



United Nations Global Compact
COP - Communication on Progress

October 2022

COMMUNICATION
ON PROGRESS



This is our **Communication on Progress** in implementing the Ten Principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Tecno joined the UN Global Compact in 2020 and presented its first COP in 2021, renewing the adherence to the ten fundamental principles.

The following statement represents Tecno's commitment to continue to pursue and implement those principles.

At the end of each paragraph, the alignment with the **Sustainable Development Goals** (SDGs) and the references to the **Global Reporting Initiative** (GRI) will be presented.

Letter from Our Leader

***Tecno** is working in respect of future generations through new forms of development that go beyond social, cultural and religious conditions: the future depends on a new type of economic development, a sustainable development.*

*Our commitment to the 10 principles of the UNGC is well-aligned with our corporate vision. Also this year, **Tecno** expresses its support for the Global Compact and renews its continuous and participatory adhesion to the common initiative: we firmly believe that our business strategies must always be based on respect of the ten principles promoted by the UN initiative.*

Companies have a key and decisive role for sustainable development: a strongly proactive approach is increasingly required for the next years, through the development of new responsible business models, investments, innovation, technological enhancement and partnership action.

Keeping this in mind, we are working closely with our stakeholders to continue our journey towards more sustainable operations and to improve our environmental footprint.

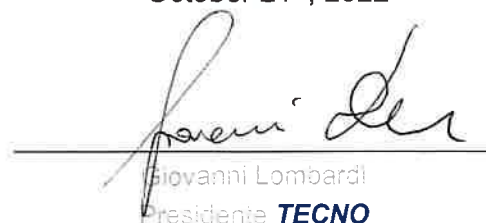
*On the following pages, you can read more about **Tecno's** activities and achievements in all areas related to the 10 principles of the UNGC. We are committed to extending our corporate citizenship efforts, moving forward to ensure our contribution to bring positive change to communities all around the world.*

Contact: Salvatore Amitrano

Telephone: +39 0812400031

e-mail : s.amitrano@tecnocapital.com

October 21th, 2022

A handwritten signature in black ink, appearing to read "Giovanni Lombardi", written over a horizontal line.

Giovanni Lombardi
Presidente **TECNO**



Summary

At the heart of Tecno's business conduct is the belief that the Ten Universal Principles help the global market to be socially and economically inclusive.

Starting in the field of energy efficiency, Tecno has been extending the scope of its services and it is nowadays able to support companies in building their paths towards sustainable development.

In Tecno, we firmly believe that the growth of companies passes through the combination of sustainability and innovation; consequently, we aim to developing new sustainable solutions in line with the UN's SDGS.

It has to be highlighted that Tecno represents one of the first Italian companies to obtain the qualification of ESCO (Energy Service Company) in 2005, accrediting itself with the AEEG (Electricity and Gas Authority), to certify energy interventions.

Moreover, since 2017, Tecno has been part of Elite, the international program created by Borsa Italiana in 2012 in collaboration with Confindustria and dedicated to the most ambitious companies.

Thanks to its solid business model and its clear growth strategy, Tecno received in 2019, as best Italian company for its category, the international EBA National Winner 2019, promoted by European Business Awards.

Tecno has recently won the Best Managed Companies award for the fifth consecutive year. Tecno is thus one of the Italian companies that have distinguished themselves for *strategy, skills and innovation, commitment and corporate culture, governance and performance measurement, corporate social responsibility, and internationalization*.

Moreover, **Tecno** truly believes that is fundamental to distribute part of the value generated to the community; this is proven by the several initiatives of cultural interest, social promotion and protection of the artistic heritage supported during the years.

Human Rights Principles

“At **TECNO** we believe that being able to provide for one's family is a basic human right. We help address this, by educating our employees, building skills that enable them to contribute both to the economy and society”

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights, and

Principle 2

make sure that they are not complicit in human rights abuses.

Principle 1.

TECNO is highly supportive to the Universal Declaration of Human Rights and it ensures that all their employees abide by the same principles.

In this regard, the Universal Declaration on Human Rights is fully respected in daily business conduct, supporting and recognizing the dignity and rights of all members; Tecno's commitment is therefore extended to all its stakeholders. The Group protects its human capital and financial assets by constantly pursuing the necessary synergies not only within the companies, but also with suppliers, strategic partners and customers involved in its activities.

Principle 2

By raising the awareness of all its partners, employees, collaborators and customers, Tecno supports all activities aimed at eliminating forced labor, ending modern slavery and human trafficking, as well as ensuring the prohibition and elimination of the worst forms of child labor.

Tecno seeks to support, respect and sensitize different stakeholders for the fulfillment of human rights. Thus, **TECNO** does not collaborate with clients who disrespect these principles, and the Group ensures that all projects are developed in countries which respect these principles.

Impact on SDGs:



Implementation

1. Health and Safety

Tecno guarantees and continuously improves a safe and healthy workplace, taking all the necessary measures to evaluate the risks and prevent accidents and damages to workers' health.

The Tecno Group promotes, with all employees and external collaborators, the responsibility to observe the principles of safety and health in the workplace with the aim of guaranteeing compliance with the legal provisions as well as the improvement of the quality of life in the working environment.

To this end, a capillary structure, attentive to the evolution of the reference scenarios and the consequent change in hazards, takes technical and organizational measures through an occupational health and safety management system. This system is based on the organization of training and communication initiatives as well as analyses of risks and criticalities of processes and resources.

During the years, a training plan was set up with hours specifically dedicated to safety training for every employee.

Starting from the end of 2022, the course will be carried out through an online platform, allowing all employees to benefit from remote training programs.

The Group has applied the measures provided by the shared regulatory protocol of measures to fight and prevent the spread of the Covid-19 virus in the workplace.

GRI indicators relevant to G.C. - GRI 2018 403-1 403-5

2. Smart-working conditions

Tecno has provided each employee a safety protocol regarding remote working, which provides specific rules, behaviors and prevention to protect the health of all workers, be these in office or from remote working.

Specifically, specific indications relating to private environments are given recommendations for premises inside, for proper lighting, adequate ventilation, as well as information on fire hazard.

3. Code of Ethics and Code of Conduct:

In **Tecno** we strongly believe that business relations with third parties, whether they are customers, suppliers or partners, as well as all labor relations, are characterized by honesty; this consists in acting with a sense of responsibility and adopting an attitude of complete good faith and diligence in every activity or decision.

The Code of Ethics published represents the formalization of this belief and it defines the foundations of all business relationships carried out by Tecno.

The Code of Ethics is necessary to preserve and enhance the value and integrity of Tecno over time; it contains the principles and rules of conduct to which the Group has voluntarily chosen to adhere and make public.

The aim is to declare and disseminate the values that the Group has espoused in the conduct of its business and to help people identify the correct behavior to adopt in any situation that may arise in their daily activities.

GRI indicators relevant to G.C. - GRI 2021 2-23

4. Working time

Tecno applies a working schedule that fully respects the provisions established by the National Collective Contract. The overtime work required is carried out voluntarily and paid as provided for in the contract applied. Workweek is from Monday to Friday and it is not allowed to work after the agreed time.

GRI indicators relevant to G.C. - GRI 2021, 2-30

5. Remuneration

Tecno recognizes its employees a salary in line with the collective bargaining applied; wages are regularly paid on set dates.

GRI indicators relevant to G.C. - GRI 2021 2-30

6. Suppliers control

In the management of the relationships with suppliers and external consultants, Tecno Group shall respect, always and everywhere, the principles of fairness, compliance and transparency, avoiding any kind of illegal act or irresponsible behavior from which the Group may, directly or indirectly, take advantage. Suppliers and consultants are also required to comply with the Code of Ethics and with the principles inspiring the Group's activities such as impartiality, compliance and good faith, in order to establish correct and lasting relations.

7. Disciplinary procedures

Tecno prohibits the use of corporal punishment, mental coercion, or physical, or verbal abuse. The management of disciplinary measures complies with the provisions set by the CCNL. During 2022 no disciplinary measures have been taken.

The sanctions system is represented by the relevant provisions of the Civil Code and the provisions of the CCNL – Commerce, Tertiary Sector, Distribution and Services.

GRI indicators relevant to the G.C. GRI 2016 406-1

Labor Standards Principles

“One of **TECNO**’s core values is Respect for the Individual. Thus, we have a clear commitment to create the widest possible view thanks to diversity. Our workforce includes different countries, cultures, and generations representing a broad range of educational experiences and backgrounds.”

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

the elimination of all forms of forced and compulsory labor;

Principle 5

the effective abolition of child labor; and

Principle 6

the elimination of discrimination in respect of employment and occupation.

All employees have a regular contract of employment, which clearly states their terms and conditions including overtime pay, pay arrangements and health insurance. The staff is also aware of deontological rules which include information on standard terms and conditions of employment, benefits, corporate rules, grievance and disciplinary procedures. Furthermore, **Tecno** provides different training programs to its employees with the aim to ensuring them more skills and knowledge, enriching their professional and personal experience. **Tecno** also fights against social exclusion and discrimination. All recruitment and selection processes are performed promoting equal opportunities for all.

Impact on SDGs:



Implementation

1. Freedom of association and bargaining

Tecno respects the right of all workers to join trade union organizations and to participate in collective bargaining.

Tecno Group does not support or grant funding of any kind, direct or indirect, to political parties, trade unions, movements, committees or to their representatives or candidates, except in the ways and forms strictly established by law. Any legally permitted and morally acceptable contribution requires a resolution of the Governance Body and a clear and documented allocation of resources.

2. Discrimination

Tecno Group is committed to the principles of equality and impartiality, not only regarding its employees but also to all stakeholders who interact with the Group. We strongly believe that everyone has the right to work in an environment free from any kind of discrimination.

Tecno does not discriminate in recruitment, retribution, access to training, promotion, dismissal or retirement, based on race, class, national origin, religion, disability, sex, union membership, political affiliation, age.

The job description describing the prerequisites to be satisfied at the time of recruitment includes only requirements that are relevant to the skills, experience and education of the individual. We currently use a dedicated platform (<https://talents.tecnosrl.it/>) to perform the recruitment inside the group.

GRI indicators relevant for the G.C. – GRI 2016 406-1

3. Forced labor

The Group promotes sustainable, inclusive and lasting economic growth, full and productive employment and decent work for all. In order to contribute to this, **Tecno** maintains relations with a variety of placement services and offers the placement of young graduates in job positions related to their studies, in order to provide a concrete work experience aimed at introducing them to the work world.

Tecno has always aimed to contributing to the development the territory in which it operates, and to overcome cultural and environmental difficulties. The Group develops and supports training activities, not only at the local level, but also financing internships for students of the European Community, facilitating and promoting the exchange of knowledge and skills. The work done within the Group, ordinary and extraordinary, is voluntary and free from forms of coercion. Our personnel manager together with our administrative secretariat are available to provide information about employment contracts and the related conditions.

Relevant GRI indicators for G.C.: GRI 2016 409-1-b

4. Child labor

Tecno does not employ and does not allow people under the age of 18 to work unless they have completed compulsory education.

Tecno, by raising the awareness of all its partners, employees, collaborators and customers, supports all activities aimed at ensuring the prohibition and elimination of the worst forms of child labor.

GRI indicators relevant to G.C. - GRI 2016 408-1-c

Environmental Principles

*“**TECNO** is committed to enhance its environmental initiatives, striving to take the necessary steps to ensure sustainable progress, embedding environmental stewardship throughout all our services, and developing and supporting innovations that help make our world more sustainable.”*

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

undertake initiatives to promote greater environmental responsibility; and

Principle 9

encourage the development and diffusion of environmentally friendly technologies

Protection of the environment is becoming increasingly critical. Aware of this, **Tecno** has recognized that it has the duty to care for the environment in its daily operations, implementing specific actions such as waste and paper reduction, sustainable/local procurement, energy reduction.

Moreover, **Tecno** helps its clients in tackling climate change by accelerating their transition to a sustainable, low carbon economy and putting sustainable development at the heart of the business strategy. To accomplish that, **Tecno** uses an online software platform which implements a remote-control system which permits that all technological devices are energetically monitored to reduce energy consumption.

Impact on SDGs:



Implementation

1. Environmental responsibility

The respect for the environment represents a fundamental pillar for **Tecno** in the development of new services and the management of production facilities. Innovation, technology and organization are the basis of the development; everyone at **Tecno** is aware that its choices affect the transformations of the ecosystem and society. The R&D management continues its research activities to reduce, inside customer plants, the environmental impact of production processes, reviewing and improving the processing cycles with high energy use and limiting the KPI energy based.

It can be said that environmental sustainability is part of Tecno's core business, providing products and services aimed at increasing the efficiency levels of our clients., With innovative technological solutions, our products contribute to improve the efficiency of processes and the reduction of consumption, starting with energy, with evident impacts on environmental sustainability.

Beside the environmental contribution that the Tecno Group can offer to its clients, the Group is putting its effort for an internal resource optimization.

2. Technology

In the last years **Tecno** has structured a department completely dedicated to sustainability, able to guide customers to achieve a sustainable awareness especially in the environmental sector.

Technology is key to pursuing international environmental sustainability goals: innovation fosters decarbonization and awareness supports renewal.

Digital tools and innovative technologies are becoming more and more important: responsible action by entrepreneurs and citizens is often not enough to facilitate the energy transition. Tecno's contribution is demonstrated through the implementation of new methodologies of systems, capable of making real and accurate measurements.

3. Assessment and Reporting

Evaluating and reporting its ESG performances represent key aspects for the sustainable development, intra and extra company. Such practices can allow stakeholders to allocate and effectively manage the right amount of capital, with the result of creating more value.

Reporting can therefore be a driving force, as it represents a way in which companies communicate how they address to address global issues related to environmental, social and governance aspects.

In **Tecno**, we strongly believe that you need to measure in order to improve: as a matter of fact, Tecno, since the beginning of 2022, has been working with a wide range of stakeholders on the quest to develop a common set of non-financial reporting metrics.

The result is represented by an internal tool in order to assess customers' ESG Performance and to give them a strategic plan to improve their contribution to sustainable development.

GRI indicators relevant to G.C. – GRI 2021 2-6-a;b

Anticorruption Principle

“TECNO has a publicly stated policy of zero tolerance for corruption. This policy supports our commitment to fight against corruption in all its forms, including bribery and extortion.”

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

Tecno takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in every negotiation and dealing. We are also committed to implementing and enforcing effective systems to counter bribery. The Tecno Group is committed to acting with integrity and fairness, fighting corruption and fraud, avoiding taking undue advantage of others' positions of weakness or ignorance. Under no circumstances may the pursuit of the Group's interests justify dishonest conduct.

Impact on SDGs:



Implementation

1. Business Principles

Tecno adopts principles of fairness, transparency, diligence and impartiality in the conduct of its business, and the Group requires its employees and collaborators to abide by these principles. We keep updated our Code of Ethics which summarizes the principles and values each employee and collaborator must comply with when carrying out activities on behalf and in the name of the Group.

GRI indicators relevant to G.C. – GRI 2016 205-1

GOALS 2023

1. Implementation of the Organizational Model, in accordance to D.Lgs. 231/2001 in matter of administrative responsibility from crime. This intervention will determine the responsibilities both of the employer and the company in case of employees illicit actions;
2. Publication of the first **Sustainability Report**, which tracks the state of the art of Tecno's performance; integration of the Sustainability Report into the Communication on Progress (CoP) for 2023;
3. Implement **measurement of the environmental, social and governance performance** through clear and defined metrics. The quantification and the comparison in the years will be fundamental in order to support Tecno's mission;
4. Development of an **internal materiality analysis** to verify the strengths but also to improve the sustainable development strategy.

Conclusion

Tecno intends to pursue two complementary objectives: internalize the ten principles of the UN Global Compact within its strategies, policies and operations and to undertake projects to promote the broader development objectives of the United Nations, in particular the Sustainable Development Goals.

Tecno, confirms its adhesion to the national network (Global Compact Network Italy) that will allow to participate in international and local events where participants can exchange experiences, engage in dialogue and identify related organisations for partnership projects. This path is fundamental for the Group to be increasingly ready to face the sustainability challenges.

Therefore, in order to meet the fundamental requirement for participation in the initiative, Tecno will continue to collect all the data necessary for the communication on progress (COP), describing year by year the efforts to implement the ten principles. For Tecno Group, the Communication on Progress is an indication of its involvement in the Global Compact, a mechanism to assess and demonstrate the impact of its actions to incorporate responsible practices into daily operations and to achieve significant change in the society.