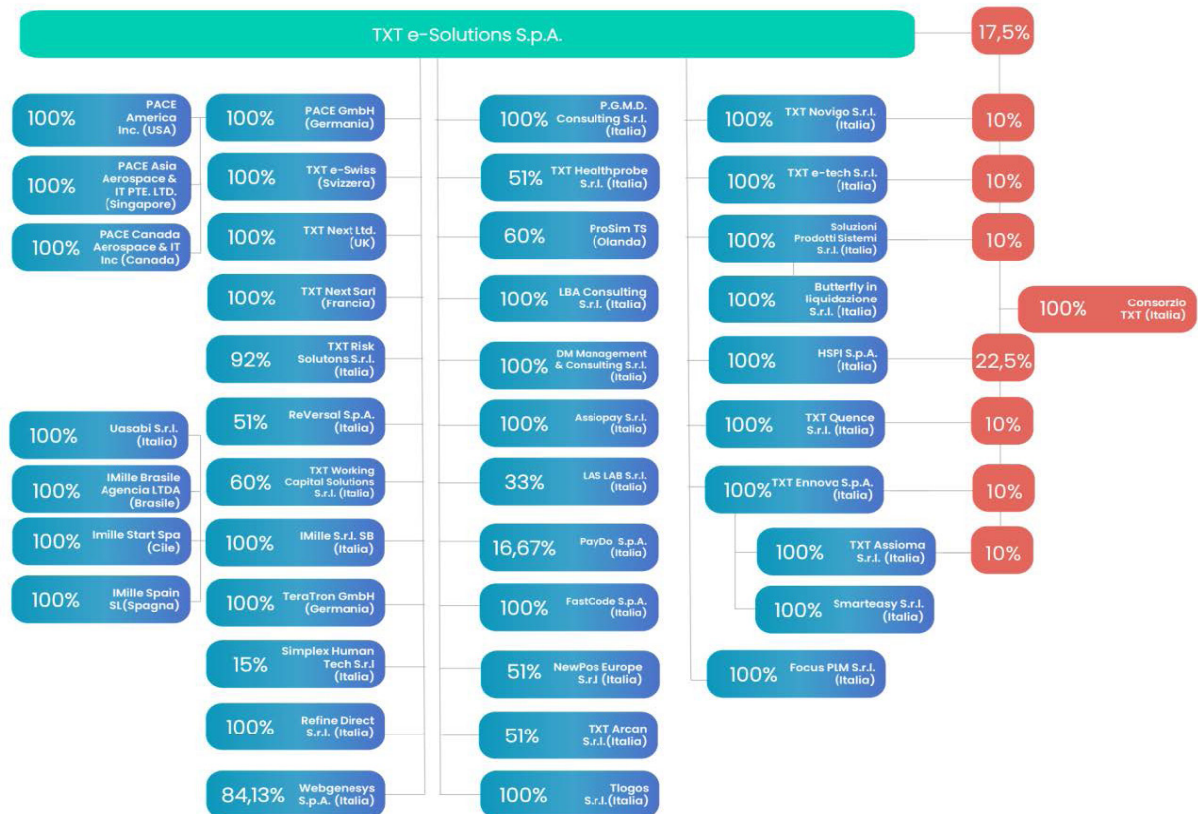
Specifically, we would like to mention:

- ABI Lab, the Bank's Research and Innovation Centre;
- Aerospace cluster Lombardia;
- Automobile Technical Association;
- Smart Factory Association (AFIL) Lombardia;

- National Technological Cluster 'Smart Factory';
- Berlin-Brandenburg Aerospace Alliance;
- German Aerospace Industries Association;
- Hanse-Aerospace;
- Hamburg Aviation;
- VR/AR Association.

The Group has undertaken a major programme of acquisitions over time, incorporating several excellent companies and thus increasing its portfolio of services and/or products offered to the market. As of 31 December 2024, the entire Group had 3,282 employees, a net increase of 600 people compared to the workforce as of 31 December 2023 (2,632 people).

The companies that make up the TXT Group are listed in the table below.



TXT Group

Location						
Headquarters	Address	Street number	Postal code	Town	Prov	Country
TXT e-solution S.p.A. (Hq)	Via Milano	150	20093	Cologno Monzese	MI	Italy
Assiipay S.r.l.	Via Giovanni Spano	6/11	10134	Torino	TO	Italy
Fastcode S.p.A.	Strada Vignolese	1175/6	41126	Modena	MO	Italy
Hspi S.p.A.	Viale Aldo Moro	16	40127	Bologna	BO	Italy
Lba Consulting S.r.l.	Viale Achille Marazza	23	28021	Borgomanero	NO	Italy
Pace aerospace engineering and information technology GMBH	Am Bahnhof Westend 13, 14059, Berlin Germany	13	14059	Berlino	-	Germany
Soluzioni Prodotti Sistemi S.r.l.	Pza Leon Battista Alberti	19 int.2	00054	Fiumicino	RM	Italy
Teratron GmbH	Martin-Siebert-Str	5	51647	Gummersbach	-	Germany
TXT Assioma S.r.l.	Via Spano	6/11	10134	Torino	TO	Italy
TXT E-Swiss Sa	Via Vincenzo d'Alberti	1	6830	Chiasso	-	Swiss
TXT E-Tech S.r.l.	Via Milano	150	20093	Cologno Monzese	MI	Italy
TXT Ennova S.p.A.	Cso Germano Sommeiller	32	10128	Torino	TO	Italy
TXT Novigo S.r.l.	Via Camillo Brozzoni	9	25125	Brescia	BS	Italy
TXT Quence S.r.l.	Via Milano	150	20093	Cologno Monzese	MI	Italy
DM Management & Consulting	V.le Mentana	43	42121	Parma	PR	Italy
NEW POS EUROPE	Via Milano	150	20093	Cologno Monzese	MI	Italy
Pace America Inc	Mukilteo Speedway	Suite 102	98275	Mukilteo	WA	USA
Pace Asia	Temasek Boulevard	12-07 Suntec Tower One	038987	Singapore	-	Asia
Pace Canada	Place Ville Marie	3000-1	H3B 4N8	Montréal	QC	Canada
PGMD	Via Milano	150	20093	Cologno Monzese	MI	Italy

ProSim Training Solutions	Rotterdamseweg	388D	2629	HG Delft		Netherlands
Tlogos	Via Francesco Gentile	135	00173	Roma	RM	Italy
TXT Arcan	Via Milano	150	20093	Cologno Monzese	MI	Italy
TXT e-solutions S.a.r.l.	Via Milano	150	20093	Cologno Monzese	MI	Italy
TXT Healthprobe S.r.l.	Via Milano	150	20093	Cologno Monzese	MI	Italy
TXT Next Ltd	Kingfisher Court Bowesfield Park	3	TS18 3	Stockton-On-Tees	EX	Great Britain
TXT Next S.a.r.l.	Avenue De Wagram	58	75017	Parigi		France
TXT Risk Solutions S.r.l.	Via Milano	150	20093	Cologno Monzese	MI	Italy
TXT Working Capital Solutions S.r.l.	Via Milano	150	20093	Cologno Monzese	MI	Italy

HSPI S.p.A.

[View Assessment](#)



HSPI S.p.A. is a management consulting company that has been active for 20 years, supporting its clients through the processes of change generated by Information & Communication Technology. HSPI uses an operational model capable of integrating distinctive management consulting skills and specialised knowledge in the ICT field.

HSPI has a staff of over 260 professionals including managers, experts and young talents, and an annual turnover of 30 million euros.

HSPI is certified: ISO 9001:2015 for the provision of Management and Organisational Consultancy services and training activities, for which it is also accredited as a 'specialised training organisation' (ATO and AEO) from APMG International and PEOPLECERT; ISO 37001:2016 for its corruption management and prevention system; ISO/IEC 27001:2013 on information security management; ISO 14001:2015 for its environmental management system; ISO 45001: 2018 for its occupational health and safety management system; UNI/PdR 125:2022 for Gender Equality; ISO 14064-1:2019 for greenhouse gas emissions related to internal activities; SA8000:2014 for its social responsibility management system.

HSPI has adopted its own Model 231 for the prevention of offences committed in the interest or to the advantage of the company.

TXT Assioma S.r.l.

[View Assessment](#)

Founded in 1987, TXT Assioma stands out as a pioneer in the field of Digital Transformation, specialising in IT solution development services, software quality and proprietary Smart Solutions. Its areas of expertise range from Finance, Telecommunications, Energy and Multiutilities, to Logistics, Large-scale Distribution and Retail, and Payments.

PACE GMBH, PACE Canada, PACE America, PACE Asia, TXT Next S.a.r.l.

[View Assessment](#)

Founded in 1995, PACE GmbH has earned a solid reputation for developing cutting-edge software products, which have transformed the company from a university spin-off to an international market leader and a key partner for major aerospace and aeronautics companies.

PACE GmbH operates in niche sectors of the aerospace and aeronautics industry, such as preliminary aircraft design, aircraft interior configuration, flight profile optimisation and extended reality (XR) training.

In 2016, PACE became part of the TXT Group, a company based in Milan to which PACE contributes its strengths and culture to create a larger organisation with a broader presence and stronger impact on the market.

Assiopay S.r.l.

[View Assessment](#)

Assiopay is an innovative company that develops cutting-edge solutions to make digital payments secure, transparent and usable. The aim is to simplify life for customers, giving them the security that transactions will take place quickly and without problems. It provides the software, hardware and services to optimise the digital payment process, improving the customer experience for all those involved.

TXT Working Capital Solutions S.r.l.

TXT Working Capital Solutions is a fintech operator active in the Supply Chain Finance (SCF) segment, in which the company can guarantee a contribution of expertise and know-how of the highest level. The mission of TXT Working Capital Solutions is to contribute to the evolution of techniques for financing companies' working capital, providing digital solutions based on process engineering and collaboration between companies and financial partners.

In this context, TXT Working Capital Solutions offers the services of its SCF platform, Polaris, for the management of support and financing programmes for the supply chains of large companies. Within the TXT Group, the company contributes to the development of the range of products and solutions for the fintech market.

Lba Consulting S.r.l.

[View Assessment](#)



The company offers software solutions to meet the management and fiscal needs of sales activities. It integrates sales activities, warehouse management and remote verification of various KPIs to support assisted sales functions; it also allows CRM activities to be carried out through registration and customer database management via loyalty cards, clustering and points collection, issuing gift cards, enabling promotions and simplified price management.

TXT Risk Solutions S.r.l.

Risk Management & AML Solutions offers a series of specialised solutions for assessing the risk of financing terrorism, corruption, money laundering and more. The platform aims to meet the needs of all organisations such as banking institutions, insurance companies, public bodies, governments and all those subject to European and national anti-money laundering legislation.

Each solution, although designed and customised according to the client's needs and the relative activities carried out, is created on a highly flexible basic platform - FARADAY™ - that allows users to manage different types of data and to support risk calculation in various areas.

Teratron GMBH

[View Assessment](#)

Founded in 1999, it has its headquarters in Gummersbach, a stone's throw from the technical university, and today has 50 employees.

Its activities already include physical access control, the protection of people and property, immobiliser technology, protective field systems, anti-theft protection and counterfeit checks, as well as special applications such as key reading and writing modules in the automotive sector. As a specialist in OEM electronic solutions, it provides a complete package of development, production and support services to many prestigious customers. The company is EN ISO 9001 certified and became part of the TXT group in 2021.

TXT Novigo S.r.l.

[View Assessment](#)

It started out as a spin-off of the IT department of a multinational banking organisation: Cheléo was founded over 30 years ago as a product company specialising in banking and finance. Over time, in-depth functional, regulatory and contextual expertise has enabled the consolidation of an important professional and consultancy background. The Cheléo management system was created and developed based on the needs of its users: by the customer, for the customer.

From day one, technology has been the tool used to offer simple and effective solutions to customers. In mid-2018 Cheléo joined TXT. In 2021 Novigo also joined the TXT Group, participating in the project to set up a new innovative FINTECH centre.

Novigo and Cheléo: two parallel realities, two long, important and different, but complementary paths, join forces to become TXT Novigo. The new company gives life to the innovative Fintech centre of the TXT Group thanks to the synergy of many years of experience gained 'in the field'.

TXT Quence S.r.l.

[View Assessment](#)

TXT Quence is an Italian company founded in Milan in 2014 that operates in the field of Software Quality Engineering. We offer software, know-how and consultancy with both complex Agile and DevOps models, and more traditional models. It collaborates with numerous Italian (and international) players in the FinTech, Banking, Healthcare, Aerospace, Large-Scale Retail Trade (GDO), Telecommunications (TLC) and Public Administration sectors. Since 2022 it has been part of the TXT Group and since January 2024, TXT Quence has represented the Software Quality Engineering Competence Centre within the TXT Group.

DM Management & Consulting

DM Management & Consulting develops innovative MES/MOM systems for factory management, quality control, machine interconnection, production data collection and analysis, maintenance and real-time monitoring of production departments.

In 2022 it became part of TXT e-solution S.p.A: the acquisition of DM by the TXT Group allowed for the consolidation and strengthening of the dmp MES/MOM solution on the market, enlarging and expanding TXT's IIoT and Smart Solution portfolio.

Soluzioni Prodotti Sistemi S.r.l.

[View Assessment](#)



This is an information technology company established in 2009. Its staff and consultants have many years of experience in the development of software projects and the management of innovative technologies; experience gained in environments with high process and architectural complexity, in large Italian companies. It works with both enterprise systems and the most modern open technologies, provides consultancy services at both organisational and technical level, and is involved in the development of internal projects that adopt innovative organisational, methodological and technical solutions to enhance the catalogue of services and products offered. In 2022 it was acquired in its entirety by TXT e-solutions.

ProSim Training Solutions

Since 2011, it has been developing revolutionary training solutions that enable aspiring aviation professionals to reach new levels of competence and skill. At the end of 2022, it formed a joint venture with TXT Group, with the further commitment to providing customers with high-quality advanced training solutions.

TXT Ennova S.p.A.

[View Assessment](#)

Ennova was founded in Turin in 2011, within the I3P incubator of the Polytechnic University of Turin, the main university incubator in Italy and one of the largest in Europe. Its goal is to become a point of reference for the Digital Transformation of companies in Italy, with particular reference to the creation and management of basic technological infrastructures such as connectivity, company networks, digital devices, mobile and cloud platforms, as well as a complete range of cyber security services.

Today Ennova has 1,100 employees, including 47 research and development engineers, and 6 offices throughout Italy. With customer support centres in Turin, Milan, Rome, Cagliari, Oricola and Crotone, it manages an innovative model of remote and on-site technical assistance services for the resolution of problems relating to the initial installation, operation and configuration of equipment: from the access network to the connected device.

Ennova specialises in complete process management, through the development of specific services and innovative proprietary technological solutions, oriented towards the digital evolution of models. It became part of the Group in 2022.

PGMD

Founded in May 2006, PGMD provides consultancy, products and services in the field of information systems and the creation and management of complex computerised structures, with a particular focus on the healthcare and public administration sectors.

Based on the specific skills and professional experience of each consultant, PGMD is able to offer its support in ICT Governance, Audit and Program/Project Management, Business Process Management and Business Process Reengineering and Strategic Performance Management and Balanced Scorecard. In 2022 it became part of the TXT Group.

TXT E-Swiss Sa

[View Assessment](#)



TXT E-Swiss S.p.A. is a Global Digital Enabler focused on the Swiss territory, and a specialised provider of innovative solutions that support its customers in high-tech markets in their fundamental processes, which are critical for the company and for the entire product life cycle. As part of the TXT Group, TXT E-Swiss reflects TXT's expertise in digital solutions, drawing on emerging technologies and complex thinking within our core markets.

Tlogos

Specialising in security governance and security engineering, Tlogos operates and manages the procedures necessary to assess the risk to which a company is exposed, to determine the operational plan of activities to be undertaken and to identify the countermeasures to be adopted to manage and mitigate risks and safeguard information. It joined the group in November 2022.

NEW POS EUROPE

NEWPOS Tech is a leading global supplier of payment products and solutions. It is a national high-tech enterprise integrating R&D, production, sales, technical support and after-sales service. We are committed to providing secure, reliable and technologically advanced electronic payment products and solutions for users worldwide, and strive to promote the development of the industry towards a fully electronic, digital and convenient payment world. In 2019, 2020, 2021 and 2022, POS shipments in the Asia-Pacific region ranked second for four consecutive years. In 2024, NewPos Europe was born.

TXT Arcan

It is made up of a team of researchers and professionals specialised in the IT sector, with a strong predisposition for quality software architecture. It supports developers and companies in developing software that meets the highest quality standards, from teaching software architecture best practices to monitoring technical debt.

Fastcode S.p.A.

[View Assessment](#)

This digital company, founded by its current sales partners, specialises in cloud-supported digital transformation, data analytics and other innovative technologies. In 2023, it became part of the Software Engineering division of TXT. FastCode was founded in Modena and has been present in the information and communication technology market for over 15 years, growing steadily thanks to the acquisition of large customers in the telecommunications, industrial and automotive sectors. Today, FastCode specialises in cloud-supported digital transformation, data analytics and other enabling technologies, providing services mainly to large companies through its more than one hundred professionals employed in its four operational offices in northern Italy.

TXT E-Tech S.r.l., TXT Next Ltd

[View Assessment](#)

TXT E-TECH s.r.l. is the Engineering Services company that is part of the TXT group.

TXT specialises in advanced engineering products, services and software solutions and operates in the Aerospace & Defence, Automotive and Industrial markets.

The main value of TXT's business is its high level of ability in designing solutions with advanced technology.

TXT stands out for its capabilities in web software development, offering cutting-edge technological solutions that meet the diverse needs of customers in a wide range of industrial sectors.

With a team of highly qualified developers, software architects and UX/UI specialists, TXT Group is able to manage the entire software development life cycle with skill and precision. From the initial requirements analysis phase to design, implementation, testing and maintenance, each project is handled down to the smallest detail to ensure optimal results.



The sustainability strategy and future objectives

The TXT Group has integrated sustainability issues into its corporate strategy, pursuing a concrete commitment to reducing environmental impacts and promoting social well-being. The company's guidelines focus on responsible practices that embrace both the environmental and social spheres, with the aim of creating a balance between the needs of the company and those of the community. To this end, the company has undertaken numerous initiatives, such as adopting ecological solutions, including the use of renewable energy and the promotion of the circular economy, as well as investing in technologies with a low environmental impact.

In the short term, the TXT Group aims to reduce energy consumption by 10% and optimise waste management. In the medium term, the goal is to reduce the carbon footprint, making its facilities more sustainable and with zero impact. In the long term, the company aims to become carbon neutral, offsetting emissions through reforestation projects and innovative environmental solutions.

In 2024, the Group promoted several initiatives, such as the introduction of sanitary napkin dispensers in office bathrooms, support for the food bank for the Christmas package, and sponsorship of inclusive sporting events such as the 'TXT Games Without Borders'. In addition, the company has invested in the personal and professional growth of its employees with initiatives such as 'Women in Engineering Day' and the Krav Maga course for female employees, supporting self-defence and female empowerment.

The TXT Group's ESG offering

The Group is structured into three divisions that reflect the type of offer and respond to specific market needs, also from an ESG perspective.

The Smart Solutions Division represents the TXT Group's offering of software, proprietary solutions and related services to accelerate customers' digital transformation.

The product **FARADAY™**, designed for compliance with solutions for the assessment of the risk of financing terrorism, corruption and money laundering, aims to meet the needs of all those subject to European and national regulations on the subject, and allows the management of different types of data and supports the calculation of risk in various areas.

Polaris is the B2B digital platform (Marketplace) designed to manage Supply Chain Finance programmes dynamically and centrally, to respond in a flexible and integrated way to the needs of buyers, suppliers and financial partners; it is the ideal tool for large companies and multinationals that manage large and diversified supplies. Polaris gives financial partners, banks specialising in trade finance and factors, investment funds and family offices the possibility to manage the onboarding and contractual formalisation processes in a centralised way. It is a simple tool for proactively managing commercial debt within their supply chains, supporting the liquidity of suppliers in collaboration with a wide range of possible financial partners. Polaris digitises the main operational processes in the field of reverse factoring, confirming and dynamic discounting, making it possible to include both smaller suppliers and financial partners other than large commercial banks in the support programmes of large companies.

Assiopay, specialised in the development of payment software and payment systems (luncheon vouchers and top-up cards), has developed a proprietary platform (gateway) that allows access to various service providers. It has also developed a SmartPOS Android application capable of integrating various issuers and enabling payment on international credit circuits in addition to the management software for the same (Assiopay Terminal Management System). Assiopay designs and develops software and Apps for payment, customer loyalty, ticketing, meal vouchers and many other solutions for Banks, Financial Institutions, System Integrators, service providers, large retail chains, etc. through tailor-made solutions.

The EIDOS Retail platform is the solution designed to meet the management and fiscal needs of sales activities. Complete, flexible, intuitive, and easy to use even for non-expert operators, it allows you to manage your sales in physical stores, in B2B, in B2C and on the move. This solution's strong point is its multi-channel relationship with customers (loyalty, gift cards, personalised price lists, promotions, available at the point of sale, online and via mobile) but it also covers all the business

management associated with sales (procurement, warehouses, inventories, shelf life, returns to suppliers).

The EIDOS Reservation platform manages all types of bookings, with dynamic and automatic inclusions, groups and allotments for tour operators. The system manages all the necessary transactional aspects: reservations, changes, payments, sales invoices and the calculation of commissions due to the agency. The data can be exchanged with external systems for accounting management.

The DMP platform, which through the MES/MOM module is able to manage the production process of a company, connecting the factory to the company management system to give total visibility in the processes related to production, quality, maintenance and inventory, and through the CMMS module is able to control and manage maintenance.

The Digital Advisory division specialises in consultancy services for the digital innovation of large enterprise processes and the public sector of the TXT Group in the field of ICT process digitalisation, with proprietary technologies, certifications and software.

The Software Engineering Division represents the TXT Group's offer of software engineering services for the innovation and servitisation of customer products, driven by expertise in enabling technologies.

The economic value generated by the company in the reporting year

The table offers a different interpretation of the values expressed in the financial statements and aims to highlight the company's ability to create wealth and distribute it among its stakeholders.

The **Directly Generated Economic Value** is an expression of the wealth produced by the company through the development of its business model and other activities, while the Distributed Economic Value indicates the destination and distribution of the value generated to the various stakeholders: suppliers, employees, shareholders/partners, financiers, Public Administration, Community and Territory.

The difference between the economic value generated directly and the economic value distributed highlights the retained economic value, i.e. the residual resources available to the company.

	2024 (€)	2023 (€)	Variation 2024-2023	%
Economic value generated directly	306.999.007	229.677.178	77.321.829	33,7%
Economic value distributed: % on the directly generated economic value	277.454.739 90,38%	202.720.463 88%	74.734.276	36,9%
Operating costs	124.237.470	76.727.054	47.510.416	61,9%
Staff remuneration	141.147.153	116.034.755	25.112.398	21,6%
Return on borrowed capital (lenders)	5.443.329	4.447.509	995.820	22,4%
Public Administration remuneration	6.626.787	5.511.145	1.115.642	20,2%
Support for the community and local area	0	0	0	0,0%
Economic value retained**	29.544.268	26.956.715	2.587.553	10%

** The retained economic value includes the realised economic profit and non-monetary items (amortisation, depreciation, devaluation, etc.).





Sustainability Targets

(ESRS 2 MDR-T)

SUSTAINABILITY TARGETS

Reduction of environmental impacts



Implementation of an energy monitoring system to reduce consumption by 10% by 2025



Main sites converted to renewable energy



I use recycled materials for company gadgets and product packaging

SUSTAINABILITY TARGETS

Improvement of working conditions and inclusion



Absorbent dispensers in all global locations



More women in the technological sectors with the 'Mentorship STEM' programme



More space for mental and physical well-being in main offices

SUSTAINABILITY TARGETS

Community Involvement and Social Responsibility



Increase in corporate charity initiatives



Programme dedicated to innovation and sustainability in schools

SUSTAINABILITY TARGETS

Innovation and Technological Sustainability



Investments in R&D for green technologies and reduction of energy consumption in IT and aerospace



Collaboration with start-ups for innovative solutions on sustainability

SUSTAINABILITY TARGETS

Transparency and stakeholder engagement



Annual publication of ESG report with measurable objectives and results



Quarterly workshops with employees and stakeholders to define sustainability priorities

BASIS FOR PREPARATION

General basis for preparation of sustainability statements

ESRS 1, ESRS 2 BP-1
GRI 2-22, GRI 2-27,
GRI 3-2

In line with ESRS Standard 1 - General Requirements and, in parallel, GRI Standard 1 - Foundation, the information reported meets the requirements of:

- Relevance,
- Faithful representation,
- Comparability,
- Verifiability,
- Comprehensibility.

[READ MORE](#)

The company uses internationally recognised indicators to assess its ESG performance: in particular, it uses the GRI, the Global Reporting Initiative standards. The outcome of the ESG performance assessment is communicated to both internal and external stakeholders of the company through the Sustainability Report.

The company collects its ESG results in a sustainability report, as it is subject to the CSRD, and publishes it on its website, at www.txtgroup.com. The company has been preparing the sustainability report annually since 2018.

The company prepares financial statements in **consolidated** form. This report takes into consideration the parent company TXT e-solutions S.p.A. and some of its subsidiaries, as shown in the table below, excluding DM Management & Consulting, NewPos Europe, Pace America Inc, Pace Asia, Pace Canada, PGMD, PRO - SIM TS, Tlogos, TXT Arcan, TXT e-solutions S.a. r.l., TXT Healthprobe S.r.l., TXT Next Ltd, TXT Next S.a.r.l., TXT Risk Solutions S.r.l. and TXT Working Capital Solutions S.r.l..

Although included in the scope of accounting consolidation, these companies are not necessary for the purpose of understanding the Group's business, its performance, its results and the impact of its activities: in fact, the socio-economic and environmental impacts of these companies are not considered significant due to their low incidence in terms of number of employees and type of activity.

Furthermore, during the reporting period, the corporate structure was being reorganised, therefore only the stable corporate structure was photographed. The company will undertake to reanalyse and report on the entire group at a later date, in the next sustainability report.

Companies included in the scope of consolidation of the sustainability report (headquarter)	Town	Prov	Country	N° of sites, including the registered office, included in the report
TXT e-solution S.p.A.	Cologno Monzese	MI	Italy	3
Assiopay S.r.l.	Torino	TO	Italy	2
Fastcode S.p.A.	Modena	MO	Italy	3
Hspi S.p.A.	Bologna	BO	Italy	9
Lba Consulting S.r.l.	Borgomanero	NO	Italy	4
Pace aerospace engineering and information technology GMBH	Berlino		Germany	1
Soluzioni Prodotti Sistemi S.r.l.	Fiumicino	RM	Italy	7
Teratron GmbH	Gummersbach		Germany	1
TXT Assioma S.r.l.	Torino	TO	Italy	3
TXT E-Swiss Sa	Chiasso		Swiss	1
TXT E-Tech S.r.l.	Cologno Monzese	MI	Italy	6
TXT Ennova S.p.A.	Torino	TO	Italy	8
TXT Novigo S.r.l.	Brescia	BS	Italy	2
TXT Quence S.r.l.	Cologno Monzese	MI	Italy	3

Relevant information on the value chain and ESG activities

The company is working to identify, monitor and involve its value chain from an ESG perspective. It has identified the key actions it carries out with regard to the various entities that make it up and has taken into account the impacts, risks and opportunities deriving from it in the context of the double materiality analysis for the purpose of identifying relevant issues (see following table).

Over the next 3 years, the company is committed to collecting data from its activities in relation to the value chain and to reporting the metrics and results.

Value chain UPSTREAM		
Key Partners	Key activities	Functions involved
Raw material suppliers (Key resources)	<ul style="list-style-type: none"> Encourage suppliers to share ESG data and strategies for a more sustainable supply chain. Adopt a supplier selection process that, in addition to economic criteria, also integrates ethical and sustainable aspects, favouring local partners or those with low-emission logistics. 	MANAGEMENT, PROCUREMENT, LEGAL, OPERATIONS
Service providers	<ul style="list-style-type: none"> Optimise logistics. Align procedures and expectations with an ESG perspective. 	MANAGEMENT, PROCUREMENT, LEGAL, OPERATIONS
Subsidiaries	<ul style="list-style-type: none"> Align procedures and expectations with an ESG perspective Collaborate on innovation with an ESG perspective Test production alternatives and supply with less impact than the current ones 	MANAGEMENT, PROCUREMENT, LEGAL, OPERATIONS
Investors and banks	<ul style="list-style-type: none"> Obtaining global ESG certifications to attest to the commitment to sustainable business practices Investments in green innovation projects through clean technologies and solutions with low environmental impact to attract sustainable investments Adoption of company policies that promote energy efficiency, the use of renewable resources and sustainable waste management 	MANAGEMENT, PROCUREMENT, LEGAL,

Internal stakeholders	Key activities directly concerning the internal organisation of the company, for the management of ESG issues in relation to the 'Value proposition'	Functions involved
Owners and shareholders	<ul style="list-style-type: none"> Creation of an ESG Committee within the Board of Directors that defines, supervises and makes transparent the environmental, social and governance objectives with periodic reports 	MANAGEMENT, LEGAL
Management and executives	<ul style="list-style-type: none"> Establish concrete objectives, such as reducing CO₂ emissions or increasing the use of recycled materials, defining specific targets and deadlines for their achievement Participate in courses to improve resource management, optimise operational efficiency, reduce waste and promote sustainable business practices 	MANAGEMENT, LEGAL
Employees	<ul style="list-style-type: none"> Implementation of ergonomics and prevention programmes to reduce occupational accidents and illnesses, with periodic training on safety, first aid and stress management Continuous training programmes on ESG practices for all employees, with incentives for sustainable initiatives proposed by the staff (e.g. waste reduction, energy efficiency) Company benefits for employees, including flexible working, psychological support and agreements for health or sports services. Internal surveys and active listening to improve the quality of work and corporate well-being 	MANAGEMENT, HUMAN RESOURCES, LEGAL
Trade unions and workers' representatives	<ul style="list-style-type: none"> Promote regular meetings with unions and worker representatives to discuss and address key concerns Include clauses regarding sustainable practices, equal pay, and occupational health and safety in union negotiations Establish secure and anonymous channels for reporting any violations of workers' rights, involving unions and representatives in the monitoring and response process 	MANAGEMENT, PROCUREMENT, LEGAL, HUMAN RESOURCES
Certification and quality bodies	<ul style="list-style-type: none"> Adoption of certified environmental standards (e.g. ISO 14001), reduction of the environmental impact of production processes and use of sustainable raw materials Compliance with safety and human rights standards (ISO 45001, SA8000) Quality certifications (ISO 9001), ESG audits and transparent reporting (GRI, SASB) 	MANAGEMENT, LEGAL, CUSTOMER CARE OPERATION

Value chain at VALLEY	Key activities	Functions involved
Strategic customers	<ul style="list-style-type: none"> Assessing the propensity towards ESG issues Defining moments for regular listening and discussion 	MANAGEMENT, LEGAL, MARKETING, SALES, CUSTOMER CARE
Customers	<ul style="list-style-type: none"> Offering sustainable products and services, reducing packaging and carbon footprint, promoting the circular economy Ensuring product safety and quality, accessibility, personal data protection and improving the user experience Adopt ethical business practices, communicate transparently and comply with regulations on privacy and consumer rights. 	MANAGEMENT, LEGAL, MARKETING, SALES, CUSTOMER CARE
Logistics (Channel)	<ul style="list-style-type: none"> Provide reconditioning and/or refurbishing solutions for products with a view to implementing the circular economy to reduce the storage of technological waste and reuse components to produce new hardware. 	MANAGEMENT, LEGAL, MARKETING, SALES, CUSTOMER CARE, OPERATION

BASIS FOR PREPARATION

Disclosures in relation to specific circumstances

ESRS 2 BP-2
GRI 307

Where it was considered significant, the data has been highlighted in a comparative manner with respect to the previous two years and for actions that extend into the future, short-term (within one year), medium-term (within 5 years) and long-term (over 5 years) time horizons have been considered.

The company underwent a sustainability performance assessment by Ecovadis, obtaining a score of 36/100 in 2024.

With a view to sustainability, the company has set aside a budget of €12,000/13,000 to improve its ESG performance in 2025.

In the table below, the information elements that have been included by reference.

Elements of information	ESRS reference	Report page
List of relevant issues from AR16	ESRS 2 SBM-3	70
Sustainability objectives and deadlines	ESRS 2 MDR-T	39
Policies for managing relevant issues	ESRS 2 MDR-P	75
Actions to manage relevant issues	ESRS 2 MDR-A	77

Metrics for measuring ESG impacts

READ MORE

Sustainability reports use different metrics to assess and monitor the environmental, social and governance (ESG) impacts of organisations. The metrics are based on international standards such as the **Global Reporting Initiative (GRI)**, the **Sustainability Accounting Standards Board (SASB)**, the **Task Force on Climate-related Financial Disclosures (TCFD)** and the **Greenhouse Gas (GHG) Protocol** for measuring greenhouse gas emissions. In addition, the **European Sustainability Reporting Standards (ESRS)**, developed under the **Corporate Sustainability Reporting Directive (CSRD)**, provide a regulatory framework for ESG reporting in Europe. The metrics are also aligned with the **United Nations Sustainable Development Goals (SDGs)**, promoting sustainable and responsible business practices.

The link lists the main metrics used to measure impacts in the various areas of interest (environmental, social and governance), with the related units of measurement and benchmarks.

GOVERNANCE

The role of the administrative, management and supervisory bodies

ESRS 2 GOV-1
GRI 2-9, GRI 2-25,
GRI 405-1

The company is led by the Board of Directors, composed of 7 members, 3 of whom are independent.

There are three women on the governing body, while the average age of the members of the governing bodies is over 50.

In the table, the demographic analysis of the composition of the company’s governing body.

Age group	Men	Women
Up to 30 years	/	/
30-50 years	2	/
Over 50 years	2	3

The company has embarked on a path dedicated to sustainability, thanks to the support of a team of consultants specialising in ESG, bringing the first skills on the subject into the company.

The administrative, management and control bodies and senior management oversee the definition of objectives related to relevant impacts, risks and opportunities, and the progress made in achieving them.

In relation to the relationship between corporate governance and sustainability issues, in the absence of reference figures or ad hoc units, other functions have also been tasked with dealing with sustainability issues. The final responsibility for social and environmental policies lies with a member of the senior management or the Board of Directors: the Chairman of the Board of Directors has been delegated the responsibility for the organisation of the Company’s full compliance with environmental protection and pollution prevention regulations.

VIEW TXT ORGANISATION CHART

STRUCTURE SUSTAINABILITY CONTROL



In the table below, the competences possessed by the Company's administrative, management and control bodies, subdivided by environmental, social and governance area and thematic skills.

TXT E-Solutions Group ESG competences	Environmental (E)	Social (S)	Governance (G)
An analysis of the CVs of the administrators of TXT e-Solutions highlights a solid wealth of skills in the area of Governance (G), supported by a strong commitment in the Social (S) field. The Environmental (E) area is enhanced by the presence of Antonella Sutti, who brings specialised skills in environmental sustainability and ISO 14001 certification management.	<p>Antonella Sutti: many years of experience in managing ISO 14001 certifications, in environmental safety and in managing environmental issues in complex business contexts. She actively contributes to operational sustainability and environmental regulatory compliance. The other members of the Board of Directors bring valuable experience in areas that can positively influence environmental sustainability, such as digital innovation in energy-intensive sectors (Daniele Stefano Misani) and the management of efficient business processes (Enrico Magni).</p>	<p>Daniele Stefano Misani e Michela Costa have many years of experience in the field of inclusivity and organisational well-being, thanks to their ability to create digitalised and inclusive work environments, promoting the well-being of employees.</p> <p>Antonietta Arienti has experience in human resources management and during her professional career she has carried out projects for the enhancement of human capital and the improvement of the work environment.</p> <p>Antolella Sutti has experience in the field of workers' health and safety and has contributed to the creation of safe work environments that comply with safety standards.</p>	<p>The Board of Directors of TXT e-Solutions excels in the field of Governance, guaranteeing transparency, regulatory compliance and effective strategic management. In particular:</p> <p>Matteo Magni is a specialist in corporate risk management and the evaluation of sustainable growth strategies.</p> <p>Antonietta Arienti: stands out for her expertise in regulatory compliance and administrative responsibility.</p> <p>Antonella Sutti: makes a significant contribution to legal compliance and corporate transparency, in particular with regard to Legislative Decree 231/01.</p>

TXT E-Solutions Group ESG competences	Environmental (E)	Social (S)	Governance (G)
<p>Executive in charge: Eugenio Forcinito as CFO of the TXT e-Solutions Group, brings significant added value to the company's ESG strategy. His expertise in monitoring environmental KPIs, managing sustainable finance and regulatory compliance directly supports the achievement of Sustainability Targets, helping to create value for all stakeholders and ensuring compliance with sustainability reporting requirements. In particular, he stands out for his experience and expertise in the areas specified alongside.</p>	<p>Sustainable Finance Management: Experience in the evaluation and monitoring of environmental KPIs related to company performance.</p> <p>Support for Green Projects: Collaboration in the financial planning of projects that promote energy efficiency and the reduction of environmental impact.</p> <p>Knowledge of EU Taxonomy: Contribution to financial reporting in accordance with European standards for sustainable activities (EU Taxonomy Regulation).</p>	<p>Human Capital Management: Implementation of financial policies that guarantee fair pay and transparency.</p> <p>Stakeholder Engagement: Promotion of clear and data-based communication with investors and other company stakeholders.</p> <p>Organisational Wellbeing: Financial support for initiatives that improve employee wellbeing and the working environment.</p>	<p>Regulatory Compliance: Ensuring that financial reporting is aligned with ESG regulations and sustainability standards (ESRS, CSRD).</p> <p>ESG Risk Management: Integrating ESG criteria into business risk assessment and strategic planning.</p> <p>Financial Transparency: Promoting transparency in financial statements and corporate reports, ensuring clear and reliable reporting.</p>
<p>BOARD OF STATUTORY AUDITORS The TXT e-Solutions Board of Statutory Auditors makes a significant contribution to the Governance (G) and Social (S) areas, with skills that support corporate transparency and organisational well-being. In the Environmental (E) area, the Board plays an important role in supervising regulatory compliance and validating sustainability data.</p>	<p>Francesco Maria Scornajenchi: Experience in supervising environmental regulatory compliance processes and monitoring the application of European regulations (e.g. EU Taxonomy Regulation, CSRD).</p> <p>Franco Vergani: Support for sustainability reporting, with a focus on the validation of environmental data.</p> <p>Giada D'Onofrio: Contribution to the verification of compliance with ISO standards, such as ISO 14001, guaranteeing the reliability of sustainability data.</p>	<p>Fabio M. Palmieri: Monitoring of company practices for health and safety at work, ensuring compliance with organisational welfare standards.</p> <p>Nadia Raschetti: Review of company processes to ensure transparency and inclusiveness in personnel policies, promoting stakeholder involvement.</p> <p>Edda Delon: Experience in promoting social initiatives and supporting social governance by monitoring the impact of company policies on internal and external stakeholders.</p>	<p>Francesco Maria Scornajenchi: Excellence in regulatory compliance control, ensuring that financial and non-financial reporting meets ESG requirements.</p> <p>Franco Vergani: Supervising the integration of ESG risks into the company strategy, with a focus on transparent governance.</p> <p>Giada D'Onofrio: Promoting governance oriented towards corporate responsibility, contributing to investor confidence and transparency of operations.</p>



Introduction of an ESG Manager in the company by 2025

Among the objectives that the company has set itself for 2025 is that of introducing a dedicated figure into the company organisation to guide the working group and deal specifically with sustainability issues.

This person will be assigned the task of coordinating, monitoring and verifying the company's actions from a sustainability perspective and providing the Management with the necessary tools to guide future strategies from an ESG perspective.

The introduction of this role demonstrates the company's great sensitivity towards these issues, which are increasingly becoming part of the business strategies and policies of companies looking towards a sustainable future.

GOVERNANCE

Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

ESRS 2 GOV-2
GRI 2-25

The company has adopted a platform for collecting the data necessary for the preparation of this Sustainability Report.

The dedicated information system guarantees the solidity and full traceability of the data collection and consolidation process, also in relation to the analysis of double materiality (see Focus on the next page).

The collection activity was carried out with the contribution of all company departments and was supported by a team of experts to ensure that the issues were understood.

The use of the platform allows the control body and the Board of Directors to check the status of progress of data collection in real time, to make an internal assessment of performance in the various areas of sustainability and to compare data over time.

In particular:

Addressee	Frequency	Function involved with access to the platform
Board of Directors	<ul style="list-style-type: none">• Every 3 months• Constant access to the platform	<ul style="list-style-type: none">• Internal committee• Function in charge
Board of Statutory Auditors	<ul style="list-style-type: none">• Every 3 months• Constant access to the platform	<ul style="list-style-type: none">• Internal committee• Function in charge
Independent Auditors	<ul style="list-style-type: none">• Alignment 2 months before report approval• Delivery of draft report 30 days before approval	<ul style="list-style-type: none">• Board of Directors
Parent Company	<ul style="list-style-type: none">• Every 4 months• Constant access to the platform	<ul style="list-style-type: none">• Internal committee• Function in charge

GOVERNANCE

Integration of sustainability-related performance in incentive schemes

ESRS 2 GOV-3
GRI 2-9

Integrating sustainability performance into incentive systems is a key element in aligning business objectives with contemporary global challenges. The link between sustainable performance and incentives can help promote behaviour and decisions in line with responsible and sustainable growth, orienting corporate leadership towards the achievement of integrated economic, social and environmental objectives.

The Group has a **remuneration policy** that establishes the principles and guidelines for monitoring the implementation of remuneration practices: the policy is defined in such a way as to align the interests of Management with those of the shareholders, pursuing the priority objective of creating sustainable value in the medium to long term, strictly linking compensation to individual and Group performance.

The fixed and variable components are appropriately balanced based on the strategic objectives and the risk management policy, also taking into account the software and IT services sector in which TXT Group and the group companies operate, as well as the nature of the business carried out.

Although a variable portion is therefore provided for in relation to the achievement of objectives and performance, at the moment the remuneration of the CEO and the other members of the governing body is not yet linked to the achievement of any ESG objectives, but the company intends to integrate this parameter into the incentive systems over the next 3 years.

GOVERNANCE

Statement on due diligence

ESRS 2 GOV-4
GRI 2-22

Due diligence is the process by which enterprises **identify, prevent, mitigate** and account for how they address the actual and potential negative impacts on the environment and on people related to their operations. Impacts include negative ones connected to the company's own operations and to the upstream and downstream **value chain**, including through its products or services and its commercial relationships.

The due diligence is a **continuous process** that responds to the company's strategy and model, its activities, commercial relationships, the operational context and that of procurement and sales, and can be the source of changes in all these aspects.

The company adopts the duty of care in the information disclosure phase and integrates it into the assessments as per the regulations and the following table.

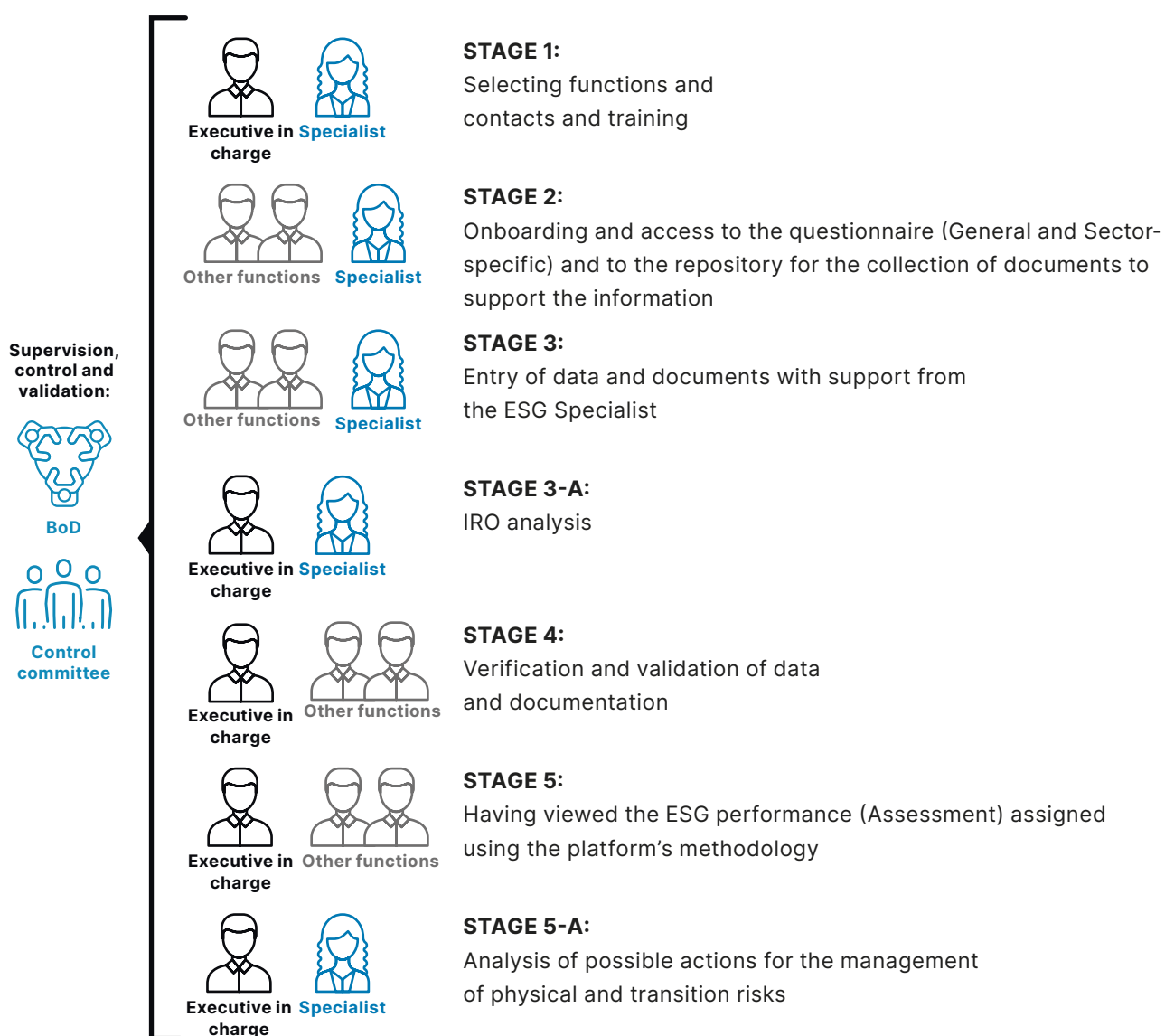
Fundamental elements of due diligence	Paragraphs in the sustainability declaration
Integrate due diligence into governance, strategy and business model	ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
Involve stakeholders in all key stages of due diligence	ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, ESRS 2 MDR-P, ESRS S1-2, ESRS S2-2, ESRS S3-2, ESRS S4-2
Identify and assess negative impacts	ESRS 2 IRO-1, ESRS 2 SBM-3
Take action to address negative impacts	ESRS 2 MDR-A, ESRS E1-1, ESRS E1-3, ESRS E2-2, ESRS E3-2, ESRS E4-3, ESRS E5-2, ESRS S1-3, ESRS S1-4, ESRS S2-3, ESRS S2-4, ESRS S3-3, ESRS S3-4, ESRS S4-3, ESRS S4-4, ESRS G1-3
Monitor the effectiveness of actions and communicate	ESRS 2 MDR-M, ESRS 2 MDR-T, ESRS E1-4/9, ESRS E2-3/6, ESRS E3-3/5, ESRS E4-4/6, ESRS E5-3/6, ESRS S1-5/17, ESRS S2-5, ESRS S3-5, ESRS S4-5, ESRS G1-4/6

GOVERNANCE

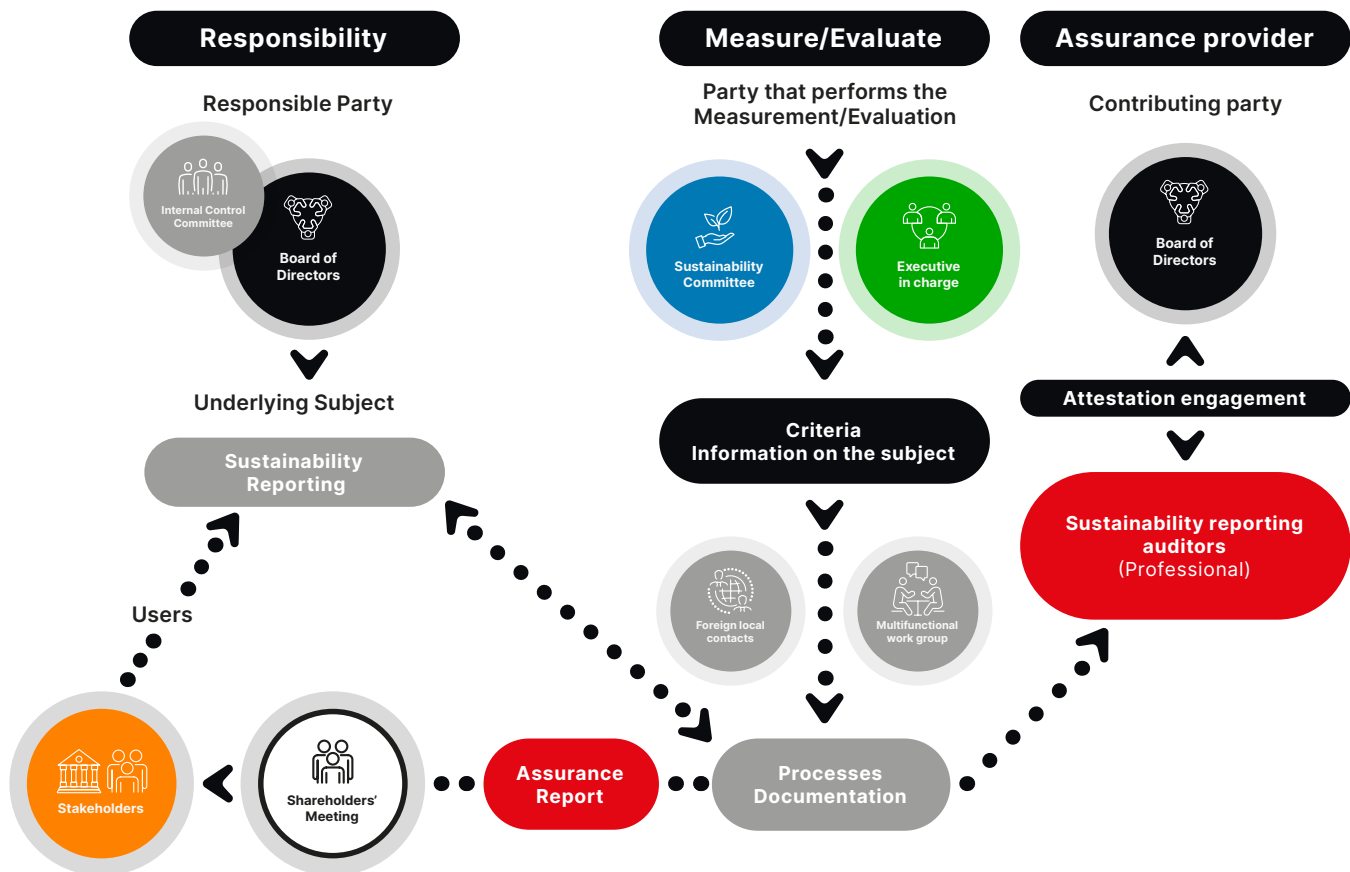
Risk management and internal controls over sustainability reporting

ESRS 2 GOV-5
GRI 2-5, GRI 201-2

To ensure the **effectiveness of internal controls** on sustainability reporting, risk management and the reliability of the information disclosed, the company has applied the following methodology, **guaranteed by the use of the platform**:



The platform is accessible to the internal functions in charge of verification and to the auditors of the sustainability report.



The company for the limited review of the sustainability report is Crowe Bompani S.p.A..

The company has an internal control system: in particular, it has an Internal Audit Function and also has accounting and financial controls, regulatory compliance management systems, operational control systems and IT (Information Technology) control systems.

The Risks and Internal Controls Committee supports the Board of Directors in relation to the internal control system and the approval of the year-end financial statements and half-yearly reports, as it monitors the company's activities in general, and also has an advisory and propositional role.

In particular, according to the Code of Conduct for Listed Companies, the Internal Risks and Controls Committee has been assigned the following tasks:

- assist the Board of Directors** in identifying the guidelines of the internal control and risk management system and verify its adequacy and effectiveness from time to time, in order to ensure that the main business risks are adequately identified and managed;
- assess the correct application** of accounting standards and their consistency for the purposes of preparing the consolidated financial statements, together with the

manager responsible for preparing the company's financial reports, after consulting the independent auditors and the board of statutory auditors;

c) **Expressing an opinion** on specific issues regarding the identification of the main business risks;

d) **Examining** the periodic reports on the evaluation of the internal control and risk management system and the specific internal audit reports;

e) **Monitoring** the autonomy, adequacy, effectiveness and efficiency of the internal audit function;

f) **requesting that the internal audit function** - if necessary - carry out inspections on specific operational areas, promptly informing the Chairman of the Board of Statutory Auditors;

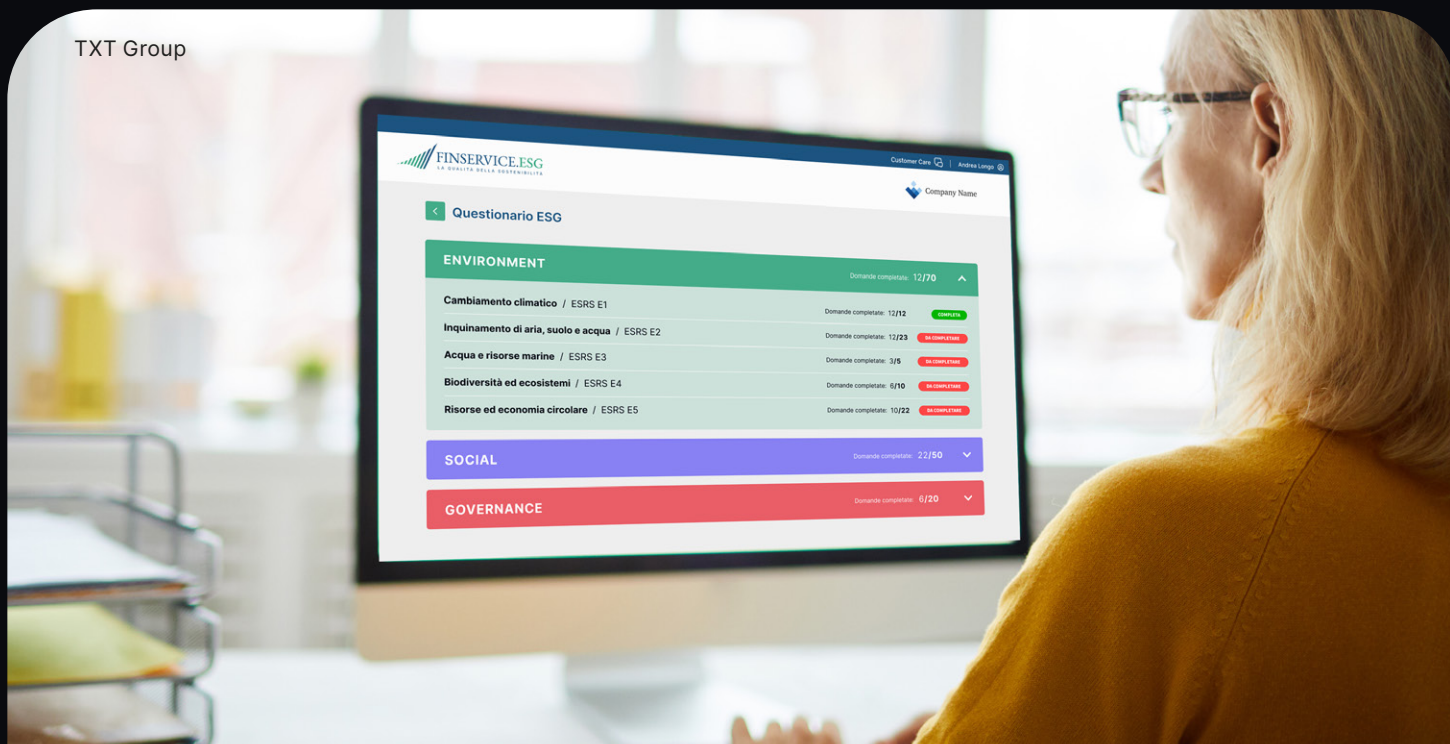
g) **report to the Board of Directors**, at least every six months, when the year-end financial statements, the annual financial statements and the half-yearly report are approved, on the adequacy of the internal control and risk management system;

h) **assess** the position and ensure the effective independence of the Director in charge of the Internal Control and Risk Management System, on the basis of the provisions of Legislative Decree no. 231/2001 on the administrative liability of companies;

i) **evaluate**, with the assistance of the head of the administrative departments and the head of internal audit, the proposals made by the Independent Auditors to be awarded the auditing assignment, advising the Board on the question to be submitted by the latter to the Shareholders' Meeting;

j) **supporting the assessments** and decisions of the Board of Directors with regard to the management of risks arising from prejudicial facts of which the Board itself has become aware, with an adequate information gathering activity.

The Risks and Internal Controls Committee must carry out its duties in a completely autonomous and independent manner, both from the CEO (as regards issues relating to company integrity) and from the Independent Auditing Firm (as regards the evaluation of the results mentioned in the report and in the letter of recommendations).



Transparency and accessibility of information: The data collection process in a dedicated area on the Finservice ESG platform

The ESG platform is designed to record data accurately and to guarantee the quality of the information, in accordance with the reporting criteria required by the CSRD (Corporate Sustainability Reporting Directive).

The process is based on the company filling in an ESG questionnaire with the **support of an ESG Specialist**: the questionnaire is divided into two parts, one general and one specific to the company's sector.

The collection of data is accompanied by in-depth analyses and interviews, as well as the creation of a dedicated repository, which collects documentation relating to the various topics (policies, certifications, scores, marketing materials, etc.).

The **analysis of double materiality** is also conducted using a special tool available on the platform, structured to provide a complete view of the relevance of ESG issues, in terms of impacts, risks and opportunities.

The platform provides an **ESG score** and performance indicators to guide the company in defining sustainability priorities and objectives to be achieved.

STRATEGY

Interests and views of stakeholders

ESRS 2 SBM-2

GRI 2-29

Stakeholders are those who can influence or be influenced by the company. The company's commitment to its stakeholders is fundamental for the due diligence process and for evaluating material issues. This involvement allows the identification and evaluation of actual and potential negative impacts that are then included in the sustainability report.

The following table shows the company's stakeholders, the communication tools and channels that the company uses to communicate, starting from the report, the activities considered relevant that it carries out immediately and during the medium/long-term ESG process.

In addition to the stakeholders shown below, there is also 'Nature', which can be considered a silent stakeholder. In this case, the assessment of the company's relevance is based on ecological data and data relating to species conservation.

READ MORE

The company has policies and/or practices regarding governance and, more specifically, regarding the regular **consultation of stakeholders**.

In the same Code of Ethics, the company identifies its internal and external stakeholders and involves them and shares with them strategic choices and those connected to sustainability issues: the same agenda of those responsible for the financial area includes periodic meetings with banks and investors. Furthermore, as it is listed, it has an obligation of transparency of information towards its shareholders and the Board of Directors.

STRATEGY

Stakeholders selected by the Company

Stakeholder	Functions involved	Expectations	Activities	Engagement Tools	Answers
Members and Investors	Administration Finance Investor Relations	Profitability Value growth Transparency	Financial reporting Meetings Periodic meetings	Budgets Press Releases Roadshows	Sharing of information Listening to needs Setting performance goals
Employees, collaborators and unions	HR Organization Industrial Relations	Occupational well-being Professional development Protection of rights	Training Corporate welfare Confrontation with representations	Intranet Regular meetings Climate surveys	Improving working conditions Investment in skills development Openness to dialogue
Suppliers and Business Partners	Purchasing Logistics Quality	Long-term relationships Fair contractual conditions Support in development	Evaluation and selection of suppliers Capacity building programs Collaboration on innovative projects	Operational meetings and briefings Supplier portal Audits and site visits	Development of strategic partnerships Sharing of goals and best practices Support for continuous improvement
Customers	Marketing Sales Customer Service	Quality products/services Satisfactory purchasing experience Attention to needs and feedback	Customer satisfaction surveys Loyalty programs Communication and service channels	Surveys Focus groups Customer portal Social Medium	Continuous improvement of products/services Personalization of the experience Timely handling of complaints
Community and Territory	External Relations Social Responsibility Environment	Positive impact on the community Social responsibility initiatives	Local development projects Volunteer activities Sponsorships and donations	Events and public meetings Local Medium communication Website and social Medium	Active involvement in the community Support for social and environmental initiatives Enhancement of the local area
Banking and finance	Administration Investor Relations	Financial soundness Ability to repay Transparency	Financial reporting Regular meetings Funding negotiations	Budgets Company presentations Company visits	Sharing of financial information Demonstration of ability to generate cash flow Building relationships of trust
Bodies and Institutions	Legal Affairs Institutional Relations Compliance	Compliance with regulations Collaboration on projects Contribution to development	Participation in comparison tables Membership in industry initiatives Compliance with regulations	Official communications Meetings and hearings Participation in calls for proposals and programs	Compliance with laws and regulations Contribution to the development of sector policies Collaboration on issues of common interest

STRATEGY

Material impacts, risks and opportunities and their interaction with strategy and business model

| ESRS 2 SBM-3

The assessment of double materiality, based on ESRS, represents the starting point for sustainability reporting in application of CSRD criteria.

The company was asked to consider the impact of its activities from an **inside-out** perspective, i.e. with regard to the negative or positive, actual or potential impacts on people or the environment in the short, medium or long term. Impacts include those connected to the company's own operations and to the upstream and downstream value chain, including through its products and services and its business relationships. Business relationships include those in the company's value chain, upstream and downstream, and are not limited to direct contractual relationships.

The assessment of financial relevance (**outside-in perspective**) carried out by the company was based on the principle that a sustainability issue is relevant if it involves or can reasonably be expected to involve significant financial effects on the company, or generates risks or opportunities that have or could have an influence on the company's development, its financial position, economic result, on cash flows, on access to financing or on the cost of capital in the short, medium or long term and, furthermore, if its omission, misstatement or concealment could influence the decisions that the main users of the financial reports make, based on the company's sustainability statement.

Double relevance principle

INSIDE-OUT

Impact relevance

Evaluate the significant impacts of the company, negative or positive, actual or potential, on people or the environment in the short, medium or long term - including those connected to the upstream and downstream value chain.



OUTSIDE-IN

Financial relevance

Assess whether the terms of sustainability generate risks and opportunities that have - or can reasonably be expected to have - a significant influence on the development of the company, on its economic and financial situation, on its cash flows, on its access to financing or on the cost of capital in the short, medium or long term.

Time horizon: Short, medium and long term

Adequate qualitative and quantitative thresholds, in line with regulations



Involvement of stakeholders inside and outside the company

The Group considers and analyses the various risks to which it is subject, taking into consideration:



- IT risks;
- market risks
- financial risks;
- liquidity risks;
- risks related to physical and transition climate change;
- social risks;
- ethical risks.

The company is able to manage the risks considered and has implemented an **Enterprise Risk Management** system.

Outcome of the analysis assessing impacts, risks, and opportunities, as well as relevant sustainability issues





The outcome of the analysis of impacts, risks and opportunities carried out by the company in relation to sustainability issues and sub-topics is presented below, through a double materiality assessment and the assignment of relevance (see disclosure requirement IRO-1).

Impacts, risks and opportunities in the environmental sector


Positive and negative impacts(INSIDE OUT)					
Topic	Sub-topic	IRO Description	Positive/ Negative Impact	Proposed typology (real/ potential)	Relevance
ESRS E1 - Climate change	Climate change adaptation	Positive impacts related to adaptation to climate change can be generated by contributing to raising society's awareness of climate change through dissemination and awareness-raising activities for citizens and businesses.	Positive impact	Potential	
	Energy	Positive impacts can be generated in relation to energy consumption and the energy mix through the purchase of energy from renewable sources, which contributes to the demand for green energy. This support for the production of clean energy encourages the development of sustainable infrastructures and promotes innovation in the energy sector.	Positive impact	Potential	


Relevance: 1 Minimum 2 Low 3 Medium 4 High 5 Absolute


 Negative - Risk  Positive - Opportunity  Negative - Negative impact  Positive - Positive impact


Risks and opportunities (OUTSIDE IN)					
Topic	Sub-topic	IRO Description	Risk/ Opportunity	Proposed typology (real/ potential)	Relevance
ESRS E1 -Climate change	Climate change mitigation	The attention in the market to the issues of reducing GHG emissions could generate opportunities deriving from the offer of services focused on mitigation and support for mitigation projects, meeting the interest and attention of business and retail customers.	Opportunity	Potential	
	Climate change mitigation	A company can incur reputational risks if it does not contribute adequately to reducing emissions, lacks a long-term strategy for energy transition, is not transparent in its communications or practices greenwashing. This behaviour can attract criticism from the market, NGOs and the Medium, increasing the costs to restore the damaged reputation.	Risk	Potential	
	Climate change adaptation	An operational risk can be generated due to interruptions or reductions in operations, internal malfunctions, damage to company assets and/or interruption of services and the supply chain following extreme and progressive climatic events, increasing the business continuity risk for sites and agencies.	Risk	Potential	
	Energy	A financial opportunity can be generated by adopting low energy impact business practices, such as self-production of energy using photovoltaic panels, allowing a significant reduction in operating costs thanks to the reduction in energy consumption.	Opportunity	Potential	

Relevance:  1 Minimum  2 Low  3 Medium  4 High  5 Absolute

 Negative - Risk






 Positive - Opportunity


 Negative - Negative impact


 Positive - Positive impact

Impacts, risks and opportunities in the social sector


Positive and negative impacts (INSIDE OUT)



Topic	Sub-topic	IRO Description	Positive/ Negative Impact	Proposed typology (real/ potential)	Relevance
ESRS S1 - Own Workforce	Working conditions	Negative impacts on working conditions can result from the absence of practices and processes that promote a work-life balance. This includes poor flexibility in working hours, limitations on childcare and restrictions on the use of leave, negatively affecting the well-being of workers.	Negative impact	Potential	
	Working conditions	Negative impacts on working conditions can result from the absence of adequate health and safety practices and processes. This includes an increased risk of workplace accidents due to insufficient preventive measures, lack of safety training, and poor attention to organisational well-being, which can lead to stress and psychological distress among workers.	Negative impact	Potential	
	Working conditions	Positive impacts on working conditions can be generated through policies and processes that promote: - Secure employment: Employment stability through quality labour contracts. - Social dialogue and freedom of association: Worker representation, communication channels and freedom of association. - Collective bargaining: Working conditions regulated by collective agreements, with social protection for employees.	Positive impact	Potential	
	Working conditions	Positive impacts on working conditions can result from policies that promote a balance between professional and private life. This includes initiatives such as corporate welfare, flexible working hours, smart-working, access to childcare and the use of leave, which increase productivity, motivation and employee loyalty.	Positive impact	Potential	
	Other labour-related rights (privacy only)	Positive impacts on working conditions can be generated through policies and actions that focus on: - Health and safety: accident prevention, effective accident management and accessible health and safety training. - Confidentiality: protection of personnel data through policies and agreements to prevent the misuse of confidential information. - The company can also set objectives to effectively manage these positive impacts on the workforce.	Positive impact	Potential	

 Negative - Risk

 Positive - Opportunity






 Negative - Negative impact

 Positive - Positive impact




Positive and negative impacts (INSIDE OUT)					
Topic	Sub-topic	IRO Description	Positive/ Negative Impact	Proposed typology (real/ potential)	Relevance
ESRS S1 - Own Workforce	Equal treatment and opportunities for all	<p>Positive impacts on equal treatment and equal opportunity can be generated through:</p> <ul style="list-style-type: none"> - Fair and inclusive work environment: Actions to remove disparities and create a safe environment. - Fair remuneration policies: Pay audits to ensure gender equality and female empowerment programmes. - Talent management: Training programmes to enhance employees' potential. - Reporting channels: Implementation of internal channels to report discrimination and harassment. - Equal Opportunity for workers with disabilities: Inclusion and awareness initiatives to ensure equal opportunity. 	Positive impact	Potential	
ESRS S4 - Consumers and end-users	Impacts related to information for consumers and/or end users (Privacy and Access to quality information)	<p>A negative impact can be generated in relation to information for consumers and/or end users, for example, through the loss, improper dissemination, improper use and inadequate protection of customer data.</p>	Negative impact	Potential	

Relevance: 1 Minimum 2 Low 3 Medium 4 High 5 Absolute

 Negative - Risk Positive - Opportunity Negative - Negative impact Positive - Positive impact

Risks and opportunities (OUTSIDE IN)					
Topic	Sub-topic	IRO Description	Risk/ Opportunity	Proposed typology (real/ potential)	Relevance (1-5)
ESRS S1 - Own Workforce	Other labour- related rights (privacy only)	Reputational impacts related to working conditions can result from: - Negative company climate: Strained union relations, strikes and work stoppages that negatively affect productivity. - Difficulty attracting and retaining talent: Inability to attract and retain key professionals. - Breaches of confidentiality: Compromise of data and violation of employee privacy, for example through the improper use of health data..	Risk	Potential	
	Equal treatment and opportunities for all	A financial Opportunity can be generated as a result of actions related to Equal treatment and opportunities for all, for example, through: - improvement in employee performance / increased productivity (e.g. due to gender diversity on the board, due to the development of specific skills...) - decrease in personnel selection costs as a result of increased talent retention and employee loyalty	Opportunity	Potential	
ESRS S4 - Consumers and end- users	Impacts related to information for consumers and/or end users	Reputational risk can arise if a company limits the freedom of expression of its customers, violating their rights. This can compromise customer trust, reduce loyalty, damage the brand's reputation and lead to negative economic consequences, such as decreased sales and loss of market share.	Risk	Potential	
	Valorisation and responsible use of data	An operational risk may be generated due to loss of confidentiality compromise by cyber attack or data breach	Risk	Potential	
	Valorisation and responsible use of data	A reputational risk may be generated linked to confidentiality compromise by cyber attack or data breach	Risk	Potential	

Impacts, risks and opportunities in the governance sector

Risks and opportunities (OUTSIDE IN)					
Topic	Sub-topic	IRO Description	Risk/ Opportunity	Proposed typology (real/ potential)	Relevance (1-5)
ESRS G1 - Business Conduct	Business culture and supplier relationship management, including payment practices	A financial opportunity can derive from the company culture and from the management of relationships with suppliers through: - Regulatory compliance and integrity: Alignment with ethical standards that improves the market position. - Cost reduction: Building partnership relationships based on fairness and transparency, improving the quality of supplies. - Increased stakeholder confidence: Developing and promoting a corporate culture with high ethical standards, effectively communicated to all employees.	Opportunity	Potential	
	Business culture and supplier relationship management, including payment practices	An operational risk related to the corporate culture can be generated, for example, through an increase in costs (including legal costs to deal with sanctions/fines) due to difficulties in adapting to legislative and regulatory developments, with particular reference to emerging issues such as climate change, the risks of biodiversity and nature-related loss, artificial intelligence, and greenwashing events.	Risk	Potential	
	Business culture and supplier relationship management, including payment practices	Reputational risk can arise from corporate culture and from the management of relationships with suppliers through: - Unethical behaviour by suppliers: relationships that violate the rights of the workforce or adopt unethical practices. - Unethical behaviour: greenwashing or other actions that damage the brand's reputation. - Inadequate corporate culture: lack of corporate values in employee behaviour or business practices, damaging the company's image.	Risk	Potential	

Relevance: 1 Minimum 2 Low 3 Medium 4 High 5 Absolute

Negative - Risk Positive - Opportunity Negative - Negative impact Positive - Positive impact

The relevant issues and their interactions with the company's strategy and business model

Taking into account internal assessments of the context and discussions with experts, the organisation completed the materiality analysis on ESG issues, defining the list of material topics that will form the basis of the 2024 sustainability reporting process. The following table highlights the material and financial impacts of the relevant issues, explaining where, in the business model, in operations and in the upstream and downstream value chain, the impacts, risks and opportunities are concentrated and how the company deals with them.


Sustainability issues	Material impact (inside out)	Financial impact (outside in)
ESRS E1 - Climate change	The Group addresses the issue of emissions and the energy mix by trying to reduce pollution and environmental impact. Operational practices have been implemented to improve operational resilience and reduce energy consumption, generating positive impacts in both mitigation and climate change adaptation, for example through the use of teleconferencing technologies and fuel consumption monitoring.	The Group has taken action to reduce emissions, contributing to ESG objectives and generating economic opportunities through reduced operating costs and improved corporate reputation. However, there is a risk that sustainability initiatives may be perceived as superficial (greenwashing). Therefore, the Group is committed to promoting a culture of environmental risk in order to adopt responsible behaviour and safeguard the environment.
ESRS E2 - Pollution		
ESRS E3 - Water and marine resources		
E4 - Biodiversity and ecosystems		
ESRS E5 - Resource use and Circular economy (Long period)	The areas of circular economy and resource management could grow in the long term, especially in terms of resource inflows. The Group is optimising its use of resources, reducing non-recyclable products and promoting sustainable materials, adopting strategies to reduce, recycle and reuse waste.	Ineffective waste management and the use of unsustainable materials can lead to sanctions and reputational damage. On the contrary, adopting circular economy practices, such as reusing components and monitoring energy efficiency, reduces operating costs, improves resource efficiency and strengthens the brand's positioning in sustainability.

 relevant issues over the long term

 non-relevant issues, not covered in the report - for an indication of the reasons for non-relevance, please refer to ESRS 2 IRO-2

Sustainability issues	Material impact (inside out)	Financial impact (outside in)
ESRS S1 - Own Workforce	The Group considers working conditions, equal treatment and workers' rights to be fundamental, promoting diversity and inclusion through corporate welfare initiatives, such as smartworking, which favours work-life balance and attracts new talent. In addition, the Group applies rigorous human rights controls in accordance with international regulations and EU guidelines, integrating these measures into its affiliates' contracts to ensure a safe and inclusive work environment.	Risks related to workforce management include union disputes and poor work-life balance, which can reduce productivity and increase operating costs, compromising service quality and causing skills losses. Inadequate management of confidentiality and inclusion can damage the company's reputation. Opportunities include increasing productivity and reducing costs through inclusion and training policies. Valuing human capital and adopting inclusive leadership can strengthen brand reputation, attract talent and support sustainable growth.
ESRS S2 - Workers in the value chain		
ESRS S3 Affected Communities (Long period)		The risks associated with legal disputes and local opposition can increase community concerns and operating costs, compromising project management and slowing expansion. Opportunities arise from community involvement through partnerships with local actors and institutions, which strengthen the Group's reputation, promote more sustainable solutions and improve brand positioning, facilitating access to funding for new projects.
ESRS S4 Consumers and end-users		Consumer-related risks include loss of trust and reputational damage due to privacy breaches or non-compliance with regulations, with possible increases in legal costs. However, the Group addresses these risks with data security policies and continuous training. Demonstrating the adoption of sustainable procedures can lead to greater funding opportunities for innovative projects, improving the Group's position and facilitating access to financial resources dedicated to sustainability.
ESRS G1 - Business Conduct	The promotion of a responsible and transparent corporate culture is fundamental to minimise negative impacts and generate positive ones. The Group adopts clear policies to protect legality and monitors governance practices, integrating ESG criteria into relationships with suppliers and business partners.	Risks related to corporate governance include difficulties in regulatory compliance, legal and reputational risks due to unethical behaviour and safety incidents. Financial opportunities arise from promoting a culture based on integrity and transparency, improving regulatory compliance, market position and relationships with suppliers, resulting in a reduction in operating costs.

 relevant issues over the long term

 non-relevant issues, not covered in the report - for an indication of the reasons for non-relevance, please refer to ESRS 2 IRO-2

STRATEGY

Summary of the material issues relevant to the company

CROSS-CUTTING STANDARDS		
ESRS 1 General requirements		
ESRS 2 General Disclosure		
Topical standards		
ENVIRONMENT	SOCIAL	GOVERNANCE
ESRS E1 Climate change	ESRS S1 Own Workforce	ESRS G1 Business Conduct
ESRS E2 Pollution	ESRS S2 Workers in the value chain	
ESRS E3 Water and marine resources	ESRS S3 Affected communities	
ESRS E4 Biodiversity and ecosystems	ESRS S4 Consumers and end-users	
ESRS E5 Resource use and Circular economy		

not relevant, not covered in the report
 relevant and strategic issues, in-depth
 relevant topics covered in the report

STRATEGY

The double materiality map

The double materiality map offers a further graphic representation of the thresholds of relevance of the impacts generated and suffered by the organisation, resulting from the relevance analysis approved by the highest governing body of the company. The positioning of the issues on the axes is functional to the definition of the priorities of the strategy and the business model, as well as to the measurement over time of the objectives achieved.



In light of the analysis carried out, the company has highlighted a series of activities that impact on the business model and which are illustrated below in the ESRS 2 MDR-A.

At the beginning of each ESG pillar, the double materiality maps for each area will be presented, differentiated by short and medium-long term.

Furthermore, with a view to risk management, the Group has obtained a series of certifications that attest to its compliance with regulatory standards on environmental, social and governance procedures. The following table shows the certifications held by TXT Group, with an indication of the companies that have them.

Certifications obtained	Certified company
ISO 9001 - Quality Management System	Consorzio TXT - DM - Ennova - HSPI - PGMD - SPS - TXT Assioma - TXT e-solutions - TXT e-Tech - TXT Group - TXT Novigo - TXT Quence - TXT Risk Solutions - Working Capital Solutions
EN 9100 Standard - Recognition of the International Aerospace Quality Group (IAQG).	PACE - TXT e-Tech
ISO 18295-1 Contact Centre Quality Certification	Ennova
ISO 27001 Standard - Information Security Management System	Ennova - HSPI - PACE - SPS - TXT e-Solutions - TXT Group - TXT Novigo - TXT Quence, TXT e-Tech
ISO 45001 Standard - Occupational Health and Safety Management System	Consorzio TXT - HSPI - SPS
Standard ISO 14001 - Environmental management system	Consorzio TXT - HSPI - SPS - Ennova
Standard ISO 37001 - Management system for preventing and countering corruption	Consorzio TXT - HSPI - SPS - Ennova
ISO 22301 - Business Continuity Management	Ennova
Standard SA8000 - Working conditions within the organisation	HSPI - SPS - Ennova
Standard UNIPdR 125 - Gender equality management system	Consorzio TXT - HSPI - PGMD - SPS - TXT e-Solutions - TXT e-Tech - TXT Group - TXT Quence - Ennova
ISO 30415 - Diversity and inclusion (D&I)	HSPI

Furthermore, the Group companies have implemented redundancy and failover solutions to guarantee the reliability and continuous availability of IT services, in particular with an additional disaster recovery site.

In order to reduce the risk of technological interruptions, organisations continuously and proactively monitor their infrastructures and have implemented automatic backup and recovery systems, making some infrastructural improvements in recent years: these include updating data centres, hardware refresh activities, as well as cloud services instead of infrastructure.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Description of the processes to identify and assess material impacts, risks and opportunities

ESRS 2 IRO 1
GRI 2-22, GRI 2-25,
GRI 3-1

The matrix reflects the company's point of view on the materiality that has been considered both in terms of material impacts, therefore regarding the relevant impacts of the company, negative or positive, actual or potential, on people or the environment in the short, medium or long term, and in terms of financial impacts, i.e. whether the information is material to the primary users of general purpose financial reports in making decisions about providing resources to the entity.

The analysis was developed with the involvement of the Board and the relevant issues included in this report determine the priorities of the sustainability strategy and are explored in this Report.

The analysis is implemented through the consultation of external and internal sources:

Internal:

- Annual reports;
- Risk matrix;
- Policies;
- Employee surveys;
- Customer data.

External:

- Sustainability Business Model Canvas;
- Sustainability Accounting Standards Board;
- United Nations Human Rights Tool;
- International Labour Organization;
- UN Sustainable Development Goals.

In carrying out the assessment of relevance, the company relied on regular dialogue with stakeholders (IG1, par. 107).

[READ MORE](#)

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Disclosure requirements in ESRS covered by the undertaking's sustainability statement

ESRS 2 IRO-2
GRI 3-3

The current list of relevant topics by principle is available in the Relevance Matrix in SBM-3.

ESRS E2 Pollution – Topic not applicable

Due to the characteristics of the sector, the topic of pollution is not relevant since the Group's activity does not involve any aspects of possible pollution.

ESRS E3 Water and marine resources – Topic not relevant

The use of water resources is purely for sanitary purposes, therefore the Group does not consider the issue relevant in terms of impact. The quantity of water withdrawn by the company in the reporting year is equal to 6065 m³. The company obtains its water from third-party sources, such as third-party organisations or services, including Integrated Water Service Managers and/or wastewater treatment plants.

ESRS E4 Biodiversity and ecosystems – Topic not relevant

The company and its offices do not operate in or near protected areas or areas at risk from a biodiversity point of view, as verified. This consideration means that the issue is not relevant for the company.

ESRS S2 Workers in the value chain – Topic not relevant

Respect for human rights is a prerogative of TXT and is implemented through compliance with national rules and regulations in the countries where the Group operates. However, considering the markets served (mainly in Western countries) and the type of activity carried out (high-tech services), no specific measures are adopted to prevent human rights violations or discrimination, as the risk of such events occurring is considered remote.

Similarly, the products and services sold by TXT are mainly the result of activities carried out by internal staff, therefore the supply chain is largely represented by commodity/utility suppliers, in particular providers of connectivity and hardware/software services. The dangers related to Workers in the value chain therefore represent remote risks, in relation to which the company has not yet recognised the need to define ad hoc policies or tools, other than extending the rules already contained in its Code of Ethics.

The company reserves the right to adopt tools and policies to address it in a more appropriate manner, also in light of new company acquisitions.

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies adopted to manage material sustainability matters

ESRS 2 MDR-P
GRI 2-22, GRI 2-25

In the table below, the policies adopted by the company to deal with sustainability issues deemed relevant, with external links to resources that can be consulted. Where present, references to more than one material issue are also given as the policy addresses more than one issue. Further details of the policy, its scope and the tools provided to address the issues are given in the thematic chapter.

Policy adopted	Contents	Sustainability issue(s) addressed	Link
Environmental policy	It outlines the strategies and guidelines for pursuing objectives and managing risks, considering ESG aspects, i.e. those relating to environmental, social and governance issues.	<ul style="list-style-type: none"> Climate change Pollution Water and marine resources Biodiversity and ecosystems Resource use and Circular economy Business Conduct 	https://www.txtgroup.com/it/investors/corporate-governance/
EDI policy	Diversity, inclusion and equality policy	<ul style="list-style-type: none"> Own Workforce Workers in the value chain 	https://www.txtgroup.com/it/investors/corporate-governance/
Code of Ethics	It establishes the values, principles and behaviours that the company and its representatives are committed to respecting towards their stakeholders and the environment.	<ul style="list-style-type: none"> Climate change Pollution Water and marine resources Biodiversity and ecosystems Resource use and Circular economy Own Workforce Workers in the value chain Affected Communities Consumers and end-users Business Conduct 	https://www.txtgroup.com/it/investors/corporate-governance/
Mog 231	It governs the administrative responsibility of legal persons, companies and associations, including those without legal personality, in accordance with Article 11 of Law No. 300 of 29 September 2000.	<ul style="list-style-type: none"> Own Workforce Business Conduct 	https://www.txtgroup.com/it/investors/corporate-governance/
Company regulations	It defines the rules for the correct use of work tools for those working for companies in the Group, as well as the principles to be applied for correct behaviour in the workplace.	<ul style="list-style-type: none"> Own Workforce 	https://www.txtgroup.com/it/investors/corporate-governance/
Smartworking regulations	It defines the methods, conditions and procedures for taking advantage of this type of work.	<ul style="list-style-type: none"> Own Workforce 	https://www.txtgroup.com/it/investors/corporate-governance/

Policy adopted	Contents	Sustainability issue(s) addressed	Link
Quality and gender equality policy	The tool establishes the adoption of a Quality Management System (QMS) integrated with transversal processes and with the specific contribution of each company in the group. In the same policy, it incorporates the integration deriving from the application of UNI PDR 125:2022 on gender equality.	<ul style="list-style-type: none"> • Own Workforce • Workers in the value chain 	https://www.txtgroup.com/it/investors/corporate-governance/
Whistleblowing	It defines the scope and procedure of whistleblowing, as well as the activation of particular protected channels for reporting violations.	<ul style="list-style-type: none"> • Own Workforce • Workers in the value chain 	https://www.txtgroup.com/it/investors/corporate-governance/
Personal data protection and enhancement policy (GDPR)	It refers to the security strategies and processes that help protect sensitive data from corruption, compromise and loss.	<ul style="list-style-type: none"> • Own Workforce • Consumers and end-users 	https://www.txtgroup.com/it/investors/corporate-governance/
Remuneration policies	It establishes the principles and guidelines adopted by the Group in defining payment practices.	<ul style="list-style-type: none"> • Own Workforce • Business Conduct 	https://www.txtgroup.com/it/investors/corporate-governance/
Corruption prevention policy	<p>Aims to protect the company's assets, people and objectives. Using a broader approach:</p> <ul style="list-style-type: none"> • provides indications to identify the different level of exposure of the offices to the risk of corruption and illegality and indicates the organisational interventions aimed at preventing the same risk; • indicates the implementation and control rules for respecting legality and integrity; • invites employees to adapt their conduct and procedures; • recognises the corruption prevention plan as an essential programmatic act. 	<ul style="list-style-type: none"> • Business Conduct – Prevention and detection of corruption and bribery 	https://www.txtgroup.com/it/investors/corporate-governance/

IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Actions and resources in relation to material sustainability matters

ESRS 2 MDR-A GRI 2-25	<p>It is essential for the company to adopt strategies aimed at reducing its impact, while promoting an informed use of resources and integrating sustainability into its daily activities.</p> <p>Starting from the identification of relevant sustainability issues, the company has identified a series of actions, projects and activities aimed at mitigating the effects and risks generated by its activities on ESG aspects.</p> <p>CATALOGUING OF PROJECTS ACCORDING TO ESG STANDARDS INTERNATIONAL</p> <p>The following table lists the Company’s projects related to ESG issues and their progress in terms of monitoring. The projects are catalogued according to the ESRS (European Sustainability Reporting Standard), defined by the CSRD (Corporate Social Responsibility Directive) which allows for the identification of the materiality related to the Company’s projects. The table also highlights the objectives to be achieved, the resources used and the metrics that will allow the target to be verified.</p> <p>The in-depth analysis of the projects/actions, represented in the table, is referred to the individual thematic sections.</p>
--------------------------	--

Topic	Activity	ESRS	Targets	Metrics	Timeframe	Activity status	Budget
ESRS E1 Climate change	Implementation of an energy monitoring system	ESRS E1-1 Transition plan for climate change mitigation ESRS E1-5 Energy consumption and mix	<ul style="list-style-type: none"> -10% energy consumption Improve operational efficiency Minimise energy waste 	<ul style="list-style-type: none"> Total energy consumption Energy efficiency (% savings) Number of corrective interventions based on collected data Compliance with energy regulations (ISO 50001) 	By 2026	In progress	Being defined
ESRS E1 Climate change	Conversion of main offices to renewable energy	ESRS E1-1 Transition plan for climate change mitigation ESRS E1-5 Energy consumption and mix ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	<ul style="list-style-type: none"> Reduce greenhouse gas emissions Increase the use of sustainable energy sources Improve corporate reputation 	<ul style="list-style-type: none"> % Renewable energy used Reduction in CO₂ emissions Cost saved thanks to renewable energy Positive feedback from stakeholders 	2024-2027	In progress	200K
ESRS E1 Climate change	Disaster recovery moved to another provider	ESRS E1-1 Transition plan for climate change mitigation ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	<ul style="list-style-type: none"> Ensure operational continuity Reduce the environmental impact of IT systems Improve data security 	<ul style="list-style-type: none"> Recovery time in case of disaster (RTO) Compliance with data protection regulations (e.g. GDPR) Provider sustainability rating 	By 2025	In progress	100K

Topic	Activity	ESRS	Targets	Metrics	Timeframe	Activity status	Budget
ESRS E1 Climate change	Replacement of firewalls with latest generation models for the whole group	ESRS E1-1 Transition plan for climate change mitigation ESRS E1-5 Energy consumption and mix ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	<ul style="list-style-type: none"> Improved energy efficiency Reduced need for cooling Reduced carbon footprint 	<ul style="list-style-type: none"> Watts consumed per Gbps of firewall throughput % reduction in overall energy consumption (kWh) BTU/h per Gbps of firewall throughput Saved cooling capacity (kW) Tonnes of CO₂eq saved annually 	By 2025	In progress	50K
ESRS E1 Climate change	Investment in R&D to develop green technologies in the aerospace and IT sectors, with a focus on reducing energy consumption	ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model ESRS E1-1 Transition plan for climate change mitigation ESRS E1-5 Energy consumption and mix ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	<ul style="list-style-type: none"> Reduce energy consumption Improve operational efficiency Contribute to the development of sustainable technologies 	<ul style="list-style-type: none"> Reduction in % of energy consumption Number of patents filed for green technologies ROI (Return on Investment) evaluation for R&D projects % reduction in CO₂ emissions 	By 2026	In progress	2milioni
ESRS E5 Resource use and Circular economy	Decommissioning of 2 physical terminator devices for VPN clients with incorporation into new firewalls	ESRS E5-2 Actions and resources related to resource use and circular economy ESRS E5-5 Resource outflows	<ul style="list-style-type: none"> Reduction in the number of hardware devices Optimisation of space in the data centre Reduction in electronic waste 	<ul style="list-style-type: none"> Number of decommissioned physical devices Reduction in occupied rack units (U) % of recycled components 	By 2025	In progress	50K

Topic	Activity	ESRS	Targets	Metrics	Timeframe	Activity status	Budget
ESRS E5 Resource use and Circular economy	Increase in recycled material for company gadgets and packaging	ESRS E5-2 Actions and resources related to resource use and circular economy ESRS E5-4 Resource inflows	<ul style="list-style-type: none"> Zero waste to landfill 	Comparison of weight expressed in kg and multiples, and declared on the MUD (environmental declaration form) in year 1 and year 2	2024-2028	In progress	50K
ESRS S1 Own Workforce	Extension of the sanitary pad dispenser initiative to all global offices	ESRS S1-1 Policies related to own workforce ESRS S1-4 Taking action on material impacts on own workforce ESRS S1-9 Diversity metrics	<ul style="list-style-type: none"> Guarantee equal opportunities and well-being for female employees Reduce absenteeism related to menstrual problems Create a more inclusive work environment 	<ul style="list-style-type: none"> % of global offices with dispensers installed % use of dispensers Reduction in female absenteeism Employee welfare satisfaction rate Reduction of 'period poverty' within the organisation 	2024-2026	In progress	35K
ESRS S1 Own Workforce	Creation of spaces dedicated to mental and physical well-being in the main company offices	ESRS S1-4 Taking action on material impacts on own workforce ESRS S1-14 Health and safety metrics ESRS S1-15 Work-life balance metrics	<ul style="list-style-type: none"> Improve the psychophysical wellbeing of employees Reduce stress and prevent burnout Increase productivity and job satisfaction Decrease staff turnover 	<ul style="list-style-type: none"> Number of spaces created % of employees using the spaces Frequency of use of the spaces Reduction in absenteeism due to illness or stress Improvement in scores in employee welfare surveys Change in turnover rate 	2025-2027	In progress	Being defined

Topic	Activity	ESRS	Targets	Metrics	Timeframe	Activity status	Budget
ESRS S3 Affected Communities	Launch of a 'STEM Mentorship' programme for young women	ESRS S3-1 Policies related to affected communities ESRS S3-2 Processes for engaging with affected communities	<ul style="list-style-type: none"> • Increase the representation of women in STEM roles • Contribute to reducing the gender gap in the technology sector • Develop a pipeline of female talent for the organisation • Promote female empowerment in local communities 	<ul style="list-style-type: none"> • Number of programme participants • Annual hours of mentorship • % programme completion • % of participants obtaining STEM positions • Increase in % of women in STEM roles in the company • Qualitative feedback from programme participants 	2025-27	To be started	10K
ESRS S3 Affected Communities	Increase in the number of corporate charity events, including a charity marathon and a day of collective volunteering	ESRS S3-1 Policies related to affected communities ESRS S3-2 Processes for engaging with affected communities	<ul style="list-style-type: none"> • Promote social commitment and corporate responsibility towards the community • Improve the perception of the company by employees and the community • Support social and environmental causes 	<ul style="list-style-type: none"> • Number of events organised • Employee participation in events • Fundraising or resources for supported causes • Positive feedback from the community and employees 	2024-2027	In progress	Being defined
ESRS S3 Affected Communities	Launch of an educational support programme in local schools, focused on innovation and sustainability	ESRS S3-1 Policies related to affected communities ESRS S3-2 Processes for engaging with affected communities	<ul style="list-style-type: none"> • Contribute to the educational and cultural development of local communities • Promote awareness of innovation and sustainability among young people • Create job opportunities 	<ul style="list-style-type: none"> • Number of schools involved • Number of students reached • Programme evaluation by students and teachers 	2025-27	To be started	10K

Topic	Activity	ESRS	Targets	Metrics	Timeframe	Activity status	Budget
ESRS S3 Affected Communities	Collaboration with start-ups specialising in sustainability to co-develop innovative solutions	ESRS S3-1 Policies related to affected communities ESRS S3-2 Processes for engaging with affected communities	<ul style="list-style-type: none"> Promoting sustainable innovation Creating strategic partnerships to improve environmental impact Supporting the local entrepreneurial ecosystem 	<ul style="list-style-type: none"> Number of start-ups involved Number of innovative solutions developed Evaluation of the success of the partnerships Positive feedback from start-ups and the community 	2025-27	To be started	2K
ESRS S3 Affected Communities	Organisation of quarterly workshops with employees and stakeholders to discuss and define new sustainability priorities	ESRS 2 SBM-2 Interests and views of stakeholders ESRS S1-2 Processes for engaging with own workers ESRS S3-2 Processes for engaging with affected communities	<ul style="list-style-type: none"> Actively involve employees and stakeholders in the sustainability process Identify new areas of improvement Improve the corporate culture on sustainability 	<ul style="list-style-type: none"> Number of workshops organised Participation of employees and stakeholders Number of new priorities identified Evaluation of the success of the workshops 	2025-27	To be started	5K
ESRS G1 Business Conduct	Platform for ESG reporting management	ESRS 1 General requirements ESRS 2 General Disclosure	<ul style="list-style-type: none"> Improve the transparency and comparability of ESG information Communicate progress towards Sustainability Targets Ensure regulatory compliance 	<ul style="list-style-type: none"> Number of ESG indicators monitored % of objectives achieved Stakeholder evaluation of the quality of the report Compliance with ESRS standards 	Attività annuale	In progress	100€







Environment:

Environmental Information

TAXONOMY REGULATION

Disclosure pursuant to Article 8 of Regulation (EU) 2020/852

TAXONOMY REGULATION

Introduction

[READ MORE](#)

The Taxonomy disclosure introduced with Regulation 2020/852, and made mandatory in Italy starting from January 2022 (first year of mandatory reporting of the EU Taxonomy), provides, in art. 8 that all companies subject to the CSRD must include in the management report information on how and to what extent the company's activities are associated with economic activities considered environmentally sustainable in accordance with the provisions of this Regulation.

In particular, it requires companies subject to this obligation to report their share of 'eligible' revenues, investments (**Capex**) and operating expenses (**Opex**) ('taxonomy eligible') with reference to the objectives of 'climate change mitigation' and 'climate change adaptation', whose technical screening criteria are contained in the first two delegated acts of the Commission (**'Taxonomy Climate Delegate Act'**), approved on 9 December by the Council of the EU and in force since 1 January 2022. The objective is to identify the 'degree of eco-sustainability' of an investment, increasing market transparency for the benefit of consumers and investors.

For further information on Taxonomy, the criteria and standards to be applied and environmental contributions, please refer to the Methodological Note in the link and the QR code on this page.

TAXONOMY REGULATION

Eligibility and alignment analysis

With regard to the analysis of eligibility and alignment with the Taxonomy, the Group, in the process of mapping the activities falling within the scope of the Regulation, confirmed what was already defined in the course of the last sustainability report, with the identification of a correspondence with **activity 8.2**, among those able to contribute to the objective of Climate change mitigation.

In particular, it concerns the activity of '**Data-driven solutions for greenhouse gas emission reduction**', described by the Regulation as 'Development and/or deployment of ICT solutions for data collection, transmission and storage, as well as modelling and use of data, where such activities are primarily aimed at the provision of data and analysis to reduce greenhouse gas emissions. Such ICT solutions may include, among other things, the use of decentralised technologies (i.e. distributed ledger technologies), the Internet of Things (IoT), 5G and artificial intelligence.'

For this activity, the **Climate Delegated Act** requires, for the purposes of alignment, compliance with a series of technical screening criteria, including the objective of reducing greenhouse gas emissions resulting from data processing, or the calculation of the aforementioned reduction using universally recognised standard methods (substantial contribution criterion). Given that the required criteria have been met, the activity is aligned for the purposes of climate change mitigation.

(For a description of the activity, please refer to the **Focus** on pages in the chapter dedicated to **ESRS E1 - Climate change**).

As for the DNSH criteria, the parameters are met, as is the respect for minimum safeguards as per company policy.

In the reporting year, the company did not incur any other expenses and/or investments related to activities considered eligible for the objective of mitigating climate change, postponing this purpose to projects in the next three-year period.

Below is an indication of the calculation methods for the items included in the summary tables, representing the KPIs required by the Taxonomy.

TABLE 1

Turnover: indicates the figure relating to the total value of revenues from ordinary operations, as reported in the consolidated financial statements. It is equal to 304,545,000.

The total revenues deriving from the aligned activity have been calculated by calculating the total revenue, equal to 8,360,115, which includes, among others, those deriving from user licences, maintenance and subscriptions.

			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Taxonomy aligned proportion of total turnover, year N (18)**	Category (enabling activity) (20)	Category (transitional activity) (21)
			Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)			
A. TAXONOMY-ELIGIBLE ACTIVITIES																	
A.1. Environmentally sustainable activities (Taxonomy-aligned)																	
Economic Activities (1)	Code (2)	Absolute turnover (3) <i>Millions, local CCY</i>	Proportion of Turnover (4)	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
				Data-driven solutions for GHG emissions reductions	8.360.115,00	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)				8.360.115,00	3%	3%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																	
					0%	0%											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)				0,00	0%												
Total (A.1+A.2)				8.360.115,00	3%												
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																	
Turnover of Taxonomy-non-eligible activities				296.184.885,00	97%												
Total (A+B)				304.545.000,00	100%												

TABLE 2 - NOT INCLUDED

CapEx: To determine the KPI it is necessary to analyse the investments related to activities aimed at mitigating and adapting to climate change, including in the calculation those related to activity 8. 2, as a result of the development and restructuring of company assets, intangible assets such as patents and software, and capitalised research and development costs, in accordance with international accounting standards IAS 16, 38 and IFRS 16, therefore only for the portion of expenditure pertaining to the year.

In the denominator, the figure is €13,631,000. However, analysing the Capex related to the aligned activity, it is extremely small, equal to €25,000 as the cost related to PCs and tablets used for development, support and monitoring of the tool. This amount does not even represent 1% of the total expenditure, therefore its representation is not considered relevant.

TABLE 3

OpEx: As regards the OpEx KPI, i.e. the operating expenses incurred for sustainable activities, the value is defined as Medium according to the application of the criteria established by the Disclosure Delegated Act, Annex I, par. 1.1.3.2. In particular, the part of the operating expenses was accounted for:

- relating to non-capitalised R&D costs for internal and external projects, from which the cost component relating to project management activities has been eliminated, with particular reference to the costs deriving from the Project Manager, which have been eliminated from the calculation;
- relating to 'short term leases' for contracts lasting less than 12 months and therefore exempt from recognition in the balance sheet according to IFRS 16;
- relating to maintenance and repairs during the year on buildings and IT equipment. The costs include those relating to employees and external collaborators involved in maintenance and repair activities, as well as expenses relating to building renovations comparable to the concept of 'building refurbishment measures'.

The basis for calculation is therefore the value of research and development costs, equal to €14,879,000.

As regards aligned activities, the figure was obtained by calculating research and development costs, including personnel costs, direct costs and material costs, excluding management costs, for a value of €4,605,419.


Economic Activities (1)	Code (2)	Absolute OpEx (3) <i>Millions, local CCY</i>	Proportion of OpEx (4)	Substantial Contribution Criteria								DNSH criteria ('Does Not Significantly Harm')						Taxonomy aligned proportion of total OpEx, year N (18)*	Category (enabling activity) (20)	Category (transitional activity) (21)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
				Climate Change Mitigation (5)*	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity and ecosystems (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
				%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%


TOPICAL ESRS


Environmental Information

Relevant issues for the Company

ESRS E1	Climate change	Climate change adaptation
		Climate change mitigation
		Energy
ESRS E2	Pollution	Pollution of air
		Pollution of water
		Pollution of soil
		Pollution of living organisms and food resources
		Substances of concern
		Substances of very high concern
		Microplastics
ESRS E3	Water and marine resources	Water
		Marine resources
ESRS E4	Biodiversity and ecosystems	Direct impact drivers of biodiversity loss
		Impacts on the state of species
		Impacts on the extent and condition of ecosystems
		Impacts and dependencies on ecosystem services
ESRS E5	Resource use and Circular economy	Resources inflows, including resource use
		Resources outflows related to products and services
		Waste

 Irrelevant topics not covered in the report

 relevant and strategic issues, in-depth

 relevant topics covered in the report

TOPICAL ESRS

Environmental Information

Relevant issues for the Company in short and in long period

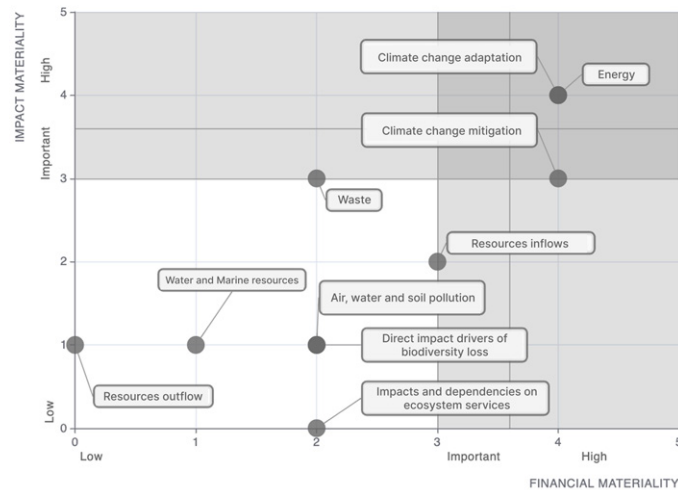
DOUBLE MATERIALITY MAP SHORT PERIOD

RELEVANT ISSUES

- Climate change adaptation
- Energy
- Climate change mitigation
- Resources inflows, including resource use
- Waste

NOT RELEVANT ISSUES

- Pollution
- Water and marine resources
- Biodiversity
- Resources outflows



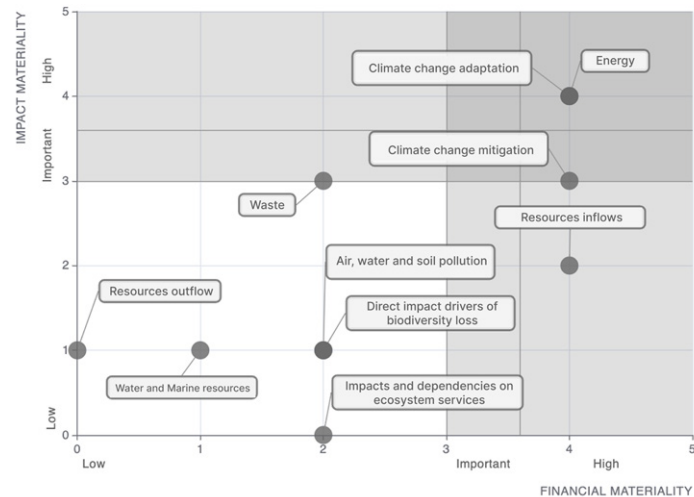
DOUBLE MATERIALITY MAP LONG PERIOD

RELEVANT ISSUES

- Climate change adaptation
- Energy
- Climate change mitigation
- Resources inflows, including resource use
- Waste

NOT RELEVANT ISSUES

- Pollution
- Biodiversity
- Acque e risorse marine
- Resources outflows



RELEVANT TOPIC

ESRS E1 - Climate change

CLIMATE CHANGE - STRATEGY

Transition plan for climate change mitigation

ESRS E1-1
GRI 2-22, GRI 2-25

**Sustainability
Targets**

Achieving zero net emissions and setting targets to reduce emissions is the 2050 goal dictated by the Paris Agreement: under the Net Zero Programme, the actions that a company takes to ensure that its strategy and business model are compatible with the transition to a sustainable economy and with the goals of limiting global warming to 1.5 °C in line with the Paris Agreement and achieving climate neutrality by 2050 are crucial.

Companies need to address the risks of climate change by initiating a transition to a sustainable business model. This implies considering both the impact of climate change on the company and the impact of the company on the climate, to embark on a decarbonisation pathway and to engage stakeholders on the commitment to the goals of the Paris Accords drawn up in 2015.

The TXT Group is working to reduce its environmental impact as much as possible, focusing on solutions that integrate the Sustainability Targets established by international standards. In this context, it has proposed structural interventions to improve energy efficiency which, already in the first year of application – we refer in particular to the Project for the implementation of the energy monitoring system – promise a 10% reduction in energy consumption and, consequently, a reduction in emissions deriving from the purchase of electricity.

At the same time, the directive for the next few years, with regard to the Group's main offices, is that they should be converted to the use of green energy sources: in this regard, the installation of photovoltaic systems capable of increasing the share of self-produced electricity is being evaluated, aiming for self-sufficiency and independence from the grid. Such an intervention reinforces the logic of reducing direct impacts in terms of energy consumption and indirect impacts in terms of CO₂.

CLIMATE CHANGE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to climate change mitigation and adaptation

ESRS E1-2
GRI 2-22, GRI 2-25,
GRI 3-1



Environmental policy

The climate crisis highlighted the vulnerability of infrastructures and supply chains and made it essential to define strategies to prevent, mitigate or correct these negative effects, especially through public-private collaboration.

In particular, individual organisations can contribute by identifying the environmental impacts of their activities and business relationships and defining sustainable strategies to manage the climate crisis with a view to improving profitability, productivity and employment.

The company has an **environmental policy**. In this policy, the company establishes its commitment to prevent pollution, minimise negative impact on the environment, improve the efficiency of its activities also in relation to environmental issues and comply with all applicable environmental regulations.

As a company operating in the software and IT services sector, TXT e-solutions has identified the issues of energy consumption and atmospheric emissions as significant, in the context of mitigation and climate change adaptation. The Management is committed to creating the conditions for the whole Company to adopt responsible behaviour, safeguarding the integrity of the environment in all its activities, raising awareness of environmental issues among all employees at every level. TXT e-solutions, like many others, has adopted an **Organisational Model** that also considers environmental issues. TXT is committed to the success of this policy and has set up a monitoring and promotion function within its organisation to ensure compliance with the environmental laws and regulations applicable in all countries where the Group operates, and requires employees to report any non-compliance for appropriate follow-up.

As part of the assessment of its impacts and risks, as discussed in ESRS 2 SBM-3, the company has conducted an assessment of the physical risks to which it may be subject and has taken out insurance against the physical risk of climate change.

INSURANCE COVERAGE

Risk type	Insured object	Start date	Expiry date	Insured amount per company (€)		
				TXT E-Solutions Cologno Monzese	ASSIOMA.NET Torino	ASSIOMA. NET Bari
Flooding	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Flooding	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Weather events	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Weather events	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Earthquake	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Earthquake	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Snow overload	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Snow overload	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Structural collapse	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Structural collapse	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Piped water	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Piped water	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Acts of terrorism and sabotage	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Acts of terrorism and sabotage	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Sociopolitical events, riots, vandalism	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Sociopolitical events, riots, vandalism	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Electrical and electronic phenomena	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Electrical and electronic phenomena	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Additional indemnity, increased costs	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Additional indemnity, increased costs	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Decentralisation of organisations	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Decentralisation of organisations	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Employee assets	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Employee assets	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Demolition and clearance costs	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Demolition and clearance costs	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Costs of searching for, repairing and dispersing	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000

)

ASSIOPAY Palermo	TXT NOVIGO Brescia	Insured maximum (€)	Deductible (€)
100.000	100.000	50% of the insured amount per location	10% of the damage with a minimum of €10,000
10.000	10.000	50% of the insured amount per location	10% of the damage with a minimum of €10,000
100.000	100.000	70% of the insured amount	10% minimum €3,500
10.000	10.000	70% of the insured amount	2,000
100.000	100.000	50% of the insured amount per location	10% of the damage with a minimum of €15,000
10.000	10.000	50% of the insured amount per location	Uncovered 10% of the damage with a minimum of €15,000
100.000	100.000	50% of the insured amount	10% minimum €5,000
10.000	10.000	50% of the insured amount	10% minimum €5,000
100.000	100.000	30% of the insured sum with a maximum of €250,000	Uncovered 10% of the damage with a minimum of €10,000
10.000	10.000	30% of the insured sum with a maximum of €250,000	Uncovered 10% of the damage with a minimum of €10,000
100.000	100.000	€15,000 per claim and €100,000 per year	Frontal
10.000	10.000	€15,000 per claim and €100,000 per year	Frontal
100.000	100.000	50% of the insured sum	10% of the damage uncovered, minimum of €3,500
10.000	10.000	50% of the insured amount	10% of the damage uncovered, minimum of €3,500
100.000	100.000	70% of the insured amount	10% of the damage uncovered, minimum of €3,500
10.000	10.000	70% of the insured amount	10% of the damage uncovered, minimum of €3,500
100.000	100.000	€100.000	1.000
10.000	10.000	€100.000	1.000
100.000	100.000	€100.000	
10.000	10.000	€100.000	
100.000	100.000	200.000	frontal
10.000	10.000	200.000	frontal
100.000	100.000	20.000	frontal
10.000	10.000	20.000	frontal
100.000	100.000	€100.000	frontal
10.000	10.000	€100.000	front
100.000	100.000	€15,000 per claim and €30,000 per year	1,500

Risk type	Insured object	Start date	Expiry date	Insured amount per company (€)		
				TXT E-Solutions Cologno Monzese	ASSIOMA.NET Torino	ASSIOMA.NET Bari
Costs of searching for, repairing and dispersing	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Expert fees	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Expert fees	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Consultant fees	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Consultant fees	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Frost	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Frost	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Hail	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Hail	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Advance on indemnity	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Advance on indemnity	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Waiver of recourse	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Waiver of recourse	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Slabs and crystals	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Slabs and crystals	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Insurance covering the cost of reconstructing archives, documents, registers, computerised material, designs, models, moulds and similar items.	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Insurance covering the cost of reconstructing archives, documents, registers, computerised material, designs, models, moulds and similar items.	Contents	01/01/24	31/12/24	500.000	100.000	100.000
Breakdowns caused by thieves and theft of fixtures and fittings.	Buildings	01/01/24	31/12/24	6.500.000	300.000	500.000
Breakdowns caused by thieves and theft of fixtures and fittings.	Contents	01/01/24	31/12/24	500.000	100.000	100.000

Valid for all locations	Amounts insured (€)	Rate %	Taxable premium (€)
Recourse to third parties	2.000.000	0,55	1.100.000
Extra expenses (higher costs)	100.000	2,5	250

)

ASSIOPAY Palermo	TXT NOVIGO Brescia	Insured maximum (€)	Deductible (€)
10.000	10.000	€15,000 per claim and €30,000 per year	1,500
100.000	100.000	50.000	front
10.000	10.000	50.000	front
100.000	100.000	50.000	
10.000	10.000	50.000	Uncovered 10% of the minimum damage of €3,500
100.000	100.000	50.000	Uncovered 10% of the minimum damage of €3,500
10.000	10.000	50.000	Uncovered 10% of the minimum damage of €3,500
100.000	100.000	50.000	Uncovered 10% of the minimum damage of €3,500
10.000	10.000	50.000	front
100.000	100.000	50% of the amount of the claim if greater than €50,000 with a maximum of €500,000	front
10.000	10.000	50% of the amount of the claim if greater than €50,000 with a maximum of €500,000	front
100.000	100.000	included	front
10.000	10.000	included	excess €500 per claim
100.000	100.000	€3,000 for each individual slab and €10,000 per year	excess €500 per claim
10.000	10.000	€3,000 for each individual slab and €10,000 per year	front
100.000	100.000	50.000	front
10.000	10.000	50.000	front
100.000	100.000	10.000	
10.000	10.000	10.000	

Insured amount for Ennova S.p.A.						
Start date	Expiry date	Type of Risk	Insured object	Location 1 - SS Pontina, Pomezia	Location 2 - via Dolcetta, Cagliari	Location 3 - Via Falcone, Gerenzano
06/08/2024	30/06/2025	Earthquakes, floodings and inundations	Buildings	3.000.000	-	-
			Machinery	250.000	200.000	100.000
			Goods	600.000	50.000	500.000

Nome società	Start date	Expiry date	Type of Risk	Insured amount
FASTCODE Consulting S.r.l. via Giordano Bruno, Cesena	30/04/24	31/05/2025	Fire	Buildings
			Fire	Equipment
			Fire	Third parties
			Electrical	Electronic equipment
LBA CONSULTING viale Achille Marazza, Borgomanero	18/06/2021	17/06/2025	Vandalism or malicious acts	Buildings
			Electrical phenomena	Buildings
			Water pipes, blocked pipes, sewerage system backflow, frost	Buildings
			Weather events	Buildings
			Electronics - electrical and electronic equipment	Electronic equipment
			Malicious and vandalism acts, strikes, riots, popular uprisings, terrorism and sabotage	Electronic equipment
			Weather	Electronic equipment

A. locations (€)

Location 4 - Le Campora, Oricola	Location 5 - via Vittorio Emanuele II, Torino	Location 6 - Via G. di Vittorio, Crotone	Insured ceiling (€)	Deductible (€)
3.000.000	2.000.000	1.000.000	50.00% of the insured sum for each batch	10% overdraft with a minimum of €15,000
100.000	50.000	70.000	50.00% of the insured sum for each batch	10% overdraft with a minimum of €15,000
550.000	-		50.00% of the insured sum for each batch	10% overdraft with a minimum of €15,000

Insured object	Insured amount €	Insured ceiling (€)	Deductible (€)
Building	500.000	n.a.	n.d.
Content and furnishings	25.000	n.a.	n.d.
Third party appeal	1.000.000	n.a.	n.d.
Electronic devices and equipment	12.000	n.a.	n.d.
Building	20.000	80% of the sums insured above Building and/or contents per claim and per insurance year	150
Building	20.000	€3,000 per claim and per insurance year	150
Building	20.000	not provided for	150
Building	20.000	80% of the sums insured above Building and/or contents per claim and per insurance year	150
Electronic devices and equipment	20.000	not provided for	150
Electronic devices and equipment	20.000	80% of the sums insured above electrical and electronic equipment per claim and per insurance year	150
Electronic devices and equipment	20.000	80% of the sums insured above electrical and electronic equipment per claim and per insurance year	150



PROJECT

Disaster recovery moved to another provider

In 2025, the Group plans to move the disaster recovery system to a different provider from the one used for the production site. This strategy provides an alternative site to which we can quickly switch in case of problems, ensuring greater security and operational continuity.

The choice to use a different provider reduces the risk of losing critical data and offers an additional barrier against cyber attacks. This is particularly important for the Group, which deals with software and for which data is fundamental. It also helps to meet regulatory requirements regarding data security.

In the event of service interruptions, having a disaster recovery site ready allows you to reduce downtime and keep service availability high. The ability to quickly switch to an alternate site ensures that business operations can resume quickly, minimising the economic and reputational impact.

Targets:

- Guarantee operational continuity
- Reduce the environmental impact of IT systems
- Improve data security

Project deadline: 2025

Budget: 100.000€



PROJECT

Replacement of firewalls with latest-generation models for the whole Group

The project to replace firewalls with latest-generation models for the TXT Group represents a significant step towards innovation and sustainability. With a budget of €50,000, and expected to be completed in 2025, the initiative aims to improve energy efficiency and reduce the need for cooling, thus helping to reduce the company's CO2 footprint.

The new firewalls will offer advanced functionality, integrating in-depth traffic inspection and intrusion prevention technologies, ensuring more effective protection against modern cyber threats. Thanks to a streamlined architecture, they not only improve security, but also operational efficiency, reducing infrastructural complexity..

Targets:

- Improved energy efficiency
- Reduced cooling requirements
- Reduced CO2 footprint

Project deadline: 2025**Budget: 50.000€**

CLIMATE CHANGE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Actions and resources in relation to climate change policies

ESRS E1-3
GRI 302-1, GRI 302-4

The issue of Climate Change is one of the most significant challenges of our time: it is essential to develop strategies aimed at reducing greenhouse gas emissions, preserving natural resources and adapting to the changes already underway.

The environmental policy adopted by the Group defines the actions that guide the company's operations. In particular, it has set itself the goal of:

- **monitoring** and continuously improving its activities to help protect the environment and prevent or reduce various forms of pollution;
- **responsibly managing** the consumption of energy, water and other resources used in its daily operations, with the aim of reducing consumption and promoting the use of recycled materials as much as possible in the course of its activities;
- **make every effort** to use teleconferencing and videoconferencing technologies as an alternative to business travel, as a contribution to reducing the ecological footprint.



Energy assessment

In the year preceding the reporting year, the Group carried out an energy assessment through an energy consumption diagnosis, in order to identify and quantify energy saving opportunities from a cost-benefit perspective.

In particular, the diagnosis concerned not only the offices of the parent company TXT e-Solutions S.p.A., but also Cheleo S.r.l., TXT Risk Solutions S.r.l., TXT Assioma S.r.l., AssioPay S.r.l., TXT Working Capital S.r.l., HSPI S.p.A., ReVersal Sim S.p.A., LBA Consulting S.r.l., TXT Novigo S.r.l., TXT Quence S.r.l., TXT e-tech S.r.l., Mediumnte analysis of their respective energy consumption.

On that occasion, the diagnosis focused mainly on the TXT e-Solutions headquarters, however, the Group demonstrated its willingness, based on the results of the analysis, to equip itself with monitoring structures to reduce its consumption as much as possible, with a view to increasing energy efficiency.

The company has adopted strategic actions to reduce the energy consumption of its data centres: it has invested in the virtualisation of equipment, and focused on optimising the use of space to reduce the need for physical expansion and the associated energy consumption.

At the same time, it deals with the peaks in energy demand of the data centres, mainly through ad hoc solutions, such as, for example, the use, by the monitoring system, of virtual servers to optimise unnecessary resources, for example where the use of a server is below 70%. Furthermore, the resources allocated to unused machines are reduced and these are appropriately reported and evaluated for

possible decommissioning, after consultation with the server manager.

Actions have also been taken to deal with potential interruptions to the energy supply for the data centres, such as the provision of buffer batteries to guarantee energy continuity for approximately 15-20 minutes.

As for future interventions regarding energy, the installation of a new electric car charging station is planned, in addition to the two already installed, as well as the implementation, as already mentioned, of an energy consumption monitoring system and the conversion of the main offices to renewable energy. From a research point of view, on the other hand, the TXT Group has set itself the goal of developing innovative solutions capable of reducing energy consumption not only for its own headquarters, but also for its customers in the aerospace and IT sectors.



PROJECT

Implementation of an energy monitoring system

TXT Group is considering the activation of a system to monitor electricity consumption in order to obtain a clearer and more detailed view of energy use within its facilities. This tool will allow the collection of data in real time, identifying any waste and areas for improvement, and thus providing a solid basis for implementing energy saving solutions. The measuring equipment allows for the control, with a single system, of the measurement and management of all energy sources (such as electricity, gas and water), environmental parameters related to consumption/production (such as temperature, humidity and brightness) and process parameters (such as compressed air, level and status).

The objective is to reduce consumption by 10% by 2026.

Targets:

- 10% reduction in energy consumption by 2026
- Greater operational efficiency
- Reduction in CO2 generated

Project deadline: 2026

Budget: Being defined



PROJECT

Main sites converted to renewable energy

The energy audit highlighted the need to equip the TXT Group's main offices with photovoltaic systems to reduce electricity consumption, particularly during the day. In fact, consumption is high during these time slots when, in addition to processing activities, i.e. those related to the production and operation of the servers, there is a massive use of the Air Conditioning Plant, which virtually groups together all the winter and summer air conditioning machines in a single site, and the Service Centre, where the lifts and break areas are located.

In fact, therefore, the provision of Energy self-production systems, such as photovoltaic systems, would allow the production of electrical Energy to be used almost entirely for self-consumption within the facilities and, where not used, it could then be fed into the grid. The Project began in 2024 with the implementation of two company sites and will continue until 2027, with an integration of the currently identified budget.

Targets:

- CO2 reduction
- Implementation of sustainable energy sources
- Strengthening of brand reputation

Project deadline: 2024-2027**Budget: 200.000€**

CLIMATE CHANGE - METRICS AND TARGETS

Energy consumption and mix

ESRS E1-5
GRI 302-1

The company’s energy consumption is crucial to outline the impact in terms of efficiency of consumption and its consequences on the environment. Having a monitoring system allows identifying priority areas to optimise resources and pursue energy efficiency strategies.

The company has a strategy to modify its energy mix towards renewable sources by signing up to one or more electricity supply contracts from renewable sources.

In the following table, the consumption corresponding to the companies in the reporting scope over the course of 2024.

Sources	MWh	GJ
Electricity purchased from the grid		7030,368
Total electricity purchased from the grid from renewable sources	8,9916	32,36976
Total electricity purchased from the grid from non-renewable sources	1943,88	6997,968

Making it Possible.



Foto source Youtube

FOCUS

PACE - Software to reduce CO2 emissions in air travel

PACE has developed a tool called FPO, which stands for 'Flight Optimizer Profile'. This is a piece of software designed for pilots and flight operators, able to provide crews with fully actionable advice on the most convenient way to complete their flights in the current conditions, carefully balancing operational considerations, such as the optimisation capacity of vertical and lateral flight, with passenger comfort and punctuality. The routes that are plotted by the FPO optimise fuel consumption, thus also reducing greenhouse gas emissions resulting from the combustion of diesel. The software is able to reduce annual fuel consumption by 1% on average, depending on the type of aircraft and the airline's policies.

In view of the spread of FPO in 2024, adopted by about 2000 aircraft, including those belonging to some of the leading companies in the air transport market, it is estimated that in the reporting year the fuel saving was a total of 185,827K lbs and the CO2 avoided was 687,560K lbs. 827K pounds and the CO2 avoided is equal to 687,560K pounds.

The tool raised the interest of Google who, together with American Airlines, used the software integrated with algorithms developed by Google itself to demonstrate the effectiveness of flight optimisation in the chemtrails issue.

To explore the content related to the Project, here is a link to the [video](#) and Google's [post](#).

In terms of R&D, Pace has budgeted a total of 2 million euros to implement Energy consumption optimisation software.



FOCUS

TXT QUENCE S.r.l. and the Partnership with Alisea

Alisea is a company specialising in advanced air quality management and environmental sustainability. It supports businesses with products and services that ensure energy efficiency and air quality.

The partnership with Alisea promotes social well-being and sustainability, strengthening the positive impact on the community and the environment.

FOCUS

Teratron and HSPI and sustainable locations

The Teratron headquarters in Germany is designed to be 89% self-sufficient thanks to the use of solar panels. This choice reduces the environmental impact of the structure, limits the company's dependence on the grid and promotes sustainability. This choice reflects the commitment to ecological innovation and the reduction of emissions. A concrete step towards a greener and more responsible future, while improving energy efficiency and the well-being of the occupants.

The new HSPI headquarters in Rome is also dedicated to sustainability. It has obtained BREEAM (Building Research Establishment Environmental Assessment Method) certification because it was built using an integrated approach for the design, construction, management, evaluation and certification of the different factors that influence the environmental, social and economic impact throughout the entire life cycle of the building in question.

CLIMATE CHANGE - METRICS AND TARGETS

Gross Scopes 1, 2, 3 and Total GHG emissions

ESRS E1-6
GRI 305-1, GRI 305-2,
GRI 305-3

Greenhouse gas (GHG) emissions are commonly categorised into different scopes according to the Corporate Reporting and Accounting Standard of the GHG (GreenHouse Gas) Protocol, an international standard for measuring and managing emissions.

Scope 1 emissions are generated by the organisation's direct combustion, such as the combustion of methane gas in company facilities and other internal industrial processes, and emissions from company-owned vehicles.

Scope 2 emissions are associated with the purchase and use of electrical energy, steam, heat or refrigeration from sources outside the organisation. These emissions are caused by the production chain of the energy carrier used by the company, but are not emitted directly by the company.

The scope of Scope 3 emissions calculation extends upstream and downstream of the company, involving the entire value chain. Upstream activities include waste generation, purchased goods and services, transportation, business travel and distribution. Downstream actions take into account investments and customer services, leased assets and product disposal, as well as emissions generated by its suppliers within the supply chain. With regard to the scouting and quantification of Scope 3, TXT Group has started collecting data with the aim of aligning itself within the three years required by the regulations.

TXT carries out its operational activities both in its own offices and at its customers' premises. The energy carriers used by the Group are mainly natural gas, electricity and district heating, while the consumption of diesel and petrol is due to the use of the company car fleet.

The aforementioned energy audit provided a series of indicators for improving energy performance which, in the case of Scope 2, also aim to reduce the production of CO₂ deriving from the purchased energy.

The impact of other emissions is not considered relevant, due to the fact that the Group mainly carries out service activities.

With regard to the determining factors of Scope 1, the company vehicle fleet is represented in the table below. As can be seen, of the total number of vehicles, over 30 per cent are hybrid and electric, thus demonstrating the Group's desire to progressively limit its impact on the environment with a view to reducing emissions, by gradually replacing its vehicles with sustainable ones.



**Increasingly green
mobility**

Power supply	Total Group vehicles
Diesel	70
Petrol	31
Hybrid / Electric	46
Full Electric	2

With reference to the emissions produced by the Group and by the companies included in the scope of reporting, the table below shows the amounts relating to Scope 1 and 2.

Scope	Total Group Ton CO ₂ eq
Scope 1 (direct emissions)	554,92
Scope 2 (indirect emissions)	606,39
Total emissions	1161,31

CLIMATE CHANGE - METRICS AND TARGETS

GHG removals and GHG mitigation projects financed through carbon credits

ESRS E1-7
GRI 305-5

Absorbing greenhouse gases (GHG) and projects to mitigate emissions represent one of the most urgent challenges of our time, in a global context that is increasingly attentive to environmental sustainability. GHG absorption refers to the capacity of ecosystems such as forests, soil and oceans to capture and store carbon dioxide (CO₂) and other harmful gases, thus helping to reduce the concentration of these pollutants in the atmosphere.

At the same time, greenhouse gas emission mitigation projects aim to reduce the amount of greenhouse gases emitted by human activities through the adoption of innovative technologies, sustainable agricultural practices and the implementation of renewable energy.

As mentioned, the Group has carried out an assessment of CO₂ emissions as a starting point for improving its environmental impact and constantly monitors its performance. In this regard, it has planned strategies aimed at reducing CO₂ emissions into the atmosphere, defining a target specifically related to a 10% reduction in its energy consumption by 2025, with reference to Scope 2.

RELEVANT TOPIC

ESRS E5 - Resource use and Circular economy

RESOURCE USE AND CIRCULAR ECONOMY - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to resource use and circular economy

ESRS E5-1
GRI 2-25, GRI 306-2

[READ MORE](#)

Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible, improving their efficient use in production and consumption, so as to reduce the environmental impact of their use, minimising waste and the release of hazardous substances at all stages of their life cycle, also in accordance with the waste hierarchy.

The objective is to maximise and maintain the value of resources, products and technical and biological materials by creating a system that allows for optimal durability, use or reuse, reconditioning, remanufacturing, recycling and nutrient cycling.

The issue of resource use and the circular economy for the TXT Group is integrated into the environmental policy shared among the companies. This is manifested through the definition of behaviours to which all employees are called upon, aimed at promoting a culture of sustainability and the correct use of resources. The policy not only indicates general principles, such as the integration of environmental considerations in the procurement processes, but also actual best practices to be adopted in daily activities.

It should be emphasised that, due to the type of activity carried out by the Group companies, the quantity of waste produced is residual and does not represent a particular critical issue. However, the topic of refurbishing and possible internal reuse of obsolete or senescent hardware materials may be of particular interest: in this sense, in fact, the reuse (the so-called 'cannibalisation') of parts of devices that no longer work, for reuse in others, thus extending their useful life, can become a source of savings in terms of tech waste.

RESOURCE USE AND CIRCULAR ECONOMY - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Actions and resources related to resource use and circular economy

ESRS E5-2
GRI 306-2

The company monitors 'resource use' and the 'circular economy':

- resource inflows, including the circularity of inflows of relevant resources, taking into account renewable and non-renewable resources;
- resource outflows, including information on products and materials; and
- waste.

As already mentioned, the company's environmental policy aims to:

- **Promote** the use of recycled materials as much as possible in the course of its activities;
- **Pay attention** to paper consumption by reducing or eliminating printing wherever possible;
- **Pay attention** to new opportunities for waste reduction, optimisation, recycling and reuse;
- **Integrate** the environmental considerations in the procurement processes.

In order to pursue the targets defined by the policy, the Group has established a series of activities aimed at implementing best practices in terms of the virtuous use of resources.

PROJECT

Recycled materials for company gadgets and product packaging

In order to reduce its environmental impact, TXT has adopted a responsible purchasing policy, favouring, where possible, the choice of gadgets made with sustainable or recycled materials. This initiative is part of a broader commitment to sustainability, with the aim of reducing the use of virgin resources and promoting the circular economy. One of the solutions adopted is the Perpetua pencil, an innovative product made of Zantech®, a patented material composed of 80% upgraded recycled graphite, a high-quality recycled graphite that gives the product strength and durability. In addition to this choice, TXT has introduced a range of gadgets made from recycled paper and plastic, as well as wood from certified sustainable sources. Through these actions, TXT aims to make customers and collaborators aware of the importance of more conscious and responsible choices, actively contributing to the reduction of environmental impact and the diffusion of innovative and ecological materials.

Targets:

- Achieve zero undifferentiated material
- Reduce waste generated
- Implement green materials
- Reduce impact of material disposal

Project deadline - 2024-2028
Budget: 50.000€

PROJECT

Decommissioning of two terminator devices for VPN client

To reduce the energy consumption of data centres, the company plans to decommission two physical terminator devices for VPN clients by 2025, which will be incorporated into the new firewalls.

Targets:

- Reduction in the number of hardware devices
- Optimisation of space in data centres
- Reduction in electronic waste

Project deadline: 2025
Budget: 50.000€

RESOURCE USE AND CIRCULAR ECONOMY - METRICS AND TARGETS

Resource inflows

ESRS E5-4
GRI 301-1, GRI 301-3

The company can optimise the impact of its activities, in terms of material consumption, through the design of products and services based on the principles of the 'circular economy'.

As already mentioned, this strategic approach involves a series of choices for the company regarding:

- the use of renewable sources and materials or those derived from recycling and/or reuse;
- the extension of the product life cycle, thanks to modular design;
- the recovery and recycling of raw materials that can allow repair, regeneration and reintroduction to the market.

FOCUS

TXT E-TECH and recycled material for events

Creating event merchandise using recycled materials is an important step towards sustainability and innovation. This initiative not only reduces the environmental impact, but also promotes ecological awareness among participants.

Using recycled resources to create personalised gadgets for events helps to raise awareness of the importance of recycling and reusing, integrating social and environmental responsibility values at every opportunity. A concrete gesture to support a more sustainable future, even through small objects that make a difference.

FOCUS

RESOURCE USE AND CIRCULAR ECONOMY - METRICS AND TARGETS

Resource outflows

ESRS E5-5
GRI 306-3

With a view to achieving the international goal of 'Zero waste to landfill', which aims to reduce the amount of waste that ends up in landfill to 10% by 2035, it is necessary for the company to adopt a strategy that aims to redesign the cyclical life of waste by considering it not as waste, but, where possible, as resources to be reused.

This allows us to balance practices that necessarily involve incineration or landfill, and to eliminate or significantly reduce the amount of waste to be disposed of. To this end, it is therefore essential for the company to monitor the data relating to the waste collected and understand how it can be managed.

The type of waste for the companies of the TXT Group is mainly related to materials such as paper and cardboard, plastic packaging, electronic equipment no longer in use, toner and cartridges: due to the characteristics of the materials, the companies participating in the reporting scope recorded a quantity of waste equal to **1441.2 tonnes in the year in question**. These materials are not particularly critical and are disposed of according to regulations.








Social: Social Information


TOPICAL ESRS


Social information

Relevant issues for the Company

ESRS S1	Own Workforce	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
ESRS S2	Workers in the value chain	Working conditions
		Equal treatment and opportunities for all
		Other work-related rights
ESRS S3	Affected Communities	Communities' economic, social and cultural rights
		Communities' civil and political rights
		Rights of indigenous peoples
ESRS S4	Consumers and end-users	Information-related impacts for consumers and/or end-users
		Personal safety of consumers and/or end-users
		Social inclusion of consumers and/or end-users

 Irrelevant topics not covered in the report

 relevant and strategic issues, in-depth

 relevant topics covered in the report

TOPICAL ESRS

Social information

Relevant issues for the Company in short and in Long period

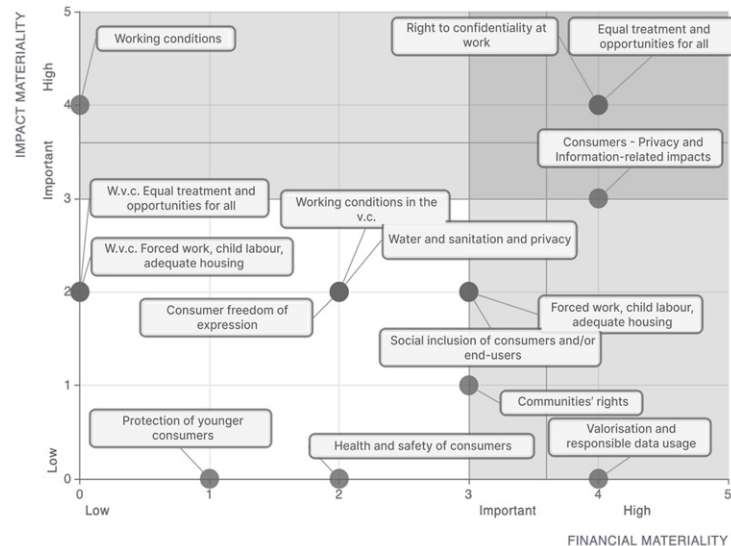
DOUBLE MATERIALITY MAP SHORT PERIOD

RELEVANT ISSUES

- Own Workforce
- Communities' economic, social and cultural rights
- Communities' civil and political rights
- Consumers and end-users

NOT RELEVANT ISSUES

- Workers in the value chain
- Rights of indigenous peoples



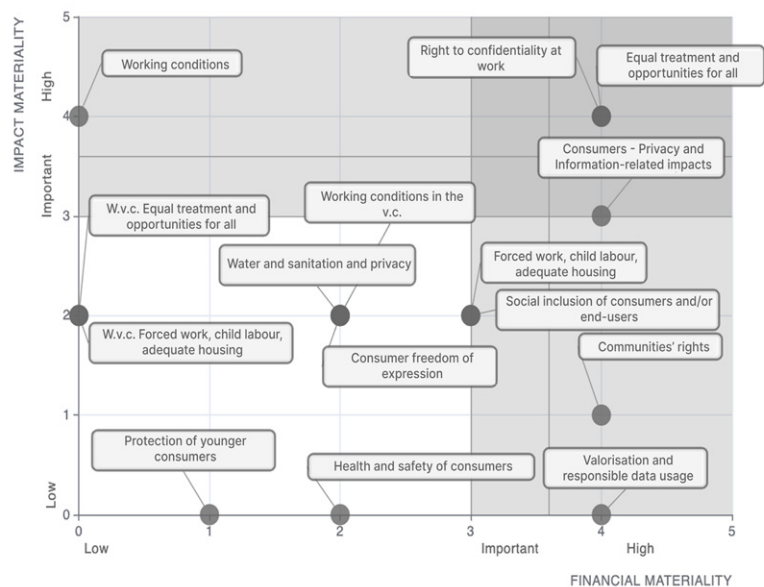
DOUBLE MATERIALITY MAP LONG PERIOD

RELEVANT ISSUES

- Own Workforce
- Communities' economic, social and cultural rights
- Communities' civil and political rights
- Consumers and end-users

NOT RELEVANT ISSUES

- Workers in the value chain
- Rights of indigenous peoples



RELEVANT TOPIC

ESRS S1 - Own Workforce

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to own workforce

ESRS S1-1

GRI 403-1, GRI 403-6,
GRI 404-1, GRI 404-2,
GRI 408-1, GRI 409-1,
GRI 412-1

The stability of its workforce, linked to internal welfare policies, is the cornerstone for ensuring high productivity performance. For this reason, in addition to defining the organisation's approach to employment and creation, it is necessary to manage all subsequent phases: personnel selection procedures, recruitment, employee retention, including related aspects such as working conditions offered and career opportunities, with a view to professional growth.

The company, in order to raise awareness among its employees, activates training programmes to provide the necessary instructions for their protection and provides the means and tools to make the working environment safe. At the same time, employees are called upon to assume specific responsibilities and must play an active role, contributing directly or through their representatives, to the implementation of the corporate security system.

The partnership between employer and employee is essential to ensure health and safety. This partnership starts with training and extends to the adoption of best practices, in accordance with national, European and industry regulations.

Human capital is the fundamental resource for the TXT Group, being crucial for the development of company services and products. Human resource management is a distinctive competence of the Group, which has dedicated particular attention to the harmonisation of HR processes and tools in recent company acquisitions.

Staffing is a fundamental strategic element for building a successful team. Therefore, the company focuses on the continuous improvement of this process, supported by advanced technologies that monitor and optimise the different phases of the work. The objective is to minimise the risk of selecting resources that are inadequate for the company's needs.

The **Human Resources department** is constantly engaged in **training programmes, both technological and socio-cultural**. In addition, increasing attention is being paid to identifying the soft skills necessary for effective teamwork and problem solving.

The market in which the TXT Group operates is characterised by a marked lack of skills, making it difficult to find **qualified personnel**. To address this challenge,



Human capital is
vital for TXT Group



Low level of turnover

the company has intensified collaboration between the Human Resources and Communications departments, focusing marketing on both the company's offer and professional development. The communications department is active on social networks and the main communication channels used by potential candidates.

Another challenge for the Group is to maintain a **low level of turnover** in a dynamic employment market. Therefore, TXT is committed to offering prospects for personal and professional growth, enabling employees to build their careers within the organisation. This principle has guided investments in training, which in 2023 included language, technical, managerial and occupational health and safety courses, as well as soft skills. The response from employees has been extensive, and the HR department has worked to satisfy all training requests, preparing individual and team paths in collaboration with technical managers.

The TXT Group, together with the companies TXT E-Tech, TXT Quence, SPS, HSPI and TXT Novigo, has obtained **gender equality certification**. This recognition underlines the concrete commitment to fairness, guaranteeing equal opportunities and valuing talent without distinction of gender. This achievement reflects the Group's values and its contribution to a more inclusive and fair working environment.



A Company regulations for all companies

The company has social policies regarding the health, hygiene and safety of employees within the scope of the **company regulations** that apply to all companies in the Group. The document defines the behavioural duties of employees, which must be in line with the company **values defined in the Code of Ethics**, namely respecting the principles of legality, fairness and honesty. It is also required to respect the duties of loyalty, fairness and confidentiality towards the company's know-how and assets.

At the same time, the Regulations define the protections and treatment that the Group reserves for its personnel, with the relative indemnities and guarantees provided, salaries and social benefits, work rhythms, Adequate wages, work-life balance, exchanges and participation on Working conditions.

There is also a firm policy in place to protect human rights.

In terms of training and skills development procedures, the document includes a **procedure for surveying skills**. This process is available to every company and BU in the TXT group, and allows them to take a snapshot of all the skills possessed at a specific moment in time. Using the **CezanneHR** (the first companies will have access at the end of 2022) web platform, a form is generated that collects the scores of the skills possessed by each employee.

The aim of this process is to:

- Have a clear picture of the skills available in the company and simplify the use of



Skills inventory procedure

a common skills-oriented language

- Increase the usability of the skills available in different business contexts
- Identify gaps both with respect to current needs and future market trends
- Allocate people to the role/context where they can perform best
- Structure targeted and informed investments (remuneration policies, training development, etc.).
- Encourage people to take responsibility in terms of engagement and continuous skills development.
- Facilitate boss-employee dialogue.

The creation of this procedure represents the starting point for building a process of **performance review** and definition of career path aimed at developing the skills present within each company/BU, which will be tested in some companies of the group as early as 2025.

Finally, according to the **Regulations on smartworking**, partly included in the company Regulations themselves, the company offers all its employees the possibility of working remotely: depending on the needs of the project or the nature of the activity carried out or to be carried out, employees can sign an individual smartworking agreement and therefore work from a location other than the company headquarters.

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes for engaging with own workers and workers' representatives about impacts

ESRS S1-2
GRI 403-4

Workforce policies not only aim to ensure fairness, employee welfare and gender equality, but also improve corporate image and productivity.

From an ESG perspective, it is essential to ensure an inclusive working environment that respects the personal characteristics of employees through compliance with collective agreements and diversity and disability management.

As already mentioned, the Group has policies and practices regarding social dialogue in the context of its company regulations. In line with labour law, it is considered important and essential to safeguard the autonomy and independence of trade union representatives in the performance of their duties. In particular, union activity must not be hindered, impeded or discouraged.

In the year under review, an **ordinary meeting was held with the unions** and union representatives in order to share the guidelines on the subject of regulations for the use of holiday leave and to sign the calendar of company closures. No particular critical issues have been reported regarding the working conditions applied or complaints regarding recognised rights.

TXT Group has also directly or indirectly supported initiatives implemented by individual companies to share the principles of **team spirit, inclusion and well-being among staff**, thanks to events and new projects aimed at cementing these values.

FOCUS

Sports Event

‘TXT Games Without Borders’ is an annual global event that promotes teamwork, collaboration and diversity among employees of different cultures and ethnicities.

By promoting physical activity, social interaction and charitable initiatives, the event contributes to employee well-being and corporate social responsibility.

The inclusive nature of the event and the attention to gender equality are in line with TXT Group’s commitment to creating a positive and sustainable work environment, with a workforce made up of 32.50% women and 67.47% men.

FOCUS

PACE - Gara Berliner Wasserbetriebe 5 x 5 km TEAM relay race

The company took part in the Berliner Wasserbetriebe 5 × 5 km relay, a sporting event that involved employees in a team competition. This initiative, in addition to promoting physical well-being, strengthened the sense of belonging and collaboration among colleagues, demonstrating the importance of combining sport and teamwork. An experience that embodies the values of sharing, Energy and team spirit.

FOCUS



TXT Group

TXT GROUP PROJECTS

Dignity - Extension Sanitary towel dispensers in office bathrooms

This initiative, launched in 2024, offers a service that meets the daily needs of female employees, reducing inconvenience and promoting a work environment that is sensitive to well-being. The Project involves the purchase of environmentally friendly sanitary pads for employees. To this end, 3,500 sanitary pads have been purchased and dispensers will be installed in the bathrooms, with 4 two-compartment columns, equipped with dispensers for tampons and classic sanitary pads, as well as an emergency station. The aim is to promote an inclusive and respectful approach, in line with the values of gender equality, by directly addressing the needs related to women's health and hygiene and contributing to fairer working conditions for all

Targets:

- Increase in employee well-being
- Creation of a more inclusive environment
- Possible reduction in female absenteeism

Project deadline:: 2026

Budget: 35.000€

TXT GROUP PROJECTS

More space for mental and physical well-being in main offices

Targets:

- Improvement of the working environment
- Stress reduction and prevention of burn-out
- Reduction of staff turnover

Project deadline:: 2027

Budget: Being defined

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes to reMediumte negative impacts and channels for own workers to raise concerns

ESRS S1-3
GRI 405-1, GRI 406-1

By actively listening to and involving employees, companies can not only address emerging issues, but also continuously improve their practices and policies, thus contributing to a healthier and more sustainable work environment.

The company has adopted policies relating to diversity, equity and inclusion, defining measures against violence and harassment in the workplace, employment and inclusion of persons with disabilities, equal pay and career opportunities for men and women.



EDI Policy, (Equity, Diversity, Inclusion)

To this end, the **EDI Policy**, in the field of diversity, ensures that the Board of Directors, in implementation of the provisions of art. 123-bis, paragraph 2, letter d-bis) of Legislative Decree no. 58 (the so-called 'Consolidated Law on Finance'), in its composition, pursues an objective of integration of entrepreneurial, managerial and professional profiles, including international ones, which are different from each other, and that the importance of a balanced gender representation as well as the benefits that may derive from the presence of different age groups and seniority in office are also taken into account. This is achieved, in particular, by ensuring that at least one third of the governing body is made up of Directors of the less represented gender, both at the time of appointment and during their term of office. To date, this proportion is guaranteed and the policy aims to ensure that the parameter is respected even in the event of a total renewal of the Board of Directors in the future.



Quality and Gender Equality Policy

As for the **Quality and Gender Equality Policy**, which was integrated in 2024 as a result of the adoption of the Pdr 125:2022 Certification on Gender Equality, it establishes TXT's commitment to:

- Guarantee equal access to career opportunities, training and professional development for all employees regardless of gender;
- Establish selection, promotion and evaluation criteria that are transparent, objective and non-discriminatory;
- Adopt remuneration policies that ensure equal pay for equal roles, responsibilities and skills, regardless of gender;
- Carry out periodic internal audits to monitor and correct any pay disparities;
- Promote work-life balance policies, including flexible working models, to encourage a balance between the professional and private lives of all employees;
- Support initiatives that facilitate a return to work after periods of extended absence (e.g. maternity, parental leave);
- Encouraging women to take on management and leadership roles within the Group, based on each person's abilities, skills and performance;

- Setting up skills development programmes to support the professional growth of all employees, with a particular focus on promoting female talent;
- Creating a respectful work environment that prevents and combats all forms of gender-based discrimination and harassment;
- Disseminate clear procedures for reporting, managing and resolving any incidents of discrimination or harassment;
- Organise awareness-raising activities and continuous training on diversity and inclusion, in order to promote an inclusive and respectful corporate culture;
- Communicate the results achieved and the initiatives undertaken in the field of gender equality in a transparent and regular manner.

In particular, to prevent discrimination and harassment in the workplace, the company applies proactive initiatives during the recruitment process: it pays particular attention to the wording of job advertisements and prescribes guidelines for conducting interviews.

As part of the whistleblowing procedure, Group companies provide their employees and collaborators with protected reporting channels in case of misconduct, discrimination and harassment in the workplace.

FOCUS

HSPI - Female Krav Maga course for self-defence

HSPI organised a Krav Maga course for its employees, as an initiative to promote self-defence and female empowerment. This course helped to strengthen the participants' self-confidence and awareness, offering them concrete tools to deal with dangerous situations. This initiative demonstrates the company's commitment to promoting a safe and inclusive work environment.

FOCUS

OWN WORKFORCE - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Taking action on material impacts on own workforce

ESRS S1-4
GRI 401-1, GRI 403-6

Protecting the health and safety of employees is a fundamental pillar for companies aiming at regulatory compliance and sustainability. Carefully managing these aspects not only reduces the risk of workplace accidents and related penalties, but also offers opportunities to improve the working environment, increase productivity and attract and retain talent.

Analysing health and safety risks enables the identification of areas for improvement and the implementation of safer and more sustainable practices. Investing in health and safety programmes not only protects employees, but also helps to promote a responsible corporate culture and consolidate a positive corporate image.

During the year under review, the company allocated financial resources to improving its working environment, with the aim of increasing the well-being and accessibility of its employees.

During the course of the improvement work, the company planned to install a **system to ventilate the work areas**, with a budget of **about 50,000€** for the Cologno Monzese headquarters where several companies of the Group operate.

During the year in question, TXT Ennova carried out work to **eliminate architectural barriers** at its headquarters and to renovate the refreshment and canteen area, at a total cost of **119,635.41 euros**.

In order to improve the working conditions of its personnel and at the same time reduce employee turnover, the Group constantly monitors the well-being of its team, defining new budgets and verifying the causes and necessary corrective measures to lengthen the permanence of personnel in the company.

FOCUS

PACE - Additional first aid kits

To protect the health and safety of employees, additional first aid kits have been placed in the most difficult to reach areas of the offices, which are not covered by the number of first aid kits that the company is required by law to provide. In addition, a new and additional safety manager has been appointed.

FOCUS

FOCUS

HSPI - Optimisation of employee mobility

The company has opened a second office in Rome, optimising employee mobility and improving accessibility. This initiative promotes a more flexible and comfortable working environment, reducing travel time and increasing efficiency. An important step towards employee well-being and a better work-life balance.

FOCUS

OWN WORKFORCE - METRICS AND TARGETS

Characteristics of the undertaking's employees

ESRS S1-6
GRI 2-7, GRI 2-8,
GRI 405-1

The total number of TXT Group employees in the year under review was 3,282.

Those relating to the reporting scope alone are 2766, of which 1832 are men and 934 women. Not all employees are located in Italy: those working for foreign companies in Germany and Switzerland are 144 and 48 respectively, divided as follows:

Foreign employees	Men	Women
Germany	106	38
Swiss	43	5
Total employees	149	43

Below is the overall breakdown by type of contract of the Group's employees. The table does not include data from PACE, which did not provide a breakdown by position:

Type of contract/position	Numbers
Executives	44
Middle managers	148

Type of contract/position	Numbers
Office staff	2461
Technicians	22
Workers	
Total employees	2675

Division of employees by permanent and fixed-term contract (the data for PACE and TXT E-Swiss is not included in the count because it was not provided).

Type of contract/position	Men	Women
Permanent contract	1669	843
Executives	41	3
Middle managers	114	32
Office staff	1509	811
Technicians	5	8
Workers	0	0
Fixed-term contract	42	55
Executives	0	
Middle managers	2	50
Office staff	38	5
Technicians	2	
Workers		

In the table below, the number of full-time and part-time employees, broken down by job category, at the end of the reporting year (the figure for PACE and TXT E-Swiss is not included in the count because it was not provided).

Type of contract/position	Men	Women
Fulltime	1502	546
Executives	41	3
Middle managers	115	80
Office staff	1340	463
Technicians	6	0
Workers	0	0
Part-time	209	363
Executives	0	
Middle managers	1	2
Office staff	207	353
Technicians	1	8
Workers		

Regarding fixed-term and permanent hires in 2024, both full-time and part-time, the Group would like to clarify that there may always be a discrepancy with respect to the workforce at the beginning and end of the year for two reasons:

- if a work placement with a start date in the year prior to the year under observation is made permanent in the current year, it is counted only once for the purposes of recruitment data and will therefore count as a recruitment in 2023 (as a work placement);
- if the person was hired by another company in the group and had their contract transferred or moved to another company in the group, this move is not counted for the purposes of new hires as they are already part of the TXT group.

738 contracts have been activated since the beginning of the year. The table shows details of the new hires.

Age group	Men	Women
Up to 30 years	251	88
30 - 50 years	130	114
Over 50 years	24	31
Total number of newly hired employees	405	233

In the year under review, 461 contracts expired.

The table shows the main details of the contracts that expired in the year under review.

Age group	Men	Women
Up to 30 years	136	64
30 - 50 years	140	93
Over 50 years	17	11
Total contracts terminated	293	168

The number of internships/work placements activated in the last year is 157. In the table, the specification relating to interns by gender and origin.

School of origin	Men	Women
Secondary School and extracurricular activities	80	77

OWN WORKFORCE - METRICS AND TARGETS

Characteristics of non-employee workers in the undertaking's own workforce

ESRS S1-7
GRI 2-8

The company employs both non-employee workers and co-workers. The table shows the distribution of non-employee workers by gender and age.

Age group	Men	Women
Up to 30 years	60	45
30 - 50 years	97	112
Over 50 years	143	136
Total non-employee workers	200	193

OWN WORKFORCE - METRICS AND TARGETS

Collective bargaining coverage and social dialogue

ESRS S1-8
GRI 2-30

The company has applied collective labour agreements (CCNL) to its workforce.

The employees covered by the CCNL are all the personnel employed. Collective agreements vary according to the type of company.

The following table shows the CCNL applied.

Company	CCNL applied
TXT e-solution S.p.A.	CCNL Industria Metalmeccanica CCNL Dirigenti Industria
Assiopay S.r.l.	CCNL Industria Metalmeccanica CCNL Dirigenti Industria
Fastcode S.p.A.	CNL Terziario CCNL Dirigenti del settore terziario
Hspi S.p.A.	CNL Terziario CCNL Dirigenti del settore terziario
Lba Consulting S.r.l.	CNL Terziario CCNL Dirigenti del settore terziario
Pace aerospace engineering and information technology GMBH	-

Company	CCNL applied
Soluzioni Prodotti Sistemi S.r.l.	CNL Terziario CCNL Dirigenti del settore terziario
Teratron Gmbh	-
TXT Assioma S.r.l.	CCNL Industria Metalmeccanica CCNL Dirigenti Industria
TXT E-Swiss Sa	-
TXT E-Tech S.r.l.	CCNL Industria Metalmeccanica CCNL Dirigenti Industria
TXT Ennova S.p.A.	CCNL TLC CCNL Dirigenti Industria
TXT Novigo S.r.l.	CNL Terziario CCNL Dirigenti del settore terziario
TXT Quence S.r.l.	CNL Terziario CCNL Dirigenti del settore terziario

OWN WORKFORCE - METRICS AND TARGETS

Diversity metrics

ESRS S1-9
GRI 2-7, GRI 2-8

Below is the distribution of the company's employees by gender.

In the following table, the distribution of the company's employees at the end of the reporting year.

Variation in number of employees	Men	Women	Tot. employees
Employees as of 1/1	1675	835	2510
Employees as of 31/12	1832	934	2766
Variation in number of employees	157	99	256

FOCUS

E-TECH e ARTO

The latest technological innovation developed by TXT e-Tech is A.R.T.O. (Automated Robotics for Testing Optimisation): this redefines cockpit testing methods. It represents a significant leap forward in aerospace testing, using artificial vision algorithms based on artificial intelligence and cutting-edge collaborative robotic technologies. This technology/project is led by a predominantly female team.

FOCUS

OWN WORKFORCE - METRICS AND TARGETS

Adequate wages

ESRS S1-10
GRI 405-1, GRI 405-2,
GRI 406-1

The issue of Adequate wages for employees has a direct impact on the motivation, productivity and general well-being of workers. Fair compensation not only reflects the value of the work performed, but is also a key element in attracting and retaining talent in an increasingly competitive labour market. Companies that invest in adequate wages demonstrate a commitment to social responsibility and sustainability, helping to create a positive and inclusive work environment. The company’s employees receive an adequate wage, in line with the applicable benchmarks.

As already mentioned, the Group promotes and monitors equal pay to prevent discrimination and harassment in the workplace.

The entry level wage, i.e. the full-time wage for the lowest occupational category (not including interns and apprentices) is €12.15 (the PACE figure is not included in the calculation because it was not provided), while the minimum wage, or the minimum hourly wage established by law or through collective bargaining agreements, is €10.73.

OWN WORKFORCE - METRICS AND TARGETS

Social protection

ESRS S1-11
GRI 403-1



**More favourable
conditions
compared to the
national collective
labour agreements**

Social protection of employees is a fundamental element for the well-being and stability within a company. It refers to the set of measures and policies adopted to guarantee the economic security, health and social support of workers.

The company provides its employees with forms of social protection, through public programmes or services offered by the company, against the loss of income due to one of the important events in life (e.g. illness, unemployment from the moment the worker starts working for the company, accident at work and acquired disability, parental leave, retirement).

In particular, the **Group Regulations** provide for the application of more favourable conditions than the National Collective Labour Agreement, including paid leave for illness and for specialist medical examinations. In particular, in the first case, TXT allows each employee the possibility of taking time off work in case of illness/indisposition without the presentation of a medical certificate. These absences can be requested up to a limit of 4 (four) non-consecutive days/year that cannot be divided up into hourly segments, and cannot be requested on Mondays, Fridays or days preceding or following a holiday/sick leave/vacation (for example, if Wednesday is a holiday, Tuesday and Thursday are not considered indisposition days). If this limit is exceeded, it is mandatory to present a medical certificate and/or other reason that justifies the absence. This type of leave will appear on the payslip as paid leave and not as a sick day.

With regard to specialist medical examinations, the employee may take paid leave, upon presentation of adequate justification and consequent authorisation, to undergo specialist medical examinations, which, by way of example, do not include those carried out by the general practitioner, routine blood tests, vaccinations and physiotherapy sessions.

This paid leave may not exceed 4 (four) hours. Please note that reports or invoices are not accepted for paid leave for medical examinations; a receipt issued by the hospital or healthcare facility where the examination took place is required.

OWN WORKFORCE - METRICS AND TARGETS

Persons with disabilities

ESRS S1-12
GRI 2-7

The company invests in and promotes an inclusive corporate culture, valuing the unique skills of each individual, thus improving the overall performance of the company. In this context, the company has the opportunity to demonstrate its commitment to a more inclusive and sustainable society.

The companies in the Group have included a total of 53 employees belonging to protected categories in their workforce, where the duties assigned allow for this.

FOCUS

TXT QUENCE - Partnership con inTEC

inTEC is a social cooperative that was founded in September 2021 with the aim of promoting the inclusion of persons with disabilities or fragility in the workplace, through involvement in digital professions and in the management of business processes. The partnership with inTEC promotes social inclusion and accessibility to the world of work, contributing to a positive impact on the community and to the strengthening of equity in professional opportunities.

FOCUS

OWN WORKFORCE - METRICS AND TARGETS

Training and skills development metrics

ESRS S1-13
GRI 404-1, GRI 404-2

Investing in the growth of personnel skills not only improves individual performance, but also contributes to creating a motivating and innovative work environment. The company promotes continuous training programmes, demonstrating a commitment to improving the skills of its employees, and favouring their adaptability to market changes.

During the year under review, employees received professional training.

The tables below summarise the training data.

Activity carried out	Men	Women	Total
Hours of training provided	28411,75	21625,5	50037,25
Employees involved in training	1441	1230	2671

Areas of training	Men	Women
Health and safety at work	5301	4457
Anti-corruption	87	41
Privacy and GDPR	49	57,5
Environmental issues		
Human rights		
Soft Skills	1314	639
Technical skills	15193	12861
Language skills	6159	3304
ISO and IMS processes	309	267
Total hours of training	28412	21626,5

Type of training	Hours
Compulsory training	10048,5
Non-compulsory training	39988,75

Investment in training	Amount in €
Training with external teacher	221.991
Training with internal teacher	261.307

OWN WORKFORCE - METRICS AND TARGETS

Health and safety metrics

ESRS S1-14
GRI 403-9

Constant monitoring of employee health and safety metrics is crucial for the company. This approach not only ensures the well-being of employees, but also contributes to a more productive and motivating working environment.

The type of activity carried out by the companies of the TXT Group is not relevant due to its high level of danger and the incidence of accidents at work is negligible. During the year under review, a total of **11 accidents** were recorded, both accidental and while travelling to and from work, for which **100 days of work were lost**.

OWN WORKFORCE - METRICS AND TARGETS

Work-life balance metrics

ESRS S1-15
GRI 401-3, GRI 403-6

For the company, investing in policies and actions that promote a balance between professional and private life improves the well-being of workers and also contributes to greater productivity and job satisfaction.

In the table, the number of employees who were entitled to parental leave in the reporting year, with reference to the perimeter.

Parental leave	Men	Women
Employees who were entitled to parental leave	5	51
Employees who took parental leave	22	110
Employees who returned to work during the reporting period after taking parental leave	5	43
Employees who returned to work after taking parental leave and are still employed by the organisation within 12 months of their return	3	34

The company offers flexible working hours and smartworking options, in accordance with paragraph 7.6 of the company regulations.

The company also provides its employees with fuel vouchers, shopping vouchers, discounts and special deals with local companies. There is a Corporate Benefits Portal accessible to employees and collaborators of the Group's companies, which allows them to benefit from discounts on various brands and services. The companies TXT E-solutions and TXT E-Tech also provide a welfare package for their employees for expenses related to education, family and health care. Supplementary health insurance is also provided for A1 level employees.

OWN WORKFORCE - METRICS AND TARGETS

Compensation metrics (pay gap and total compensation)

ESRS S1-16
GRI 403-1, GRI 403-6,
GRI 405-2

Pay metrics are a crucial element in the management of human resources within a company. Among these, the pay gap and total compensation are fundamental indicators for assessing the fairness and competitiveness of wage policies. The pay gap, which measures the differences in pay between different categories of employees, is something that companies must monitor carefully to ensure a fair and inclusive work environment.

On the other hand, total compensation, which includes not only the basic salary but also bonuses, benefits and other forms of remuneration, offers an overall view of the value that the company attributes to its employees.

In the table, the average gross hourly wage amount, broken down by Men and Women.

Professional classification	Average gross hourly wage Women	Average gross hourly wage Men
Executives	44,13	50,58
Middle managers	24	25,34
Office staff	16,64	18,12
Technicians		
Workers		

The pay gap is due to the fact that, in most companies, the management or the company presence is currently predominantly male.



Management by objective

Employees are entitled to a bonus based on the company's performance. The company has set up an **MBO (Management by Objective) system** through which employees can earn a variable bonus during the year based on the EBITDA of the group/company they belong to and the achievement of individual targets assigned to them.

Access to the MBO system is regulated within the employment relationship by means of an assignment letter or contractual variation and is only assigned to employees considered strategic to the company structure. There are no automatic rules for access, but the key figures who have access to this system are defined by the manager of each Organisational Unit of the company to which they belong.

RELEVANT TOPIC

ESRS S3 - Affected Communities

AFFECTED COMMUNITIES - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to affected communities

ESRS S3-1
GRI 413

Society and the community are strongly connected. Through its activities, the company has an impact on the territory in which it operates and on the community, which in turn requires the assumption of social responsibility and involvement in the company's choices.

One of the primary targets of the TXT Group is the enhancement of society and the creation of value for all stakeholders. With this term the company has identified the subjects that have an interest in the TXT Group's initiatives, not only economic ones.

For example, the following are part of this group: customers, suppliers, financiers (banks and shareholders), collaborators, but also external stakeholders, such as residents of areas neighbouring the company or sector or local interest groups. The TXT Group relies on its Code of Ethics to regulate its relationships with stakeholders, which requires companies to behave according to the principles of fairness, collaboration, loyalty and mutual respect. The TXT Group undertakes to adopt useful and appropriate measures to ensure that the obligation to comply with the law and all applicable regulations, as well as the principles and procedures established for this purpose, is endorsed and practised by the recipients of the Code.

AFFECTED COMMUNITIES - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes for engaging with affected communities about impacts

ESRS S3-2
GRI 2-29, GRI 413-1

Involving Affected Communities is a crucial element for companies that want to responsibly manage the impacts of their activities. This process not only promotes transparent and open communication, but also allows for a better understanding of the expectations and concerns of the various stakeholders. Through active dialogue, companies can gather valuable feedback, identify potential risks and opportunities, and build trusting relationships with communities. In addition, an inclusive approach to community engagement helps ensure that business decisions are aligned with collective interests, thus promoting sustainable and responsible development.

In this context, the company is committed to integrating the voices of the communities in its decision-making processes, recognising the value of participatory governance.

The TXT Group is committed to the development and well-being of the local community, which is why one of its projects is to increasingly implement activities aimed at involving the local area with a view to increasing skills, but also to support charitable initiatives. In this regard, the Group, especially the company, has launched job placement initiatives in collaboration with local schools and has invested resources in collaborations with local associations that promote social, charitable, cultural and recreational initiatives.

FOCUS

Christmas hamper supplier alongside the Banco Alimentare

This initiative reflects ESG principles and promotes social well-being, demonstrating attention to disadvantaged communities. The initiative aims to reinforce values such as inclusion and solidarity, integrating the company's commitment to a positive impact on society.

FOCUS

Partnership with Vero Volley

Vero Volley, with its long tradition of success, especially in the women's sector with 4 Olympic golds, reflects TXT's commitment to promoting inclusiveness and equality in the sporting context, as well as female empowerment.

FOCUS

Women in Engineering Day

This day celebrates the role of women in the engineering sector and promotes greater female inclusion in STEM professions. The initiative helps to counter gender stereotypes, encouraging young women to pursue careers in engineering and overcome barriers to entry. It fits into the context of gender equality and ESG principles, where women have equal opportunities for growth and professional fulfilment.

FOCUS

FOCUS

TXT Hackathon 2024: Aldeas Tomorro's Future

Unleash the Power of AI: an event dedicated to innovation through artificial intelligence, with a focus on the integration of ESG principles. By involving different talents, the initiative promotes collaboration, sustainability and inclusion, helping to generate responsible solutions for global challenges. The event reflects TXT Group's commitment to driving positive change through technology and creativity, with a participation made up of 33.33% women and 66.66% men.

FOCUS

Sports sponsorship for Ana Ciuchitu

TXT Group supported Ana Ciuchitu during her preparation for the Olympic qualifiers, promoting gender equality and inclusivity. The partnership reflects the company's commitment to supporting emerging talent and offering opportunities to all. Although Ana did not achieve her goal, her dedication is an example of perseverance. TXT Group continues to believe in the values of sport and fairness.

FOCUS

Sports sponsorship for Carlos Perez Cabeza

TXT Group is proud to support Carlos Pérez Cabeza, professional padel player, in his journey towards sporting excellence. With his talent and determination, Carlos represents the company's commitment to promoting sport and individual growth. This collaboration underlines the TXT Group's vision of supporting athletes who inspire others to achieve new goals. With our support, Carlos continues to pursue his dream of excelling at an international level.

FOCUS

FOCUS

Sponsorship of the G.O.S.S. Volleyball team

The G.O.S.S. Volley youth volleyball team is proudly supported on its path to success. The partnership aims to promote the values of commitment, collaboration and inclusiveness, offering young athletes the opportunity to grow and excel. With this sponsorship, an investment is made in the future of sport, creating spaces to develop talent and encourage the athletes to aim for ambitious targets. Concrete support that translates into growth, passion and new perspectives for future generations.

FOCUS

HSPI - Race for a cure

HSPI actively supports social initiatives that promote health and well-being. This commitment is evident in their participation in the Bologna leg of Race for the Cure 2024, a charity race to raise awareness and funds for breast cancer research. By encouraging employees to participate in this event, HSPI promotes a culture of social responsibility and makes people aware of having a positive impact on society. This initiative aligns with ESG principles, demonstrating a focus on social issues, particularly women's health, and promoting employee well-being.

FOCUS

HSPI - Gocce di Solidarietà

HSPI organised blood donation events on World Blood Donor Day to encourage employees to contribute to society. By promoting health, well-being and social responsibility, HSPI demonstrates its commitment to ESG principles and empowers employees to make a tangible difference in the lives of others.

FOCUS

E-TECH - Partnership with the RoboMaster team in Turin

A group of engineers and university students from different disciplines, united by the same vision of building the best robots and pushing the boundaries of innovation. This collaboration promotes teamwork, continuous learning and technological growth. By supporting this team, we strengthen our commitment to excellence and help make Turin the heart of the international RoboMaster community.

FOCUS

FOCUS

TXT ENNOVA - Sponsorship Tabasu Centre (Africa)

The company made a donation to the village school to purchase educational materials for the cultural growth of the children.

FOCUS

PROJECT

Organisation of quarterly workshops on the theme of sustainability

Organisation of quarterly workshops with employees and stakeholders to discuss and define sustainability priorities.

Targets:

- Active stakeholder involvement in the sustainability process
- Identify new areas for improvement
- Improve company and community culture on sustainability issues

Project deadline: 2025-2027

Budget: 5.000€

PROJECT

Increase in corporate charitable initiatives

Increase in the number of company charity events with the organisation of a charity marathon and a collective volunteering day

Targets:

- Promotion of social commitment and corporate responsibility
- Improvement of relations between the company and the community
- Support for social and environmental causes

Project deadline: 2027

Budget: Being defined

PROJECT

Programme dedicated to innovation and sustainability in schools

Targets:

- Educational and cultural development of local communities
- Promotion of innovation and sustainability awareness among young people
- Creation of job placement opportunities

Project deadline:: 2025-2027

Budget: 10.000€

PROJECT

Launch of the 'Mentorship STEM' programme for young women

Targets:

- Increase the presence of women in STEM roles
- Reduce the gender gap in the technology sector
- Develop a pipeline of female talent for the organisation
- Promote female empowerment in the community

Project deadline: 2025-2027

Budget: 10.000€

PROJECT

Collaboration with start-ups specialised in sustainability to co-develop innovative solutions

Targets:

- Promotion of sustainable innovation
- Creation of strategic partnerships to improve environmental impact
- Support of the local entrepreneurial ecosystem

Project deadline: 2025-2027

Budget: 2.000€

PROJECT

RELEVANT TOPIC

ESRS S4 - Consumers and end-users

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Policies related to consumers and end-users

ESRS S4-1
GRI 416-1, GRI 418

Companies aim to guarantee the well-being of their customers, offering safe, high-quality products and services that improve their lives, ensuring the protection of data and privacy.

Furthermore, to mitigate possible negative impacts on customers, companies must adopt **sustainable practices, ensure transparency and responsibility** in the supply chain and actively listen to customer feedback in order to adapt business strategies accordingly.

The policies that regulate the relationships between the companies of the TXT Group and their customers are primarily found in the **Code of Ethics**, which establishes the rules of conduct to which the employees and representatives of the companies must conform, adhering to the principles of legality, correctness and honesty, respecting the legislation and all the norms in force, as well as the principles and procedures established for this purpose.

Customers are the main asset of the TXT Group, which pursues its mission by offering quality services at competitive conditions and in compliance with the rules established to protect fair competition. The TXT Group's behaviour towards its customers is based on availability and respect, with a view to a highly professional relationship. TXT Group employees and collaborators are recommended to:

- provide, with efficiency, courtesy and timeliness, within the limits of contractual provisions, high quality services that meet the reasonable expectations and needs of the customer;
- to provide, where necessary and in the manner and form provided for by company policies, accurate and comprehensive information about the products and services offered, so that the customer can make informed decisions;
- to adhere to the truth in advertising or other communications.

The TXT Group ensures the adoption of procedures to guarantee the confidentiality of the information in its possession, compliance with the regulations on personal data and refrains from seeking confidential data through illegal means.

The market policies and practices adopted by the company are responsible towards the security of its customers. The company has in fact established specific practices to guarantee the security of its customers' data.

As regards the **Quality Policy**, please refer to what is stated in this chapter, ESRS S4-3.

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes for engaging with consumers and end-users about impacts

ESRS S4-2
GRI 416-1



Customer Satisfaction

In a context where sustainability and social responsibility are increasingly at the centre of business strategies, it is essential to establish an active dialogue with customers. This process not only allows you to gather valuable feedback on consumer perceptions and expectations, but also promotes greater transparency and trust.

The company uses specific tools to evaluate the degree of customer satisfaction, in particular, it carries out customer satisfaction activities, as required by the **ISO 9001 standard**.

During the software design phase, the company plans user testing phases: in this phase it is essential to interface with users to highlight possible aspects for improvement, but also to question customers about the usability and sustainability of the product, for example with regard to improving energy performance or in terms of emissions, during or after using the software.

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

ESRS S4-3
GRI 2-25, GRI 404-2,
GRI 413, GRI 416-1,
GRI 418

It is essential for the company to implement internal processes that not only identify and mitigate their impacts, but also promote an open dialogue with consumers and end users. Creating effective communication channels allows customers to express their concerns and suggestions, contributing to a continuous improvement of business practices. This approach not only strengthens trust and transparency, but also allows the company to adapt quickly to market expectations and build stronger relationships with its stakeholders.

Over time, the focus on continuous improvement has created an awareness of the importance of guaranteeing respect for the principles of Quality, not only as a single entity but as a Group, to guarantee the excellence of the services and products of all the legal entities. The realisation of this intention requires the participation and commitment of all the resources that operate in the realisation and implementation of the services offered by the group in an integrated manner and with an awareness of the added value offered by integration.

The main objective of each company in the group, in line with the overall strategy, must be to stand out in the reference market for its competence, ability and suitability to meet the needs of customers, delivering quality products and services on time and in accordance with the agreed budget.

These targets must be pursued through the adoption of a **Quality Management System (QMS)** integrated with the transversal processes and with the specific contribution of each company in the group.

The organisational model adopted allows, through the involvement of the Group Companies and the coordinated diffusion of the ISO 9001 standard, constant monitoring of the quality and services provided. The aim is not only to respond coherently and exhaustively to customer expectations, but also to maximise the results of the individual companies (and therefore of the group) in terms of effectiveness, efficiency and profitability.

Awareness, motivation, involvement, progress and training are the key aspects for achieving the Quality Targets.

The quality policy embraces the following principles:

- starting from the context in which the TXT Group operates, through the identification of the parties involved, the strategic Targets are defined and periodically reviewed on an ongoing basis;
- a formalised Risk management process applied at every level of responsibility



Quality Management System (QMS)

allows minimising the impacts of Risk and identifying Opportunities at the level of the individual company and the group.

- the Quality Management System (QMS) includes descriptions of the transversal processes and of the individual companies of the group and defines the Key Performance Indicators (KPI) that provide an objective indication of the performance of the processes and their effectiveness;
- through continuous monitoring of internal processes and KPIs, it is possible to identify aspects that can be improved through organisational changes, procedural updates and internal investments.

The essential Targets that must be implemented by each organisation in the group within its sphere of competence, in order to realise the company strategy. They can be summarised as follows for the indicated areas:

Compliance:

- compliance with applicable laws and regulations in the definition of the product and service offering;

Commercial:

- independence and integrity in customer relations;
- openness and willingness to cooperate with partners, both internal and external to the group, in the supply of products and services;

HR:

- staff skills appropriate to the operational context;

IT Services:

- use of reliable and, where necessary, 'certified' tools in the performance of activities;

Customer Satisfaction:

- listening to customer feedback.

CONSUMERS AND END-USERS - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Taking action on material impacts on consumers and end-users

ESRS S4-4
GRI 418



Protection of privacy and security of customer data

In the current context, companies are called upon to reflect deeply on the impacts that their activities have on consumers and end users. It is essential to adopt targeted interventions that not only address existing issues, but are also capable of generating significant opportunities. Mitigating significant risks requires a strategic approach that integrates in-depth analysis and proactive action. The effectiveness of these measures is demonstrated not only through the reduction of negative impacts, but also through the creation of value for consumers, ensuring a relationship of trust and transparency. In this way, companies can position themselves as responsible leaders in their sector, contributing to a sustainable future.

With regard to the protection of customer data, the company has implemented regular education and training programmes for its employees, ensures continuous updating of its security policies to guarantee compliance and has also established a collaboration with legal advisors and compliance experts.

Considering the type of activity carried out by the companies, **firewalls and intrusion detection systems** are in place to protect their own and their customers' data, role-based access policies such as multi-factor authentication have been introduced, and regular security and compliance audits are carried out. The Group's companies use cutting-edge digital technologies that support customers remotely, in case of need and assistance.

Regarding the company's use of the collected data, the company shares the details of its privacy policy with the customer and makes it easily accessible through its media channels.







Governance:

Governance information

TOPICAL ESRS

Governance information

Relevant issues for the Company



TOPICAL ESRS

Governance information

Relevant issues for the Company in short and in Long period

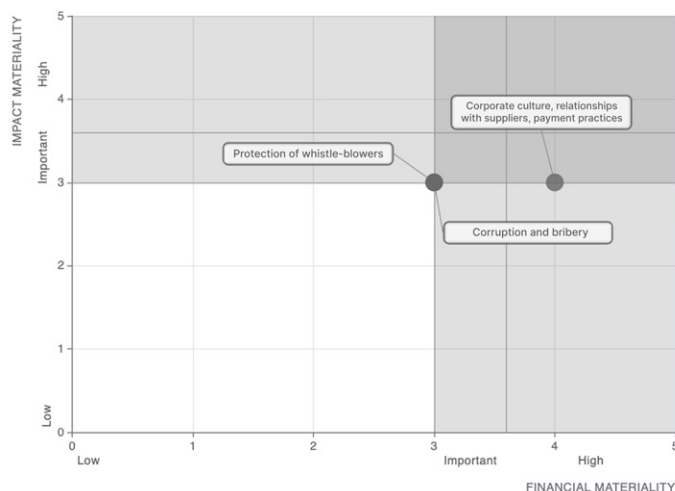
DOUBLE MATERIALITY MAP SHORT PERIOD

RELEVANT ISSUES

- Corporate culture
- Protection of whistle-blowers

NOT RELEVANT ISSUES

- Animal welfare
- Political engagement and lobbying activities



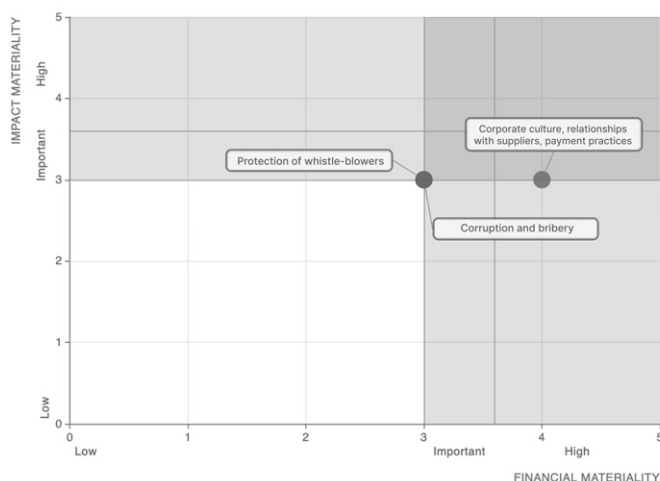
DOUBLE MATERIALITY MAP LONG PERIOD

RELEVANT ISSUES

- Corporate culture
- Protection of whistle-blowers

NOT RELEVANT ISSUES

- Animal welfare
- Political engagement and lobbying activities



RELEVANT TOPIC

ESRS G1 - Business Conduct

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Corporate culture and Business conduct policies and corporate culture

ESRS G1-1
GRI 2-22, GRI 2-25,
GRI 3-2



**Code of Ethics
shared with the
Group's companies**

Culture is the basis of governance choices aimed at integrating the management of economic, environmental and social impacts into corporate strategy.

To achieve this integration, it is necessary to align the structure and composition of the organisation, which will have to adopt social responsibility policies, activate environmental sustainability initiatives, be actively involved in local social issues and create employment opportunities in the community.

These actions not only reduce reputational risks, but also generate business opportunities and contribute to the long-term well-being of the system.

As already mentioned, the company's activities are governed by the **Code of Ethics and Mog 231** regulations signed and shared by the Group companies.

The Code of Ethics expresses the ethical commitments and responsibilities in the conduct of business and company activities undertaken by TXT Group collaborators, whether they are employees, collaborators in various capacities or administrators. All activities are carried out in accordance with the law, in a framework of fair competition with honesty, integrity, fairness and good faith, respecting the legitimate interests of customers, employees, shareholders, commercial and financial partners and the community in which the company operates. Therefore, all those who work in the TXT Group, without distinction or exception, are committed to observing and enforcing these principles within the scope of their duties and responsibilities. In no way can the belief of acting for the benefit of any of the TXT Group Companies justify the adoption of behaviour contrary to these principles. For this reason, the Code has been prepared, and its observance by the recipients is of fundamental importance for the proper functioning, reliability and reputation of the TXT Group, factors that constitute a decisive asset for the success of the company itself.

The Mog 231, adopted in August 2023, is aimed at the members of the Company's corporate bodies, including those involved in the functions of the Supervisory Body, the heads of Company Functions with functional and financial autonomy and, more generally, the Company's employees, consultants, the Company's contractual partners and - in general - all third parties with whom TXT has dealings in the course of its business. The purpose of the document is to summarise the set of

rules, tools and activities suitable for preventing unlawful conduct in accordance with Legislative Decree no. 231/2001.

The Mog adopted by the Company is based on the following General requirements:



Mog 231 General requirements

- identification of risks through the mapping of activities carried out by the Company whose performance may give rise to conduct relevant to Decree 231 ('Sensitive Processes') and the assessment of the level of Risk;
- definition of values applied in the Company and rules of conduct, summarised in the Code of Ethics and in the regulations and procedures ('Principles of Conduct') and dissemination of the same to all recipients;
- assignment of roles and powers in a clear manner, using an organisation chart, an organisational structure, a system of powers and delegated powers that is well defined, clear and transparent, with an indication, when required, of any limits to the powers of each role, also with reference to, but not limited to, the approval of expenses;
- sharing and dissemination within the Company of the rules for the management and conduct of the Activity based on the separation of powers, in order to ensure an adequate level of collegiality in the decision-making process;
- presence of an effective internal control system, based on the following rules:
 - **traceability:** every operation, transaction and action must be verifiable, coherent and congruent, and adequately supported by documentation so that checks can be made at any time to verify the characteristics and reasons for the operation and identify who authorised, recorded and verified the operation;
 - **segregation of powers:** no individual should be able to autonomously manage an entire process, in order to respect the principle of separation of functions;
 - **Consistency of responsibilities and powers:** powers are assigned in line with the roles and responsibilities assigned, as well as with the targets assigned to each role;
 - **Documentation of controls:** the control system is carried out and recorded to document the controls that have taken place during the course of the company's activities;
- Constant and continuous monitoring of the effectiveness of the control system and, more generally, of the entire Model;
- Transparent and widespread communication of the Principles of Conduct and company rules, accompanied, where necessary, by specific training on these principles, on the tools that the Company implements to prevent illegal behaviour that could potentially occur;
- identification of a set of sanctions against those who do not comply with the Model, through the Disciplinary System and application of the same, in the event

of behaviour that violates or does not comply with the law, and in particular the Decree, as well as the Principles of Conduct, the Code of Ethics, the Model and/or internal procedures.

Mog also assigns to the Supervisory Body the task of verifying the correct application of the Model, as well as reporting to the administrative body any possible changes to ensure its effective application. At the same time, it prescribes the creation and implementation of a risk management system that, on the one hand, becomes a tool to make recipients aware of the presence of a system of sanctions in case of unlawful behaviour and, on the other hand, allows for monitoring of sensitive activities and timely intervention to prevent and counter the commission of crimes as much as possible.

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Management of relationships with suppliers

ESRS G1-2
GRI 204-1

The company aims to continuously improve the positive impacts and reduce the negative impacts of its entire value chain.

To achieve this goal, it is necessary to monitor the supply chain and identify suppliers that could be at risk because they do not integrate and manage ESG issues within their organisation.

For this reason, assessing the level of maturity of one's supply chain, in terms of ESG issues, is particularly relevant, especially within the relationships that the organisation has with strategic suppliers.

Relations between TXT companies and suppliers are regulated by the Code of Ethics. Relations with suppliers are based on the pursuit of maximum competitive advantage, the granting of **equal opportunities** for those involved, and **loyalty** and **impartiality**.

The TXT Group undertakes to require its suppliers and external collaborators to respect behavioural principles corresponding to its own, considering this aspect of fundamental importance for the creation or continuation of a business relationship. In this regard, each supplier, commercial partner or external collaborator is informed of the existence of the Code and the relative commitments.

The selection of suppliers and the determination of purchasing conditions are based on an **objective evaluation of quality, price** and the **ability** to supply and guarantee goods and services of an adequate level.

In the context of the selection, which is carried out in a clear and non-discriminatory manner, the TXT Group exclusively uses criteria linked to the objective competitiveness of the services and products offered and their quality.



Criteria for selecting suppliers

For the TXT Group, the reference requirements are therefore:

- the professionalism and experience of the interlocutor;
- the availability, appropriately documented, of means, including financial, organised structures, planning capacity and resources, know-how, etc.;
- the existence of quality, safety and environmental systems.

the stipulation of a contract with a supplier and the management of the relationship with the same must always be based on relationships of extreme clarity. To guarantee maximum transparency and efficiency of the purchasing process, the TXT Group is committed to providing:

- adequate traceability of the choices made;
- the conservation of information, as well as official tender and contractual documents for the periods established by current regulations.

In the table, the % distribution of suppliers by location with respect to the companies reported (the calculation considered TXT e-solutions, Assiopay, Fast Code, HSPI, TXT Assioma, TXT Ennova and TXT Novigo who provided the data).

Geographical location of suppliers	% expenditure on total
Italy	95,1
International	4,9

As for PACE, a company based in Germany, the percentage of foreign suppliers is obviously predominant, at 90%, compared to 10% of Italian suppliers.

BUSINESS CONDUCT - IMPACT, RISK AND OPPORTUNITY MANAGEMENT

Prevention and detection of corruption and bribery

ESRS G1-3
GRI 2-26, GRI 205-1,
GRI 205-2, GRI 205-3

Daily relations with stakeholders, particularly those of an economic and financial nature, require regulations that allow the company to identify situations at risk of corruption and to adopt procedures aimed at preventing or repressing them.

TXT's relationships with customers, suppliers, public institutions and all public administrations are based on the principles of fairness, transparency and collaboration, as outlined in the Code of Ethics and the Model 231. Any behaviour that could be considered collusive or likely to compromise the principles expressed in the Company Code of Ethics is rejected.

TXT monitors and manages the risk of acts of corruption, conflicts of interest and other corporate governance offences by defining its Anti-Corruption Policy for



Anti-Corruption Policy

the prevention of conflicts of interest and other corporate governance offences and providing for the establishment of a procedure and training and information activities.

As part of the assessment of risk areas, as previously referred to in the 231 Organisational Model, companies carry out periodic assessments of potentially risky situations and procedures and include training activities, as part of the training catalogue, for employees and collaborators in potentially risky areas.

In the **Anti-Corruption Policy**, the parent company calls on companies to implement a series of preventive actions:

- **Prohibited advantages:** It is not permitted to offer advantages (money, promises of employment, etc.) to representatives of the Public Administration, Partners or their family members in order to obtain favourable treatment.
- **Gifts and courtesy:** It is forbidden to distribute gifts or perform acts of courtesy towards public officials and employees, except in cases of modest value that do not compromise the integrity or reputation of the parties.
- **Receiving benefits:** It is forbidden to receive money, gifts or other benefits from those who seek to obtain more favourable treatment in an undue manner. The Company may not hire public administration employees and their family members for three years after an act that has brought advantages to the Company.
- **Commercial incentives:** Incentives must respect market practices, not exceed the permitted value limits and be approved according to internal rules. Commissions and discounts must comply with current regulations and be documented. It is forbidden to promise benefits based on unattainable targets.
- **Compensation for External Collaborators:** Services or compensation that cannot be justified in the contractual context with External Collaborators and Partners are not permitted.
- **Cash payments:** No payments over 1,000 euros can be made in cash, either in Italy or abroad.
- **Documentation:** Each document relating to operations in sensitive areas must be signed by the person who created it and comply with current legislation. TXT consente di segnalare comportamenti illeciti o criticità dell'organizzazione aziendale grazie a canali aziendali di whistleblowing.

In fact, in May 2024 the company adopted the whistleblowing procedure/policy, with the aim of establishing common minimum standards to ensure a high level of protection for people who report violations of national or European legislation that have come to their attention in the workplace.

With the aim of guaranteeing the transparency and responsibility of the institutions within companies, the adoption of the standard is intended to protect, both in terms of confidentiality and in case of retaliation, those who expose themselves by means of reports, complaints or public disclosures.

The subject of the report may be civil, administrative, criminal and accounting offences, unlawful conduct relevant under MOG 231 or violations of the same, as well as violations of EU regulations.

To guarantee impartiality and autonomy in the management of internal reporting channels, the company has entrusted an **external manager and three different channels**, namely:

- a dedicated e-mail address that can only be accessed by the Managers;
- a computer platform accessible from the dedicated section of the company website;
- an external postal address that can be reached by registered letter..

All employees receive adequate communication regarding the functioning of the secure and confidential reporting mechanisms (whistleblowing procedures) which are available in different languages to ensure they are fully usable.

BUSINESS CONDUCT - METRICS AND TARGETS

Payment practices

ESRS G1-6
GRI 205-1, GRI 205-2



transparency in negotiations

Payment practices within a company must be managed with the utmost attention and responsibility. It is essential to implement clear and transparent procedures that guarantee legality and ethics in every transaction. Companies must avoid practices that could be interpreted as attempts at corruption or favouritism, ensuring that every payment is justified and documented. Training personnel on current regulations and adopting rigorous internal controls are essential steps to prevent misconduct and maintain the company's reputation.

The company has implemented tools, such as codes or internal regulations, aimed at ensuring **transparency in negotiations** and payment procedures: in this regard, reference is made to the aforementioned Anti-Corruption Policy discussed in this chapter, ESRS G1-3.



Methodological Note

- Methodological notes and reporting framework
- Corporate Sustainability Reporting Directive (CSRD)
- The Standards Global Reporting Initiatives (GRI)
- Sustainability Accounting Standards Board (SASB)
- SDGs: Targets ONU of sustainable development
- United Nations Global Compact
- Taxonomy Regulation UE



Methodological note and reference regulatory framework for reporting



Sustainability is a strategic key for the Company and guides current and future choices regarding investments and business development, as well as the quality of services offered, the respect and listening to stakeholders, and the enhancement of the reference territory.



In this context, the Sustainability Report clearly describes the Company's role and responsibilities towards its stakeholders by measuring the results achieved in relation to the commitments made on material topics.



The company's activities are mapped according to internationally accepted parameters to identifying material topics. These parameters make it possible to systematically assess the impact both inside and outside the organizations.

The impact measurement methodology integrates various frameworks that will be further illustrated in the following pages:

- Corporate Sustainability Reporting Directive (CSRD);
- Global Reporting Initiative (GRI);
- Sustainability Accounting Standards Board (SASB) in association with the ESRS1 standard;
- United Nations Sustainable Development Goals (SDGs) – UN Agenda 2030;
- United Nations Global Compact;
- EU Taxonomy Regulation.

Corporate Sustainability Reporting Directive (CSRD)

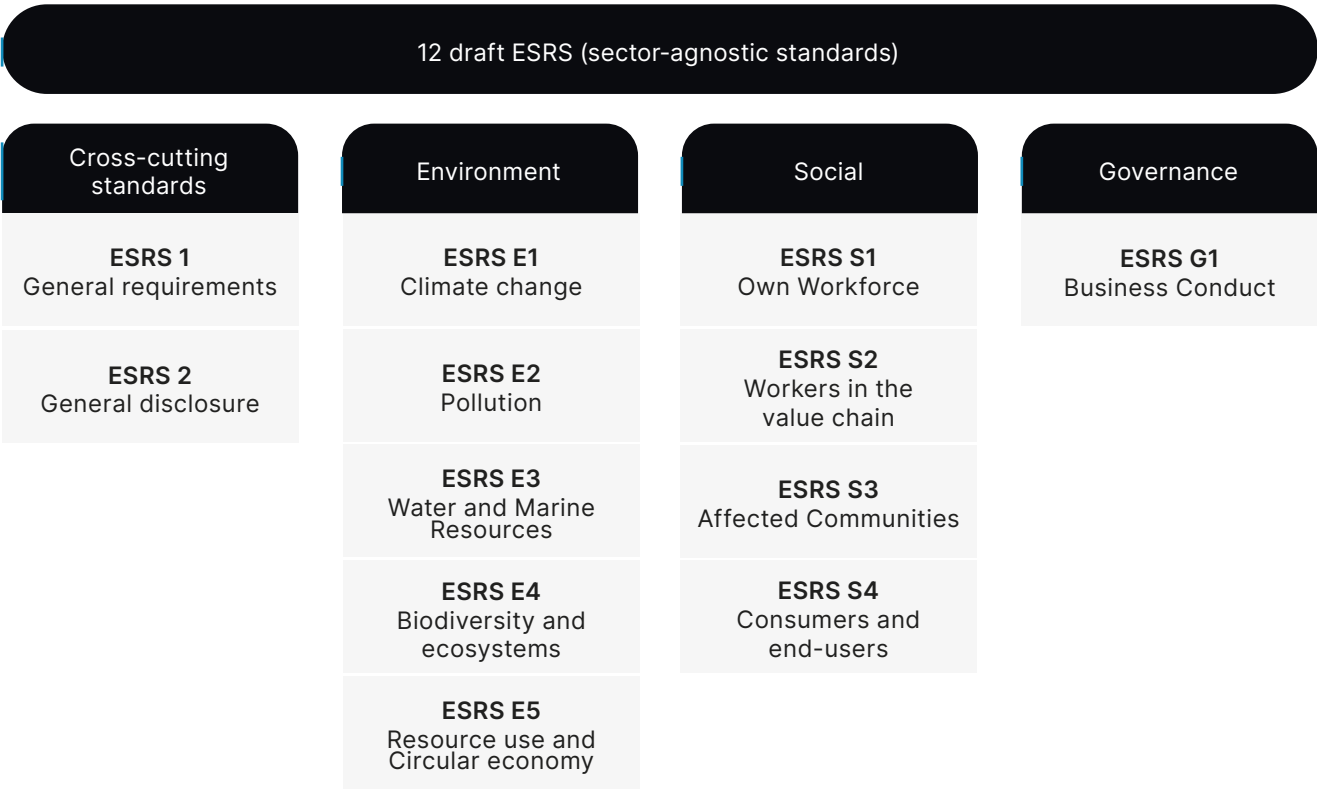
Within the framework of the European Green Deal, the approval and publication of Directive No. 2022/2464 on corporate sustainability reporting (Corporate Sustainability Reporting Directive - CSRD) took place on December 16, 2022, in the EU Official Journal. The CSRD thus amends Directive 2013/34/EU, concerning the obligation of non-financial information disclosure for large enterprises.

The Corporate Sustainability Reporting Directive (CSRD) is a new EU law that imposes stricter requirements on the preparation of sustainability reports by companies. This directive aims to increase transparency and comparability of information on companies' environmental, social, and governance (ESG) performance.

The CSRD came into force on January 5th 2023 and the first reports are expected to be published in 2024. The Directive is based on the European Sustainability Reporting Standards (ESRS), i.e. standards that define what information should be disclosed in reports and how it should be reported.

The first set of ESRS consists of 12 Standards: two general Cross Cutting Standards (ESRS 1 and 2) and ten Topical Standards (Environment, Social, Governance) divided by topic: 5 environmental, 4 social and 1 on Governance.

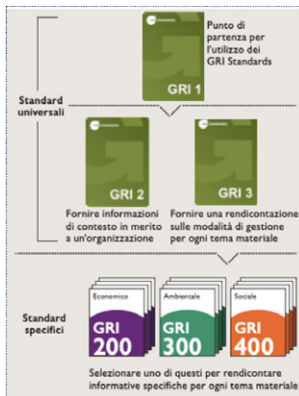
The CSRD mandates that EFRAG continue its work with the further issuance of sector-specific standards.



The CSRD incorporates, within the ESRS standards, a series of European ESG-related regulations:

- Sustainable Finance Disclosure Regulation (SFDR)
- Taxonomy of Sustainable Finance
- EU Climate transition benchmarks and EU Paris aligned Benchmarks
- Capital requirements regulation (CRR)
- EU Emissions Trading Scheme (EU-ETS)
- European Climate Law
- EU Whistleblowing Directive
- Commission Recommendation of 9 April 2013 on the use of common methods to measure and communicate the environmental **performance** of the life cycle of products and organizations
- Emas III
- Transparent Project
- Reporting Standards IFRS
- International Sustainability Standards Board (ISSB)
- Raccomandazioni TCFD e TNFD
- GHG Protocol
- Global Reporting Initiative (GRI) Standards
- Natural Capital Protocol
- UN Sustainable Development Goals
- UN Guiding Principles on Business and Human Rights
- UN Global Compact
- UN Principles for Responsible Investment
- OECD Guidelines for Multinational Enterprises
- OECD Due diligence Guidance
- International Labour Organization's (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- ISO 26000 Social responsibility
- ICGN Global Governance Principles

The Standards of the Global Reporting Initiatives (GRI)



<https://www.globalreporting.org>

The Global Reporting Initiative (GRI) was introduced to a wider audience during the World Summit on Sustainable Development in 2000. The GRI Standards are the most widely used and reliable framework for sustainability reporting. Seventy-five per cent of the world's 250 largest sustainability companies refer to GRI.

By providing a universal language for sustainability reporting, it helps companies compare their progress and communicate their efforts effectively. This is important not only for large companies, but also for medium-sized and small companies that need to define their own sustainability path.

The GRI Standards consist of universal parameters (GRI series 1, 2, and 3) and three specific standards for economic, environmental, and social aspects (GRI series 200, 300, and 400), to which sector standards have been added.

These are sustainability reporting indicators that allow organizations to clearly, consistently, and comparably assess the impact of their activities from environmental, social, and economic perspectives. This assessment can be made public in a format that can be understood even by those who are not experts in the field.

Sustainability Accounting Standards Board (SASB)

Together with GRI, SASB is one of the most important frameworks for sustainability reporting: at the end of 2020, SASB and GRI announced a collaboration aimed at creating more transparency and trust among reporting companies. SASB's use of the term 'sustainability' refers to business activities that maintain or enhance a company's ability to create value over the long term.

The SASB standard identifies the most relevant environmental, social, and governance topics for financial performance in 77 industries. Investors worldwide now recognize these models as a fundamental component of a company's ESG disclosure.

The SASB approach identifies five dimensions (environment, social capital, human capital, business model & innovation, leadership & governance) and applies them for relevance across 77 subsectors based on 26 variables (materialities).

The starting point for reporting is a list of "materialities" that serves to identify and highlight the areas of action on which the Company is focusing.

SDGs: UN sustainable development goals



On 25 September 2015, the governments of 193 UN member states signed the 2030 Agenda for Sustainable Development. An action program approved by the UN General Assembly, which includes 17 specific Goals for Sustainable Development, framed within a broader program of action with a total of 169 targets or goals.

The 17 Goals commit governments and nations, but also each individual company. The ESG principles are the declination of what companies must do.

ENVIRONMENTAL

- ✓ Dependence on fossil fuels
- ✓ High water footprint
- ✓ Complicity in deforestation
- ✓ Waste disposal

SOCIAL

- ✓ Conflicts with local communities
- ✓ Attention to employee health and safety
- ✓ Protection of diversity
- ✓ Good interpersonal relationships between employees

GOVERNANCE

- ✓ Bonuses disproportionate to employees' salaries
- ✓ Involvement in corruption scandals
- ✓ Opening of offshore branches for the purpose of tax evasion



n. 1 End poverty in all its forms everywhere.



n. 10 Reduce inequality within and among countries.



n. 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture.



n. 11 Make cities and human settlements inclusive, safe, resilient and sustainable.



n. 3 Ensure healthy lives and promote well-being for all at all ages.



n. 12 Ensure sustainable consumption and production patterns.



n. 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



n. 13 Take urgent action to combat climate change and its impacts.



n. 5 Achieve gender equality and empower all women and girls.



n. 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development.



n. 6 Ensure availability and sustainable management of water and sanitation for all.



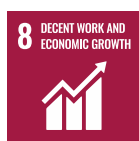
n. 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



n. 7 Ensure access to affordable, reliable, sustainable and modern energy for all.



n. 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



n. 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



n. 17 Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.



n. 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

United Nations Global Compact

The United Nations Global Compact represents a United Nations initiative that requires participating companies and organizations to share, support and enforce within their sphere of influence a set of core principles, relating to human rights, labor standards, environmental protection and anti-corruption.

Since its official launch in 2000, the U.N. Global Compact, whose membership is entirely voluntary, now has more than 24,600 participants representing 167 countries, a figure that is set to increase steadily.

The goal is to promote a culture of corporate social responsibility through the sharing, implementation and dissemination of common principles and values.

This initiative resulted in the development of 10 universal principles divided into four areas:

HUMAN RIGHTS

- Businesses are required to promote and respect universally recognized human rights within their respective spheres of influence.
- Businesses are required to ensure that they are not, even indirectly, complicit in human rights abuses. Human rights are universal and are recognized to all human beings indiscriminately Human Rights.

LABOR

- Businesses are required to uphold workers' freedom of association and recognize the right to collective bargaining.
- Businesses are required to support the elimination of all forms of forced and compulsory labor.
- Businesses are required to support the effective elimination of child labor.
- Businesses are required to support the elimination of all forms of discrimination in employment and occupation.

ENVIRONMENT

- Businesses are required to support a precautionary approach to environmental challenges.
- Businesses are required to undertake initiatives that promote greater environmental responsibility.
- Businesses are required to encourage the development and dissemination of environmentally friendly technologies.

FIGHTING CORRUPTION

Businesses are committed to combating corruption in all its forms, including extortion and bribery.

Taxonomy Regulation UE

The EU has confirmed and strengthened its willingness to drive, with a global leadership role, the process of reducing greenhouse gas emissions in order to counter the effects of climate change. Planned actions range from adopting legislation for concrete and stringent implementation of the environmental policies set out in the UN 2030 Agenda, to accelerating the phase-out of coal and reducing reliance on fossil fuels and increasing the use of renewable energy.

THE CONTEXT IN WHICH REGULATION 2020/852 IS SET

- **UN Agenda 2030**
- **European Green Deal** - The European Union's development strategy, adopted in December 2019
- **European climate legislation (EU Regulation 2021/1119)** sets targets for achieving climate neutrality by 2050 and the constraint of reducing net greenhouse gas emissions by 55 percent by 2030 compared to 1990 levels.
- **Paris Agreement 2015**
- **European Commission Action Plan on Sustainable Finance** - New European strategy for redirecting capital flows to environmentally sustainable investments. The establishment of a unified and shared classification system for identifying environmentally sustainable assets is the most important action of the Action Plan.

Regulation (EU) 2020/852 on "EU Taxonomy," which was published in the Official Journal of the EU and entered into force on July 12, 2020, is a decisive lever for implementing the Union's objectives.

It aims to define common standards that are valid for identifying economic activities that can be considered "environmentally sustainable" and, as such, are incentivizable by EU financial and fiscal policies in order to strongly condition investment choices and access to capital markets and bank credit.

THE SCOPE OF APPLICATION

Specifically, Article 9 of Regulation (EU) 2020/852 defines 6 environmental objectives:

- (a) climate change mitigation;
- (b) adaptation to climate change;
- (c) the sustainable use and protection of water and marine resources;
- (d) the transition to a circular economy;
- (e) the prevention and reduction of pollution;
- (f) the protection and restoration of biodiversity and ecosystems

The eligibility of an economic activity on the basis of the eco-sustainability parameters defined by the EU taxonomy is recognized if:

Contributes substantially
To the achievement of one or more of the 6 environmental objectives

Do No Significant Harm – DNSH
Does not cause significant harm to any of the 6 environmental objectives

Complies with the minimum safeguards of
1. OECD Guidelines for Multinational Enterprises
2. United Nations Guiding Principles on Business and Human Rights (ILO and International Bill of Human Rights).

Regulation (EU) 2020/852 is supplemented by Delegated Regulation (EU) 2021/2178 and 6 Annexes (Annexes) to the implementing regulations, which specify, for each environmental objective, the technical screening criteria that will have to discriminate the compliance of each economic activity with eco-sustainability certification and the consequent advantages of financial rating, access to credit and competitiveness.

Obligated to comply with the EU Taxonomy are:

- all market participants offering financial products in the EU, including pension system operators;
- all Firms subject to the obligation to publish a non-financial statement (DNF), in alignment with the provisions of Directive 2014/95/ EU, transposed in Italy by Legislative Decree 254/2016;
- all EU Member States (which must establish obligations and standards for financial market participants).

In particular, as of January 2022 (the first year of mandatory reporting of the EU Taxonomy), companies subject to the DNF disclosure requirement have been reporting their share of “eligible” (“taxonomy eligible”) revenues, investments (Capex) and operating expenses (Opex) according to the EU Taxonomy, with reference to the objectives of “climate change mitigation” and “climate change adaptation,” the technical screening criteria for which are contained within the Commission’s first two delegated acts (“Taxonomy Climate Delegate Act”), approved on December 9 by the Council of the EU and effective January 1, 2022.

An assessment of alignment with the technical screening criteria is not currently required, to be carried out by these companies from January 2023, through life cycle assessment (“LCA”) processes and independent third-party certification.





Glossary

To enable all interested parties to gain a better and more in-depth understanding of the topics contained in the report, we have included a glossary with the terminology used within the document.

To further facilitate consultation, two QR codes have been organized, one in Italian and one in English, providing further insights into the terms and acronyms used in the Sustainability Report.

This appendix presents the acronyms within the Sustainability Report

Acronym	Definition
CDP	Carbon Disclosure Project
CO ₂	Carbon Dioxide
CSRD	Corporate Sustainability Reporting Directive
GOV-1 Disclosure Requirement	Disclosure Obligation - The Role of Administration, Management, and Oversight Bodies
GOV-5 Disclosure Requirement	Disclosure Requirement - Risk Management and Internal Control Management on Sustainability Reporting
SBM-1 Disclosure Requirement	Disclosure Requirements - Market Position, Strategy, Business Model, and Value Chain
IRO-1 Disclosure Requirement	Disclosure Requirement - Description of Processes to Identify and Evaluate Material Impacts, Risks, and Opportunities
DNSH	Do no significant harm
EFRAG	European Financial Reporting Advisory Group
EMAS	Eco-Management and Audit Scheme
ESRS	European Sustainability Reporting Standards
ESRS 1	European Sustainability Reporting Standard 1: General Requirements
ESRS 2	European Sustainability Reporting Standard 2: General Information
ESRS E1	European Sustainability Reporting Standard E1: Climate Change
ESRS E2	European Sustainability Reporting Standard E2: Pollution
ESRS E3	European Sustainability Reporting Standard E3: Water and Marine Resources
ESRS E4	European Sustainability Reporting Standard E4: Biodiversity and Ecosystems
ESRS E5	European Sustainability Reporting Standard E5: Resource Use and Circular Economy
ESRS G1	European Sustainability Reporting Standard G1: Corporate Conduct

ESRS S1	European Sustainability Reporting Standard S1: Own Workforce
ESRS S2	European Sustainability Reporting Standard S2: Workers in the Value Chain
ESRS S3	European Sustainability Reporting Standard S3: Affected Communities
ESRS S4	European Sustainability Reporting Standard S4: Customers, Consumers, and End Users
EU	European Union
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
IFRS	International Financial Reporting Standards
ISO	International Organization for Standardization
ISSB	International Sustainability Standards Board
SDGs	Sustainable Development Goals

Table of terms defined by the ESRS	Definition	ESRS
Actions	The actions refer to: 1) actions and action plans (including transition plans) undertaken to ensure that the enterprise achieves its set goals and through which the enterprise seeks to address material impacts, risks, and opportunities; and 2) decisions supporting these actions with financial, technological, human, or other resources.	ESRS 1 General requirements
Stakeholders in the value chain	Value chain actors are individuals or entities upstream or downstream of the value chain. An entity is considered downstream of the enterprise (e.g., distributors, customers) when it receives products or services from the enterprise; it is considered upstream of the enterprise (e.g., suppliers) when it provides products or services used in the development of the enterprise's own products or services.	ESRS 1 General requirements
Administrative, management and supervisory bodies	The governing bodies with the highest decision-making authority in the enterprise, including its committees. If there are no administrative, management or supervisory bodies of the enterprise, the chief executive officer and, if such a function exists, the deputy chief executive officer should be included. In some jurisdictions, governance systems consist of two levels, where supervision and management are separate. In such cases, both levels are included in the definition of administrative, management and supervisory bodies.	ESRS 2 General disclosure

Affected communities	People or groups living or working in the same area that has been or may be affected by the operations of a reporting enterprise or its value chain. Affected communities can range from those living near the company's operations (local communities) to those living at a distance. Affected communities include both indigenous populations directly and potentially affected.	ESRS S3 Affected communities
Atmospheric pollutants	Direct emissions of sulfur dioxide (SO ₂), nitrogen oxides (NO _x), non-methane volatile organic compounds (NMVOCs), and fine particulate matter (PM _{2.5}) as defined in Article 3, points 5 to 8, of Directive (EU) 2016/2284 of the European Parliament and of the Council; ammonia (NH ₃) as indicated in that directive; and heavy metals (HM) as indicated in Annex I of that directive.	ESRS E2 Pollution
Corruption	To induce someone dishonestly to act in one's favor by giving them a gift of money or another incentive.	ESRS G1 Corporate conduct
Business Model	The system of transforming inputs by the enterprise through its set of business activities into outputs and outcomes aimed at fulfilling the strategic objectives of the enterprise and creating value over the short, medium, or long term. The company may have one or more business models.	ESRS 2 General requirements
Trade relations	The relationships that the enterprise maintains with business partners, entities within its value chain, and any other non-state or state entity directly connected to its business operations, products, or services. Business relationships extend beyond direct contractual relationships and include indirect relationships within the enterprise's value chain, beyond the first level, and equity positions in joint ventures or investments in corporate entities.	ESRS 1 General disclosure
Carbon dioxide equivalent (CO ₂ e)	The amount of carbon dioxide (CO ₂) emissions that would cause the same integrated radiative forcing or the same temperature change, over a specific time horizon, as a quantity emitted of a greenhouse gas (GHG) or a mixture of GHGs. CO ₂ eq is the universal unit of measurement used to indicate the global warming potential (GWP) of each greenhouse gas, expressed in terms of the GWP of one unit of carbon dioxide. It is used to assess whether releasing (or avoiding releasing) different greenhouse gases has an equivalent impact on a common basis.	ESRS E1 Climate change
Child labor	Child labor refers to work that deprives children of their childhood, potential, and dignity, and is detrimental to their physical and mental development. It includes work that: i. is mentally, physically, socially, or morally dangerous and harmful to children; and/or ii. interferes with their schooling: depriving them of the opportunity to attend school; forcing them to leave school prematurely; or requiring them to attempt to combine school attendance with excessively long and heavy work. For the purposes of this definition, a child is defined as a person under the age of 15 or the completion of compulsory schooling, whichever is higher. There may be exceptions in some countries where economies and educational structures are not sufficiently developed, and a minimum age of 14 years is applied. These exceptional countries are specified by the International Labor Organization (ILO) in response to a special request from the concerned country and in consultation with representative employers' and workers' organizations.	ESRS S1 Own workforce
Circular economy	An economic system in which the value of products, materials, and other resources of the economy is maintained for as long as possible, improving their efficient use in production and consumption, thereby reducing the environmental impact of their utilization, minimizing waste, and the release of hazardous substances throughout their life cycle, including through the application of the waste hierarchy.	ESRS E5 Resource use and circular economy

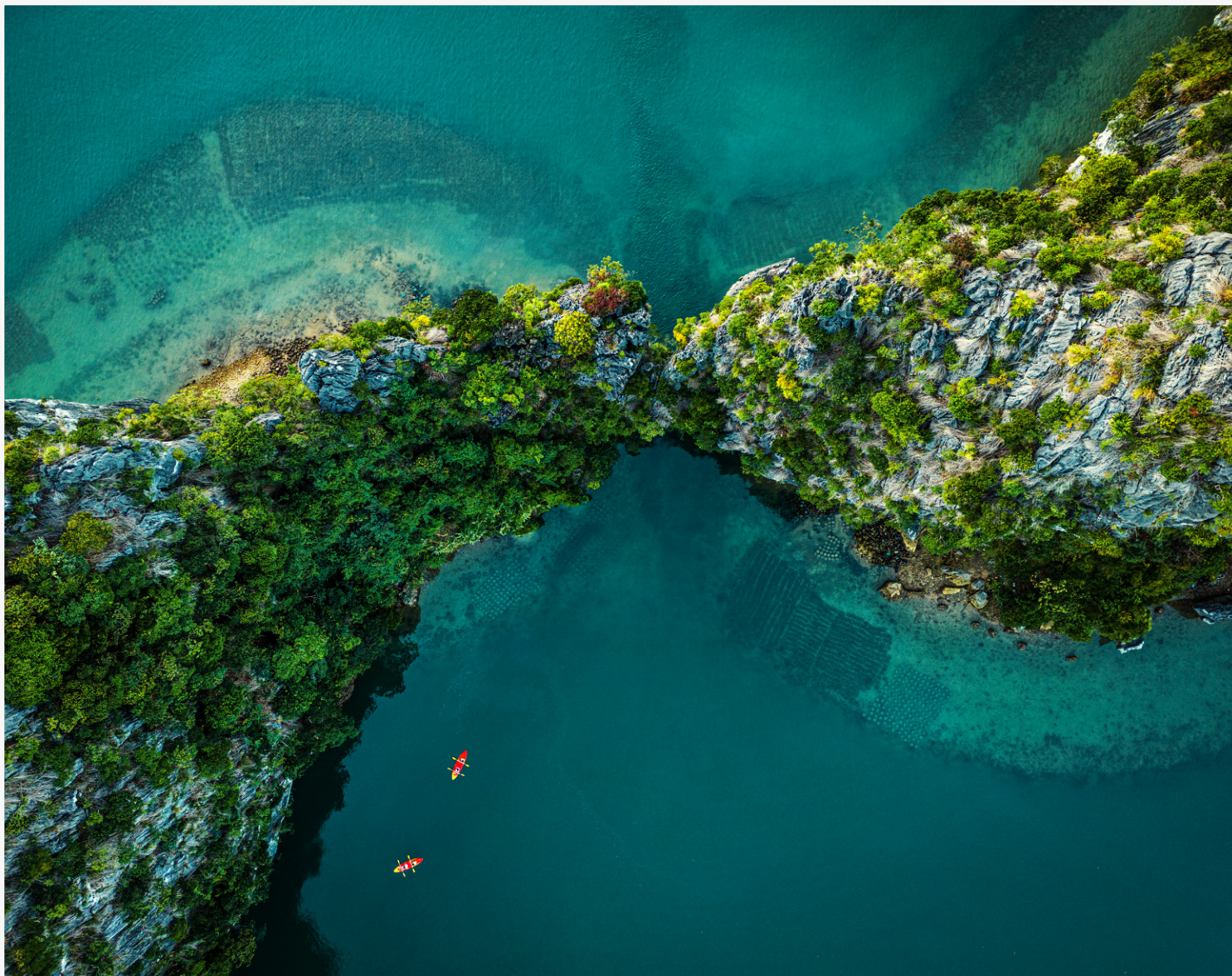
Principles of the circular economy	The circular economy is based on three principles, guided by design: (i) Eliminate waste and pollution; (ii) Keep products and materials in use at their highest value; and (iii) Regenerate natural systems.	ESRS E5 Resource use and circular economy
Climate change adaptation	Climate change adaptation refers to the process of adjusting to actual and expected climate change and its impacts. (based on Regulation (EU) 2020/852)	ESRS E1 Climate change
Climate change mitigation	Climate change mitigation refers to the process of reducing greenhouse gas emissions and containing the increase in global average temperature well below 2°C and pursuing efforts to limit it to 1.5°C above pre-industrial levels, as stipulated by the Paris Agreement. (based on Regulation (EU) 2020/852)	ESRS E1 Climate change
Collective bargaining	Collective bargaining encompasses all negotiations conducted between an employer, a group of employers, or one or more employers' organizations on one side, and one or more trade unions or, in their absence, worker representatives duly elected and authorized by them in accordance with national laws and regulations on the other side, for: determining working conditions and terms of employment; and/or (i) determining working conditions and terms of employment; and/or (ii) regulating relationships between employers and workers; and/or (iii) governing relationships between employers or their organizations and a workers' organization or workers' organizations.	ESRS S1 Own workforce
Consumer	Consumers are individuals who purchase, consume, or use goods and services for personal use, either for themselves or others, and not for resale or commercial purposes. Consumers include both actual and potential end-users.	ESRS S4 Consumers and end-users
Corporate Culture	Corporate culture expresses goals through values and beliefs. It guides the company's activities through the sharing of group conventions and norms, such as values or mission statements or a code of conduct.	ESRS G1 Business Conduct
Corruption	Abuse of entrusted power for private gain, which may be instigated by individuals or organizations. It includes practices such as facilitation payments, fraud, extortion, collusion and money laundering. It also includes the offering or receiving of any gift, loan, reward or other advantage to or from any person as an inducement to do anything dishonest, illegal or a breach of trust in the conduct of the company's business. This may include benefits in cash or in kind, such as free goods, gifts and holidays, or special personal services, provided in order to obtain an improper advantage, or which may involve moral pressure to receive such an advantage.	ESRS G1 Business Conduct

Full Glossary:

Italian

English





TXT

TXT E-Solutions S.p.A.
Via Milano, 150
Cologno Monzese 20093 (MI)
www.txtgroup.com