

2020 Consolidated Non-financial Statement

Prepared in accordance with Legislative decree no. 254/2016

Introduction

This Consolidated Non-financial Statement (the “Statement”) refers to Webuild Group (the “Group”), which includes Webuild S.p.A. and the fully-consolidated companies³¹. The terms “Webuild” or the “Company” are used to refer to just the parent, Webuild S.p.A.. More information about the Statement’s scope is given in the “Methodology for reporting non-financial information” section.

The policies, management systems and internal procedures described below refer to Webuild. The key content of these documents is reviewed by the competent bodies of the subsidiaries, consortia, consortium companies, etc. in which Webuild has an investment with a view to their adoption.

The section entitled “The infrastructure sector and Webuild’s role” provides a snapshot of the unique characteristics of the Group’s market in order to facilitate a better understanding of the information provided in this Statement.

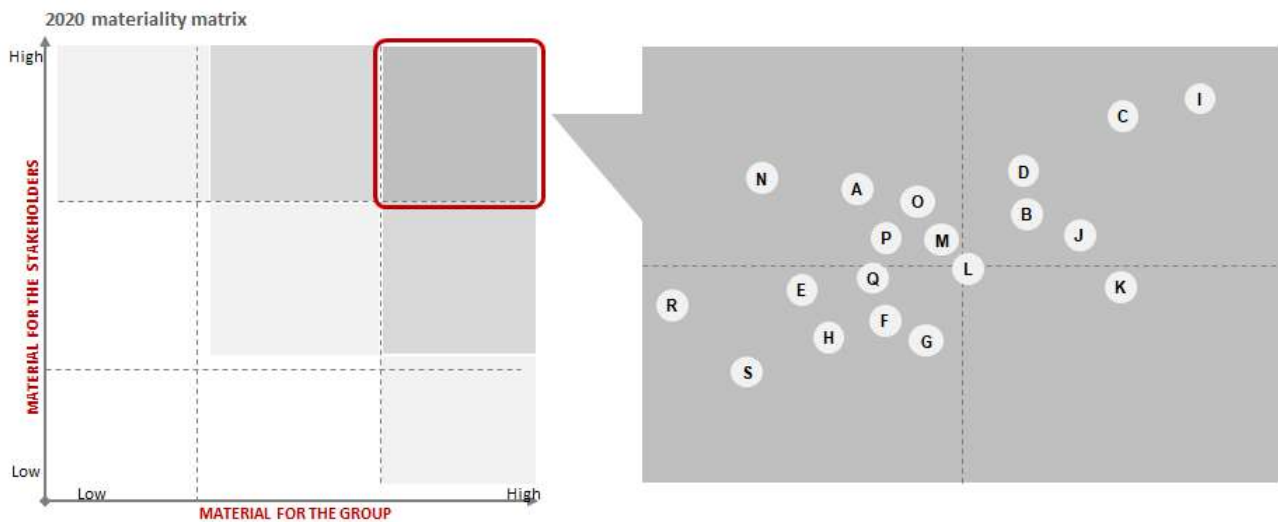
Material non-financial topics

Given the reference context, the specific nature of the infrastructure sector, the Group’s sustainability strategies and the inputs from its stakeholders, Webuild has drawn up and regularly revises a list of material topics on which it provides non-financial disclosures pursuant to Legislative decree no. 254/2016.

The Company adopts the GRI Sustainability Reporting Standards in the preparation of this Statement.

The materiality matrix for 2020 and a list of the material topics grouped by nature are provided below.

³¹ Unless stated otherwise, the key performance indicators (KPIs) in this document include Astaldi S.p.A., which joined the Group on 5 November 2020. Information about Astaldi’s policies, practices and performance is available in its Non-financial Statement available on its website www.astaldi.com.



Market

- A. Sustainability strategy
- B. Excellence and innovation

Management

- C. Ethics, integrity and anti-corruption
- D. Human rights
- E. Supply chain

Social

- F. Job creation and local suppliers
- G. Stakeholder engagement
- H. Local community engagement

Human resources

- I. Health and safety
- J. Training and education
- K. Attraction and development of talent
- L. Welfare
- M. Diversity and inclusion

Environment

- N. Climate change
- O. Natural resources
- P. Waste management
- Q. Soil, subsoil and water
- R. Biodiversity
- S. Dust, noise and vibrations

The “Methodology for reporting non-financial information” section provides more information about the process adopted for the materiality analysis.

Sustainability Strategy

Webuild's Sustainability Strategy is embedded in the Group's business model³² and is underpinned by two key pillars.

The first pillar relates to the core business, hinged on the Group's capacity to develop infrastructure projects in the areas of Sustainable Mobility, Clean Hydro Energy, Clean Water and Green Buildings and its contribution to the global challenges posed by urbanisation, climate change, resource scarcity and technological innovation.

The second pillar embodies the ethical, social and environmental responsibility policies and practices applied by the Group to protect and enhance people and the environment and to contribute to the social and economic development of the countries where it operates.

The Sustainability Strategy allows Webuild to pursue 11 of the key Sustainable Development Goals (SDGs) defined by the United Nations.



The Group's contribution to progress towards the SDGs is guaranteed by all its business areas in all geographical regions where it operates³³.

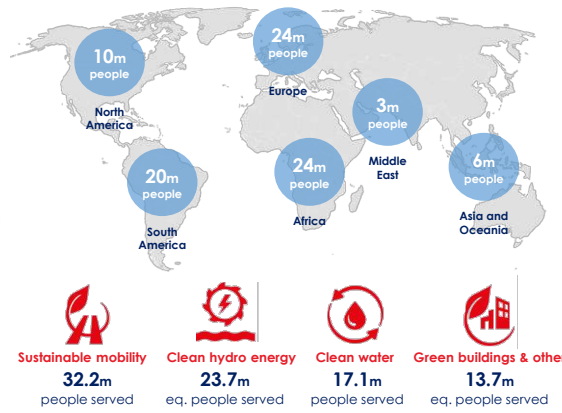
³² Additional information is available in the "Webuild Group: our vision and performance" section of the Directors' report.

³³ More information is available in the Calculation method paragraph of the Methodology for reporting non-financial information.

We improve people's lives



All over the world



Enhancing local economies

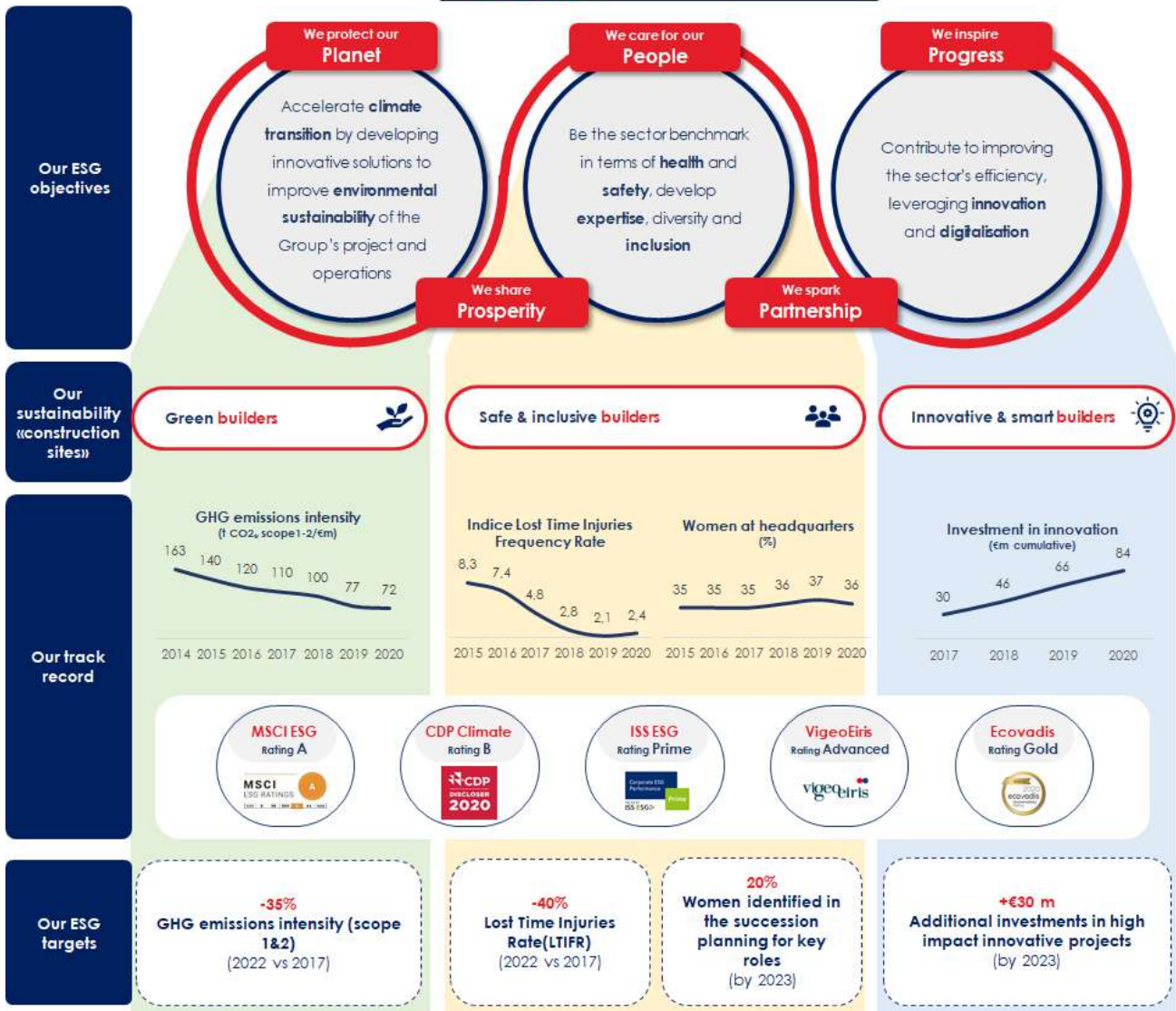


Advancing Sustainable Development Goals (SDGs)



The Group has drawn up an ESG Plan for the 2020-2023 period focused on five priorities (5P) and three strategic areas (Green, Safety & Inclusion, and Innovation) in which it has invested resources for some time and for which it has already achieved important results as confirmed by the independent ESG ratings assigned to the Company.

The Group has defined a number of projects and four specific targets to be pursued over the plan period for these sustainability “construction sites” as shown below:



The following sections describe the policies, practices and performances for each of the above strategic areas.

Company organisation

Webuild's corporate governance model is a traditional management-type model and complies with international best practices. It is an essential tool in ensuring the efficient management of the Group and effective controls over its activities, in line with the Group's goals of creating value for shareholders and protecting stakeholder interests.

The Company's governance system is based on integrity and transparency. It complies with the relevant legal requirements, Consob (the Italian commission for listed companies and the stock exchange) regulations and the recommendations of the Code of Corporate Governance/Conduct in force from time to time.

At the end of 2020, the Company's Board of Directors had 15 members, including five women (33.3%) and nine who met the independence requirements (60%). The Board of Directors has four committees: the Strategic Committee, the Control, Risk and Sustainability Committee, the Compensation and Nominating Committee and the Committee for Related-Party Transactions. The Control, Risk and Sustainability Committee, comprised of six independent directors, examines this Consolidated Non-financial Statement in connection with the Company's activities and engagement with its stakeholders.

The Company has an organisational and management model based on a system of principles (Code of Ethics and Policies) and management and control tools (risk management, models, procedures and controls) designed to supervise significant non-financial topics in line with the regulations applicable in the countries where it operates, standard principles and international guidelines.

Webuild is a signatory of the UN's *Global Compact*, the largest global sustainability initiative that requires companies to align their operations and strategies with ten universally-recognised principles on human rights, labour practices, the environment and anti-corruption.

Code of Ethics

The Company has a Code of Ethics, which sets out its principles and rules of conduct that people who work for or with Webuild are required to adhere to during their everyday work.

The Code applies to the directors, statutory auditors, managers and employees of Webuild as well as all those parties that directly or indirectly, temporarily or on an ongoing basis work with the Company, to the extent of their duties and responsibilities.

They are required to comply with the laws and regulations applicable in the various geographical areas in which the Company operates and to base their conduct on that set out in the Code.

The Code of Ethics has three sections:

Ethical principles: the reference principles to which Webuild employees are required to adhere: integrity, honest, reliability and sustainability.

Rules of conduct: the practical implementation of the ethical principles incumbent on all parties required to comply with the Code; these rules of conduct set out in the Code cover non-financial aspects dealt with in this Statement.

Application and compliance: the internal procedures used to monitor application of the Code and the communication systems available to the parties required to comply with the Code.

Company policies

Webuild has issued a number of company policies, which alongside the Code of Ethics, represent the main points of reference for people working for the Company. They are summarised below:

Sustainability: the principles that the Company is committed to complying with during its operations in order to contribute to economic progress, social well-being and the environmental protection of the countries where it operates.

Health and safety: the principles that the Company is committed to complying with to protect the health and safety of its employees, suppliers and subcontractors during the entire life cycle of its contracts (design, construction and development) and in the workplace; its objective is “zero injuries”.

Environment: the principles that the Company is committed to complying with in order to mitigate possible adverse effects on the environment, protect the ecosystem and increase the beneficial effects, contributing through its projects to resolving the main global environmental issues.

Quality: the principles that the Company is committed to complying with to ensure its client’s full satisfaction, the active involvement of all stakeholders and ongoing improvement of the Quality System, based on its fundamental goal of “build to perfection”.

Human rights: the principles that the Company is committed to complying with to ensure the protection of human dignity, just and favourable conditions of work and the protection of the human rights of stakeholders affected by its activities.

Equal opportunities, diversity and inclusion: the principles that the Company is committed to complying with to encourage inclusive work environments that value the individual, developing human capital.

Anti-corruption: the anti-corruption principles to be adhered to by employees, based on the fundamental tenet of “zero tolerance”.

The Company strengthened its commitment to the environment, health and safety and human rights and workers with the **International Framework Agreement** signed in 2014 with the Italian (Feneal-UIL, Filca-CISL and Fillea-CGIL) and international (BWI - Building and Wood Workers' International) trade unions of the construction sector.

The above principles are reiterated in the **Suppliers Code of Conduct**, introduced early in 2020, through which the Company extends its responsible operating practices to its supply chain. This Code is binding for Webuild's suppliers and, together with the Code of Ethics, is an integral part of their contractual relationship with the Company.

Management and control system

The Company has an internal control and risk management system incorporating rules, procedures and organisational structures to ensure healthy, ethical business practices that are consistent with its objectives through appropriate procedures to identify, measure, manage and monitor the main risks.

This system is based on standards which require that:

- business activities be based on applicable internal and external rules, can be mapped and documented;
- the allocation and exercise of powers as part of a decision-making process be commensurate with the positions of responsibility and the size and/or significance of the underlying transaction;
- those parties that take or implement decisions, that record transactions and those that are required to perform the controls over such transactions provided for by law and procedures envisaged by the internal controls be different parties;
- confidentiality and compliance with the personal data protection legislation be ensured.

Webuild has also voluntarily adopted an **Integrated QEHS** (Quality, Environment, Health and Safety) **Management System** in compliance with the international standards ISO 9001, ISO 14001 and ISO 45001, as well as an **Anti-Corruption Compliance System** pursuant to ISO 37001. These systems are certified by an independent expert.

The quality, environment, health and safety management system certifications cover:

- the definitive and executive designs, works management and performance to build large works, civil and industrial works and related technological systems;
- the design and management of integrated operation and maintenance services for infrastructure, civil and industrial buildings, related technological systems and electromedical devices.

The quality management system also applies to the coordination of the general contractor activities carried out in accordance with Title III of Legislative decree no. 50/2016 and Legislative decree no. 56/2017 as subsequently amended and integrated.

The scope of these systems includes all the work sites where the Company operates and all types of company in which it is involved.

The anti-corruption management system covers the design, construction, restructuring and maintenance, on its own behalf or for third parties, of civil engineering, industrial, infrastructure and plant engineering works. It applies to the Group's core and strategic processes managed by the Italian offices and the Company's operations, including those of the foreign branches and directly-managed work sites. Centralisation of the main processes exposed to corruption risks (including business development and procurement) has meant that the related controls are carried out as part of the certification.

The Company has an ISO 31000 compliant **Risk Management System**, certified by an independent expert. It covers construction on its own behalf or for third parties of roads, ports, buildings, hydraulic, hydropower, railway and other civil engineering works in Italy and abroad.

Webuild refers to the OECD Guidelines for multinational enterprises and ISO 26000 "Guidance on Social Responsibility" for its CSR issues. It has also adopted the UN's Guiding principles on business and human rights for the management of human rights.

Subsequent sections of this Statement provide more information on these frameworks.

Organisation, Management and Control Model

Webuild has introduced an organisation, management and control model (the "231 model") to:

- prevent the commission of the predicate crimes as per Legislative decree no. 231/2001;
- define and implement an internal culture based on respect and transparency;
- increase awareness among employees and stakeholders.

The Model sets out specific controls implemented in internal procedures in order to monitor transactions exposed to the potential risk of crimes that would trigger the administrative liability of companies.

It includes measures to identify and reduce potential risks of non-compliance with the provisions of Legislative decree no. 231/01. With respect to the risk of bribery crimes, the Model's controls are aligned to the Anti-corruption Compliance System.

The Integrity Board, which is an independent control body, monitors the effective implementation of and compliance with the Model. The Company has informed its employees of an email and postal address for any communications to be made directly to the Integrity Board, guaranteeing their anonymity and protection from

any form of reprisal. Notification of alleged violations of the Model can also be made using the whistleblowing system (see the “Anti-corruption” section) which forwards them to the Integrity Board.

This complies with Law no. 179/2017 and Confindustria’s Explanatory Note dated January 2018.

Non-financial reporting system

Webuild has a non-financial reporting system that complies with the requirements of Legislative decree no. 254/2016 and the GRI Sustainability Reporting Standards. The Corporate Social Responsibility Department supervises this reporting system. This Statement is approved by the Company’s Board of Directors after it has been examined by the Control, Risk and Sustainability Committee.

Main organisational changes

Webuild revised parts of its organisation during the year to ensure more effective controls over its internal processes.

Specifically, the main organisational projects, which also led to the recruitment of new resources from the market, involved:

- the *Administration, Finance and Control Department*, with the set up of a *department headed up by the Chief Financial Officer* and the creation of new internal units such as the *Controlling and Accounting Department* which combined the existing Operations Controlling Department and the Accounting Department to improve controls over operational risks and better coordinate administrative and tax activities.
- the Commercial/Business Development area, due to the additional streamlining of the geographical areas in line with the new direction of the Group’s business;
- the *Group Bidding and Engineering Department*, which received the PPP Projects & Concessions Bids Unit to facilitate the coordinated preparation of bids, including for PPP projects and concessions;
- the *Group HR, Organisation and Systems Department*, with the extension of the *Organisational Development, Talents and Knowledge Department* which now includes the Talents and Corporate Academy and Knowledge Management units to better direct the organisation’s development and contribute to the definition of a strategic design for HR processes that can support integration and change.

The changes in the organisational model were flanked by a review of internal processes and innovation for the purposes of ongoing improvement and operating effectiveness and efficiency.

The Company continued its digitalisation project as described in the relevant paragraph of the “Innovation, research and development” section.

Meanwhile, the Company continued to fine-tune its Knowledge Management Programme as part of its drive to improve process efficiency and create value by harnessing and re-deploying experience gained in the field. The programme is designed to optimise the knowledge-sharing tools and methods and access to specialist expertise, improving the Company’s competitiveness in the production and related sectors, and bolstering the retention and expertise of Webuild employees.

The purpose of the new Knowledge Management Programme is to provide Webuild employees with a service to capitalise their know-how as a 360° degree change management tool and provide the Group with a competitive edge, including through the deployment of digital technologies.

Webuild also continued to encourage its subsidiaries to apply organisational and process best practices as part of its drive to steadily disseminate and standardise the organisational models and operating methods at group level. This approach allows for the optimisation of internal processes by promoting the parent’s competence centres’ role in communicating guidelines, recommendations and specialist assistance.

Specifically, during the year, the Group studied a Standard Project Organisational Model to be used to define a standard organisational structure for its projects in line with the corporate organisational model. The solid line and dotting line reporting of each project function vis-à-vis the corporate functions were identified together with the main operating responsibilities.

In addition and in line with that set out above, Lane defined a new matrix management structure, whereby the main headquarters units work together to assist the development of the local market in line with the Group’s best practices.

Finally, the Company tweaked and supplemented its procedures as part of its project for ongoing improvement of its organisation and to reflect changes in the legislative framework. It also revisited and introduced a new system to draft and approve the text of procedures so as to speed up and facilitate the issue of new documents. In addition, the Company continued to assist the peripheral units applying the procedures by setting up multi-functional work teams which provide support during the project start-up phases. Their objective is to ensure that the peripheral units’ organisational charts, systems and procedures are in line with those of the Group.



Innovation, research and development

Webuild considers innovation essential for its long-term sustainable growth in an era of technological and environmental challenges. Innovation is key to be competitive in terms of:

- core process efficiency for improved performance efficiencies (timing and costs);
- social and environmental performance thanks to less work-related incidents and a smaller impact on the environment and the communities affected by its operations;
- quality construction services that meet clients’ needs.

The Company's sector is known for the highly customised processing, techniques and technologies deployed depending on the nature of the works to be performed. Each project is unique and requires the development of bespoke solutions designed thanks to highly specialist know-how. The Group's work sites are real hives of innovation and advanced research.

R&D activities are carried out at project and company level.

At project level, in addition to researching materials, ensuring worker safety, pursuing quality and protecting the environment, the most challenging activities are those for projects with technical characteristics that cannot be dealt with using conventional techniques and technologies.

At company level, the technical departments work unceasingly to develop state-of-the-art methods for projects and support processes. The Company's technicians work alongside the best experts and professionals in the market, universities and research centres to develop tailored solutions able to meet clients' requirements while protecting the local environment and communities right from the initial tender stage.

During the 2018-2020 three-year period, the Company invested on average around €18 million in innovation, research and development projects for a grand total of approximately over €53.9 million. These projects have involved on average more than 247 group specialised resources³⁴ each year.

Innovation	Unit	2018	2019	2020
Employees involved in innovation projects	no.	249	366	127
Investments in Innovation	€m	16	20.2	17.6

Innovation projects mainly related to design, planning and development, construction techniques, materials, digitalisation of sites, safety, quality and the environment.



³⁴ The personnel involved in long-term projects is considered for each year. The figures for 2018 and 2019 have been restated compared to that published in the 2019 Consolidated Non-financial Statement to include Lane. The 2020 figures include Lane's figures based on the best estimates available at the date of preparation of this report.

Design, planning, development

Webuild places its services at the client's disposal for the project to be developed. Its aim is to deliver a high-quality service and play its part in the sector's technological evolution.

Its key initiatives in this area include the development of two types of robot with innovative applications used at the New Genoa Bridge work site in Italy. The inspection robot scans and monitors the steel surfaces of the external decking to ensure the highest levels of controls and safety. The wash robot is used to clean the glass panels and solar panels installed on the sides of the bridge for the highly efficient generation of renewable energy, used to meet most of the infrastructure's energy needs. Specifically, the inspection robot optimises the periodic control activities as it increases the frequency and reliability of the data collected, which means increased safety and smaller operating costs for the infrastructure.

Webuild also carried out two interesting innovation initiatives in the tunnelling area. One was a study into the reuse of materials excavated by TBMs (tunnel boring machines) to fill embankments, which reduces the project's environmental footprint and costs as part of their circular economy initiative.

The second initiative involved the development of geophysical surveys to identify underground cavities and geological anomalies to reduce risks, and pre-empt delays and the risk of rising costs over the construction period.



Construction techniques

Webuild best expresses its innovative potential in this area. One of the most interesting initiatives carried out in the 2018-2020 three-year period is the development of a new method to install vertical pipes underwater, called

the riser concept, as part of the environmental restoration project of the Matanza-Riachuelo catchment basin in Argentina. This solution, for which Webuild has filed a patent application, involves installing vertical pipes from the bottom up, working inside a tunnel built on the bed of a water body when there are soft ground formations. Before this innovative equipment, only vertical bottom-up excavation methods in rocky material existed, which were not possible in underwater conditions. Significant offshore work and seaworks were necessary for these projects, working from the top down, which significantly lengthened the contract times and complexity due to the numerous external factors, especially weather and navigation conditions. The new riser concept technique almost completely eliminates the seaworks as it allows the pipes to be laid directly inside an undersea tunnel with substantial improvements in terms of simplifying construction and the reduction in the number of offshore processing activities and works, optimised costs during the construction and operating stages, strong construction planning and timelines, elimination of interference with shipping, reduction of the overall environmental impact and fewer construction risks.

Another noteworthy initiative is the study of the boring of a tunnel using pressure boring technology carried out to develop a bid for a section of the Naples - Bari high capacity railway line in Italy. The project required improved technical solutions to resolve interference with the water table inside the tunnel, especially as regards the temporary works to allow boring inside the tunnel without water. The Company opted for an innovative but efficient and safe solution, able to guarantee dry boring in simple, repetitive and expeditious executive stages, eliminating the risk of any disturbance to the existing structures and the water table.

Yet another interesting initiative is the study, design and development of new technologies to develop large inclined hydraulic tunnels using mechanised boring techniques and alternative lining solutions for the Snowy 2.0 hydropower station project, which is part of the Snowy Mountains Hydroelectric Scheme, a network of hydropower stations in Australia.

The project involves the excavation of an inclined pressure shaft at a 25° slope (46.73%), 1,600 m long, with a diameter of 9.9 m and subject to significant dynamic loads (+/- 25bar). This high pressure shaft's maximum incline is unique in the world and, given the size of the works and operating conditions, represent an absolute technological innovation in the sector, especially for a hydraulic tunnel bored by a TBM.

Customised technological solutions have been designed for this project. They include the single lining using interconnected segments, high performance sealing mortars and technological systems for mechanised tunnelling using a TBM for the upwards inclined shaft. The TBM has a self-adaptive driving system and reconfigurable platforms and equipment to transition from horizontal tunnelling to inclined excavation. The TBM can operate both in an open mode and closed/slurry mode as well as if there is naturally occurring asbestos material.

This innovative and one-of-a-kind solution has been adopted to mitigate the risk of potential issues related to the site's geological conditions and will allow significant cost and time savings in boring the tunnel.

The Group has also decided to reengineer its production processes making them more efficient, covering both its normal work site activities and the main support activities. This lean construction process is the construction

sector's take on the lean production principles and includes various activities, including a focus on operating planning and an on-site analysis of the KPIs compared to the bid estimates.

Materials

The more important studies carried out in recent years are those for the mixes for the concrete used to build the dams in Ethiopia and Namibia and the metro projects in Australia.

Specifically, the R&D activities identified optimised mixes, with a low cement content, for the GERD project in Ethiopia. This enabled a saving of more than 200 thousand tonnes of cement and, in turn, a saving in transportation. As a result, the study will allow a reduction in the project's carbon footprint of over 290 thousand tonnes of CO₂.

An on-site production process was developed at the same work site and at that for Koyssha (also in Ethiopia) for concrete admixtures which avoided their purchase and related transportation from abroad (i.e., Europe). This will lead to lower transport emissions of roughly 27 thousand tonnes of CO₂.

In Australia, in the Forrestfield-Airport Link project, the Group studied a concrete mix called Triple Blend Concrete, made of recycled materials from other industrial sectors (e.g., the iron and steel sector), to replace cement. It will be used to replace roughly 45% of the traditional concrete in the production of tunnel lining segments and 65% of that used for stations.

In Italy, Webuild has studied methods to use permanent materials (steel, concrete) with a high recycled materials component to reduce the use of raw materials as part of the circular economy, like for the previous initiative.

Innovative studies involving mortars were also carried out. Specifically, in Italy, research into leak sealing mortars for tunnels bored with TBM was performed to reduce the external hydraulic loads, allow structural optimisation and extend the work's useful life. In Australia, the ultra-high performance sealing mortars for tunnels bored with TBM are used to increase the infrastructure's duration and reduce construction risks.

Digitalisation of sites

These initiatives apply to many areas. They entail the development of innovative tools that use machine learning, artificial intelligence (AI), the Internet of Things (IoT), big data & predictive analysis and BIM to facilitate the processing of big data with summarised and detailed outputs available in real time. Digital innovation is essential to Webuild's competitive edge in a world undergoing continual technological transformation. The main initiatives undertaken to support its business include:

- a digital technology study to support management processes during the execution stage, from the work site's start-up to the project closing; its objective is to improve management efficiency, capitalise on the know-how generated and facilitate checks by the head office to create a real "digital work site";

- a study of intelligent devices with AI, positioned on the Group's main machines to collect data about various issues such as safety (e.g., the machine's speed), operation (e.g., production data), fleet management (e.g., fuel consumption, engine ignition hours); these data provide statistics, dashboards, KPI and alerts after being collated and analysed by software;
- the study and development of the Tunnel WeView system to collect, process and view in real time all the data collected by the TBM and the plants and equipment used at work sites, including the monitoring systems. This system collects information from various sources at the work site and transforms disaggregated data into integrated information available in a single control room;
- a project of Astaldi to introduce a BIM model for the Brenner Base Tunnel, called the Life Cycle BIM LCB; the BIM models will be refreshed at "as built" level with data and information generated during the construction stage for the tunnel's future operation, 4D simulations of its construction and integration of the BIM models into the GIS environment for consultation;
- collaboration between Webuild, Lane Construction and Colorado School of Mines (CSM) for a project to apply AI to the TBM used at the Northeast Boundary Tunnel Project (NEBT) in Washington D.C. to increase its operating efficiency. This system applies AI in real time to estimate parameters such as deformation of the ground and buildings caused by tunnelling, and wear and tear of the cutter head and other components, processing a large quantity of information to create solid performance predictive models;
- roll out of a HR process digitalisation project to introduce technological best practices for the day-to-day activities. Specifically, during 2020, an integrated system to manage every stage of the employment relationship with employees was introduced to become a single global solution for HR management of corporate, branch and work site employees. This digital system will interface with the performance management module to assign and assess goals and expertise for the group employees;
- a feasibility study for the implementation of an internal knowledge management ecosystem to encourage a new approach to processes and activities, strongly focused on digital technologies; the end objective is to increase productivity, operating efficiency, sustainability, flexibility and traceability.



Safety, quality, environment

The design of a construction site layout that is sustainable, attentive to the safety of workers, the environment and the surrounding areas is becoming increasingly important. Once again, technology is the harbinger of efficient and improved performances in the safety and environment areas, leading Webuild to invest in this type of initiative. The most significant initiatives recently undertaken include:

- a study of pilot projects to improve occupational safety using sensory systems to detect person-machine interaction, person-suspended load interaction, ring fencing of the areas at greatest risk, in-vehicle monitoring systems and the equipping of work site vehicles with cameras and white noise for alert & monitoring purposes;
- introduction of a real time work monitoring system to support process optimisation analyses and investigations of any irregularities/near misses/incidents using a video camera system;
- integrated solution system to protect the environment, right from the design stage of projects, while also considering the health and safety of workers and the community as part of a joint effort with the competent authorities. An example of this is the asbestos protocol at the Giovi third railway crossing work site (Milan - Genoa high speed/capacity railway line) in Italy;
- a study to develop an environmentally-sustainable TBM with reduced energy and water consumption by optimising the onboard systems and devices to improve tunnelling efficiency and all the many related functions and equipment; this has led to a reduction in the machine's environmental impact, faster tunnelling and greater safety;

- a study to develop a sustainable work site model where the environmental components of all the industrial processes are assessed, made more efficient and optimised, with a special focus on water, energy and materials consumption;
- development of intelligent biodiversity monitoring systems to protect the areas where the work sites are located using innovative, smart solutions such as the monitoring valuable crops (through multi-spectral satellite analyses) or the wild life's interaction with the work site activities (using motion-based detection systems). These systems have been used for the Bicocca - Catenanuova railway section project in Italy;
- introduction of an innovative system to monitor and manage work sites' water resources using remote digital systems to maximise water recovery during construction activities. This system has been used at the Giovi third railway crossing work site (Milan - Genoa high speed/capacity railway line) in Italy;
- a study of an automated system to design, manufacture and position tunnel segments using highly efficient robotic technology integrating solutions for innovation, efficiency, circular economy, environmental footprint reduction, and development of a more resilient and better performing product. The robotised factory has been designed so that it can be dismantled and re-installed in other areas (design for deconstruction).



In addition to continuing its ongoing projects, the Company constantly scouts for new potential innovation, research and development projects to invest in.

In the 2021-2023 three-year period, the Company intends to invest additional resources of more than €30 million, as set out in its ESG plan. Its aim is to roll out high impact projects that it has already identified to drive technological and digital penetration of its business processes in order to ultimately improve efficiency and sustainability.

Human resources



≈55 thousand people

direct and indirect workforce

43%

employees under 35³⁵

36% women

at the head office

390 thousand hours

training provided to direct and indirect personnel

Internal policies

People, their skills and their dedication are fundamental to any organisation's competitive edge. Human capital is an increasingly critical success factor given the nature of Webuild's business, consisting of the building of unique large, complex infrastructure projects, its need to understand and have a flexible organisation that can adapt to different cultures and the complex transformation it is currently undergoing.

The adoption of a HR strategy and policy is essential and they must underpin the Group's strategic objectives through the efficient management of human resources and the organisation.

Objectives:

- guarantee that employees act in accordance with common rules and practices in compliance with the Code of Ethics and the Company's values;
- foster an inclusive work environment that enhances individual skills and encourages employees to develop their potential;
- cultivate diversity and inclusion as levers to understand the various cultural contexts in which Webuild operates, to encourage innovation and the ongoing improvement of decision-making processes key to achievement of the business objectives;
- attract, retain and motivate employees by guaranteeing their best placement within the Group to enhance their talents and growth;
- maintain the highest levels of protection for health and safety in the workplace for its employees, ensuring the necessary prevention and protection measures are in place to avoid or minimise occupational risks and instil a safety-based culture at all levels and proactive and ethical conduct;

³⁵ Excluding Astaldi.

- encourage the adoption of a single organisational model throughout the Group, based on structures and processes to create value and to concurrently comply with the legislation of all the countries where Webuild operates;
- introduce digitalisation as an essential tool to bolster the efficiency and standardisation of processes and maximise knowledge and the sharing information between people across the Group.

Main risks and management methods

The Company's HR management complies with the principles set out in its Code of Ethics and the laws and regulations of the countries where it operates.

The risks and methods used to manage the key employee-related aspects and risks are described below.

Workforce

At 31 December 2020, the Group's workforce was as follows:

Direct workforce by category (GRI 102-8)	Unit	2018	2019	2020
Managers	no.	357	359	544
White collars	no.	6,738	6,192	8,318
Blue collars	no.	19,469	17,975	20,300
Total	No.	26,564	24,526	29,162
Direct workforce by geographical segment (GRI 102-8)	Unit	2018	2019	2020
Italy	no.	1,771	1,699	3,174
Africa	no.	8,923	8,724	10,055
Europe	no.	1,301	755	2,419
Americas	no.	4,288	4,248	6,789
Asia and Oceania	no.	10,281	9,100	6,725
Abroad	no.	24,793	22,827	25,988
Total	No.	26,564	24,526	29,162

At year end, technical and production employees made up 81% of the workforce with office employees accounting for the other 19%. The split between open-ended and fixed-term employment contracts is 87% and 13%, respectively³⁶.

If the indirect resources (employees of subcontractors, temporary work agencies and other service providers involved in the Group's projects) are included, the total workforce deployed by the Group in 2020 numbered 54,883.

³⁶ The employee category and type of employment contract percentages do not include Astaldi.

Total workforce by geographical segment (GRI 102-8)*	Unit	2018	2019	2020
Italy	no.	5,242	6,392	7,911
Africa	no.	11,620	9,992	11,463
Europe	no.	4,515	2,389	6,399
Americas	no.	7,806	8,733	13,256
Asia and Oceania	no.	35,904	21,869	15,854
Abroad	no.	59,845	42,983	46,972
Total	No.	65,087	49,375	54,883

* Figure for indirect resources do not include Lane or Astaldi.

The above figures relate to the Group's employees at 31 December of each year.

New hires and outgoing employee trends are affected by the unique nature of the infrastructure sector, where workers are taken on for specific projects with employment contracts that usually end when the works have been completed.

In 2020, the Group hired 14,088 resources, including 5,002 under 30 years old. Outgoing employees numbered 6,804 and this figure includes the transfers of resources among group sites. The greatest number of departures was seen in the Middle East as a result of the advanced stage of completion on the main ongoing projects³⁷.

Attraction, selection and development

Employee attraction, selection and development activities are carried out in accordance with the principles contained in the Code of Ethics and company policies.

Employer Branding

2020 saw Webuild promptly introduce all the measures necessary to continue its multi-year Employee Branding strategy despite the limitations imposed by the Covid-19 emergency. It swiftly moved its on-campus activities online, confirming its commitment to attracting the best talents and providing career counselling to young people. Career days were converted into digital events, enabling Webuild to continue its interaction with new graduates and young talents, including presenting the career paths it offers. It undertook many other online initiatives to assist young people at their first arms with the large infrastructure works sector, such as themed workshops in university faculties and assessment days. Thanks to around 40 Employer Branding events, involving Webuild managers and a strong communication campaign on the institutional channels, the Group ensured its visibility on the domestic and international markets, remaining front-of-mind for the target talents.

³⁷ Excluding Astaldi.

During the year, Webuild confirmed and built on its strategic partnerships with universities. In Italy, it signed a master agreement with Genoa University to jointly provide training to students and new graduates through work experience and career guidance sessions. This led to the agreement of a research partnership whereby, from early 2021, Webuild and Genoa University will pool know-how and resources to develop sustainable mobility projects in a shared research laboratory to promote the interdisciplinary nature of research.

On the international stage, Webuild expanded its collaboration with Australian universities. It continued to fund scholarships at the University of Technology (UTS) in Sydney to fund scholarships for engineering students (the “Webuild Tomorrow’s Builders 2020” scholarships) and continued a programme to promote the academic and professional training of female engineers. This wide-ranging collaboration, established by an agreement signed in 2018, was extended to other projects in 2020 including the holding of a joint short-course in Tunnelling.

The Group also finalised a new collaboration with University of Melbourne and will provide two scholarships for one male and one female engineering students (“Webuild Master of Civil Engineering” and “Webuild Women into Engineering”), as confirmation of its intention to build solid and long-lasting relationships in Victoria and contribute to the training of local young talents. It also commenced talks with University of Queensland to identify future possibilities where the Group’s involvement in Australia can be extended and enhanced. To this end, it participated in the online “STEM Internship” career fair organised by RMIT University for the second consecutive year.

Lane was also directly involved in the prompt migration of all its Employer Branding initiatives online. During the year, it provided career guidance to young people by participating in no less than 16 virtual career fairs. These recruitment events took place at universities with which Lane has long-standing relationships as well as those of a more recent date in order to consolidate and develop links with the main universities of the states in which the Group operates. Digital content was essential in this new approach dictated by the Covid-19 pandemic and Lane’s entire Employer Branding plan was developed with the valuable assistance of the Communications Department to ensure the Group’s content was incorporated into Lane’s plan providing continuity to its approach to future generations.

In Europe, Webuild started talks with Oslo Metropolitan University (OsloMet) as part of its mission to foster and encourage collaboration with top class universities in geographical areas of strategic interest to the Group. It also intends to contribute to training a new generation of professionals in a multi-cultural work environment.

Webuild made the “Best Employer of Choice 2020” ranking for the fifth consecutive year, at tenth place in the general classification and continuing to be one of the most attractive employers for technical and scientific Italian graduates in 2020. It obtained the Universum award as the “Most Attractive Employer”, ranking twelfth in the “STEM Professionals” category out of a total of 145 companies included in the survey. It is the favourite employer of the construction sector for STEM students and professionals in Italy. These prestigious accolades bolster its

reputation on the labour market and its appeal as an employer of choice, assisted by its regular notification of job vacancies and intense employer branding activities at the main universities.

Selection and acquisition

The employee selection and acquisition activities are regulated by a defined, standardised procedure at corporate level and for its projects that require the structured scheduling of requirements, followed by an internal scouting stage to verify any potential internal candidates for the vacant position or recruitment on the market (if necessary).

The Company uses a dedicated system that ensures the traceability and transparency of the scouting and selection process by constantly updating the pipeline of candidates.

Alongside the recruiting activities to fill vacant positions, in 2020, the Company continued to use its advanced search tool to create an international pool of talents for future staffing needs and to complete its succession plan as an additional lever to guarantee and ensure business continuity. It will continue this project into 2021 by extending the analyses performed to date.

In 2020, the first edition of Forum Recruiters Worldwide was held, a virtual meeting involving the Group's HR resources from around the world who select personnel for the Group's projects, branches and subsidiaries. The event was designed to share guidelines and best practices throughout the Group, to foster a shared scouting and selection approach and to encourage the sense of belonging to a single team, despite the physical distances and limitations imposed by Covid-19.

To indirectly support its international staffing activities, during the year, the Group continued to vet international recruitment agencies with a view to creating new partnerships covered by master agreements at advantageous terms for all group entities.

In 2020, the Group developed and refreshed its onboarding process introduced the previous year to smooth the entry of new resources, facilitate their integration with the managers and colleagues, promote a faster transfer of internal know-how and competences and transmit the internal values and culture. It defined specific tools such as the dedicated training courses through E-Learning Academy, mentorships (reference should be made to the "Training and development" section) and the preparation and gifting of a welcome kit and dedicated sections on the intranet.

Training and development

Training programmes were continued in 2020 and the Company defined specific tools to support and promote career paths, organisational growth and the continuity of its succession plans.

The new leadership model, defined in the second half of 2019 for the clear identification of managerial skills and conduct necessary to achieve its strategic objectives, was disseminated throughout the Group with a dedicated communication strategy. The Company also introduced a special role model training programme for all the managers who shall inspire their teams and resources for the deployment of the skills identified by the model.

The model is the basis for HR management processes (selection, training and performance management) as well as a reference point for group resources in their daily working lives.

The new model is also used for certain assessment procedures to support personnel development. Specifically:

- an assessment programme for “Early career profiles”;
- assessment programmes to support the promotion and development policies for more senior resources;
- a structured succession planning process to ensure a pipeline of successors for the Group’s key strategic roles.

The succession planning commenced in previous years has been extended to key operations roles in order to guarantee a leadership pipeline and business continuity.

The key management development levers include the Global Managerial Academy, conceived in 2019 and officially opened in 2020.

It has been designed to encourage the development of managerial skills, using the leadership model, of those resources who already hold key positions or are rising through the Group’s ranks and is structured differently depending on the resource’s seniority.

Training activities entail the participants’ involvement in a digital business game to gain experience in a wide range of skills through training in the form of simulations and experiential learning. They cover technical and financial aspects, processes and leadership qualities with a special focus on leading, change, complexity management, development of team skills in an inclusive approach and the enhancement of diversity and customer orientation.

The programme was initially conceived as a classroom learning experience but due to the Covid-19 emergency and the subsequent move to working from home (WFH) as well as the limitations on movement of the affected resources, it has been entirely revisited to become an online course. The lessons were redesigned with a view to maintaining key content, training effectiveness and at the same time ensuring some form of interaction among the participants and between the latter and the trainers.

In 2020, the Company also developed the mentoring programme Inspire as an additional tool to foster individual growth and reinforce the creation of a shared and cross-departmental corporate culture. The first project of this programme was the onboarding of new hires.

A team of trained mentors was carefully selected from within the Company to guide the resources hired over the last year (the mentees) at headquarters and for the Group's projects. Their mission was to speed up the mentees' integration into the Group, their familiarity with the organisation and procedures and their acquisition of the professional maturity necessary to work more effectively.

The Inspire programme will be extended to other positions and groups of colleagues, mentors and mentees, starting from 2021 for a wider participant base and a greater range of subjects and development areas.

In 2020, business coaching programmes were continued for some key managers and/or rising talents inside the organisation to support their professional growth.

In other training and development activities, the Company expanded the e-learning courses available on the E-Learning Academy platform, using digital technologies to provide a range of online courses to share the Group's technical and specialist knowledge. In 2020, these courses were extended to include:

- new training programmes designed in 2019 on compliance, the anti-corruption system and the Code of Ethics;
- a course on human rights to assist an understanding of the Company's policy;
- a course entirely dedicated to remote working consisting of videos, learning pills and manuals to help employees organise their work from home.

In the second half of the year, the Company started to prepare other important training programmes to be launched in 2021 which will become a stable part of the Learning Academy. In line with the measures taken to assist employees working from home, there will be a programme on leading and working in virtual teams as well as an upskilling course about digital collaboration tools used by the Company.

Webuild continues to focus on the local professional development programmes for its employees around the world in order to ensure their performance meets the Group's technical, qualitative, environmental and health and safety standards and so that it has qualified personnel for its ongoing and future projects.

Accordingly, projects include professional training courses for the local workforce, defined using parameters that identify the training requirements and needs for each position. Employees must attend the specific training course identified for their roles and requirements (both classroom and on-site).

These courses avoid the risk that employees' technical, professional and managerial skills become obsolete as this could affect the productivity, efficiency and safety of their jobs.

Training hours (classroom and on-site) provided in 2020 covered many aspects (health and safety, the environment, quality, technical/specialist, compliance, management, etc.) for a total of 273,665 hours (252,357 hours in 2019). These courses were supplemented by health and safety courses provided directly in the work sites, even more important this year with the Covid-19 pandemic. During 2020, the Group carried out more than 188 thousand Tool Box Talks (short meetings on health and safety-related aspects and the environment held at the start of work shifts) (105 thousand in 2019) at its work sites. All the relevant activities to inform employees and raise awareness about the prevention and containment measures to be adopted to deal with the Covid-19 emergency were stepped up during the year. Overall, Tool Box Talks on health and safety-related aspects numbered approximately 180 thousand (88 thousand in 2019) which, including those on the environment, brought the average to more than 510 a day (290 in 2019).

Average per capita training hours (GRI 404-1)	Unit	2018	2019	2020
Managers and white collars	hours	16	11	8
Blue collars	hours	11	10	10
Total	hours	12	10	9

In addition to training given to group personnel, the staff of the Group's subcontractors attended courses on QEHS subjects totalling 116,506 hours³⁸ in 2020.

The attraction, selection and development activities, described above, help the Company mitigate risks such as not being able to fill positions due to a lack of qualified personnel available on the market, or a time lapse between the assignment of the project and the starting of works, or an inability to retain and motivate key professionals, including for the broader business continuity purposes.

Total reward

The Company has operating procedures and practices designed to ensure that its remuneration policies comply with the regulations applicable in the countries where the Group operates and especially the minimum wage requirements, where these exist. At both corporate and operating level, the Company regularly meets with the trade union representatives (when appointed) to discuss remuneration.

A well-thought out remuneration policy is essential to retain key resources, mitigating the risks Webuild is exposed to, which are mainly the possible more aggressive remuneration and career policies of competitors. To this end, Webuild's remuneration policy has the following objectives: guarantee fair treatment in terms of the

³⁸ Excluding Astaldi.

enhancement of know-how and professional skills of individuals and their roles and responsibilities, check that remuneration matches the related positions, ensure fair and consistent remuneration in line with the reference market and award bonuses in line with results and actions.

Webuild's remuneration policy has the following objectives in line with the above principles: retain and motivate qualified professional resources to pursue the Company's and Group's objectives; encourage these resources to stay with the Company and the Group; align, as far as possible, management's interests with the medium to long-term interests of shareholders and stakeholders; ensure financial balance and the sustainability of its policies over time.

In 2020, the Company continued its performance management programme, designed to strengthen the result-oriented culture, for its key resources. It sets their objectives (of which there are two categories) and assesses their performances. The first category is that of the Group's performance in line with that of senior management (30%). The second is individual performance. At the end of the year, the results are assessed in qualitative and quantitative terms to determine the overall performance achieved.

The safety objectives related to the development and implementation of the quality, environment and safety management system and a reduction in the injury rate continue to be included for resources in the business departments. These objectives reflect the Company's commitment to improving the protection of its workers' health and safety and ensuring high quality standards and protection of shared environmental assets. An assessment of expertise has also been included among the objectives of all participants in line with the recently-introduced leadership model. The aim is to encourage the assessors and the participants to prioritise expertise in the assessments, deemed an important factor in the new performance management system slated for roll-out in 2021.

To disseminate a sustainable performance culture throughout the Group, based on the assessment of individual goals and proven expertise, which is also intended as the manner in which the goals are achieved, the Company will introduce a performance management system for all corporate resources in 2021.

In addition, during 2020, the Company defined a new long-term incentive plan, the LTI 2020-2022 plan, to align the performance of the Group's key personnel with shareholders' interests as well as to retain and engage with management to ensure the stability required to meet the business plan objectives and remunerate them in line with market practices. The three-year plan has an equity and cash component and as well as being tied to economic and financial indicators also includes achievement of specific sustainability objectives. The two non-financial objectives (equal to 20% of the total) reflect the Company's commitment to ESG issues, which are an increasingly integrated part of Webuild's business strategies. They include an injury rate reduction goal (it should be noted that Webuild's injury frequency rate is much lower than its peers) and involvement in the shared fight against climate change by reducing the Group's GHG emissions (scope 1 and 2).

At the end of the three-year period, part of the benefits earned will be deferred to extend the plan by another two years and reinforce the Company's ongoing relationship with its key personnel over the long term as well as the sustainability of the results achieved.

Webuild is aware of the importance that employee satisfaction plays in terms of the quality and productivity of their output and that work/life balance also contributes to this satisfaction.

Accordingly, it extended the benefits included in the 2019 Welfare Plan to assist employees manage their remaining benefits during the emergency period. It also commenced a study to define a new plan that will continue from the existing welfare plan ("LIFE@salini-impregilo") introduced on 19 July 2018 which supplements the traditional monetary incentives and benefits already provided to an increasing number of employees.

The plan's key priority continues to be the offer of a flexible supplement to the employees' remuneration packages giving them the option to purchase social utility services using their personalised budget, which can be put towards the cost of education, assistance for elderly family members, public transport passes, private healthcare, voluntary transfers to pension plans and goods and services in kind.

In addition and to assist employees achieve a good work-life balance, the in-house services (e.g., launderette, pharmacy and shuttle service) were continued until the pandemic forced all employees to work from home.

Another issue the Company has focused on is the journey from home to work, which can be very stressful, especially in large cities. Webuild is convinced that mobility is one of the main issues that a company dedicated to the welfare of its employees and protection of the environment should manage as best it can. The pandemic made working from home mandatory for all the headquarters' office staff, limiting travel from home to the office and speeding up the roll-out of remote working. The Covid-19 emergency meant that the roll-out of the new sustainable mobility plan originally scheduled for 2020 had to be postponed. As part of its focus on the needs of individuals and environmental issues, once the pandemic is over, the Company will assess all possible initiatives and solutions, analysing the needs of individuals, for example, through a new survey to identify the optimum solutions to facilitate the journey from home to work and ensure the best possible work-life balance.

Equal opportunities, diversity and inclusion

The Group continues to be strongly committed to creating a work environment that fosters inclusion, recognition and enhancement of diversity in all its forms (gender, age, nationality, ethnicity, social or civil status and religion). It believes that this gives it a competitive edge in terms of growth, the creation of synergies and in understanding and capitalising on the challenges of a multi-cultural business environment.

In line with its Policy on Equal Opportunities, Diversity and Inclusion, the proactive encouragement of an inclusive culture which supports diversity took the form of an awareness and communication campaign about these issues in 2020. This included the development of a dedicated section on the Company's intranet.

As part of the mentoring project for onboarding, the development initiatives included promoting dialogue and exchange for mutual growth between the more senior generations (the mentors) and young new hires.

The recruitment and selection process is also based on respect for, and the promotion of the principles of diversity within all internal departments as fundamental cornerstones of the entire process.

Webuild's commitment to these two issues is reflected in all areas.

The Group has employees of more than 100 nationalities, 82% of the workforce is local, increasing to 98% in Italy and the Americas. Local managers make up 82% of the total (more information is available in the "Social" section of this Statement).

With respect to diversity, the Group's leadership status is enriched by the ideas and outlook of international managers from non-construction sectors. International resources cover 26% of the Group's key positions.

Another important contributor to diversity is the young age of the Group's resources. The following tables provide a breakdown of its employees by age bracket:

Employees by age bracket (GRI 405-1)*	Unit	2018	2019	2020
< 30 years	%	27%	26%	26%
30-50 years	%	59%	59%	58%
> 50 years	%	14%	15%	16%

* The figures do not include Astaldi.

Considering employees under 35 years old, the percentage of this age bracket increases to 43%³⁹.

With respect to gender diversity, the Company proactively promotes equal opportunities for men and women in a sector that has traditionally been a male domain.

Employees by gender (GRI 405-1)	Unit	2018	2019	2020
Men	%	91%	90%	88%
Women	%	9%	10%	12%

³⁹ Excluding Astaldi.

At group level, women make up 6% of the management team, 22% of white collars and 7% of the blue collars, while at functional level, they represent 6% of the technical and production staff and 31% of the office employees⁴⁰.

The presence of female employees is higher at the central Milan and Rome offices, where they make up 36% of the total workforce.

In 2020, the Group introduced a gender pay gap analysis method for the corporate staff at the two Italian central offices. Its purpose was to analyse any remuneration differences and assess the percentage of female employees holding senior positions in the Group by comparing roles using the job evaluation system,

No significant remuneration differences were identified.

Areas for improvement refer to the female employees holding senior positions. At present, the figures show that, compared to the percentage of female employees at the central offices (36% as shown above), the percentage of female manager positions is lower (21%). Accordingly and in line with the Group's Diversity & Inclusion initiatives, it has planned specific initiatives to more carefully analyse this trend and take the necessary steps to steadily improve these percentages.

This includes an increase in the number of female employees in the succession pipeline for key roles, with the inclusion of 20% by 2023.

The diversity and inclusion initiatives will continue in 2021 with specific projects that are already being prepared. They include training on intercultural dialogue, mentoring and reverse mentoring, specific training courses on female leadership and projects to increase awareness about gender diversity at leadership level for both men and women.

Health and safety in the workplace

Focus on health and safety in the workplace is one of Webuild's fundamental values. It has an ISO 45001 certified occupational health and safety management system, which defines the main processes, roles and specific responsibilities to achieve its objectives and implement its safety policies.

The new certifications have been updated during the year to reflect the change in the Company's name without amending their scope.

The Corporate Safety, Environment and Systems Unit is organised to better meet management's objectives:

⁴⁰ Excluding Astaldi

- ensuring coordination of the HSE management system activities to be of use to HSE teams at work sites;
- encouraging a change in the HSE culture through a competence centre to develop innovative policies and programmes;
- setting up a technical safety unit to further integrate health and safety aspects within engineering processes;
- setting up a corporate health unit to monitor contracts;
- ensuring continued health and safety operating support to the contract work sites.

The main risk the Group is exposed to in this respect is the incomplete implementation of the relevant regulations with the resulting potential impact on its workers, in terms of professional illnesses and injuries, and on itself in terms of potential sanctions. Changes in regulations and external factors tied to the operating context (e.g., climate, social, cultural factors) may be sources of risk for the Company.

Specifically, workers are exposed to various types of risks that could affect their health and safety based on the geographical location of each operating unit and their specific activities. Each office and work site that applies the Group's health and safety management system has, inter alia, the following measures to manage these risks:

- identification and assessment of the exposure to the risk;
- identification of the persons at risk;
- assessment of each job's risk;
- identification of control measures to reduce the risk;
- definition and introduction of training courses;
- monitoring work areas to check that control measures are in place and effective;
- making employees aware of these risks, including via unconventional and innovative information, training and communication campaigns.

These measures are regulated by internal guidelines and procedures, which include, inter alia, the documentation each operating unit is required to have, comprising the risk assessment document, operating safety plans, emergency and evacuation plans, fire prevention and control plans and first aid plans.

The Employer and downstream (in line with the proxy system) the managers, officers and workers shall ensure that health and safety management measures are in place. Specialist teams oversee the implementation of the measures in each operating unit. Specific attention is given to training employees about specific duties and the operating controls over work processes, performed either directly by the Group's employees or subcontractors' staff.

Training programmes are defined at operating unit level by the health and safety management system manager and approved by the Employer, based on a risk assessment and the applicable legislative requirements. The training courses provided to each worker cover at least the following issues:

- the health and safety organisation (Employer, health and safety manager, prevention and protection officers, company doctor and the workers' safety representative), the legislative framework and an overview of the management system;
- health and safety risks arising from the Group's activities in general and the specific risks faced by the workers depending on their job;
- first aid and emergency management procedures (in particular, the fire fighting and evacuation plans).

The health and safety managers receive special information and training courses. The key topics are the legal-regulatory framework, safety management and organisation, risk identification and measurement, communication, training and discussions with workers.

The health and safety officers and supervisors undergo additional training to that provided to the workers on the definition and identification of risk factors, incidents and near misses, techniques to communicate with and raise the awareness of employees, checking that workers comply with the legal and internal rules and the use of collective and personal protection equipment.

Workers, health and safety officers and supervisors and managers attend regular refresher courses. The courses for health and safety specialists meet the minimum requirements of the relevant legislation.

Training and information activities are documented in terms of participation numbers and the content presented and materials used.

The work site workers (employees of the Group and its subcontractors) receive special training on the related risks, specific activities and the possible risks of interference (Induction, Tool Box Talk, Job Safety Analysis/Pre-Job Meetings, etc).

In order to ensure the collaboration of all the Group's employees, they have the right to appoint safety representatives in accordance with the applicable legislation.

These representatives are given the relevant training and information about HSE issues to encourage risk mitigation measures. They are also consulted about the implementation of key mitigation measures, including as a minimum:

- the introduction of a new process or equipment or its adaption;
- the appointment of the risk assessment manager;
- injuries.

The Health and Safety Policy provides for, inter alia, the “right to intervene” for all employees when there is a doubt that health or safety could be compromised.

Employees may also use the whistleblowing system described in the section on “Anti-corruption” to make notifications about health and safety issues or they may use the other available channels at group level (e.g., reporting to their superior) or work site level (e.g., the workers’ representatives, post boxes, grievance mechanisms).

The Corporate Safety, Environment and Systems Unit regularly performs specific audits of the effective application of the ISO 45001 management system at the Group’s work sites and assesses application of the internal health and safety in the workplace regulations. During 2020, these audits and assessments could not be performed in situ because of the Covid-19 restrictions. However, the Unit continued to carry them out remotely. As described in the section on “Total reward”, the Company has a system to assess performance in terms of health and safety for its managers which rewards dedication and the results obtained by the relevant units and units over which they have influence.

The emergency situation caused by Covid-19 meant that the Company could not continue with the full implementation of the scheduled activities for its Safety Builders Program in 2020. This program’s objective is to encourage a strong corporate safety culture, based on strengthening leadership abilities at all management levels. It is part of Webuild’s more wide-reaching communication strategy, Valyou - Our Health and Safety Way project.

Nonetheless and thanks in part to the careful planning of missions in less dangerous periods and distance training, in 2020, 20 workshops and eight safety intervention (s.a.f.e.r.) training courses were held with the participation of 423 managers and supervisors for a total of roughly 1,753 hours of training.

As an integral part of the Valyou - Our Health and Safety Way, Webuild continued to roll out and introduce its “Your Lifesaving Rules”. Launched in 2019, this set of operating and management rules is devised to:

- integrate the culture change process commenced with the Safety Builders Program;
- foster workers’ active involvement;
- strengthen the sense of belonging to the Group;
- systematise conduct;
- promote the purposive adoption of the Group’s Health & Safety Vision.

Specific information, training and communication content was defined for each rule and is available to all the work sites as support for training and awareness raising purposes.

The Company's main workplaces celebrated the World Day for Safety and Health at Work in April 2020. In line with the theme promoted by the International Labour Organisation (ILO) "Stop the pandemic: Safety and health at work can save lives", the Group focused on the concept of people playing an active role in safeguarding their own safety and that of others: "PRENDITI CURA di te stesso e degli altri" ("Take care of yourself and others") to be applied in the workplace in line with the Group's Your Lifesaving Rules and in their personal lives with family and friends. Although the Covid-19 emergency meant it was not possible to celebrate with the usual events and involvement of the workers, participation in the event was very satisfactory with stories from more than 15 Italian and foreign work sites about the enormous efforts made to continue working with the highest safety standards in the midst of the emergency.

In addition, the Group introduced the Safety Trophy on the World Day for Safety and Health at Work to be awarded to the outstanding work site of the year. The award ceremony took place during the Christmas 2020 celebrations with the "virtual" awarding of the trophy by the CEO Pietro Salini to the two work sites that stood out during the year: Ruta del Sol - Lot 3 in Colombia and the New Genoa San Giorgio Bridge in Italy.

After winning the Silver Award last year, the entire Valyou - Our Health and Safety Way won the prestigious Gold Award at the RoSPA Awards 2020, confirming it as one of the international programmes with the best practices in its sector. "The RoSPA Gold Award winners have achieved a very high level of performance, demonstrating well developed occupational health and safety management systems and culture, outstanding control of risk and very low levels of error, harm and loss".

The award was conferred during an online ceremony organised by RoSPA - Royal Society for the Prevention of Accidents given that it could not actually take place due to Covid-19. This UK institution is one of the most important in its sector and its patron is Queen Elisabeth II. It rewards organisations from around the world each year that stand out for their commitment to accident prevention and the protection of occupational health.

The objective of the activities carried out in the work sites in 2020 as part of the ValYou project, the Safety Builders Program, the Your Life Saving Rules, dedicated training courses in addition to the mandatory courses, the celebration of the World Day for Safety and Health at Work is to heighten all Webuild personnel's awareness of the importance of health and safety in the workplace as well as emphasising management's significant involvement in promoting culture change programmes.

There has been a generalised improvement in the safety performances of the geographical areas of interest to the Group with a reduction in operations performed in areas with historically very low injury rates and a concurrent increase in the number of hours worked in some countries with more structured national welfare systems and higher average sector injury rates.

In addition, the Group's indicators include those of Astaldi for November and December 2020, which entailed a change in the scope for the calculation of this year's performance.

The injury rates are set out below, expressed as the number of events for every million hours worked.

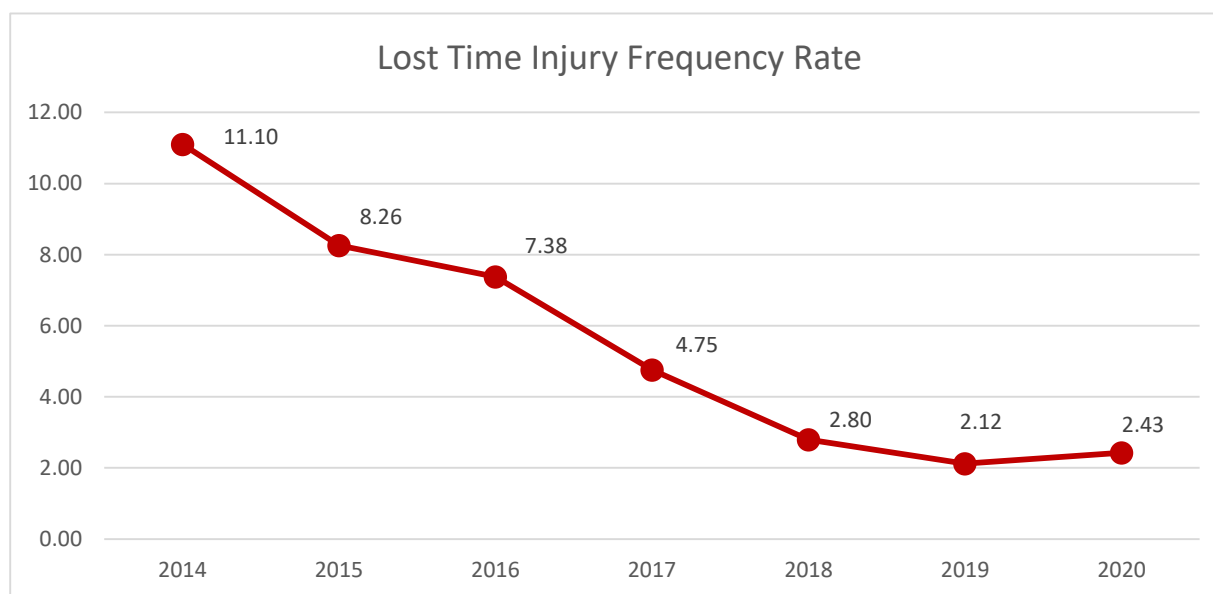
Injury rates - Direct workforce (GRI 403-9)	Unit	2018	2019	2020
Hours worked	hours	98,894,201	77,409,119	79,594,548
Lost Time Injury Frequency Rate	LTIFR	3.49	2.18	1.95
Total Recordable Frequency rate	TRFR	8.37	6.45	5.63

Injury rates - Subcontractors' workforce (GRI 403-9)	Unit	2018	2019	2020
Hours worked	hours	89,579,720	78,270,780	59,693,022
Lost Time Injury Frequency Rate	LTIFR	2.03	2.06	3.07
Total Recordable Frequency rate	TRFR	6.18	5.01	3.52

Total injury rates (GRI 403-9)	Unit	2018	2019	2020
Hours worked	hours	188,473,922	155,679,899	139,287,570
Lost Time Injury Frequency Rate	LTIFR	2.80	2.12	2.43
Total Recordable Frequency rate	TRFR	7.33	5.72	4.72

Reference should be made to the Methodology for reporting non-financial information for details

The following graph presents the LTIFR (the ratio of the total number of injuries leading to absence from work in the period to the total number of hours worked, multiplied by 1,000,000) and its improvement in the last seven years.



At the beginning of 2021, the Company assessed the impact of Astaldi's inclusion in the Group on the injury rate and defined the actions necessary to achieve additional milestones in its safety performance in the coming years. Compared to the period before the roll-out of the ValYou programme and the LTIFR at 31 December

2017, the Group's objective is to decrease the rate by 40% by 2022, considering the new scope which includes Astaldi.

A local investigation and/or investigation with the support of corporate units takes place for each injury, depending on its severity.

The objective is to identify the cause of the injury (root cause analysis) to prevent similar events occurring.

The Integrity Board is informed of the results of investigations into important injuries pursuant to the provisions of the Organisational Model (Legislative decree no. 231/2001 as subsequently amended).

The Company will continue to make occupational health and safety improvements over the coming years to achieve a further reduction in its injury rates (LTIFR and TRFR), an increase in the per capita safety training provided for direct employees and as part of the Safety Builders programme and to step up its operating monitoring activities, with on-site safety assessments and audits.

Webuild guarantees protection of its workers' health in the workplace with a special Internal Healthcare Unit, which schedules prevention procedures, health checks and healthcare monitoring programmes. It also performs regular checks of the work sites and makes sure they are provided with the relevant information to check the work sites' safety conditions and their compliance with the applicable legislative requirements.

When adequate local healthcare units are not available, the Company sets up work site medical clinics which offer 24-hour healthcare and ambulance services to direct and indirect employees as well as their family members residing in the work site accommodation. The Group ensures that the local populations are also provided with healthcare assistance for acute or serious problems in remote areas not served by public healthcare units (reference should be made to the section on social aspects for more information).

Employees of the Italian head offices and their families also have private health insurance which covers healthcare services for non-work related issues. These insurance policies were extended to cover the potential impact of Covid-19 related infections. The Group runs numerous initiatives at its offices and work sites promoting the importance of good health, flu vaccine programmes (guaranteed through to the end of 2020), campaigns about the prevention of sexually transmitted diseases (e.g. HIV) and campaigns to promote healthy life styles, including the organisation of sporting events for workers. Many of the above initiatives were affected by the outbreak of Covid-19 in February 2020 which led all the Group's health units (as well as others) to focus on containing its effects in all the Group's workplaces.

As it is aware of the added value achieved through mutually beneficial relationships between all the relevant parties, Webuild works with its commercial and financial partners and its vetted suppliers to guarantee high health and safety standards and to protect the environment. In line with the role it takes on during contracts, the

Company promotes and/or ensures a Safety in Design approach so that the decisions taken right from the design stage are designed to eliminate/mitigate health and safety risks throughout the contract's life cycle.

During the year, the Company completed construction of the new San Giorgio Bridge over the Polcevera River in Genoa. Webuild personnel operated day and night in the work site in compliance with the stringent safety protocols put in place to deal with Covid-19. Thanks to the commitment to and focus on safety, no direct workers or subcontractors' workers incurred serious injuries. The intensive training course to reduce risks when working at height and other initiatives introduced to reduce the risk of person-machine interaction all contributed to heightening worker awareness of potentially dangerous situations.

Webuild has defined a series of measures to safeguard the health and safety of its employees due to the Coronavirus (Covid-19) emergency. These measures are designed to ensure, as far as possible, business continuity in the offices and at the work sites and are coordinated by a special multi-departmental task force based at the parent's headquarters. They are revised as necessary to comply with any new instructions issued by the competent authorities.

The Italian group companies have introduced remote work for their office staff and have reviewed their travel policies to limit travel. In line with the specific risks at the Italian and foreign work sites, preventative measures have been introduced to reduce the risk of spreading the virus in the work place, the residences and canteens. This has involved the reorganisation of work spaces and shifts to ensure the safety distance can be maintained, the supply of additional personal protective equipment (e.g., masks, gloves, etc.), intensified sanitation and disinfection activities, special information and training courses, more healthcare services at the work sites and the preparation of special areas for the isolation of workers with flu-like symptoms who have returned from areas at risk or who have been in contact with people who may have the virus. The Group has also prepared dedicated methods to liaise with the local authorities to treat any suspected cases.

The anti-contagion safety protocols adopted for the Group's contracts since the pandemic broke out include the following measures:

- a.** Set up of work teams and emergency management units/committees comprising the Employer, the Safety Manager (or the Protection and Prevention Officer), HR and company doctors as well as, where provided for, social partners.
- b.** Adoption of an anti-contagion safety protocol, often aimed at personnel of other companies present in the work sites.
- c.** Mandatory controls for access to work sites and offices.
- d.** Systematic body temperature checks before access is granted to the work sites and offices.
- e.** No access to work sites and offices if body temperatures are above 37.5° C.

- f. Communication of recommendations to all personnel on the proper approach.
- g. Distribution of FFP2 and surgical masks.
- h. Greater availability of accommodation availability for camp staff, toilets and changing rooms.
- i. More intensive daily cleaning of all environments used by workers.
- j. Extraordinary sanitation cycles of the common areas at work sites and base camps.
- k. Installation of hand sanitizer dispensers in various areas of work sites and offices.
- l. Introduction of WFH for office staff.
- m. Suspension or limitation of all activities that involve gatherings of people (courses, meetings). Some safety training activities recommenced in the second half of the year both in the classroom and online after the related Decrees had been amended.
- n. Suspension and severe limitation of visitor access.
- o. Greater availability of personnel transportation in order to reduce the number of people present inside the same vehicle and with the obligation to wear face masks.
- p. Obligation to wear face masks during all activities.
- q. Introduction of a special procedure to treat personnel with flu-like symptoms by a work site nurse (when present).
- r. Allocation of emergency accommodation at base camps for the isolation of suspect cases until the health authorities' intervention.
- s. Information campaigns with ad hoc meetings and posters in the workplace
- t. Differentiated management of waste from offices (both work sites and offices), quarantined staff accommodation and Covid-positive staff accommodation. This waste is incinerated or eliminated in line with the ruling legislation and external organisational context.
- u. Review of the methods to clean accommodation (e.g., use of disposable tableware for quarantined or positive personnel) and wash flat linen.

Moreover, all the work sites have updated their emergency procedures to include the management of suspect cases, either with the dedicated local health units or by setting up quarantine areas in the dormitories of work sites in remote areas.

As the rapid tests (including antigen tests) became more readily available, the work sites have introduced screening activities to identify potential cases of Covid-19 and take the necessary action in line with the processes defined by the competent authorities.

Human rights



Human Rights Policy

issued in 2019

Agreement with the international trade union BWI

in place since 2014

100% of the operating entities

included in the risk assessment of human rights⁴¹

Monitoring principles

extended to the supply chain

Internal policies

Webuild is committed to ensuring respect for the human rights enshrined in the International Charter of Human Rights, the fundamental conventions of the International Labour Organisation, the UN Global Compact, the UN Guiding principles on business and human rights and the OECD guidelines for multinational enterprises.

The Company reaffirmed its commitment, already provided for in the Code of Ethics and the Sustainability Policy, with the ten principles set out in its Human Rights Policy.

These principles, that everyone who works with Webuild around the world is required to comply with, cover health and safety, child labour, forced labour, freedom of association and collective bargaining, non-discrimination, diversity and inclusion, working conditions, local communities and the rights of indigenous people, the value chain and whistleblowing systems.

The Company's main undertakings are described below and more information is available in the policy on the website.

Webuild does not tolerate any form of illegal, child labour or forced or compulsory labour. It protects the integrity of its employees, ensuring work conditions that respect the dignity of individuals and are fair and favourable.

It offers equal opportunities based on fair and objective criteria. It does not accept any form of discrimination or damaging behaviour.

Webuild respects its employees' right to freedom of association and collective bargaining in accordance with the legislation applicable in the countries where they work. It does not discriminate against employees who join trade unions or workers' representatives.

⁴¹ Excluding Astaldi.

The Company also respects the rights and culture of the communities and indigenous peoples affected by its work and operates in accordance with the applicable requirements.

Webuild encourages respect for human rights in its values chain through specific measures, such as the screening systems, application of the Suppliers Code of Conduct and monitoring systems.

It makes whistleblowing systems available to workers and third parties, safeguarding whistleblowers from any retaliatory action.

In this respect, in 2014, the Company signed a framework agreement with the national trade unions (Feneal-UIL, Filca-CISL and Fillea-CGIL) and the international trade union for the construction sector (BWI - Building and Wood Workers' International) to jointly affirm and encourage respect for compliance with the basic principles and rights in employment relationships, encourage social justice and sustainable development by both itself and the consortia of which it is a member and vis-à-vis its contractors, subcontractors and suppliers.

The framework agreement covers child labour, forced or compulsory labour, the freedom of association and collective bargaining, non-discrimination, work hours, economic treatment, work conditions, specialised training, the environment, welfare and employment relationships.

Main risks and management methods

The Company has implemented a due diligence process in line with the UN Guiding principles for business and human rights, which entailed mapping the potential impact on human rights of the Company's operations. Accordingly, the Company analysed:

- human rights enshrined in the international law instruments applicable to the Company;
- parties potentially at risk;
- internal processes.

The key takeaway of this analysis was the drafting of a Human Rights Impact Matrix, which the Group then used to measure the risks and prioritise the human rights relevant to it.

The Company's Human Rights Policy draws on the results of the analysis and a thorough review and evaluation of the applicable standards and market best practices.

The principles embedded in this Policy are also referred to in the Suppliers Code of Conduct issued at the start of 2020 to elucidate Webuild's commitment and the mandatory conduct expected of its suppliers.

The Policy encompasses the Company's commitments and the utmost integrity, correctness, reliability and sustainability standards and is a handy reference tool and guide for the Group's suppliers.

As a direct consequence of its introduction of the Suppliers Code of Conduct, during the year, Webuild amended the compliance clause in the general conditions of its contracts to include compliance with the principles set out in the Code.

In 2020, all operating entities in the scope of this Statement⁴² underwent the routine human rights risk assessment. Each entity's specific indicators are considered in defining the country risk⁴³ and where country risk is other than "low", the Company analyses the risks specific to each entity and the mitigation measures adopted.

The risk measurement method has been adapted to accommodate the Company's existing project risk assessment tools and is used to determine the risks arising from its direct and subcontracted activities.

The Company has issued internal guidelines for its operating units for the correct management of the activities at risk. These guidelines provide for management and monitoring of human rights and specific reports to be sent to Corporate.

At organisational level, the Corporate Social Responsibility Department coordinates the human rights due diligence, defines the internal standards and guidelines, the reporting, disclosure and training methods and provides specialist assistance to the other internal units.

The main risks identified and related management methods are summarised below.

The main risks with respect to forced or compulsory labour are tied to the hiring of migrant workers, mainly in the certain states of the Persian Gulf (Saudi Arabia, Qatar, the United Arab Emirates and Kuwait) where the local labour force is insufficient and/or inadequate for the Group's needs. Specifically, there are two risk factors:

- use of recruitment agencies that may adopt incorrect practices, such as obliging the workers to pay recruitment fees (when hired), employment fees (throughout their employment) and cash deposits which are forms of debt (debt bondage);
- labour conditions that may limit the migrant workers' freedom of movement which are in some cases allowed or facilitated by local regulations, such as the ban on leaving their accommodation outside work hours, limitations on holiday arrangements, resignations and changes of employer.

The Group ensures that candidates for work in these countries are provided with exhaustive information about the contractual terms and work conditions in a language that they understand before they leave their country of origin. In addition, the Group fully bears the costs of recruitment, travel, visas, medical visits, etc.. Migrant workers are guaranteed the possibility to change jobs and to leave their destination country without prejudice to the possible notice obligation imposed by the applicable legislation, visa requirements and employment contracts. No workers are deprived of their identity documents unless this has been authorised by them and

⁴² Excluding Astaldi

⁴³ Specifically, as recommended by the principal regulations on human rights (e.g., Australia Modern Slavery Act), the Company referred to the most recent Vulnerability measures and the Government Responses supplied by Global Slavery Index (www.globallslaveryindex.org).

solely for their safekeeping. The Group requires the recruitment agencies to comply with these principles through specific contractual clauses and non-compliance entails termination of the contracts.

With respect to the freedom of association and collective bargaining, the Group ensures its employees have access to “alternative systems” for dialogue in the states of the Persian Gulf where the right to the freedom of association is restricted by law. These systems include worker committees, committees set up in the camps and complaint management procedures (grievance mechanisms). The Company ensures open communications with the workers and management’s availability to discuss any issues that may arise with individual employees.

With respect to child labour, the potential risk of hiring people under the minimum working age established by the applicable local regulations is minimal as is the risk that workers who are above the legal minimum but are less than 18 years old may be hired. In this respect and irrespective of the local regulations, the Group only agrees employment contracts with people who are 18 years old. In countries where the presence of false identity documents is rife, the Group has special procedures in place to check the authenticity of the documents, especially driving licences, assisted by the local authorities.

The Group enters into employment contracts with its employees that comply with the applicable local regulations, the principles of the framework agreement signed with BWI and those in any agreements signed with the local trade unions with respect to work conditions, work hours, economic treatment and employment relationships. The Group’s intention is to ensure scrupulous compliance with the applicable regulations in each country to mitigate the risk of non-compliance and, where possible, provide conditions that are better than those envisaged by the local regulations.

The Group may potentially be exposed to the risk that discrimination against an individual employee or specific categories of employees may take place in the workplace. In this respect, the Company’s HR management procedures do not allow the different treatment of employees based on their gender, origin, religion, age, political beliefs, sexual orientation, disability or other characteristics protected by the regulations ruling in the countries where the Group operates during the entire HR management procedure (recruitment, training, assessments and termination of employment).

To reaffirm and strengthen its commitment to these issues, the Company has set out key requirements in a dedicated Policy on Equal Opportunities, Diversity and Inclusion issued in late 2019:

- advancement of a safe, rewarding and respectful work environment, an inclusive culture with an appreciation of the value of diversity and equal opportunities in HR management processes;
- combating harassment and discrimination, including by instituting dedicated whistleblowing tools available.

This Policy also applies to the Company’s suppliers that are required to comply with its principles (as specified in the Suppliers Code of Conduct). It requires systems be put in place to monitor and report on diversity and inclusion commitments and results.

More information on the relevant projects undertaken in 2020 is available in the “Equal opportunities, diversity and inclusion” paragraph of the “Main risks and management methods” section under “Human resources”.

With respect to its local communities, the Group's activities may generate risks related to its core construction business, such as noise pollution, dust, vibrations, work site vehicles and damage to private property. Risks related to the acquisition of land are immaterial as the client usually acquires the land directly. However, Webuild scrupulously adheres to the legal and contractual requirements and those set out in the project impact assessments to ensure it complies with them during its work and the activities contracted to third parties (subcontractors).

Work sites may be assigned a security unit in specific geographical areas due to the risks identified. The security personnel may be employees and/or personnel provided by third parties, who are usually unarmed and/or by personnel supplied by the army or local police departments through specific contracts, formal agreements or service orders.

The security personnel at the operating units receive initial training and periodic refresher courses from the local managers based on training programmes that reflect the applicable standards and regulations and include information on respect for the individual, human rights and the Code of Ethics. When group employees or personnel of private companies are used, the related contract includes service clauses for specific training about respect for human rights and the Code of Ethics. They are provided with appropriate training about their tasks. The training of personnel supplied by public safety forces complies with local regulations and standards and is mainly provided by the relevant bodies.

Depending on the nature of the project, the security unit and local management define the best way of involving the local stakeholders, mostly through formal meetings, informal meetings and discussions, training and official events.

The Corporate Security Department performs specific assessments of security risks, coordinates the local security units, defines internal standards and guidelines, prepares reports on significant events and carries out regular audits of the operating units.

In 2020, Webuild measured the human rights risks of its supply chain by evaluating the contracts⁴⁴ agreed by the Group⁴⁵ in the period from 1 November 2019 to 31 October 2020 worth approximately €1.3 billion, to check the existence of suppliers based in countries and/or that supply goods considered at risk (based on the source country)⁴⁶.

The evaluation showed that:

- none of the suppliers evaluated are based in countries classified as very high risk and only 0.06% are based in countries classified as high risk;
- a very satisfactory 73% of the suppliers are based in countries with risks that are either "very low" or "low";

⁴⁴ Subcontracts were excluded from the evaluation as the related risks had been measured with the direct activities, as described earlier.

⁴⁵ Excluding Astaldi.

⁴⁶ Once again, the Company referred to the Global Slavery Index to measure country risk and the lists of the U.S. Department of Labor's Bureau of International Labor Affairs to evaluate commodity risk.

- no commodities at risk were purchased from significant suppliers during the year⁴⁷.

In addition to requesting its suppliers accept the Code of Ethics and the Suppliers Code of Conduct, Webuild recently revised its qualification system, tightening up the vetting process for potential suppliers with respect to human rights. It also asks its suppliers to collaborate in a loyal and transparent manner with the Group for the purposes of the checks and audits of the correct compliance of its standards when they sign the related contracts.

All relevant persons (direct employees, supplier employees, local communities, etc.) may use the whistleblowing system described in the section on “Anti-corruption” for human right notifications. In addition, when IT channels are difficult to access, the Company has introduced alternative systems such as dedicated telephone numbers and/or personnel (grievance officers), post boxes for the receipt of reports, etc..

During the year, the Group continued to engage transparently with non-governmental organisations about human rights. In line with its practice of previous years, Webuild provided Business and Human Rights Resource Centre (BHRRC) with detailed information on its protection measures for migrant workers in the Middle East, which in 2020, mostly focused on how to manage the Covid-19 emergency.

Finally, as part of its push to inform and raise employee awareness of the human rights issues most relevant to the Group, the Company has developed an e-learning programme for its entire workforce available through the E-learning Academy. The course is mandatory for new hires and has been available on the internal E-learning platform since April 2020. Roughly 70% of Webuild corporate employees have completed it as well as other personnel working at the Group’s work sites⁴⁸.

⁴⁷ A significant supplier is a supplier with contracts over €250 thousand. Below this threshold, the only purchases of commodities that could be considered risky were the purchases of work clothes, foodstuffs and raw materials (such as crushed stone and sand), equal to 0.06% of total purchases.

⁴⁸ Excluding Astaldi.



Climate change

-35%	- 79 thousand t CO₂
GHG emissions intensity reduction target (t CO ₂ e Scope 1&2/€M - 2022 vs 2017) ⁴⁹	less emissions thanks to dedicated projects
-21 Mt CO₂	-8%
annual emissions avoidable by ongoing railway, metro and hydropower projects	total GHG emissions (t CO ₂ e Scope 1&2 - 2020 vs 2019)

Internal policies

Webuild promotes the global fight against climate change and the transition to a low-carbon economy.

The Group is strongly committed to the following objectives:

- supporting clients and the areas in which it operates by building infrastructure that contributes to the mitigation of and adaption to climate change;
- reducing its energy and carbon footprint; and
- contributing to reducing its projects' GHG emissions by developing and deploying innovative solutions for its clients.

In 2020, these commitments led to the following solid achievements:

- 63% of the order backlog and 55% of revenue from low-carbon projects (hydropower, railways, metros, green buildings);
- -8% reduction in total GHG emissions (t CO₂e scope 1&2⁵⁰) compared to 2019;
- 67% of the civil construction projects in place have systems and solutions to reduce their life cycle environmental impact.

The board of directors and its committees monitors the Company's climate change policies and achievements and, in 2020, Webuild included a specific GHG emissions intensity reduction target (scope 1&2) in its long-term variable incentive plan (LTI 2020-2022 plan).

⁴⁹ Scope 1&2 indicate the emissions for consumption of fossil fuels (scope 1) and electrical energy (scope 2).

⁵⁰ Scope 1&2 indicate the emissions for consumption of fossil fuels (scope 1) and electrical energy (scope 2).

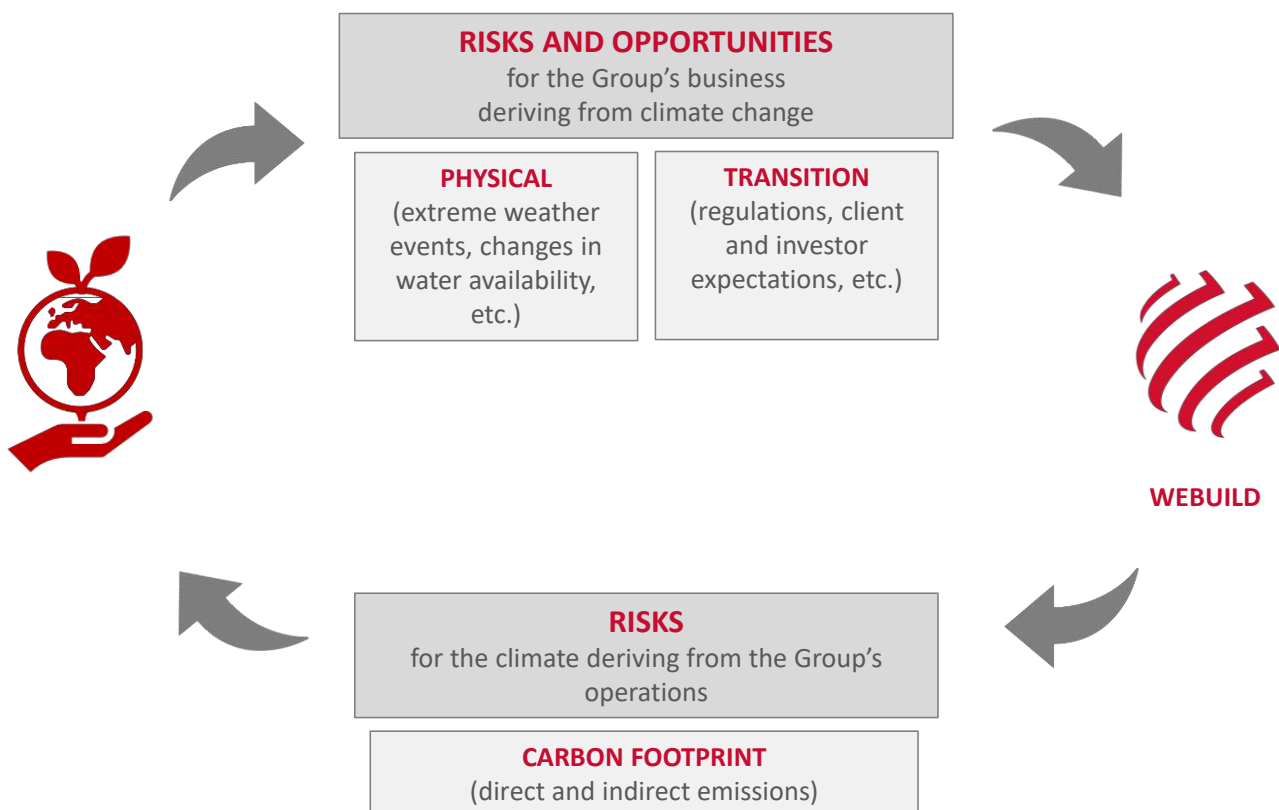
This new target will be pursued as part of the ongoing reduction of GHG emissions as the Group's objective is to decrease its 2017 carbon intensity (t CO_{2e} scope 1&2/€M) by 35% by 2022.

Since 2018, the Group has been one of the Top Ten global construction companies with the highest revenue generated from environmental infrastructure works according to the annual ranking prepared by Engineering News-Record (ENR).

The Group participates in the CDP (former Carbon Disclosure Project), the global platform that measures, compares and shares information about the environmental performance of roughly 8,400 companies around the world. In 2020, Webuild obtained the B rating for the Climate Change questionnaire, above the construction sector average of D.

Main risks and management methods

As set out in the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), the Company assesses the risks and opportunities of climate change in two ways: the climate change's impact on it and its impact on the climate.



During the year, the Group analysed the risks and opportunities of climate change, based on four physical scenarios developed by the Intergovernmental Panel on Climate Change (IPCC), the key features of which are:



IPCC scenario	RCP 8.5	RCP 6.0	RCP 4.5	RCP 2.6
Peak year for global emissions	After 2100	around 2080	around 2040	2020
Increase in global average temperature in 2100	2.6 / 4.8° C	2.4 / 3.1° C	1.1 / 2.6° C	0.3 / 1.7° C
Increase in global mean sea levels by 2100	0.45 / 0.82 m	0.33 / 0.63 m	0.32 / 0.63 m	0.26 / 0.55 m

The above four scenarios have significantly different impacts on both existing infrastructure (in terms of its resilience and ability to satisfy the requirements for which it was developed) and the market’s perception of the new works to be built.

The scope of the analysis was thus to identify and assess the effects of the main risks and opportunities for each scenario in the short term (less than two years), medium term (two to five years) and long term (more than five years).

The main physical and transition risks and opportunities are described in the following sections.

Advanced scenario analysis

The US group company Lane (USA) is involved in the Future World Vision: Infrastructure Reimagined project promoted by ASCE (American Society of Civil Engineers) to develop a software system using AI to simulate future trends of the construction sector over different timelines (10, 25 and 50 years). The project considers scenario analyses and six key mega trends for the sector: alternative energy, autonomous vehicles, climate change, smart cities, high tech construction/advanced materials, and policies and funding.

The project is currently being trialled by major US universities and technical colleges and will allow civil engineers and sector professionals to be better prepared to deal with future change. Once completed, Lane will be able to use the project to support its strategic processes (business plan and commercial development) and technical operations (training of engineers and project teams).

Physical risks and opportunities

The Company identified two main physical risk/opportunity factors: acute climate change (extreme weather events) and chronic climate change (e.g., less/greater water availability).

With respect to the first factor, the Company is mostly exposed to the risk of an increase in adverse weather events that can affect the normal scheduling and performance of its works leading to delays. This risk is not currently deemed high and is managed using the normal contract scheduling procedures, where the work programme (number of hours that can be worked per day and annual work days) is defined and updated considering weather forecasts, based on historical data available. Exceptional weather events that affect compliance with the timeline agreed with clients can be handled through the contract or by negotiation and usually lead to acceptance of a time extension and/or compensation for the higher costs incurred.

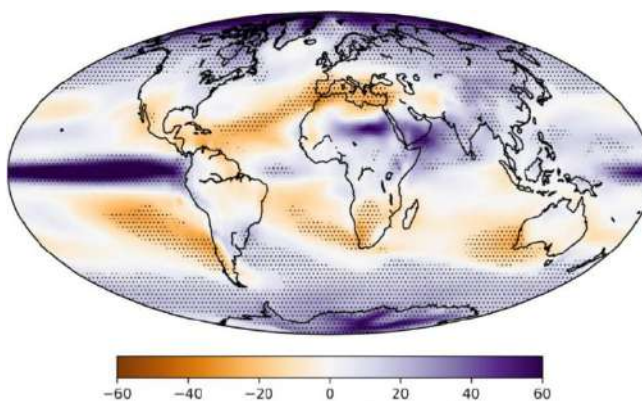
The risk of damage to assets by adverse weather conditions is also considered to be low, thanks to the related insurance contracts.

With respect to the second factor, in the medium to long term, changes in the annual average precipitation levels are expected in many areas around the world, which could potentially affect the outlook for the Clean Hydro Energy and Clean Water business areas. The scenario analysis included an in-depth look at this aspect (see the next box) finding that there may be potential reductions in precipitation in certain areas and a concurrent increase in other areas.

Scenario analysis: expected precipitation trends

The available climate models for the most pessimistic scenario (RCP 8.5)⁵¹ agree that future precipitation trends will vary around the world with regional changes of up to a maximum of $\pm 60\%$ on the figures for the start of the century.

The Mediterranean region, southern Africa, south west Australia, central-south America and the west coast of the US are expected to see the largest reduction in precipitation, which will presumably boost demand for infrastructure to manage water resources (e.g. reservoirs, desalination plants) while Sub-Saharan Africa



and south east Asia are forecast to become much wetter with a follow-on effect in the form of the greater need for infrastructure to enhance water resources (e.g., aqueducts, hydroelectric plants).

⁵¹ Source: <https://www.carbonbrief.org/explainer-what-climate-models-tell-us-about-future-rainfall>

It is expected that these changes will be gradual and that, thanks to the Group's international footprint and the diverse markets in which it operates, it will be able to monitor developments in precipitation levels and take the relevant mitigation actions using its current strategic planning and commercial tools.

The above physical factors are also sources of opportunities for the Group given the larger investments expected to be necessary to develop infrastructure that can deal with:

- chronic climate change, such as desalination, drinking water and water treatment plants, aqueducts and water storage for drinking water and irrigation;
- acute climate change, such as retrofitting and upgrading transport infrastructure (e.g., bridges, roads and railways) and civil buildings to improve their resilience or hydraulic projects in urban areas to reduce flooding and the related water pollution.

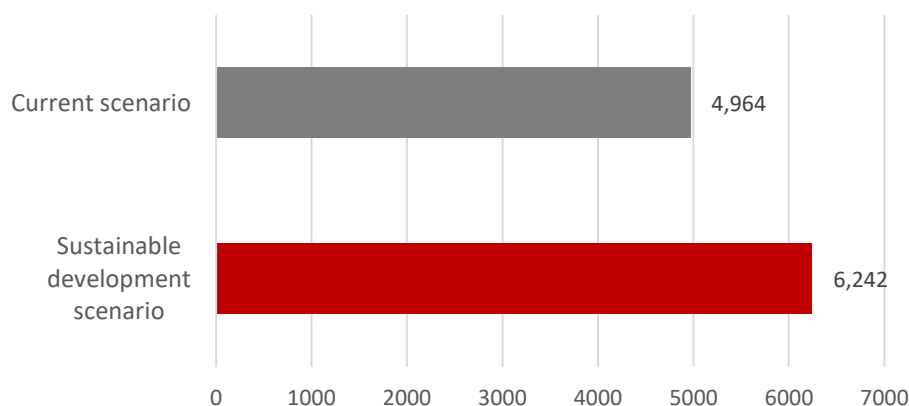
The Group is well-placed to seize these business opportunities. The ongoing clean water projects are an example of this as they respond to the specific requirements of areas affected by increasing water scarcity (such as the desalination plants built in the Middle East and irrigation water storage in Africa), the more frequent extreme weather events (the hydraulic projects carried out in the main urban centres in the US) and the pollution of rivers and water basins (the Riachuelo River in Argentina and the Caloosahatchee West Basin Storage Reservoir in the US). The benefits to the populations affected by the Group's projects are summarised below⁵²:



⁵² More information is available in the "Calculation method" paragraph of the "Methodology for reporting non-financial information" section.

Investments in water sector infrastructure, as shown in the following graph⁵³ will by necessity continue to be substantial in the next 20 years, driven by two main factors: the growing global population and climate change.

Total investments necessary for the water sector, by scenario, 2020-2040 (USDbn)



It has been estimated that, in the Middle East alone, the production of desalinated water will increase by 14 times before 2040⁵⁴ and new demand will mostly be met through plants that use the reverse osmosis technology, extensively used by Fisia Italmimpianti in its ongoing projects. It allows a reduction in GHG emissions of around six times that of thermal desalination plants.

With respect to transport infrastructure, there is a growing focus on new infrastructure's resilience to climate change. Alongside the usual studies of the durability and safety of infrastructure, specific studies are increasingly commissioned on the expected climatic situation in the areas where the projects are taking place. They are designed to understand the potential future effects of these climatic factors on the works (e.g., the volume of rainfalls, wind strengths, temperatures and fire) to improve their resilience.

This issue is of great importance for works that are heavily exposed to the effects of atmospheric agents, such as roads, bridges and viaducts, as their resilience over time is essential to their users' safety. The Company is well-positioned in this market as it has accumulated significant experience in the use of design techniques and studies of materials that reflect future climate projections. Example of this are the award-winning Skytrain Bridge, built as part of the Sydney Metro Northwest project and designed to stand up to rain, flooding and winds forecast after 2100 or the New Genoa San Giorgio Bridge, designed to deal with the expected increase in rainfall over the next 80 years. It is assumed that use of these design techniques will become widespread and common over the coming years, also given the new regulations that will be brought in from time to time.

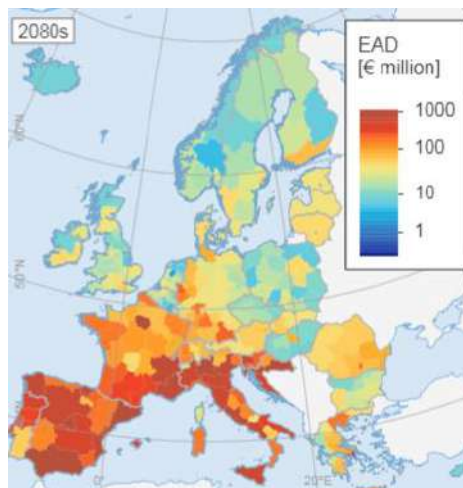
⁵³ Processing of Global Infrastructure Hub data, 2019. <https://outlook.gihub.org/sectors/water>

⁵⁴ Source: IEA, Desalinated water affects the energy equation in the Middle East, Molly Walton, 2019. <https://www.iea.org/commentaries/desalinated-water-affects-the-energy-equation-in-the-middle-east>

Scenario analysis: potential impacts on critical infrastructure in Europe

The extreme climate events of the coming decades may have a particularly hard impact on European infrastructure, placing a sector that already suffers from insufficient investments for modernisation and maintenance.

According to a study carried out by the European Commission⁵⁵, damage to infrastructure under the influence of climate change may multiple six-fold by mid-century and could amount to more than 10 times by the end of the century. The southern European countries will be most affected and, as a result, will probably require higher costs of adaptation.



Road and railway infrastructures are likely to be the most affected by heat and cold waves, flooding and wildfires; the ports by coastal flooding and storms, the hydraulic infrastructures by drought and heatwaves and social infrastructures (schools and hospitals) by flooding, wildfires and drought.

The overall damage could be in the region of €20 billion per year by 2050 and over €37 billion by the end of the century, roughly half of which would be incurred by Italy and Spain.

Transition risks and opportunities

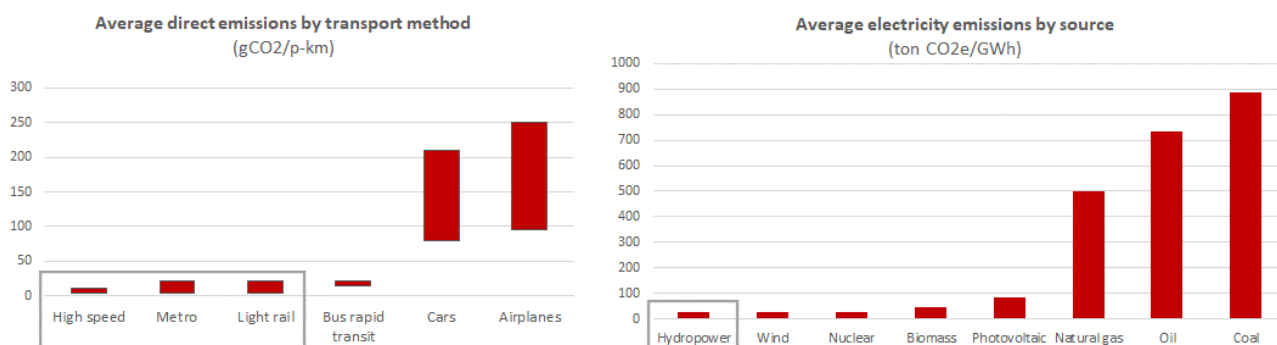
The Group has identified two main risk/opportunity factors in this area: the enactment of new regulations designed to foster and accelerate the climate transition and the greater preference of clients and investors towards companies that are actively committed to the fight against climate change.

Both factors mostly represent a source of opportunity for the Group as tougher regulations about emission levels and greater demand for low-carbon solutions can generate new business opportunities.

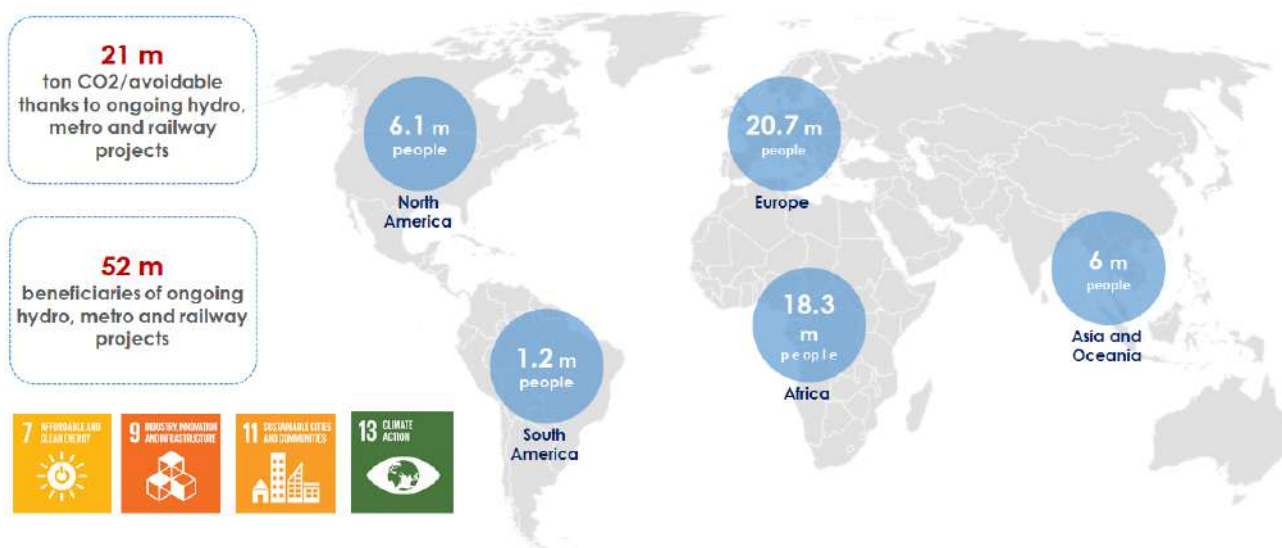
Webuild is very well positioned in this sense as two of its business areas, Sustainable Mobility and Clean Hydro Energy, can make a significant contribution to reducing the GHG emissions of the transport and energy sectors, the biggest culprits.

⁵⁵ Source: Escalating impacts of climate extremes on critical infrastructures in Europe, 2017, <https://www.sciencedirect.com/science/article/pii/S0959378017304077>

The following charts compare the emission levels of the main sources of electricity generation⁵⁶ and transport methods⁵⁷. They show the Group's business areas in the energy (hydropower) and Sustainable Mobility (metros and railways) sectors.



As already described, a large portion of the Group's 2020 revenue (49%) and its order backlog (61%) at year end came from projects in these areas, which include hydropower plants, metros and light rail, and high speed railway lines, which are expected to provide very significant benefits in terms of lower emissions and number of people served, as summarised below⁵⁸.

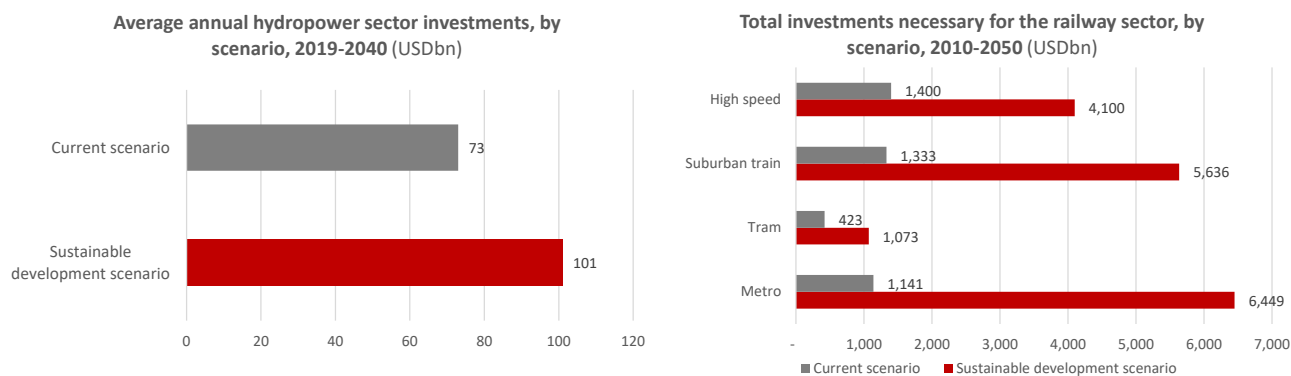


⁵⁶ Climate Change 2014: Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change

⁵⁷ Comparison of Lifecycle Greenhouse Gas Emissions of Various Electricity Generation Sources, World Nuclear Association

⁵⁸ More information is available in the "Calculation method" paragraph of the "Methodology for reporting non-financial information" section.

The hydropower and railway sustainable mobility business areas should continue to have huge development potential, as confirmed by the main projections and estimates available, given their ability to contribute to achievement of the Paris Climate Agreement objectives and the SGDs. The next graphs show the planned investments for the hydropower⁵⁹ and railway⁶⁰ business areas based on the current scenario (and policies) and a scenario where the objective of maintaining the increase in the earth's temperature below 2° C compared to the pre-industrial levels is achieved.



The road infrastructure sector, where the Group is very active, will continue to be pivotal in the future, given the steady replacement of the current vehicles on the road by low-emission models (hybrid, electric, hydrogen, etc.).

Another area where the Group is active in the mitigation of climate change is that of green buildings. Most of the civil building works now underway use eco-design and construction systems (e.g., LEEDS and GSAS) to improve the life cycle environmental performances of buildings compared to similar projects built using standard criteria. The Group applies these systems to metropolitan infrastructure projects as well, like those in Qatar and Australia. For example, the Sydney Metro Northwest project, which has been completed, was built with a product environmental footprint of 33% less than the original project envisaged.

The Group manages the potential risks of new tougher climate regulations by closely monitoring the law and regulation-making activities in the countries where it operates, starting from the commercial and bidding phases. During each project's performance, the work site carefully keeps track of the applicable environmental regulations and requirements using its integrated management system.

⁵⁹ Source: IEA (2019), "World Energy Outlook 2019", IEA, Paris <https://www.iea.org/reports/world-energy-outlook-2019>

⁶⁰ Lefevre, Benoit, Ahmad Iqbal Chaudhary, Deebea Yavrom, and Aman Srivastava. 2016. "The Trillion Dollar Question II: Tracking Investment Needs in Transport." Working Paper. Washington, DC: World Resources Institute.

Webuild approaches the issue of clients' and investors' greater inclination to work with companies that have positive climate change track records with dedicated action plans. In 2020, it defined a Climate Road Map based on an analysis of the expectations of clients, investors and other stakeholders and the market situation. This map sets out a number of areas where action can be taken in the next few years:

- Assessment and development of medium to long-term targets using the methodology developed by Science Based Target initiative (SBTi);
- Systematic organisation of technical scouting processes and development, prototyping and testing of innovative solutions and systems to monitor and decrease GHG emitted by the business (process decarbonisation);
- Development of systems with universities and specialised research centres to assess the energy and carbon life cycles of infrastructure, to be used during the bidding, design and construction processes;
- Promotion of a low-carbon internal culture with employees through information, awareness raising and training programmes.

The Group's carbon footprint

The direct risk to the climate generated by the Group's activities mostly relates to the use of fossil fuels in operations and materials which involve carbon intensive processes (e.g., cement and steel).

Considering the entire life cycle of the Group's projects, the emissions generated by its activities are temporary, as they only take place during the construction period, and should be considered in light of the benefits of using the infrastructure, which usually has a useful life at least a couple of decades. In fact, many works are designed to be operated over 80 to 100 years if not longer.

While the Group's business is characterised by highly customised processing, techniques and technologies depending on the specific requirements of the works to be built and the characteristics of the areas where they will be located, Webuild has actively developed production processes and technical-organisational solutions for some years to decrease its environmental footprint.

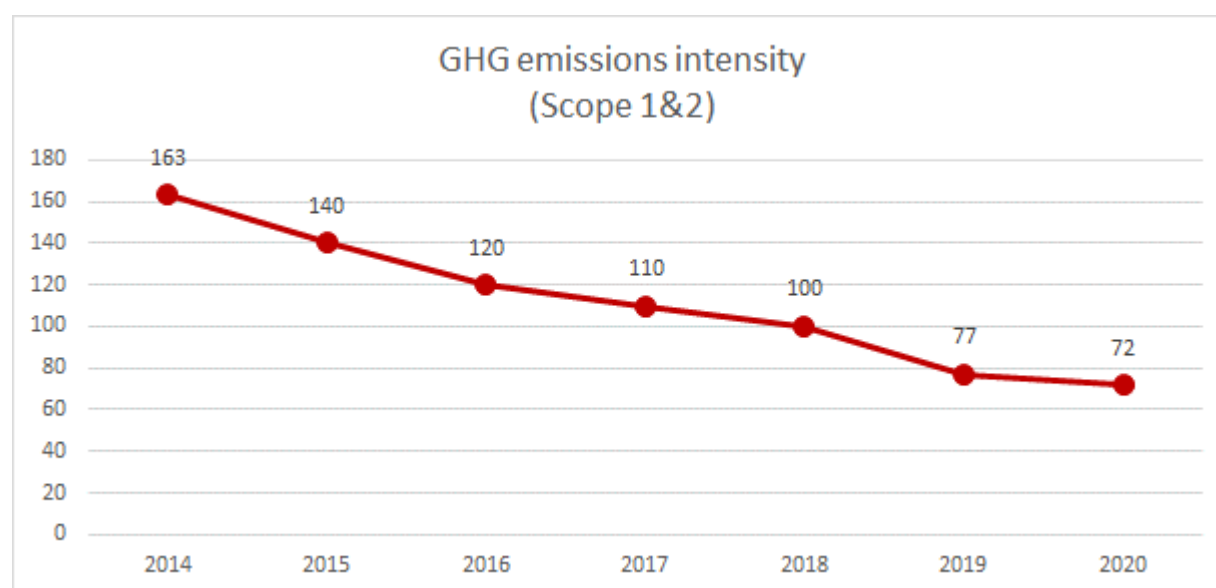
Accordingly, when designing and setting up its work sites, Webuild checks all the environmental components of its industrial processes to optimise them and make them more efficient. It focuses on energy, water and materials consumption to reduce, inter alia, its carbon footprint.

The following tables show its energy consumption and the related GHG emissions:

Energy consumption (GRI 302-1, 302-2, 302-3)	Unit	2018	2019	2020
<i>Non-renewable energy sources</i>				
Diesel	GJ	5,455,604	4,788,252	4,499,507
Petrol	GJ	348,456	234,462	230,167
Kerosene	GJ	10,405	2,875	962
Natural gas and LPG	GJ	1,200,705	3,905	15,381
Electricity	GJ	393,766	308,263	259,381
Total consumption from non-renewable energy sources	GJ	7,408,937	5,337,757	5,005,398
<i>Renewable energy sources</i>				
Electricity from renewable sources	GJ	200,415	148,619	206,656
Total internal energy consumption	GJ	7,609,352	5,486,376	5,212,054
Energy consumption - subcontractors	GJ	1,667,939	770,806	1,004,413
Total energy consumption	GJ	9,277,292	6,257,183	6,216,467
Energy intensity	GJ/€M	1,785	1,220	1,238

Direct and indirect GHG emissions (GRI 305-1, 305-2, 305-3, 305-4)	Unit	2018	2019	2020
Direct emissions (Scope 1)	tCO _{2e}	467,234	350,593	330,596
Indirect emissions (Scope 2)	tCO _{2e}	54,637	43,371	30,910
Other indirect emissions (Scope 3)	tCO _{2e}	117,528	61,573	78,834
Total GHG emissions	tCO_{2e}	639,399	455,537	440,340
GHG emissions intensity (Scope 1 & 2)	tCO_{2e}/€M	100	77	72

The following graph provides a comparison of the GHG emissions intensity (t CO_{2e} Scope 1&2/€M), showing its improvement in the last seven years.



The Group's energy requirements decreased on the previous year. Consumption of the main energy sources (diesel, petrol and electrical energy) was affected by the smaller volume of work carried out at the projects

nearing completion (Qatar and Kuwait) offset by the upturn in volumes at projects in Saudi Arabia, Ethiopia and the US. The increase in subcontractors' consumption, and related Scope 3 GHG emissions, is mostly a result of the work performed in Italy (COCIV), Tajikistan and Astaldi's European contracts.

The Group's main energy rationalisation systems include the use of highly efficient vehicles and equipment, connecting its building site plants to electricity networks rather than diesel generators, carrying out regular maintenance programmes for its vehicles, applying the power quality improvement systems and informing its employees about the importance of energy saving.

Significant contributors to the reduction in GHG emissions are the projects to connect to the electricity grid systems, especially when the host country's energy mix is mostly made up of renewable energy. This is the case in Ethiopia, where the GERD hydropower project work site uses renewable energy generated by other hydropower plants already active in this country, shortly to be joined by the Koysha work site, where a power line to the national grid is currently being laid.

The following table shows the Group's initiatives to reduce its GHG emissions.

GHG emission reduction initiatives	Unit	2018	2019	2020
Active initiatives	no.	16	15	13
Reduction in GHG emissions	tCO _{2e}	42,440	52,253	78,979

In addition to that shown in the table, the Group has another three planned initiatives which will lead to an additional annual reduction in emissions of 16,464 ton CO_{2e}.

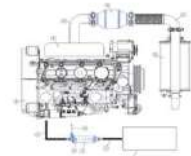
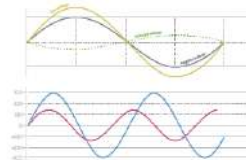
Over the last three years, initiatives have been rolled out to improve the energy efficiency of industrial processes, to adapt current production processes, to adopt less polluting logistics options and to introduce awareness campaigns for employees. In addition, many of the Company's innovation, research and development projects (see the relevant section) have a strong environmental factor in terms of their energy efficiency and reduction in GHG emissions.

Innovation to reduce GHG emissions

Over the past few years, Webuild has focused on the development of process innovation to reduce its operations' energy consumption and GHG emissions.

Its aim is to eliminate unnecessary consumption and minimise essential consumption. This includes the following initiatives introduced at certain work sites:

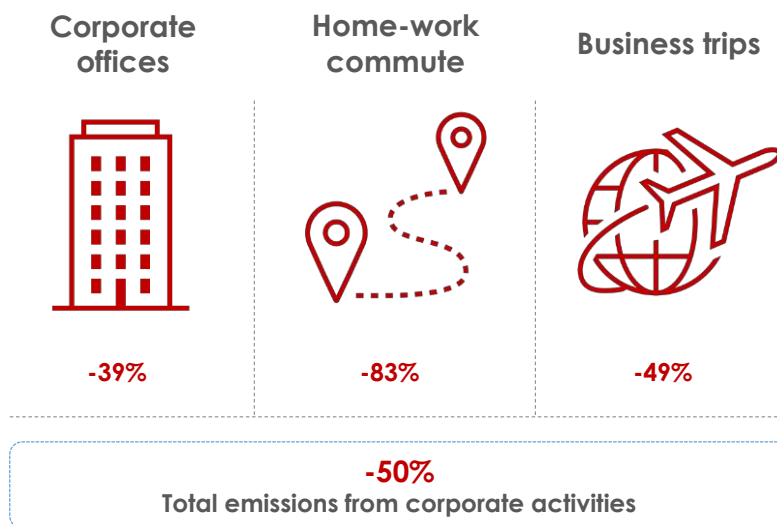
- replacement of lorries with conveyor belts to transport materials;
- making tunnel ventilation systems more efficient, so as to be able to adjust the systems' power to the air quality levels;
- making electrical loads in logistics sites more efficient with specially developed diagnosis and monitoring tools (Power Quality);
- making work tools more efficient to the benefit of the environment and employee health;
- using high efficiency, low consumption lighting systems (LED).



The effects of Covid-19 on corporate emissions

As already described, the Company promptly adopted a number of measures in 2020 to protect its employees' health and contain the diffusion of Covid-19. It introduced WFH for all corporate staff and, when possible, those at the work sites, limiting business trips to essential travel only and upgrading digital work tools to support its business.

These measures had a significant impact on the corporate activities' GHG emissions, which decreased by 50% on the previous year.



Environment



Circular Economy

focus on reuse, recycling and reduction
of waste

69%

waste sent for recovery

100%

reused excavated materials

67%

materials purchased within a 160 km
radius of the work sites

Internal policies

Protection of the environment is a priority for the Group, which formalised a specific Environmental Policy in 2002, one of the first European construction companies to do so. In 2007, it introduced an environmental management system which is ISO 14001 certified.

Webuild's Environmental Policy defines ten principles to guarantee:

- compliance with applicable legal and contractual requirements related to the environment;
- identification and assessment of environmental aspects tied to the Company's direct and indirect, present and future operations, evaluation of the related significant effects and management of the mitigation and control measures, integrating the life cycle perspective and sustainable supply chain logics;
- identification of all the technical and organisational measures designed for the rational use of natural resources and the mitigation of pollution, GHG emissions, waste generation and inconvenience to the local communities as well as the maximisation of the positive effects for the environment;
- involvement and participation of all employees or people who work for the Company through actions to make them aware of the issue, the dissemination of information and training courses, dialogue and transparency in action.

The Policy also provides that each worker has the right and is obliged to intervene and stop work if the environment could potentially be compromised.

During the realisation of awarded projects, the Group ensures compliance with the above-mentioned principles in accordance with the commitments taken on with its clients. More information about Webuild's role and

responsibilities during the infrastructure project development stage is available in the section entitled “The infrastructure sector and Webuild’s role”.

Main risks and management methods

The main environmental risks arising from the Company’s activities relate to non-compliance with applicable environmental legislation, compromising one or more environmental components (e.g., the soil, water or air) due to a mistaken assessment of the risk or ineffective management/mitigation activities, inefficient use of natural resources and the failure to obtain/maintain environmental certifications and ratings.

The main environmental risks facing the Company (generated by external factors) arise from changes in the applicable environmental legislation, the inconsistent interpretation of applicable legislation by the competent local authorities, incomplete and/or insufficient environmental impact assessments for projects (which should be performed by the client) or adverse environmental or geological conditions (e.g., extreme weather events, actual conditions differing from those anticipated during the tender procedure).

To monitor these risks, Webuild has an environmental management system, which complies with the ISO 14001 standard and has been certified by an independent certification body.

To ensure that the significant environmental impacts are properly identified, managed and mitigated, the system incorporates a number of environmental management procedures that have to be implemented by the Group’s production companies, after being revised to comply with the applicable regulations or contracts.

When contractually provided for, the Group’s contracts may include additional environmental management standards that could require special certifications or ratings. They may be:

- system standards, which involve reaching specific environmental performance targets during construction activities (e.g., lower emissions, waste recycling);
- product standards, which require the completed works to meet specific environmental performance targets (e.g., use of low-carbon construction materials, energy-efficient buildings).

In 2020, 67% of the ongoing civil building projects (e.g., hospitals, airport terminals, stadiums, buildings and urbanisation works) adopted dedicated systems to reduce their life cycle environmental impacts. Some sustainable mobility projects (e.g., metro stations) have followed suit. The certified systems most frequently used by the Group are LEED (Leadership in Energy and Environmental Design) on a global basis, GSAS (Global Sustainability Assessment System) in the Middle East, and IS (Infrastructure Sustainability) in Australia.

During the start-up of a new contract and based on the planned work, the plant to be built and the areas to be used for logistics and building work, an environmental risk assessment is performed to identify significant environmental aspects, i.e., those aspects that could have a significant impact on the environment. Their identification and assessment of the significance of their impact as well as the subsequent definition of impact management and mitigation measures take place in line with specific procedures.

The significance of environmental impacts is assessed using a method based on an analysis of well-defined criteria, such as the existence of special regulatory or contractual requirements, assessment of the related risk, management of the impact and the area's sensitivity to the specific environmental aspect.

The assessment considers various scenarios: standard operating conditions, irregular conditions (e.g., plant start-up, maintenance), emergencies (e.g., fire, spills). Once the significant environmental aspects have been identified, the main effects of the contract work and other activities on the different environmental components are analysed:

- natural and energy resources;
- atmosphere and climate (emissions);
- soil, subsoil and water environment;
- waste and use of hazardous substances/preparations;
- traffic, atmospheric, light and electromagnetic pollution;
- noise and vibrations;
- ecosystem, cultural heritage and environmental restoration.

After the environmental risk assessment, analysis of the contractual obligations and related environmental regulations, the following is prepared for each contract:

- environmental plans/procedures setting out guidelines for the management/protection of each specific environmental component;
- environmental protection plans defining the specific mitigation and monitoring activities to be adopted in the specific area;
- environmental monitoring and control plans defining the specific management and monitoring activities for the environmental components identified in the various areas;
- specific instructions for the different method statements applied.

In addition and to comply with the client's instructions, the project's social-environmental impact assessment and ruling legislation, the contract undergoes environmental monitoring to check any unforeseen variations and/or critical environmental issues affecting the areas outside the work site during the development or roll out of the work. This includes investigating the causes to determine whether they are due to the project and, if so, together with the client, to define mitigation/prevention measures with the client and check their effectiveness.

To ensure the correct implementation of the environmental plans, the work sites schedule and provide for information/training to be given to the employees involved in contracts with potential impacts on the environment, including the subcontractors' employees. They regularly run campaigns to raise employees' awareness of specific issues (e.g., energy savings, waste, spills, use of hazardous substances/preparations, etc.).

The work site environmental departments carry out the monitoring/supervision procedures provided for in the environmental plan with regular checks and audits of the activities performed directly and indirectly by

subcontractors. If any instances of non-compliance are identified, special remedial actions are defined as well as plans to improve the processes and/or performance when deemed appropriate.

Contract management regularly reviews environmental performances and the management system's strengths and weaknesses. It sets objectives for the subsequent period to ensure ongoing improvement.

The Company is committed to the optimal use of resources and reduction of its environmental footprint. It will continue to protect the areas where it works to ensure that serious environmental accidents do not take place, that production processes become more efficient, the use of local raw materials is more efficient and effective and that water resources, materials and waste not sent to landfills will be reused including for energy generation (in line with the applicable legislation). It will assess its water management cycle and machinery to define additional measures to reduce its impact on the environment. Finally, it will continue to provide training courses about the environment to its employees to increase the per capita hours provided to direct employees.

At corporate level, the Group HR, Organisation and Systems Department defines methodologies, tools and operating methods to manage quality, health, safety and the environment issues. Its Safety, Environment and Systems Unit is in charge of the environmental management system. It provides technical assistance with environmental issues, analyses the Group's environmental performance and defines the objectives/guidelines for continuous improvement to pursue steadily improved performances.

Communications about environmental aspects are made on a hierarchical basis within the Company through the QEHS coordinators (who liaise with the Corporate and contract managers), the company intranet, the website and this Statement. Other internal communication channels (e.g., employees, subcontractors) and external channels (e.g., local communities) are set up at individual production unit level in line with the ruling legislation, contractual requirements and any recommendations in the social and environmental impact assessments approved by the authorities.

Employees may use the whistleblowing system described in the section on "Anti-corruption" for environmental notifications. In addition, some work sites have additional notification systems (grievance mechanisms), which can also be used by third parties (e.g., local communities). Typical communications received locally relate to inconveniences caused by the work site equipment (traffic, dust) and construction activities (noise, vibrations) or damage to private property.

Reference should be made to the section on "Main risk factors and uncertainties" ("Criminal litigation" paragraph) of the Directors' report for ongoing environment-related disputes.

The methods to manage the main environmental issues are described below. The environmental data are heavily affected by the number and type of works under construction, the client's design decisions and the stage of completion of the individual projects. Accordingly, a comparison with previous periods may not always be significant, especially in terms of the absolute values, and even more so this year which has been affected by Covid-19 that disrupted business operations.

The local area and the circular economy

At the end of 2020, the Group's work sites included in the scope of this Statement included 497 operational sites, of which 158 underground, for a total surface area of 219,971,657 m². The following table shows the main data by geographical area:

Geographical area	Unit	Total surface area	Surface area in protected areas	Surface area of areas adjacent to protected
Africa	m ² / %	22,650,000	0%	0%
Europe	m ² / %	10,137,519	23%	1%
Americas	m ² / %	62,338,249	75%	5%
Asia and Oceania	m ² / %	124,845,889	5%	0%
Total	m² / %	219,971,657	25%	2%

The American continent is the geographical area where the Group has the largest surface areas inside protected areas. This is due to the Caloosahatchee (C43) West Basin Storage Reservoir contract in Florida (US) acquired in 2019. The project is part of a larger plan, The Comprehensive Everglades Restoration Plan, a long-term plan approved by the US Congress to restore, protect and preserve the environment of a protected area of great importance to the community, the economy and ecosystem of Florida. The Everglades provides drinking water to more than eight million people, supports the flourishing agricultural and tourist sectors of Florida, has unique natural habitats and is home to two native American tribes. Lane's share of the project is to build a reservoir on over 4 thousand hectares as part of the plan to contain wastewater discharges, improve water quality, restore natural habitats and preserve the protected species.

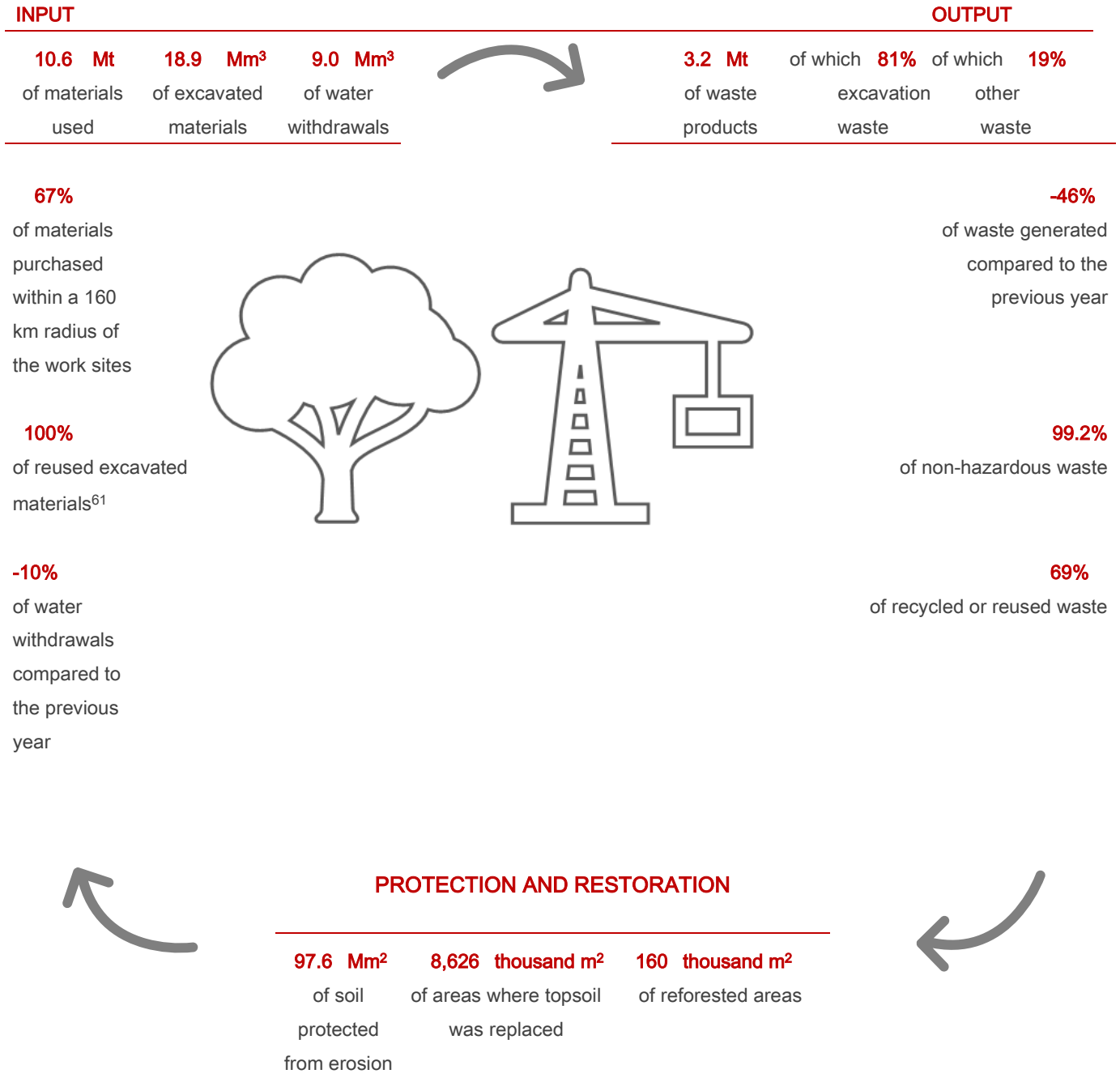
In Europe, the largest surface areas inside protected areas are two Italian projects being carried out by Astaldi to upgrade the logistics terminal at Taranto Port and the Marche-Umbria quadrilateral road system.

The projects in protected areas (or partly within them) in Asia and Oceania are Umm Lafina in the United Arab Emirates and Snowy 2.0 in Australia.

Information about biodiversity management is available in the "Biodiversity, cultural heritage and environmental restorations" section.

The Group adopts practices that are in line with the principles of the circular and green economy, designed to minimise (when possible) the use of natural resources, including through their reuse, as part of its activities. Similarly, it encourages the recovery of waste materials in the same project or surrounding areas.

The Group's resources for the year are presented in the next chart, showing the "circularity" of its practices.



The following paragraphs describe the elements presented in the above chart.

Raw materials

Construction of motorways, bridges, dams, railway and metro lines and civil and industrial buildings requires the use of large quantities of water, aggregates, iron, cement and backfill: all raw materials which are mostly not renewable.

⁶¹ The materials reused during the year may include excavated materials from previous years.

The environmental assessments made at the start of a new contract consider these aspects and the related mitigation measures are designed to ensure the efficient management of these resources.

With respect to raw materials, the Group is committed to, where possible:

- reusing excavated earth and rocks in other industrial processes such as, for example, the production of aggregates for concrete or the construction of embankments and other earth fills as required by the projects for cost efficiency purposes and in line with circular economy principles;
- use of alternative or innovative materials, such as materials that have been recycled, obtained using low-carbon methods or that improve the quality, durability, safety and functionality of the finished works.

With respect to water resources, the Group is mainly involved in the development of storm water, industrial and drainage recovery systems to reduce the quantities of raw water and/or drinking water required at the work sites.

Innovative solutions to reduce materials and water footprints

Certain of the Group's work sites have recently developed special optimised concrete mixes with a low cement content or that include recycled materials from other industrial sectors (e.g., the iron and steel sector). This allows a 15% reduction in the use of cement down to 65%. These mixes are mostly used in hydropower and metro construction projects.

The Group has also increased its use of steel materials with a high recycled component and plans to deploy them for more than 90% in its latest commercial initiatives.

Alongside the Group's traditional process water recovery systems and closed-circuit systems in place at its work sites for years, it is also developing an innovative remote control system for the fully digitalised tracing of the work sites' water resources. This will assist detection of water losses and waste and the reduction of water consumption.



The main raw materials used by the Group are shown in the tables below:

Materials used (GRI 301-1)	Unit	2018	2019	2020
Aggregates	t	15,399,193	4,063,905	5,754,137
Bitumen	t	257,541	77,705	43,357
Cement	t	662,052	357,757	408,631
Concrete-reinforcing bars	t	1,065,914	488,085	759,573
Ready-mixed and pre-cast concrete	t	4,608,609	2,808,654	2,999,374
Ready-mixed asphalt	t	790,547	560,039	675,581
Total non-renewable materials	t	22,783,854	8,356,146	10,640,655

Water use (GRI 303-1)	Unit	2018	2019	2020
Wells	m ³	2,880,660	3,739,539	2,226,930
Rivers	m ³	6,793,150	3,810,030	4,705,652
Lakes	m ³	291,623	-	29,790
Aqueducts	m ³	2,259,390	2,417,294	1,980,192
Rainwater and wastewater from other organisations	m ³	116,795	158	27,455
Total	m³	12,341,619	9,967,021	8,970,019

The main variations on the previous year relate to the progress made on the Group's projects. Specifically, the increase in aggregates is mostly due to the higher volume of activities for Lane's projects and those in Ethiopia. The increase in ready-mixed and pre-cast concrete was affected by the stage of completion of COCIV's projects in Italy and Line 16 of the Paris Metro (France). The greater use of concrete-reinforcing bars, ready-mixed asphalt and cement is due to Lane's projects in the US and progress on the Ruta del Sol project in Colombia (asphalt) and Line 16 of the Paris Metro (cement). The reduction in bitumen is mostly attributable to the South Al Mutlaa project in Kuwait, which is nearly completion.

There was a 10% decrease in water resources utilisation in 2020, mostly due to the above-mentioned South Al Mutlaa project. The Group concurrently saw an increase in withdrawals from rivers related to the greater consumption for COCIV's projects in Italy, the Rogun Dam (Tajikistan), and GERD and Koyscha projects (Ethiopia). Withdrawals from lakes entirely related to the Snowy 2.0 project in Australia.

With respect to the circular and green economy, during the year, 67% of the materials purchased complied with the region-based criterion, as they were purchased within a radius of less than 160 km from the work sites, thus reducing the impact of their transport. During 2020, the Group also used 14.5 thousand tonnes of fly ash (2019: 15.1 thousand tonnes) and water recycled and reused in production processes of 1.4 million cubic metres (2019: 2.0 million cubic metres).

Energy consumption, both in the form of fossil fuels and electric energy, has a strong impact during construction of infrastructure. Reduction of energy consumption and greater energy efficiency allow a decrease in GHG emissions and mitigation of the effects of climate change. The "Climate change" section describes the Group's actions in this area.

Soil, subsoil and water environment

The Group's construction activities may affect the soil and water environment at different levels depending on the works in question and the surrounding environment (e.g., urban or rural environment).

Contracts are managed to avoid damaging these environmental components. Specifically, containment tanks, wastewater conveying networks and waterproofing systems for risky logistic areas (e.g., workshops, fuel and

chemical depots) are built during the work site start-up phase to prevent contamination of the soil, subsoil and surrounding water bodies.

Industrial wastewater is channelled and collected in sedimentation tanks and treatment plants designed to comply with the applicable legal and contractual provisions, using the best technologies available, given the wastewater's specific characteristics.

Construction work also involves movement of large earth quantities to construct embankments, cuttings, tunnels or certain types of dams. In accordance with the policy to reduce waste production, the excavated earth and rocks are classified and stored on the sites for reuse within them, where possible and in compliance with the regulations, or transferred to third parties to be reused externally. In 2020, reused excavated materials⁶² amounted to 23.5 million cubic metres (2019: 12.1 million cubic metres), which is a very significant amount showing the effectiveness of the Group's circular economy policies.

Traceability of excavated earth and rocks

The Group has introduced an automated system to trace the excavated earth and rocks at the COCIV work site in Italy. This involves the GPS monitoring of the transported materials and the digitalisation of the transport documents leading to a more efficient process, a more reliable end result and a drastic reduction in the production of paper documents.



In order to mitigate the risk of soil erosion due to excavations and aggravated by weather events (rain, wind), the Group takes specific soil protection measures consisting of systems to consolidate excavation fronts and to channel rainwater, as well as covering more exposed areas (e.g., escarpments) and planting trees that mitigate erosion. The mitigation measures are defined considering the natural elements, the environment and features of the local area. In 2020, areas where measures to protect against erosion have been implemented covered 97.6 million square meters (2019: 52.5 million square metres).

Waste

Waste generated during construction of large-scale infrastructure can be grouped into two separate categories: municipal waste and special waste. Municipal waste is generated by logistics sites where the support activities

⁶² These materials may include materials excavated in previous years.

for the industrial production are carried out such as offices, accommodation for non-resident workers and canteens. Special waste is generated by the actual industrial activities, such as construction, plant operation and the workshops.

In line with the circular economy principles, the Group limits its waste production by maximising its reuse and recycling and minimising the use of landfills. Accordingly, its waste is collected, sorted and stored in specific enclosed areas from which they are then taken to be transferred to third parties authorised to recycle/dispose of the waste.

Hazardous waste is a marginal part of the waste generated in the Group's contracts. Normally it involves paint, additives and solvents, used oil and oil filters from vehicle maintenance, batteries, rechargeable batteries and, in some cases, earth, sludge and other materials containing hazardous substances.

Waste produced by activity, type and destination, dealt with in accordance with local regulations, is shown in the following table:

Total waste by activity (GRI 306-2)	Unit	2018	2019	2020
Construction and demolition waste	t	517,732	291,491	522,685
Excavation waste	t	6,345,575	5,593,636	2,596,281
Waste from support activities	t	97,558	66,829	96,034
Total non-hazardous and hazardous waste	t	6,960,865	5,951,955	3,215,000

Total waste by type and destination (GRI 306-2)	Unit	2018	2019	2020
<i>Non-hazardous waste</i>				
Recovery, reuse and recycling	t	3,712,507	4,341,435	2,195,581
Incineration	t	3,398	930	6,305
Landfill	t	3,230,657	1,598,681	988,993
Total non-hazardous waste	t	6,946,563	5,941,047	3,190,880
<i>Hazardous waste</i>				
Recovery, reuse and recycling	t	5,283	712	13,721
Incineration	t	324	27	13
Landfill	t	8,695	10,169	10,387
Total hazardous waste	t	14,302	10,908	24,120
Total non-hazardous and hazardous waste	t	6,960,865	5,951,955	3,215,000

81% of the waste produced is from excavations, which thus affects Webuild's global waste treatment performance. It is classified as waste in line with the applicable regulations and its possible internal and/or external reuse, which varies depending on the projects' characteristics and the material's geotechnical characteristics which the Group cannot influence.

The significant decrease in total waste in 2020 compared to the previous year is mostly due to the completion of the excavation phase of the Rogun Dam project (Tajikistan), which had been underway in previous years, affecting their figures.

The percentage of waste recovered, reused and recycled is 69% for the year.

Webuild encourages all work sites to reduce their waste production and to maximise its recovery in line with their local context and economy and the ruling legislation.

Atmosphere

Unlike other industrial sectors, the construction sector does not generate significant atmospheric pollution. The main sources of atmospheric emissions are linked to dust created by the construction activities: excavations, earthwork, movement of heavy vehicles on unpaved roads and crushing excavated stone.

Other sources of air pollution are the unloading of site equipment and plant. The methods adopted by the Group to mitigate these impacts are described below:

- regular dampening of unpaved roads accessing work sites, aggregates wetting systems at the crushing plants, the use of filters on the cement storage silos and asphalt production plants, covering lorries transporting powdery materials, tyre washing systems at site entrance points and the replacement of road transport with conveyor belt transport;
- preventative and regular maintenance schedules for site plant and vehicles, ongoing replacement of the fleet with more efficient models.

The “Climate change” section provides information on the Group’s energy efficiency actions.

Noise and vibrations

The aspects relating to noise and vibration are of double significance for the Group: internally, in terms of the health of workers, and externally, in terms of impacts on the environment and local communities.

The Group’s QEHS management system includes specific procedures to assess and monitor these aspects, so that each site can adopt the most appropriate measures to ensure protection of the health and safety of workers (soundproofing, use of personal protection equipment, etc.) and of the surrounding environment.

With regard to the effects on the environment surrounding the sites, the areas most affected by noise interference are protected by noise barriers, which can be artificial dunes made of backfill material, support structures and absorption panels made of various materials. The noise barriers can also be one or more rows

of trees or shrubs which both absorb the noise and reduce the visual impact. The choice of the barrier depends on its effectiveness, the area in which it will be placed and its landscaping effect.

Vibration is also a feature of work at civil engineering sites. The effects of pressure waves that propagate in the soil can cause damage to buildings or other structures located in the vicinity of the works. During the works, periodic monitoring of both noise and vibration is carried out, particularly in the presence of sensitive receptors.

Biodiversity, cultural heritage and environmental restorations

The loss of biodiversity is a global issue affecting a growing number of natural habitats, accelerated by climate change and pollution. Examples of infrastructure works that can mitigate human activities' impact on biodiversity are the Group's hydraulic engineering projects designed to reduce the pollution of water bodies (rivers, lakes, wetlands and oceans) being carried out in various parts of the world.

Webuild also adopts special protection measures, especially when the work sites are within sites of special natural, cultural or archaeological interest. These measures, which are implemented in accordance with the competent authorities' provisions and the relevant applicable legislation, are designed to protect and preserve the ecosystem, flora and fauna, biodiversity and cultural/landscape and archaeological heritage of the areas around the work sites.

Depending on the type of project and activities, the works schedule is defined considering the biological rhythms of the local wildlife (e.g., their behaviour, reproduction periods, seasonal migration). This involves drawing up special plans to protect the fauna, including the procedures to be followed in the case of their rescue. In the last three years, the Group has rescued more than 1,300 wild animals. The use of pesticides and herbicides is usually banned in the Group's work sites.

The linear work sites (for roads, railways) prepare flora and fauna continuity solutions, which can include making wildlife corridors, so that the works (including during the construction phase) do not become a physical barrier between previously adjacent areas.

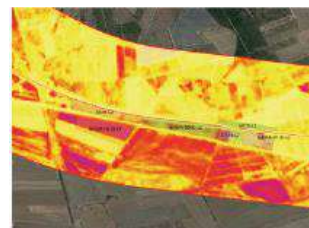
The Group also involves external professionals, researchers and local authorities in its procedures to manage operations in protected areas and/or when archaeological artefacts are discovered. For example, Webuild implemented an intensive system to monitor and protect the local flora and fauna at the Umm Lafina project in the United Arab Emirates, which is located in a coastal protected area with mangroves and very diversified avian fauna. This system includes regular surveys by an independent specialist to monitor migratory birds.

It ensures the direct and indirect work site employees are provided with tailored training courses on biodiversity, especially when this is pertinent to the project.

Smart biodiversity monitoring

The Group has recently started to use innovative biodiversity monitoring systems in areas where it operates. These include satellite technologies and distance monitoring, deployed at several linear work sites (for railway projects for example) where construction activities cover areas with different habitats and it is very important to trace and monitor it in all the project stages.

The systems can efficiently monitor and trace the potential impact of the Group's projects on biodiversity, for example, on valuable crops (through multi-spectral satellite analyses) or the wild life's interaction with the work site activities (using motion-based detection systems).



As disclosed in the “The local area and the circular economy” section, at the end of 2020, 25% (2019: 21%) of the areas managed by the Group was located in protected areas and 2% (2019: 2%) in areas adjacent to protected areas⁶³.

Specifically, 38 work sites (the equivalent of 56.1 sq km) were located in protected areas (mostly in the US, followed by Italy, Australia, Chile and Poland) and 26 (the equivalent of 3.6 sq km) in areas adjacent to protected areas (mostly in the US, followed by Australia and the United Arab Emirates). Of these sites, 38 are in areas protected by local regulations, 16 in areas protected by national regulations, six in “Natura 2000” areas and two in sites included in the UNESCO World Heritage Sites with another two in sites different to those above. There are 20 work sites located in ecosystems that contain water (e.g., lakes, rivers, swamps, etc.), 10 in urban ecosystems, nine in agricultural ecosystems, 12 in wood ecosystems, ten in mountain ecosystems, two in coastal ecosystems and one in insular ecosystems. In these areas, construction and plant operation activities are mainly carried out.

Once construction has been completed, the areas affected by the work, access roads, plants, installations, quarries and deposits are cleaned up to return the areas to their original conditions in line with the contractual terms and current regulations. These restoration activities facilitate natural revegetation, prevent soil erosion and improve soil stability.

Any land reclamation activities, if provided for in the contract and necessary due to previous contamination, are agreed with the clients and performed in line with the competent authorities' instructions.

⁶³ The sites (not located within protected areas) in which activities with potential impacts on surrounding protected areas are carried out are considered “adjacent to protected areas”.

Environmental restoration activities may include reforestation for carbon capture purposes, and indigenous species are usually used. The main restoration activities performed by the Group are shown below:

Protection and restoration activities	Unit	2018	2019	2020
(GRI 304-3)				
Reforested area	m ²	391,144	188,140	159,506
Areas where the topsoil was replaced	m ²	3,674,094	710,295	8,625,836

The increase in topsoil replacing activities compared to 2019 is mostly due to the performance of Lane's projects, while the reduction in reforestation activities relates to the specific stages of work of the projects in Ethiopia, which continues to be the country where the most trees were planted followed by the US and Colombia. In 2020, the Group planted 5,950 trees.

Anti-corruption



Zero tolerance

for corruption

Anti-corruption system

ISO 37001 certified

Continuous training

on anti-corruption

Whistleblowing

a dedicated platform

Internal policies

Webuild has a zero tolerance policy for all types of corruption and is committed to complying with the anti-corruption laws ruling in the countries where it operates. It requires its stakeholders to act with honesty and integrity at all times. The Company never condones behaviour designed to improperly influence the decisions taken by representatives of public or private bodies.

The Company is committed to adopting preventive protocols to minimise the risk of corruption and to ensure compliance with the principles introduced by anti-corruption laws and international best practices.

These principles are enshrined in its Code of Ethics and reiterated in its Anti-corruption Policy, adopted voluntarily and in compliance with international best practices.

Main risks and management methods

Webuild has an Anti-corruption System which meets the ISO 37001 requirements and is certified by an independent certification body. In addition to its Anti-corruption Policy described earlier, the system has the following additional elements:

- preparation, updating and application of the Anti-corruption Model approved by the Board of Directors on 16 June 2014 and updated on 28 September 2018 and 15 December 2020;
- issue of Guidelines and internal procedures and integration of existing ones to define the roles and responsibilities of the parties involved and the operating methods for the processes and controls defined in the above documents.

As part of its zero tolerance policy, the Company seeks to align its strategy with the Anti-corruption System, instilling a compliance culture and mitigating the potential risks of non-compliance.

The Board of Directors adopts the Anti-corruption System while the Compliance Unit monitors the Anti-corruption System and its correct application. It draws up an annual Compliance Plan, which sets out the Company's goals to ensure achievement of the general objectives and ISO 37001 recertification. The Control, Risk and Sustainability Committee, the Board of Statutory Auditors and the Director in charge of the Internal Control System all check the Compliance Plan as does the Integrity Board for the aspects related to Legislative decree no. 231/2001.

The Anti-corruption System is designed to cover the risks to which the Company could be exposed. With respect to active corruption, the main risks identified relate to interaction with representatives of the Public administration as part of specific activities, such as, for example, those to comply with defined obligations vis-à-vis the public administration or the obtaining of authorisations from it (licences and permits, payment authorisations from works management or approval of design extensions/variations). Other risks may arise from participation in calls to tender by public bodies, inspections and/or checks or disputes.

With respect to active corruption in the private sector, this risk is less material and mostly relates to the Group's participation in tenders called by private bodies or management of partnerships.

The main risks facing the Company arise from procurement and subcontracting activities. During the assignment stage, potential suppliers/subcontractors could attempt to corrupt a company employee to obtain the contract (passive corruption). In addition, once the contract has been signed, the suppliers/subcontractors could act unlawfully to obtain approval and, hence, payment for activities they did not actually perform or the non-reporting of non-compliance of their services.

The Compliance Unit performs an anti-corruption risk assessment by specific process for the Company as part of the risk assessments necessary to regularly update the 231 model. The assessment is performed for the other group companies (subsidiaries, consortia, joint ventures, etc.) using a scope defined on the basis of the CPI (corruption perception index) assigned to the country where the Group's companies operate and depending on how long their compliance system has been in place. Roughly 90% of the active legal entities making up Webuild Group (excluding Astaldi S.p.A. and its subsidiaries) were included in the Anti-corruption risk assessment scope in 2020.

The risk assessment findings are used to draft the Compliance Plan and the annual scheduling of the audits and inspections to check the Group's operating companies correctly apply its ethical and anti-corruption procedures and standards.

The procedures specifically designed to monitor the above risks include the Guidelines for the Assessment of Relevant Third Parties, which define valuation procedures applicable to potential counterparties before a contract is signed. The procedures aim to identify the ethics and professional integrity of the Group's partners and their compliance with its anti-corruption policies. To complete the due diligence of third parties, the Group

has specific procedures to monitor conflicts of interest with its employees during the recruiting stage and when they are hired. During 2020, it updated its third party assessment procedures to fine-tune its assessment procedures, especially in the case of entities debarred by multilateral development banks.

With respect to ethical procedures, the Company has introduced new rules to manage its advocacy and PR programmes⁶⁴.

Contracts agreed by the Company with Third Parties must include specific measures to ensure their compliance with Anti-corruption laws, the Company's Code of Ethics and Anti-corruption Model.

Webuild also has a whistleblowing system that can be accessed through an external web portal. This allows employees to make anonymous or confidential (at their own discretion) notifications about potential violations while being protected against any form of reprisal, discrimination or unfair treatment. The Anti-corruption Model provides that employees are obliged to report any violations of the Model and/or internal or external regulations, the ethical principles and all anti-corruption laws by the Company, a colleague, a consultant or third party. As of 2018, third parties (e.g., suppliers, subcontractors) can also use the whistleblowing system and, starting from 2020, access to the system has been extended with the creation of sections dedicated to companies and joint ventures led by Webuild. Alternatively, notifications can be made by post or email. The Company guarantees the protection of the notifying person in accordance with the provisions of Law no. 179/2017 and Regulation (EU) no. 2016/679 on personal data protection.

Violations of the Anti-corruption Model's principles and measures are a serious breach of their contracts by employees and consultants. Webuild takes all the steps provided for by the existing laws and contracts in the case of these violations, including conservative disciplinary measures, dismissal, termination of the contractual relationship, claims for compensation, etc..

In 2020, the Company received 11 notifications through its whistleblowing channels, of which only one for the potential violations of its anti-corruption procedures involving a group company. In all cases, the Compliance Unit commenced an investigation assisted by either the Internal Audit Unit or the Legal Unit based on the Company's internal procedures. During the year, corrective actions were taken involving employees and suppliers, which included the termination of relationships with the Company.

The Company requires that all new employees receive the mandatory Anti-corruption training as part of a wider programme about Compliance. During 2020, the Company launched a new training programme to present virtuous conduct that fosters an ethical culture and especially to encourage reporting possible violations. It also commenced an annual certification process whereby all employees are asked to formally renew their commitment to the Company's Code of Ethics and Anti-compliance Model and to confirm that they have never been involved in conflict of interest situations.

The Compliance Unit also prepares internal reports for the Board of Directors (every six months), which it addresses to the Control, Risk and Sustainability Committee, as well as ad hoc communications and reports to

⁶⁴ More information is available in the "Stakeholder engagement" paragraph of the "Social" section.

management, either together with or through the Internal Audit and Compliance Manager, on any critical issues it identifies during its work.

Reference should be made to the “Main risk factors and uncertainties” (sub-paragraph “COCIV consortium” in the “Criminal litigation” paragraph) section of the Directors’ report for ongoing disputes about corruption.

Supply chain



>15 thousand suppliers

that worked with Webuild in around 70 countries

>115 thousand hours

HSE training provided to subcontractors' employees

Innovation Days

to encourage collaboration with innovative suppliers and partners

Average vendor rating index > 80/100

confirming the high quality of the supply base

Internal policies

Each year, Webuild works with thousands of suppliers both for its contracts and internal requirements. As defined in its Code of Ethics, its conduct is hinged on principles of correctness and transparency, and it is committed to not exploiting any conditions of dependence or weakness of its suppliers.

The Company selects its suppliers using principles of fairness and impartiality and selection criteria which involve checking their quality, technical/professional qualifications, compliance with standards about human rights, labour regulations, including equal opportunities, health, safety and the environment as well as prices.

Suppliers are required to formally accept the Code of Ethics, the Anti-corruption Model and, starting from 2020, the Suppliers Code of Conduct, which are integral parts of the contract. Webuild encourages its suppliers to apply the same criteria when selecting their subcontractors and also to pass on the Group's principles of integrity, honesty, reliability and sustainability in order to encourage and promote compliance with its principles along the entire supply chain.

The Company is committed to protecting the confidentiality of the corporate information and professional know-how and asks its counterparties to do likewise.

When Webuild manages contracts directly or as the project leader, or there are specific agreements in place, the suppliers are required, to the extent of their involvement, to comply with/adopt the Company's Quality, Environment, Health and Safety Management Systems.

Main risks and management methods

In 2020, the Group worked with over 15 thousand suppliers⁶⁵ from around 70 countries. The main supply categories related to subcontracts, materials, machinery and equipment and services.

An inadequate functioning of the qualification process and/or assessment of the suppliers' performance or the possible abuse of a strong position vis-à-vis smaller suppliers could possibly expose the Group to various risks as part of its procurement process, such as compliance, reputation and commercial.

The main risks arising from external factors include potential risks of non-compliance related to regulation updates that make it necessary to adopt new measures with suppliers, commercial and reputation risks due to possible issues with suppliers (e.g., inadequate performance in technical, qualitative, human rights, safety, environmental areas, etc.) after the contract has been signed.

The Company has established a number of procedures to manage the procurement of goods and services and monitor these risks. They include definition of the roles, responsibilities and checks to be performed to ensure that the operating activities are performed in accordance with the applicable laws and regulations, the Company's Code of Ethics, the 231 Model and the Anti-corruption Model.

The supplier qualification procedure is an important part of the procurement process. Its aim is to assess whether the potential supplier meets the Company's criteria so that it can be included in the Vendor List. This qualification procedure also ensures that the Group's requirements are met for all goods categories and in all relevant geographical areas.

The Procurement Department manages the supplier qualification process, which involves a number of preliminary checks of the potential supplier's reputation, its expertise and that it is not already included in the Reference Lists.

Potential suppliers are required to fill in a questionnaire to provide information about various aspects such as: business and production category, organisation and shareholder structure, financial reporting, registration and certifications, quality, the environment and safety, social responsibility (including human rights), specific information about their goods categories (when available).

Based on these questionnaires, the Procurement Department may proceed with specific analyses and detailed checks, which can include assessment visits to the supplier's production units and offices. Other company departments, such as the Technical Services and Safety, Environment and Systems Departments, may also participate in the visits which are designed to assess the supplier's technical and operating capabilities with

⁶⁵ This figure and the information in this section do not include Astaldi.

special regard to the products and services of interest to the Group. They also investigate those aspects that could affect the potential partner's ability to comply with its contractual commitments.

Additional risk analyses are performed for certain suppliers that fall into the counterparty risk category using the methods and tools defined by the Risk Management Unit.

Upon completion of the checks, suppliers found to be suitable for qualification are included in the suppliers register and the reference Vendor List.

Certain contracts require adoption of a specific additional qualification system depending on the applicable regulatory and contractual requirements. For example, suppliers working on projects subject to LEED environmental certification are subjected to additional checks to verify their compliance with specific environmental parameters, while other specific requirements, such as social criteria, are checked for projects acquired in some countries. These may include checking potential suppliers whose workforce mainly consists of employees from special categories (e.g., ethnic minorities).

In 2020, the Corporate Procurement Department vetted all the new 4,726 suppliers to verify their integrity, classification of their know-how and reference lists.

Contracts with suppliers include provisions requiring them to comply with the applicable regulations, the Code of Ethics, the Suppliers Code of Conduct, the 231 Model and the Anti-corruption Model as well as quality, health and safety and environment requirements. Specifically, the Suppliers Code of Conduct defines the principles the Group's suppliers and subcontractors must comply with in 11 well-defined areas (quality and performance excellence, occupational health and safety, the environment, fair and non-discriminatory employment conditions, equal opportunities and non-discrimination, local communities, anti-corruption and combating fraud, the correct management of cash flows, unfair competition, conflicts of interest and privacy) as well as the procedures for the oversight of these principles and management of any notifications of non-compliance. The contracts have specific termination clauses if the suppliers do not comply therewith.

Once the contract has been signed and is effective, the Company monitors the performance of its key suppliers using a special assessment process, involving the head office's Procurement Department and the contract managers. It assesses suppliers once a year. In 2020, these assessments involved more than 19 contracts selected for their financial relevance. They covered nearly all the suppliers of the analysed contracts (response rate of above 95%) included in the assessment scope, showing average performances (measured using the IVR vendor rating index) of above 80/100, confirming the high quality of the Group's supply base.

The assessment process is flanked by the on-site monitoring of projects by the local QEHS Departments, which mainly cover subcontractors and is designed to check that their activities comply with the Company's quality standards and applicable requirements for the environment, health and safety. Specifically, the local QEHS

Departments regularly audit the subcontractors. Any non-compliance is managed in accordance with the management system procedures and includes the agreement of improvement plans and follow-up checks to ensure that they are implemented.

Involvement of the subcontractors in these issues also takes the form of regular coordination meetings and the participation of their employees in classroom and on-site QEHS training courses (116,506 hours in 2020).

In addition to involving and monitoring suppliers at the work sites, the Company also interacted with them at central level during the year.

This includes the annual supplier meeting attended by the Group's Italian and international employees and suppliers when the main procurement practices are presented. The 2020 meeting, "Together, for Sustainable Growth" entirely focused on sustainability issues and their growing importance to develop strong relationships between the Group and its suppliers. During the event, the Company presented the results of the assessment of suppliers' performances as a tool to foster ongoing growth and improvement. Those suppliers that made the greatest contribution to the Group's achievement of its business and sustainability objectives were rewarded.

The Company continued its innovation days in 2020, which are appointments with individual suppliers attended by company employees (including on virtual platforms). They are an opportunity for the supplier and the Company to discuss their experiences about new technologies, products, innovative processes and other matters of mutual interest. Once again, the focus was increasingly on sustainability issues and this trend will continue in 2021.



Social

82% direct employees hired locally	91% local procurement
8 jobs created for each direct group employee	>7,000 free healthcare check-ups at work site clinics

Internal policies

It is a well-known fact that the direct relationship between investments in infrastructure and greater domestic demand leverages economic growth. Companies like Webuild engaged in building infrastructure may contribute to this factor by adopting suitable internal policies designed to maximise the utilisation and enhancement of local production factors.

Webuild is committed to contributing to the social and economic development of the areas where it operates in line with its Code of Ethics and Sustainability Policy, through:

- employment of workers from the area in which the projects are taking place, when available in the numbers required and that have the necessary skills;
- professional training of local personnel;
- procurement strategies designed to meet requirements using local supplies as far as possible, depending on the availability of the required goods and services;
- initiatives to assist the local communities, after checking the integrity and respectability of the recipients and the projects' consistency with the Code of Ethics.

The Company is also committed to respecting the rights and culture of the local communities which it does by also using appropriate communication channels in line with the relevant regulatory and contractual provisions.

Main risks and management methods

The Group identifies the risks and defines methods to manage the aspects related to the hiring of local labour and procurement and relations with the local stakeholders during the start-up stage of its projects.

The project start-up process complies with the Project Management principles (ISO 21500) and entails the proactive involvement of the project team and the corporate departments to ensure the integrated management of internal and external factors.

Specifically, regulatory and contractual elements applicable to the project are analysed during this process and the Company defines the Mobilisation programme which includes the main activities needed to start the project. They include definition of the work schedule, which comprises, inter alia:

- the requirement plan for machinery, plant, subcontractors, third parties, materials and services;
- the mobilisation plan for managers, staff and blue collars.

The methods of managing relations with local stakeholders are defined in the contracts and the Group is obliged to scrupulously abide by their provisions, as described in more detail in the following pages.

Employment created by the Group's projects

The creation of jobs by the Group in the countries where it operates is important as it enables local personnel to improve their skills and expertise and to generate additional wealth for the economy. As noted, the Group tends to employ workers from the areas near the work site when possible and they have the right qualifications. This approach also creates the opportunity for the Group to create a pool of qualified workers who can be used for future projects.

Some projects have special local personnel recruitment plans as provided for contractually, which may include employment targets.

Specifically, 82% of the 29,162 direct employees were hired locally.

Direct employees hired locally	Unit	2018	2019	2020
Africa	%	95%	96%	96%
Europe	%	86%	84%	90%
Americas	%	96%	96%	98%
Asia and Oceania	%	21%	26%	38%
Average	%	65%	69%	82%

The Asia and Oceania area increased its average numbers but has the smallest percentage of local workers. This is affected by the projects in the Middle East (Saudi Arabia, Qatar and the United Arab Emirates), where insufficient resources are available to perform the contracts making it necessary to bring in labour from other countries. Reference should be made to the section on "Human rights" for information about the management of migrant workers.

In 2020, local managers made up 82% of the total, reaching 93% in Europe (99% in Italy) and 86% in the Americas. In addition to the direct workforce, the involvement of indirect personnel (mainly employees of

subcontractors and service providers) contributes significantly to the employment generated locally. Indirect workers involved in group projects numbered 25,721 at 31 December 2020⁶⁶.

Local procurement

Purchases from suppliers resident in the countries where the Group operates are the main trigger to developing ancillary industries (which is a direct contributor to GDP, public revenue and disposable income).

In 2020, the Group maintained a strong relationship with its local supplier chain, working with more than 15,000 suppliers⁶⁷ for roughly 91% of its expenditure made with local suppliers⁶⁸.

Local procurement (GRI 204-1)	Unit	2018	2019	2020
Africa	%	36%	43%	47%
Europe	%	86%	97%	99%
Americas	%	99%	99%	99%
Asia and Oceania	%	97%	93%	84%
Average	%	93%	94%	91%

As already noted, the use of local suppliers allows the Group to minimise long-distance transport and, hence, mitigate the related environmental effect.

Tax

Taxes are one of the main sources of the Group's contribution to the countries where it operates as they can be used by the public administration to finance the economic and social development of their areas.

Webuild scrupulously meets all its tax requirements arising from its business in line with its Code of Ethics and the Sustainability Policy.

Its approach to tax is based on its business given that its foreign interests are mostly tied to commercial opportunities (participation in calls for tenders) and/or operating possibilities (contract management, concessions, equity investments, etc.).

Webuild fully complies with the applicable tax regulations in all the countries where it operates and has a collaborative and transparent relationship with the tax authorities.

⁶⁶Excluding Lane and Astaldi.

⁶⁷ Excluding Astaldi.

⁶⁸ The figures for 2018 and 2019 shown in the table have been restated compared to those published in the 2019 Consolidated Non-financial statement to align the calculation methods. This has not affected the average figures but has only led to tiny changes in the figures of some geographical areas.

The parent's tax department, which reports to the chief financial officer, analyses, directs and monitors the management of tax issues in line with Webuild's values and principles. It also assists the Group's other departments and companies.

Webuild's 231 model defines its rules of conduct, prevention protocols and controls to ensure compliance with tax requirements and minimise the risk that tax crimes could be committed. It also serves to guarantee that the Group respects all the rules, procedures and processes to calculate taxes, keep tax records and prepare tax returns for approval.

All stakeholders (direct employees, supplier employees, local communities, etc.) may use the whistleblowing system described in the "Anti-corruption" section to report any suspect instances of tax non-compliance.

Webuild's tax contribution for 2019 in the main geographical areas where it operates is provided below⁶⁹.

Area	Tax jurisdiction	Revenue from third parties sales	Intragroup revenue	Average nominal tax rate	Income taxes paid	Income taxes accrued	Employees (no.)	Tangible assets
Africa	LY, MA, SL, ZW, ZA, TN, DZ, LS, ET, UG, NG, NA	493	6	26%	56	30	8,724	36
Americas	BR, CL, EC, DO, PA, US, AR, CA, CO, PE, VE	1,260	131	28%	60	10	4,248	121
Asia and Oceania	AE, KW, QA, OM, JO, KZ, SA, TJ, MY, AU, IN	1,853	495	19%	11	13	9,091	118
Europe	AL, CH, RO, PL, GE, GB, CZ, UA, IT, TR, SK, AT, GR, FR, DK, ES, NO, NL	1,596	515	20%	15	23	2,471	63

€m

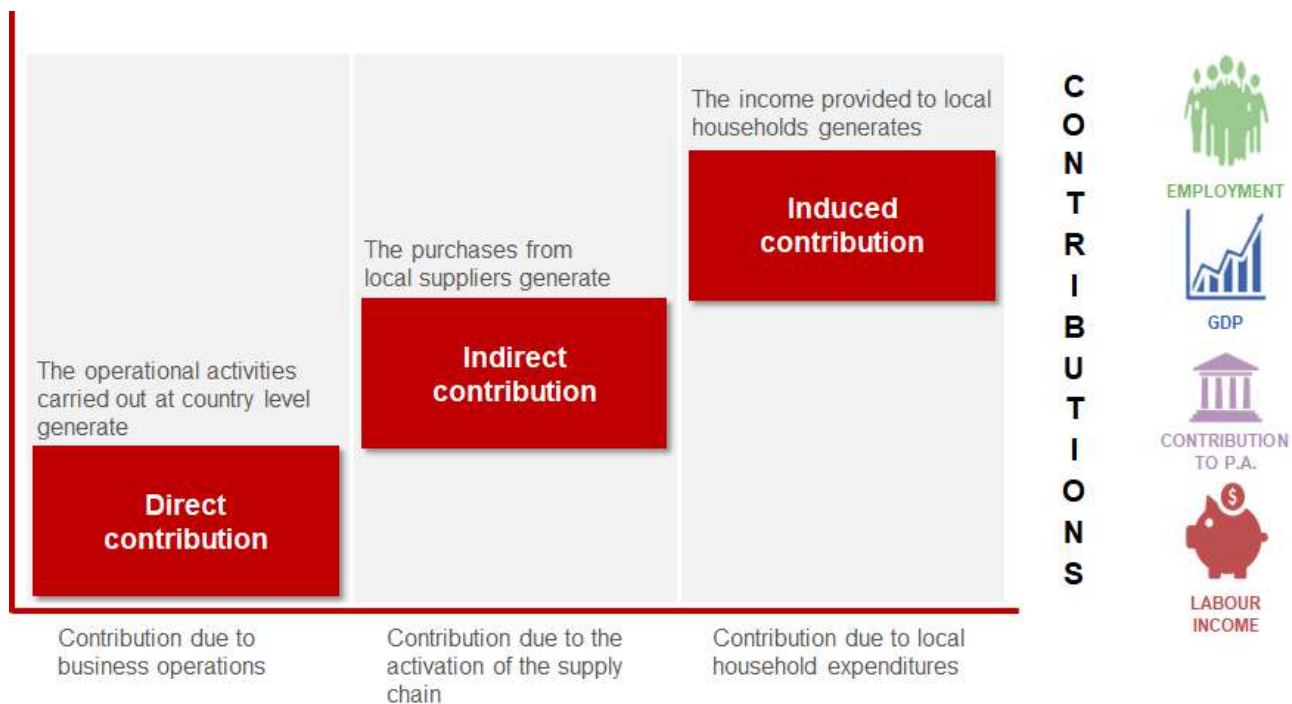
Contributions to local economies

Direct contributions made by Webuild's projects to local economies include employment, the use of local suppliers and taxes paid to the public administrations. They are only part of the benefits as they do not include the additional indirect and induced effect of the Group's activities in the countries where it operates.

⁶⁹ More information is available in the GRI Content Index (disclosure 207-4).

The Group has developed a proprietary calculation model, SEED (Socio-Economic Effects Determination) model, to calculate its total contribution (direct, indirect and induced) to a country's economic and social growth in terms of employment, GDP, tax revenues and work income distributed to families⁷⁰.

The following graph presents the SEED model.



If just the Group's main markets⁷¹ are considered, its average contribution to their economies, expressed as a multiple, is as follows:

- eight jobs created for each direct Webuild employee;
- €2.9 of work income distributed for each Euro paid by the Group;
- €3.5 of GDP for each Euro of added value generated by Webuild;
- €7.8 of tax revenues for each Euro paid by the Group to the public administration.

These figures confirm that the Group's local investment policies have a significant knock-on effect on the economies of the countries where it operates.

In addition to the economic benefits to the countries, each person involved in a group project benefits in terms of the work income received and the opportunity to advance professionally thanks to the training received.

⁷⁰ The SEED model uses an analysis of the investments made by the Group in the local economy and applies specific multipliers taken from the Social Accounting Matrix published by leading international research bodies.

⁷¹ Australia, Ethiopia, Italy, Qatar, Saudi Arabia, USA

Many studies⁷² have shown that professional training courses provided by companies generate significant benefits for the participating employees who thus potentially have better employment and career prospects, higher salaries, greater professional satisfaction, more flexibility and interest in receiving additional training. This can also have a positive effect on the employee's health, social inclusion and their willingness to invest in further education for themselves and their families, triggering intergenerational social mobility mechanisms.

In this respect, the Group provided 390,171 hours of training to its direct employees and those of its subcontractors in 2020.

Initiatives to assist local areas

The Group contributes to developing the areas in which it works through initiatives to assist the local communities, which may include sponsorships, social and philanthropic initiatives. Sponsorships and donations are managed in line with the specific guidelines and internal procedures that are part of the Anti-corruption System, which is ISO 37001 certified. This ensures that any assistance is in line with the approved budgets and is only given after the positive outcome of checks of the potential recipients.

The Group Guidelines require that assistance is given locally in five strategic macro-sectors: social, art and culture, education and research, environment, sport and entertainment.

The main initiatives carried out can be classified as follows:

- direct assistance to design and build infrastructure benefiting the local community such as, for example, schools, healthcare facilities, roads, etc.;
- assistance with social programmes, carried out directly or through other organisations in the above macro-sectors;
- free access to certain work site facilities such as clinics, water and electricity supply networks for local communities living in rural areas not connected to basic services.

The Group carried out 81 initiatives in 2020 for €1.1 million (2019: roughly €0.8 million).

The uptick in investments is mainly due to the greater number of initiatives undertaken by Lane in the US, mostly in the social area. Ethiopia was the Group's second largest investor of the year, again mostly making investments in social projects while Italy, at third place, principally engaged in cultural and educational initiatives.

Other initiatives include the customary free healthcare provided to local communities by work site clinics in Ethiopia, Tajikistan and Kuwait. Specifically, 5,922 medical check-ups (2019: 10,935) were given and 7,413 health interventions (2019: 16,049). This year's figures were affected by the need to roll out measures to curb the spread of Covid-19 which, on the one hand, led to a generalised reduction in the number of people helped, but also entailed an increase in initiatives in the more remote areas that are less well served by the local

⁷² For example, Vocational education and training is good for you. The social benefits of VET for individuals. European centre for the Development of Vocational Training, 2011.

healthcare systems, such as Koysa in Ethiopia (+1,078 medical check-ups and health interventions compared to 2019).

Stakeholder engagement

Webuild has operations and projects all around the world and handles thousands of contacts with its stakeholders every day. It regularly maps its stakeholders based on engagement with the main stakeholders in the areas where it operates. The following chart lists the stakeholders relevant to the Company, the areas of interest and the key characteristics of the engagement with the Group.

Stakeholder \ Interest	Level of engagement		Area of interest					Relationship length			
	International	Local	Anti-corruption	Environment	Employees and human rights	Supply chain	Social	Long term	Short-medium term	Project life	Ad-hoc
Employees & Trade unions	•	•	•		•		•	•		•	•
Shareholders & Investors	•		•	•	•	•	•	•	•		•
Clients & Potential clients	•	•	•	•	•	•	•	•	•	•	•
Suppliers, contractors, subcontractors & partners	•	•	•	•	•	•	•	•	•	•	•
Local communities & NGO	•	•	•	•	•	•	•	•		•	•
Governments & public administrations		•	•	•	•	•	•	•		•	
Sector associations & media	•	•	•	•	•	•	•	•		•	•

The Group adopts diversified and flexible dialogue and involvement practices depending on the stakeholders' characteristics and needs.

At corporate level, key stakeholders include investors, clients, current and potential employees, national and international trade unions, partners, public administrations, the media and the general public. Dialogue with them mainly relates to development objectives and strategies, results, the acquisition of new contracts, the shareholder structure, career paths and professional development.

Institutional relations and advocacy activities

Stakeholder engagement activities include institutional relations and advocacy activities that the Group engages in with public institutions, regulators and other stakeholders to ensure the legitimate representation and sharing of issues of interest to it. These issues include development plans for infrastructure, sustainable mobility, water and hydropower resource management, innovation for the development of efficient, resilient and low environmental impact works and the creation of jobs and value for the areas where the Group operates.

Webuild's corporate identity and communication department carries out these activities in compliance with the relevant guidelines. This involves participation in events promoted by the sector associations and/or Italian embassies in the various countries where the Group operates, engagement with members of public institutions and monitoring of proposed legislation related to the sectors in which the Group operates in Italy and abroad⁷³.

Institutional relations take place in full compliance with the principles of legitimacy, transparency and accountability by qualified employees with special proxies and in compliance with Webuild's guidelines for the management of potential conflicts of interest. In order to contain the revolving doors risk, Webuild's policy is not to hire people who state during the recruitment stage that they have held public offices that involved authorising the Group's works or negotiating with it in the previous three years.

Moreover, pursuant to the principles of its Code of Ethics, the Company does not make contributions to political and trade organisations of any kind (parties, movements, committees, etc.) nor their representatives.

At operating level, the main engagement activities depend on the individual project's characteristics. The key stakeholders are partners, employees, local communities, suppliers, contractors and subcontractors, clients, local authorities and organisations like local trade unions and non-governmental organisations.

Like in previous years, the Group has engaged regularly in engagement with its stakeholders. Its main initiatives are summarised below:

⁷³ More information about the sector associations the Group is a member of is available in the GRI Content Index (disclosure 102-13) in the "Methodology for reporting non-financial information" section.

<i>Channel</i>	<i>Activity</i>
Face to face communication	
Meetings, presentations, focus groups, workshops, interviews, consultations, career days, public events	10,000 people involved in about 700 meetings with the local communities and their representatives >1,500 people visited the Group's projects during more than 100 open door events >1.6 million people were involved in around 6,200 information campaigns about the Group's projects
Digital communication	
Company websites, intranet, magazines, webinars, surveys, social media	2 million visits to the Group's website 1.3 million interactions on the Group's social channels

Given that it mainly operates as a contractor on behalf of public and private clients, the Group is required to scrupulously adhere to the contractual provisions about engagement with local stakeholders. These provisions establish the roles and responsibilities each party is obliged to comply with.

In line with these provisions, the Group defines procedures to handle engagement with local stakeholders (such as, for example, the grievance mechanisms) and the communication channels to be used at work sites either physical (e.g., public relations offices) or technological (dedicated phone numbers, websites, email addresses, etc.).

The clients are responsible for engagement with the local communities in most of the ongoing contracts while the Group provides technical and operating assistance to manage any issues that arise. Matters discussed by contract personnel and the local communities mostly relate to:

- employment and interaction between the work site and surrounding areas;
- the characteristics of the work under construction and its possible social and environmental implications.

As described in detail in the section "The infrastructure sector and Webuild's role", the Group's clients are responsible for planning and developing projects. When required by the applicable regulations, this includes an assessment of the social and environmental impacts, the prior consultation of the stakeholders, definition of the mitigation and compensation actions and receipt of the authorisations. Therefore, the clients have sole responsibility for handling relations with the stakeholders for the second category of topics mentioned earlier, while the Group provides assistance with management of the relationships covering the first category of topics. This is a potential source of risks for the Group as, if the client does not properly and efficiently manage its responsibilities, the local community could oppose the project leading to delays in the works, an increase in costs and damage to the Group's reputation as well. The Group constantly monitors stakeholder expectations about the projects it is involved in so that it can take the actions necessary to mitigate any risks.

Should the Group receive requests for information or other communications from stakeholders, such as international non-profit organisations and SRI analysts, it provides the requested information to guarantee complete transparency about its role, responsibilities and work as a contractor engaged to build the works provided for by the relevant contract.

Methodology for reporting non-financial information

Webuild was the first Italian construction company to prepare and publish an Environmental Report in 2002 and similarly it was the first to publish a Sustainability Report drawn up in accordance with the Global Reporting Initiative (GRI) Guidelines in 2009.

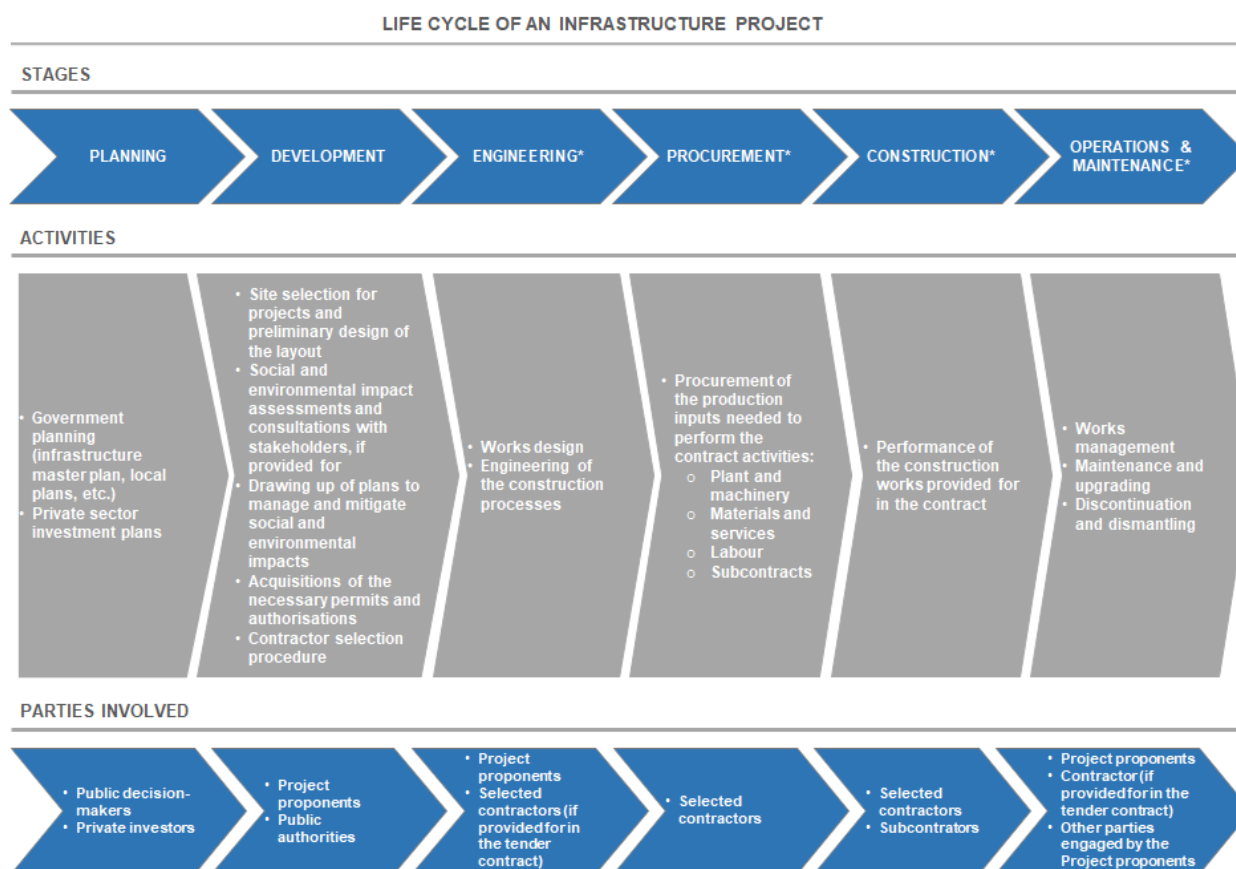
Standards applied

This 2020 Consolidated Non-financial Statement has been prepared in accordance with Legislative decree no. 254/2016. The Company has used the GRI Sustainability Reporting Standards (Core option), published by the GRI. This Statement also constitutes the Communication on Progress (COP) to Global Compact and, together with the other sections of the Annual Report, is the Company's integrated report.

The infrastructure sector and Webuild's role

The infrastructure market is highly regulated and its numerous operators are involved in planning, assessing, approving, developing, building and operating infrastructure according to their roles and responsibilities assigned by the relevant regulations.

The following chart shows the main stages of an infrastructure project's life cycle:



* Main stages of the infrastructure's life cycle in which Webuild Group is involved

An infrastructure project is planned by a public administration or private sector body (the project proponent) that is also involved in the subsequent stages of developing the infrastructure project. This stage involves a number of activities that include identifying the project locations, performing feasibility studies and, based on the type of work and applicable legislation, completing the social and environmental procedures (assessment of potential impacts, consultations with stakeholders, identification of mitigation measures and compensation).

The public authorities (usually ministries or state environmental protection agencies, assisted by local bodies of the area where the project is to take place) actively engage in these procedures: assessing the adequacy of the social and environmental impact assessments, the consultation programmes and mitigation plans prepared by the Project proponent.

Upon completion of these procedures, the relevant authorities issue the appropriate authorisations, which include any social and environmental requirements the Project proponent has to abide by during the project.

Contractors such as Webuild enter the project development process only after the decision-making stage has been completed as this only involves the client and the public authorities. The Group takes part in selection procedures, organised by public and private clients to award the tenders, which may cover specific project activities (e.g., just construction), the entire engineering, procurement and construction cycle or also the subsequent operations & maintenance activities.

Therefore, the contractor does not take part in any activities prior to the assigning of the contract or the prior assessment processes, including the assessment of the project's social and environmental impacts and consultation of stakeholders.

As described earlier, these assessments are the sole responsibility of the Project proponent and of the public authorities, as they are required to meet the relevant obligations under the applicable regulations. They also have the decision-making powers about the findings of the assessment process. It follows that the potential social and environmental impacts of the work itself (e.g., loss of biodiversity due to the infrastructure's presence, expropriation of land) are the sole responsibility of the Project proponent.

The contractor is obliged to comply with the social and environmental requirements of the applicable regulations, the contract and any provisions imposed by the competent authorities when they approve the impact assessments. The social and environmental impacts attributable to the contractor arise solely from the contract activities and are mainly of a temporary nature (e.g., disruptions caused by the work site, health and safety in the workplace).

Materiality analysis

The Company performed a materiality analysis as set out in the GRI Sustainability Reporting Standards to define the individual topics to be disclosed in the Non-financial Statement pursuant to Legislative decree no. 254/2016.

The main steps comprising this analysis are set out below:

- internal identification of the possible non-financial topics relevant to the Group, by analysing the global situation (megatrends, the Paris Agreement, SDGs), the market scenario (peers), the financial context (reports published by analysts and ESG rating agencies) and applicable standards;
- internal prioritisation of the identified topics, in line with the Group's Sustainability Strategy and policies;
- engagement with the stakeholders with two separate surveys, one for middle management and one for employees, clients, suppliers, partners, investors, NGOs and ESG experts;
- approval of the material topics by management involved in non-financial reporting.

The materiality analysis performed in 2020 confirmed the materiality of the topics shown in the materiality matrix presented in the Introduction sector, in line with the analysis performed in 2019.

Specifically, the 2020 analysis identified the significant convergence of the interests of the stakeholders with those of management for the health and safety, ethics, integrity and anti-corruption topics deemed to be of fundamental significance by both groups. Other topics tied to employees such as, in particular, attraction and professional development (for management) and human rights (for stakeholders) were also given great importance. Both groups also highlighted the excellence and innovation topic as being particularly relevant while the most important in the environmental area were tied to climate change and the circular economy (natural resources and waste management).

The material aspects identified by the materiality analysis, grouped into the macro categories provided for by Legislative decree no. 254/2016 are listed below:

Topics as per Leg. decree no. 254/2016	GRI related material aspects	Materiality within the Group	Materiality outside the Group
Environment	Materials, Energy, Water, Biodiversity, Emissions, Waste and Environmental compliance	Direct activities performed at the offices and work sites	Activities performed by subcontractors and service providers
Employees	Employment, Industrial relations, Health and safety, Training, Diversity and equal opportunities* and Non-discrimination	Direct activities performed at the offices and work sites	Activities performed by subcontractors and service providers
Human rights	Freedom of association and collective bargaining, Child labour, Forced or compulsory labour, Security practices and Rights of Indigenous peoples	Direct activities performed at the work sites	Activities performed by subcontractors and service providers
Anti-corruption	Anti-corruption	Direct activities performed at the offices and work sites	Activities performed by the third parties defined in the Anti-corruption Model
Supply chain	Supplier environmental assessment, Supplier assessment for impacts on society	Direct activities performed at the offices and work sites	Activities performed by subcontractors and service providers
Social	Market presence, Procurement practices, Local communities and Indirect economic impacts	Direct activities performed at the offices and work sites	Activities performed by clients and subcontractors

*The equal opportunities topic is material mostly for the corporate offices while it is of less significance at the work sites given the characteristics of the construction sector, which is a predominantly male domain.

The table does not include the innovation topic, identified as material during the analysis, as this is not required by Legislative decree no. 254/2016 or the GRI Sustainability Reporting Standards. However, this Statement includes the topic as required by the latter Standards.

Scope of the Statement

As established by article 4 of Legislative decree no. 254/2016, this Consolidated Non-financial Statement includes the figures of the parent (Webuild S.p.A.) and its fully-consolidated subsidiaries. The parent comprises its head offices in Italy (corporate), the directly run work sites, branches and joint operations for which it manages their operations, as per the list provided later in this document.

The Company has an internal procedure in place to define and regularly review the scope of the Statement based on its consolidation scope for financial reporting purposes. Specifically, it performs a materiality analysis on the list of entities making up the parent and fully-comprised subsidiaries considering the level of operations of the individual entities, which are classified as:

- operational (e.g., ongoing contracts);
- limited operations (e.g., contracts being completed);

- non-operational (e.g., entity in liquidation).

This Statement's scope includes entities classified as "operational" and "limited operations". A list of the entities included in the 2020 Statement's scope for which a non-financial reporting system was implemented is given below:

Name	Country	Name	Country
Webuild S.p.A.*	Italy	Metro Blu S.c.a.r.l.	Italy
Astaldi S.p.A.	Italy	Napoli Cannello Alta Velocità S.c.r.l.	Italy
Brennero Galleriacque S.c.r.l.*	Italy	S. Agata FS S.c.r.l.	Italy
CDE S.c.a.r.l.*	Italy	SA.PI. NOR Salini Impregilo – Pizzarotti JV	Norway
Cigla Construtora Impregilo y Associados S.a.*	Brazil	Salini Australia PTY L.t.d.*	Australia
COCIV consortium*	Italy	Salini Impregilo - NRW Joint Venture*	Australia
Constructora Ariguani S.A.S. *	Colombia	Salini Impregilo - Tristar JV*	EAU
Copenhagen Metro Team I/S*	Denmark	Salini Impregilo Canada Holding Inc.	Canada
Cossi Costruzioni S.p.A.*	Italy	Salini Impregilo Civil Works Inc.	Canada
CSC Costruzioni S.A.*	Switzerland	Salini Impregilo S.p.A. - S.A. Healy Company Jose J. Chediack S.a. UTE*	Argentina
CSI Simplon Consorzio *	Switzerland	Salini Malaysia Sdn.Bhd*	Malaysia
Fisia - Alkatas - Alke JV *	Turkey	Salini Nigeria L.t.d.*	Nigeria
Fisia Italimpianti S.p.A.*	Italy	Salini Polska L.t.d. Liability Co*	Poland
Galfar - Salini-Impregilo - Cimolai JV*	Qatar	Salini Saudi Arabia Company L.t.d.*	Saudi Arabia
HCE Costruzioni S.p.A. *	Italy	SCI ADI Ortakligi	Turkey
Impregilo-Sk E&C-Galfar Al Misnad JV *	Qatar	SCLC Polihali Diversion Tunnel JV *	Lesotho
Kayi Salini Samsung JV *	Turkey	SLC Snowy Hydro JV *	Australia
Lane Industries Incorporated *	USA	Thessaloniki Metro CW JV *	Greece

*The entities marked with an asterisk in the above table were also included in the reporting scope of the 2019 Non-financial Statement. The other entities have been included in the reporting scope of this Statement for the first time.

Contracts managed directly by the parent include the Meydan One Mall (United Arab Emirates), the Grand Ethiopian Renaissance Dam (Ethiopia), the Koysa Dam (Ethiopia), the Expressway S7 Skomielna and the Expressway S7 Widoma Krakow (Poland), Bumbuna O&M (Sierra Leone), Urban Roads (Sierra Leone) and the Rogun Dam (Tajikistan). The joint operations for which the Group manages their operations are the Arriyad New Mobility Consortium (Saudi Arabia), Civil Works Joint Ventures (Saudi Arabia), South Al Mutlaa Joint Venture (Kuwait) and Salini Impregilo - NGE Genie Civil (France).

More information on the in-scope entities is available in the section on the “Consolidation scope” in the notes to the consolidated financial statements.

The information in this Statement refers to the above scope. The data for the joint operations led by the Group are shown at 100%. Exceptions to the scope are listed below:

- data about the anti-corruption risk assessment refer to the consolidation scope of the consolidated financial statements;
- data about the labour force relate to the consolidation scope of the consolidated financial statements; with respect to the direct workforce, they are calculated in proportion to the Group’s investment for the entities that qualify as joint operations or that are measured using the equity method;
- the environmental data does not include the offices (Milan, Rome and foreign branches) as they are not material;
- data about health and safety of workers and QEHS training include the companies that are not fully consolidated for which the Group manages their operations and exclude joint operations when its partners are responsible for management of the Health and Safety Systems.

Any specific limitations to the scope are specified in the text or in the GRI Content Index.

Unless stated otherwise, the information in this report includes Astaldi S.p.A. for the last two months of 2020, as this company joined the Group on 5 November 2020.

Unless otherwise indicated, the 2018 and 2019 corresponding information are taken from the Group’s 2019 Consolidated Non-financial Statement, to which reference should be made.

Calculation method

The data and information in this Statement are taken from the Group’s information systems and a special non-financial reporting system introduced to meet the requirements of Legislative decree no. 254/2016 and the GRI Sustainability Reporting Standards. The data were processed using accurate calculations and, if specified, estimates. The methods used to calculate the main data and indicators are set out below.

Benefits of ongoing projects

The data in the “Sustainability Strategy” and “Climate change” sections related to the benefits of ongoing projects, in terms of residents served and progress towards the SDGs, are processed internally based on the characteristics of the individual projects in portfolio and reputable statistical sources. When available, official information has been used (i.e., data provided by customers).

Additional information about the main data presented is provided below:

- Beneficiaries of ongoing projects
 - Clean Water projects - calculated using the number of residents in the areas served by the projects and/or the equivalent residents served by the plants (sources: project data, internal processing);
 - Clean Hydro Energy projects - calculated using the number of residents potentially served based on the plants’ production capacity and current energy consumption levels (sources: project data, World Bank database, internal processing);
 - Sustainable Mobility - metro projects - calculated using the expected number of passengers a day considering the transport capacity; railways: calculated using the expected number of passengers based on current passenger numbers and expected increase in railway travel; roads: calculated as the number of expected vehicles based on current traffic intensity (sources: project data, Eurostat database, OECD, internal processing);
 - Green Buildings & Other projects - calculated using the number of people served by the projects (sources: project data, internal processing);
- Contributions to SDG 3, 6, 7, 9 and 11 - calculated using the number of hospital beds, water treated by water treatment plants, installed capacity from renewable sources, reduction in railway travelling times and car trips avoided by taking the metro (sources: project data, internal processing)
- Contribution to SDG 13 - annual avoidable GHG emissions of ongoing low-carbon projects (hydropower plants, railways and metros), calculated as the difference between the emissions generated by the projects and the emissions that would be generated to obtain the same results (in terms of energy production and travel) with non-low-carbon systems (the average emission factor of the country in which the project is based was considered for the hydropower projects, the average emission factors of car trips were considered for railway and metro projects) (sources: project data, IEA database, Defra GHG Conversion Factors for Company Reporting, World Nuclear Association, internal processing).

Injury rates

The injury rates are calculated using the methods established by standard UNI 7249 “Statistics on occupational injuries”. They show the number of injuries leading to lost work days (LTIFR) and the number of recordable injuries for every million hours worked (TRFR).

Specifically, the LTIFR (Lost Time Injury Frequency Rate) is calculated as the ratio of the total number of injuries leading to absence from work in the year (including death) to the total number of hours worked, multiplied by 1,000,000.

The TRFR (Total Recordable Injury Frequency Rate) is calculated as the ratio of total recordable injuries (calculated considering deaths, injuries leading to absence from work, injuries only requiring medical treatment and injuries leading to assignment of reduced workloads in countries where this is allowed) to the total number of hours worked, multiplied by 1,000,000. Any commuting injuries during the year are not considered.

Energy consumption and GHG emissions

The calculation of direct energy consumption is based on the conversion factors provided by the UK Department for Business, Energy & Industrial Strategy - BEIS (2016 Government GHG Conversion Factors for Company Reporting). Internal energy consumption refers to the in-scope entities' direct activities. Indirect energy consumption, like scope 3 emissions, refer to activities performed by subcontractors. The Group monitors its emissions data using an operating control approach.

Calculations of the Group's GHG emissions are based on:

- the emission factors defined by the standard parameters of the UK Department for Business, Energy & Industrial Strategy – BEIS (2016 Government GHG Conversion Factors for Company Reporting) for fuel consumption - the calculation includes CO₂, CH₄ and N₂O gases;
- the emission factors provided by the International Energy Agency (CO₂ Emissions from Fuel Combustion, 2013 edition, 2011 data) for electric energy consumption;
- the emission factors provided by the IPCC (Fourth Assessment Report AR4 100yr) to convert CH₄ and N₂O into CO₂ equivalent.

The energy intensity rates and the GHG emission rates are calculated by comparing the total data (energy consumption and GHG emissions) to revenue for the period. Specifically, the GHG emissions intensity rate includes the sum of Scope 1 and Scope 2 emissions.

Water use

Data about water not taken from aqueducts, not obtained from other sources (e.g., water tanks) and not measured using meters are calculated considering the withdrawal systems' capacity (pump capacity in the average number of working hours) or production activity performed in the period.

Waste

The data refers to waste generated by the in-scope contracts in line with the locally-applicable regulations. When the data is expressed as a volume, the related weight is calculated using specific conversion factors. Information about the allocation methods for EU projects (i.e., how the waste is treated: recovery or disposal) is based on its legal classification. The methods used for non-EU projects reflect the conditions of the contracts agreed with third party waste management companies.

GRI Content Index

Disclosure	Description, page number, reference to other sections of the Report or other documents (The page numbers refer to the paragraph that includes the information)	UN Global Compact Principles
GRI 102 General disclosures (2016)		
Organisational profile		
102-1	Name of the organisation: Webuild S.p.A.	
102-2	Activities, brands, products, and services: p. 9	
102-3	Location of headquarters: Milan, Italy	
102-4	Location of operations: p. 43	
102-5	Ownership and legal form: Webuild S.p.A is listed on the Milan stock exchange and is managed and coordinated by Salini Costruttori S.p.A..	
102-6	Markets served: p. 43	
102-7	Scale of the organisation: p.111, p. 43, p. 152	6
102-8	Information on employees and other workers: p.152. Open-ended contracts account for 95% of the total in Africa, 64% in the Americas, 91% in Europe and 92% in Asia and Oceania. 99.9% of the employees have full-time contracts. Percentages do not include Astaldi.	
102-9	Supply chain: p. 210	
102-10	Significant changes to the organisation and its supply chain: No significant changes to the organisation or the supply chain compared to the previous period.	
102-11	Precautionary Principle or approach: p.223, p. 191	
102-12	External initiatives: p. 138	
102-13	<p>Membership of associations: Webuild is a member of Assonime, Assolombarda, Associazione Assafrica e Mediterraneo, Associazione AIAS (Associazione Italiana Ambiente e Sicurezza), Associazione Italiana Internal Auditors, AICQ CN – Associazione Italiana Cultura Qualità Centro-Nord, CCI France Italie (Camere di Commercio e d'Industria francesi in Italy), Comitato Leonardo, E4Impact Foundation, Fondazione Global Compact Network Italy, Fondazione La Triennale di Milano, Gruppo Italiano della Trilateral Commission, ISPI – Istituto per gli Studi di Politica International, ITCOLD - Comitato Nazionale Italiano per le Grandi Dighe, SIG – Società Italiana Gallerie, UNI – Ente Italiano di Normazione. It paid membership fees of roughly €225 thousand to these associations during the period.</p> <p>The associations are substantially independent, therefore, Webuild may not always agree with all their activities and positions. Accordingly, it assesses its memberships once a year to ensure that they continue to represent its key interests.</p>	
Strategy		
102-14	Statement from senior decision-maker: p. 5	
Ethics and integrity		
102-16	Values, principles, standards, and norms of behaviour: p. 138	10
Governance		
102-18	Governance structure: p. 138	
Stakeholder engagement		
102-40	List of stakeholder groups: p. 219	
102-41	Collective bargaining agreements: The Group agrees employment contracts with its employees in line with the local applicable legislation, the principles of the framework agreement with the BWI and any other agreements signed with the local trade unions. In 2020, this covered 8,752 employees, equal to 30.0% of the total.	3
102-42	Identifying and selecting stakeholders: p. 219	
102-43	Approach to stakeholder engagement: p.192, p.172, p.210, p.225, p. 219	
102-44	Key topics and concerns raised: p. 219	
Reporting practice		
102-45	Entities included in the consolidated financial statements: p. 226	

102-46	Defining report content and topic Boundaries: p. 226	
102-47	List of material topics: p. 225	
102-48	Restatements of information: p. 226	
102-49	Changes in reporting: no significant changes in the material topics. Moreover, the scope of the material topics is the same as that for the previous period.	
102-50	Reporting period: 2020	
102-51	Date of most recent report: The 2019 Consolidated Non-financial Statement was published on 24 April 2019.	
102-52	Reporting cycle: Annual	
102-53	Contact point for questions regarding the report: sustainability@webuildgroup.com	
102-54	Claims of reporting in accordance with the GRI standards: p. 219	
102-55	GRI Content Index: p. 232	
102-56	External assurance: p. 239	
GRI 200 Economic		
GRI 201 Economic performance (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 9	
201-1	Direct value generated and distributed: the direct economic value generated by the Group in 2020 amounted to €4,950 million, including €4,557 million which was distributed and €393 million which was retained. Specifically, €3,336 million was distributed to suppliers (operating costs), €845 million to employees (remuneration and benefits), €276 million to lenders, €50 million to the public administration (taxes) and €49 million to shareholders.	
GRI 202 Market Presence (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 214	6
202-2	Proportion of management hired from the local community: p.214. The term manager refers to persons who hold management positions as part of the contract and head a department/unit. In the case of EU resources, it refers to the contractual definition of a manager. Local employees are those who are hired in the same country as that in which they reside.	6
GRI 203 Indirect Economic Impacts (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 218	
203-1	Infrastructure investments and services supported: p.218. The total value of initiatives to assist local areas includes monetary donations (66.9%), sponsorships (23.5%) and contributions in kind (9.6%) (e.g., labour, materials, machinery).	
GRI 204 Procurement Practices (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 215	
204-1	Proportion of spending on local suppliers: p.215. Local suppliers are those with a registered office in the same country in which the Group's projects are taking place.	
GRI 205 Anti-corruption (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 205	10
205-1	Operations assessed for risks related to corruption: p.205. 155 companies were included in the assessment scope. This figure does not include Astaldi.	10
GRI 207 Tax (2019)		
207-1	Approach to tax: p. 215	
207-2	Tax governance, control and risk management: p. 215	
207-3	Stakeholder engagement and management of concerns related to tax: p. 215	

207-4	Country-by-country reporting: p.215. The data refer to 2019 as this is the most recent year for which information is available. The list of group companies included in the notes to the consolidated financial statements provides the names of the companies resident in each tax jurisdiction. As set out in the "Tax" section, the main activities performed by the companies resident in the tax jurisdictions are tied to commercial opportunities (participation in calls for tenders) and/or operating possibilities (contract management, concessions, equity investments, etc.) The data presented are grouped by geographical area and do not include the pre-tax profit or loss (the average nominal tax rate applicable to each area is shown). This omission is for confidentiality purposes as presentation of the pre-tax profit or loss could affect the Group's competitive position in some markets. Moreover, this topic was found to be immaterial during the materiality analysis.	
GRI 300 Environmental		
GRI 301 Materials (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 196	7, 8
301-1	Materials used by weight or content: p.196. The Group does not use significant renewable materials for its core activities while it can use recycled or recovered materials, as described in the relevant section.	7, 8
GRI 302 Energy (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 186	7, 8, 9
302-1	Energy consumption within the organisation: p.186, p. 230	7, 8, 9
302-2	Energy consumption outside of the organisation: p.186, p.230. Significant external energy consumption refers to the Group's subcontractors.	7, 8, 9
302-3	Energy intensity: p. 186, p. 230	7, 8, 9
GRI 303 Water (2018)		
103-1, 103-2, 103-3, 303-1, 303-2	Management approach disclosures: p. 196	7, 8
303-1, 303-3	Interactions with water as a shared resource: p.196, p.230. Water withdrawn in areas subject to water stress: during the year, water withdrawals of 19,090 cubic metres were made in areas subject to water stress for a project being carried out by Lane in the US. Areas subject to water stress are those classified as extremely high risk by the Water Risk Atlas published by World Resources Institute. Water withdrawn containing >1000 mg/L of total dissolved solids: during the period, water withdrawals with over 1,000 mg/l of total dissolved solids were made for a total of 1,014 cubic metres of water withdrawal from wells for the Meydan One project in the United Arab Emirates.	7, 8
GRI 304 Biodiversity (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 202	8
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas: p.202.	8
GRI 305 Emissions (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 186	7, 8, 9
305-1	Direct (Scope 1) GHG emissions: p.186, p. 230	7, 8, 9
305-2	Indirect (Scope 2) GHG emissions: p.186, p.230. The location-based method was used to calculate the Scope 2 GHG emissions.	7, 8, 9
305-3	Other indirect (Scope 3) GHG emissions: p.186, p. 230	7, 8, 9
305-4	GHG emissions intensity: p.186, p. 230	7, 8, 9
GRI 306 Effluents and Waste (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 199	8
306-2	Waste by type and disposal method: p.199, p. 231	8
GRI 307 Environmental Compliance (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 192	8
307-1	Non-compliance with environmental laws and regulations: p. 192	8
GRI 308 Supplier Environmental Assessment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 210	8

308-1	New suppliers that were screened using environmental criteria: p.210. Specifically, in 2020, 65% of the suppliers with large orders (i.e., > €250 thousand) were screened (74% in terms of order value). Excluding Lane (USA), whose screening process is being revised to become more compliant with that of the Group, the figures would be 91% (number of suppliers) and 98% (order value), respectively. As described in the "Supply chain" section, this process involves screening of various aspects, including the suppliers' environmental policies. The figures do not include Astaldi.	8
GRI 400 Social		
GRI 401 Employment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 153	6
401-1	New employee hires and employee turnover: p.153. Specifically, in 2020, 14,088 people joined the Group (entry rate of 51%), including 5,002 under 30 years of age (36%), 7,446 between 30 and 50 (53%) and 1,640 over 50 (12%). The geographical distribution of employees is as follows: 3,828 in Africa (27%), 3,578 in the Americas (25%), 846 in Europe (6%), 5,836 in Asia and Oceania (41%). During the year, people that left the Group, including the transfers of resources among group sites, numbered 6,804 (exit rate of 24%), including 1,762 under 30 (26%), 4,056 between 30 and 50 (60%) and 986 over 50 (14%). The geographical distribution of the leavers is as follows: 1,431 in Africa (21%), 1,252 in the Americas (18%), 589 in Europe (9%), 3,532 in Asia and Oceania (52%). The turnover rates were calculated using the average employee numbers for the year. The figures do not include Astaldi.	6
GRI 402 Labour/Management Relations (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	3
402-1	Minimum notice periods regarding significant changes: The minimum notice period to communicate significant operating personnel changes for Webuild is set by collective employment contracts and relevant local laws. It varies from 0 to 52 weeks for managers, 0 to 12 weeks for office staff and 0 to eight weeks for blue collars.	3
GRI 403 Occupational Health and Safety (2018)		
103-1, 103-2, 103-3	Management approach disclosures: p. 162	
403-1	Occupational health and safety management system: p.162. The Health and Safety Management System is installed at the Italian head offices (corporate), direct contracts, joint operations where the Group manages the operational activities or has specific agreements with its partners. Its system is not used by the joint operations where health and safety management is the responsibility of its partners.	
403-2	Hazard identification, risk assessment, and incident investigation: p. 162	
403-3	Occupational health services: p. 162	
403-4	Worker participation, consultation, and communication on occupational health and safety: p 162	
403-5	Worker training on occupational health and safety: p. 162	
403-6	Promotion of worker health: p. 162	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships: p. 162	
403-9	Work-related injuries: p. 162. Despite the stringent assessments of risks and operating controls, four fatal injuries took place in 2020 involving direct employees (0.05%) and two involving employees of subcontractors (0.03%). The serious injuries, calculated in accordance with Italian legislation (sick leave of more than 40 days), involved 19 direct employees (0.24%) and six employees of subcontractors (0.10%). The total number of recordable injuries was 448 for the direct employees (5.63%) and 210 for employees of subcontractors (3.52%). The main types of injury were bruises, fractures, wounds and dislocations.	
GRI 404 Training and education (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 156	6
404-1	Average hours of training per year per employee: p.156, p.226. In 2020, technical and production employees received an average of 11 hours of training per capita, while office employees received eight hours. During the year, the per capita training hours provided to corporate employees amounted to 62 for men and 22 for women. This figure is not significant for the operating units given the strong predominance of male resources of male resources.	6

GRI 405 Diversity and Equal Opportunity (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	6
405-1	Diversity of governance bodies and employees: reference is made to the report on corporate governance and the ownership structure for full disclosure on the diversity of governance bodies p. 172 (diversity of employees).	6
GRI 406 Non-discrimination (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	6
406-1	Incidents of discrimination and corrective actions taken: p.172. The Group received six notifications of alleged discrimination from employees of Lane (US) and workers at the Snowy Hydro (Australia) and Rogun Dam (Tajikistan) projects. These notifications were handled in accordance with the related internal procedures. At year end, four cases had been settled, one was under investigation and one had not yet been analysed.	6
GRI 407 Freedom of Association and Collective Bargaining (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk: p. 172	3
GRI 408 Child Labour (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	5
408-1	Operations and suppliers at significant risk for incidents of child labour: p. 172	5
GRI 409 Forced or Compulsory Labour (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	4
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour: p. 172	4
GRI 410 Security Practices (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	1
410-1	Security personnel trained in human rights policies or procedures: p.172. As described in the section on "Human rights", all the security personnel undergo initial training and regular refresher courses provided by the local managers in line with a training plan defined to comply with the applicable standards and regulations. These courses include information on respect for the individual, human rights and the Code of Ethics.	1
GRI 411 Rights of Indigenous Peoples (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	1
411-1	Incidents of violations involving rights of indigenous peoples: p.172. No instances (e.g., legal action) for the violation of indigenous rights took place in the year.	1
GRI 412 Human Rights Assessment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	1
412-1	Operations that have been subject to human rights reviews or impact assessments: p. 172	1
GRI 413 Local Communities (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 172	1
413-1	Operations with local community engagement, impact assessments, and development programmes: Given the type of works, their location and reference regulatory frameworks, the Group's projects are subject to different laws and standards for social and environmental aspects. Accordingly, a social and/or environmental impact assessment prepared by the clients exists for 75% of its in-scope projects. The clients consulted the local communities for 36% of the projects. A management system is in place to handle complaints from local communities for 33% of the projects (the grievance mechanisms). Development projects assisting the local communities exist for 22% of the projects while workers committees exist for 27% of the projects.	1
GRI 414 Supplier Social Assessment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 210	2

414-1	New suppliers that were screened using social criteria: p.210. In 2020, 65% of the suppliers with large orders (i.e., > €250 thousand) were screened (74% in terms of order value). Excluding Lane (USA), whose screening process is being revised to become more compliant with that of the Group, the figures would be 91% (number of suppliers) and 98% (order value), respectively. As described in the "Supply Chain" section, this process screening of various aspects, including social (e.g., employees, health and safety and human rights). The figures do not include Astaldi.	2
GRI 415 Public policy (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 232	10
415-1	Political contributions. Pursuant to the principles of its Code of Ethics, the Company does not make contributions to political and trade organisations of any kind (parties, movements, committees, etc.) nor their representatives.	10

Report of the auditors



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(Translation from the Italian original which remains the definitive version)

Independent auditors' report on the 2020 consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of Webuild S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 2020 consolidated non-financial statement of the Webuild Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the directors' report and approved by the board of directors on 19 March 2021 (the "NFS").

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Webuild S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

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The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.



3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
 - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
 - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
 - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).

5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

Specifically, we held interviews and discussions with the parent's management personnel. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

Furthermore, with respect to significant information, considering the group's business and characteristics:

- at group level,
 - a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence;
 - b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
- through remote communication tools, we held discussions with personnel of the Rogun Hydropower project (Tajikistan), which we have selected on the basis of its business, contribution to the key performance indicators at consolidated level and location, to obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.



Webuild Group
Independent auditors' report
31 December 2020

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2020 consolidated non-financial statement of the Webuild Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards.

Milan, 6 April 2021

KPMG S.p.A.

(signed on the original)

Paola Maiorana
Director of Audit