

2021 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 companies. 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.

Towards an increasingly sustainable future

Sustainability continues to be an essential linchpin in Webuild Group's strategy.

Its ongoing projects will generate **benefits for 89 million people** around the world (87 million in 2020), providing better access to water, energy, mobility and public utility infrastructure, and avoid GHG emissions of approximately **24 million tonnes of CO₂** (21 million in 2020) a year.

Confirming its role as a key mover in the global climate transition, **99%** of the Group's 2021 **revenue** is eligible under the **EU green taxonomy**, the classification system of environmentally sustainable economic activities introduced by the EU.

Economic value generated by the Group, i.e., the total wealth created for stakeholders, amounted to €6,499 million in 2021 (**€4,950 million** in 2020), of which 99% distributed to suppliers, employees, investors and lenders, public administration and local communities.

Webuild's contribution to the economies of the local areas where it works was significant again in 2021: **84%** of its **workforce was hired locally** (82% in 2020) and **91%** of its **suppliers** were **local** (91% in 2020). If the indirect and induced effects in the Group's main markets are also considered, Webuild contributed to the creation of **seven jobs** for each direct employee, generating a GDP multiplier of 3.6 (i.e., **€3.6 of GDP for every euro** of value added generated by the Group).

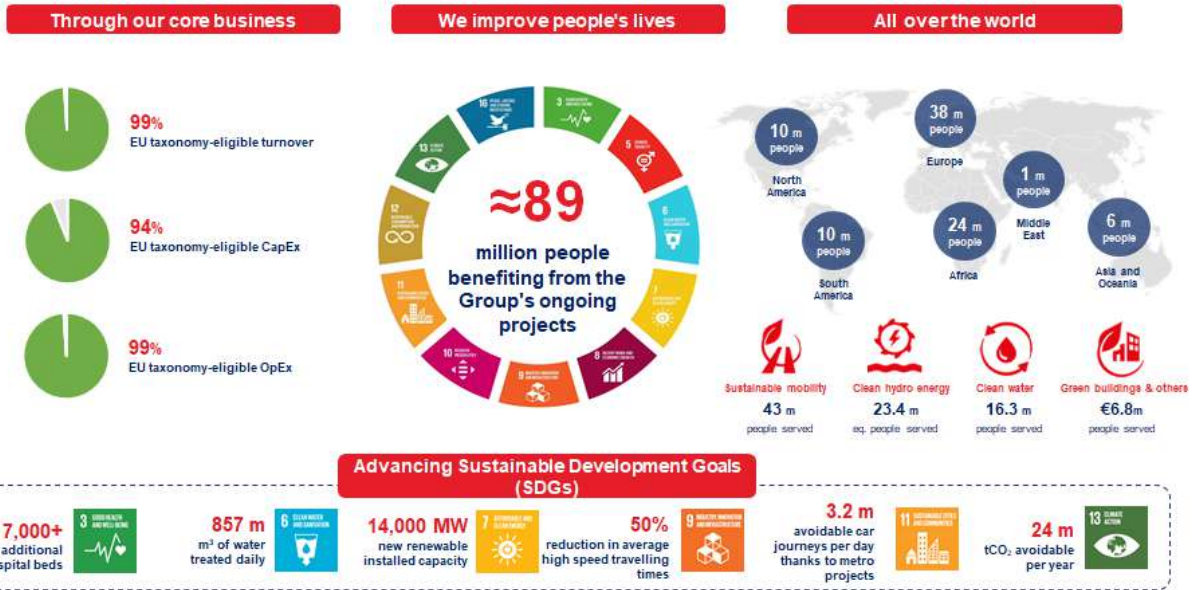
At the end of 2021, Webuild formally presented its new 2030 GHG emission reduction targets to **Science Based Target initiative** (SBTi). In the meantime, it has continued to reduce its overall emissions, **down by 7%** compared to 2020.

During the year, the Group made progress in advancing towards all the targets set out in its ESG plan:

- the **emissions intensity** rate has halved compared to the 2017 baseline; the 2021 level reflects the completion of some large projects and the start-up of other newly-acquired projects, whose ramp-up will be seen in the emissions of the coming years;
- the **Lost Time Injury Frequency Rate** (LTIFR) has improved by 31% compared to the 2017 baseline (the target is -40% for 2022);
- the **percentage of women** included in succession planning for key positions is 20%, reaching in advance the target, which has been adjusted to 25% by 2023;
- additional investments in **innovative projects** approximated €8 million (for a target of €30 million by 2023), reaching a record of over €111 million invested in innovation in the past five years.

The Group has been included in Borsa Italiana's **MIB® ESG Index** and retained its position as one of the top sector players in terms of the **ESG ratings** issued by major independent organisations such as MSCI (A), CDP Climate Change (B), EcoVadis (Gold), ISS-ESG (C+ Prime) and VigeoEiris (Advanced).

Our contribution to global challenges



Our ESG performance



Main ESG ratings



Indicators and rewards



Sustainability Strategy

Webuild's Sustainability Strategy is embedded in the Group's business model⁴¹ and strategy and is underpinned by two key pillars: its contribution to global challenges and its unceasing commitment to acting responsibly.

We contribute to progress towards the SDGs

through:

our core business

We assist our clients with issues such as sustainability, mobility, water, hydropower and green buildings. We build infrastructure that contributes to communities' development and well-being.

our business practices

We contribute to the economic and social development of the areas in which we operate, guaranteeing the well-being of individuals and respect for the environment.



Pillar 1:
Contribute to global challenges

Pillar 2:
Act responsibly

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

Contribute to global challenges

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.

Over the year, the Group affirmed its focus on infrastructure projects that contribute towards the SDGs and the challenge posed by climate change.

Thanks to the new orders acquired during the year, Webuild is now even better placed to contribute to sustainable development. In fact, its order backlog at 31 December 2021 will generate benefits for over 89 million people around the world (87 million in 2020) and avoid GHG emissions of roughly 24 million tonnes⁴² per year (21 million tonnes in 2020). In geographical terms, the largest benefits were seen in Europe in 2021 (38 million people compared to 24 million in 2020) while the Sustainable Mobility business area saw the most growth (43.1

⁴¹ Additional information is available in the "Webuild Group: our vision and performance" section of the Directors' report.

⁴² Based on contributions in terms of avoidable emissions of hydroelectric, railway and metro projects in portfolio.

million beneficiaries compared to 32.2 million in 2020). These figures confirm the Group's pivotal role as a major contributor to the sustainable mobility sector's growth in Italy and Europe.

Act responsibly

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.

Webuild pursues ongoing improvement in its ESG performance (confirmed by the independent ratings received) by adopting business practices designed for sustainable development.

The following sections describe the Group's ESG policies, practices and performances.

ESG plan

The Group has drawn up an ESG plan for the 2021-2023 period focused on three strategic areas - Green, Safety & Inclusion and Innovation - in which it has long invested resources and for which it has already achieved important results. Webuild has identified a number of projects and specific targets to be pursued over the plan period for each priority (the sustainability "construction sites") as shown below:

Our priorities and our targets







* Scope 1 (emissions from fuel, explosives and refrigerant gases), Scope 2 (emissions from electricity purchased)
** Lost Time Injuries Frequency Rate calculated by millions of hours worked

The Group reinforced its focus on some targets in its annual revisiting of the plan and specifically:

- the emissions intensity reduction target, which it aligned with the Sustainability-Linked Financing Framework published in November 2021⁴³;
- The diversity target with the inclusion of women in succession planning, previously set at 20%.

The progress towards the targets set out in the ESG plan is summarised below.

⁴³ See the "Company organisation" section for more information.

			
GHG emissions intensity (scope 1&2)	Lost Time Injuries Frequency Rate	Women identified in the succession planning for key roles	Investments in innovative, high potential projects
-50% (2021 vs 2017)	-31% (2021 vs 2017)	20% (end of 2021)	≈€8m (end of 2021)

The complete ESG plan is available on Webuild’s website. The following sections describe the policies, practices and performances for each of the above strategic areas.

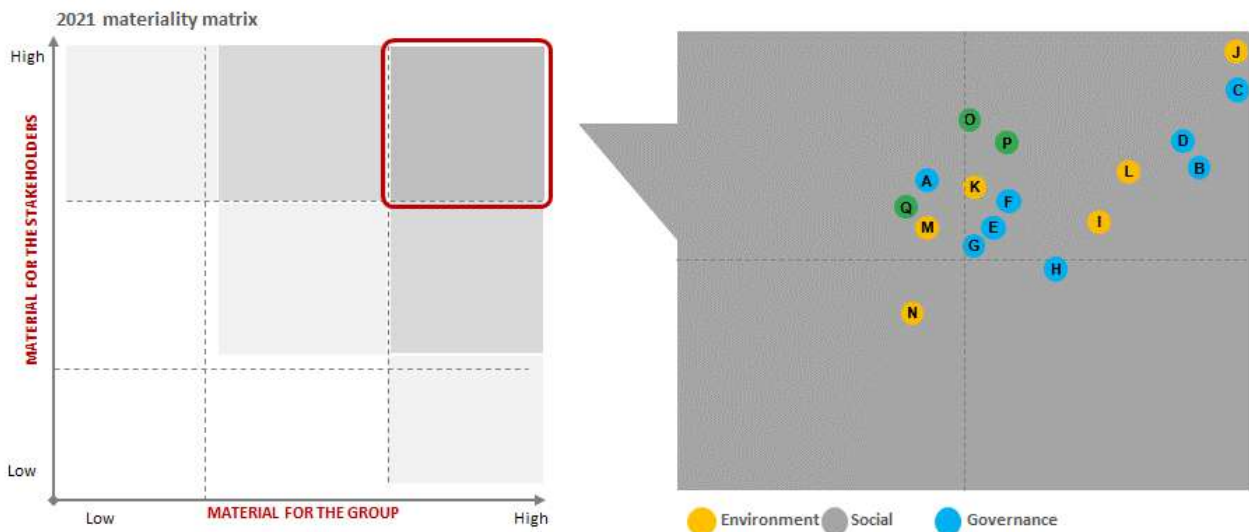
The GHG emissions intensity (scope 1&2) achieved in 2021 reflects the completion of some large projects and the start-up of newly acquired projects, whose ramp-up will be reflected in the emissions of coming years.

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 2021 and a list of the material topics grouped by nature are provided below.



Governance

- A. Sustainability strategy
- B. Excellence and innovation
- C. Ethics and integrity
- D. Anti-corruption
- E. Tax transparency
- F. Supply chain

- G. Stakeholder engagement
- H. Cyber security

Social

- I. Attraction and development of employees
- J. Health, safety and welfare
- K. Diversity and inclusion
- L. Human rights
- M. Contribution to local economies
- N. Privacy

Environment

- O. Climate change

- P. Natural resources and circular economy

- Q. Biodiversity

The analysis is based on a process involving the Group's management and stakeholders, described in more detail in the "Methodology for reporting non-financial information" section.

The 2021 analysis identified an increase in the importance assigned to nearly all the topics compared to the previous year's analyses, confirming the significant convergence of the interests of the stakeholders with those of management.

Both groups attributed maximum importance to topics such as "Health, safety and welfare", "Ethics and integrity", "Anti-corruption", and "Human rights". The stakeholders also emphasised "Climate change" and "Natural resources and the circular economy" as being important while management gave priority to the importance of "Excellence and innovation" and "Attraction and development of employees". The topics related to "Climate change" and the "Supply chain" saw the greatest increases in importance assigned by both groups.

A table bridging the aspects of Legislative decree no. 254/2016, the main ESG risks and the sections of this Statement that describes the oversight and treatment methods is provided below.

Legislative decree no. 254/2016	Main risks	Organisational policies and oversight	Management methods
Environment	Compliance with legislation, management of environmental aspects (water, waste, materials, biodiversity, etc.)	“Company organisation” and “Environment” sections	“Environment” section
Climate change	Physical risks and risks linked to the energy/climate transition	“Climate change - Strategy, Governance” section	“Climate change - Main climate-related risks and opportunities” section
Employees	Employee health and safety, attraction and retention, skills obsolescence, diversity and inclusion	“Company organisation” and “Human resources” sections	“Human resources” section
Human rights	Employment conditions, child and compulsory labour, freedom of association and collective bargaining, human rights in the supply chain	“Company organisation” and “Human rights” sections	“Human rights” section
Supply chain	Ethical, social and environmental aspects related to procurement	“Company organisation” and “Supply chain” sections	“Supply chain” section
Combatting corruption	Active and passive corruption	“Company organisation” and “Anti-corruption” sections	“Anti-corruption” section
Social aspects	Engagement with local communities and stakeholders, tax transparency	“Company organisation” and “Social” sections	“Social” section

Company organisation

A dynamic, constantly changing structure to underpin business growth in line with international best practices

Corporate governance

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 2021, the Company's Board of Directors had 15 members, including six women (40%) and ten who met the independence requirements (66.6%). 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.

Identity pillars

Following its rebranding in 2020, Webuild refreshed the Group's identity in 2021 to better reflect its industry standing and its commitment to sustainable development.

In addition to reformulating its Vision, Mission and Values, Webuild also unveiled its purpose - "Webuild, Partner for a sustainable future" – to encapsulate the essence of the Webuild brand: a group at the service of the community contributing to global sustainability.

In line with the Group's traditions, the pillars reiterate and reinforce its commitment to sustainable development, its intention to return part of the value generated to society to make a positive contribution to the communities and local areas where it operates.

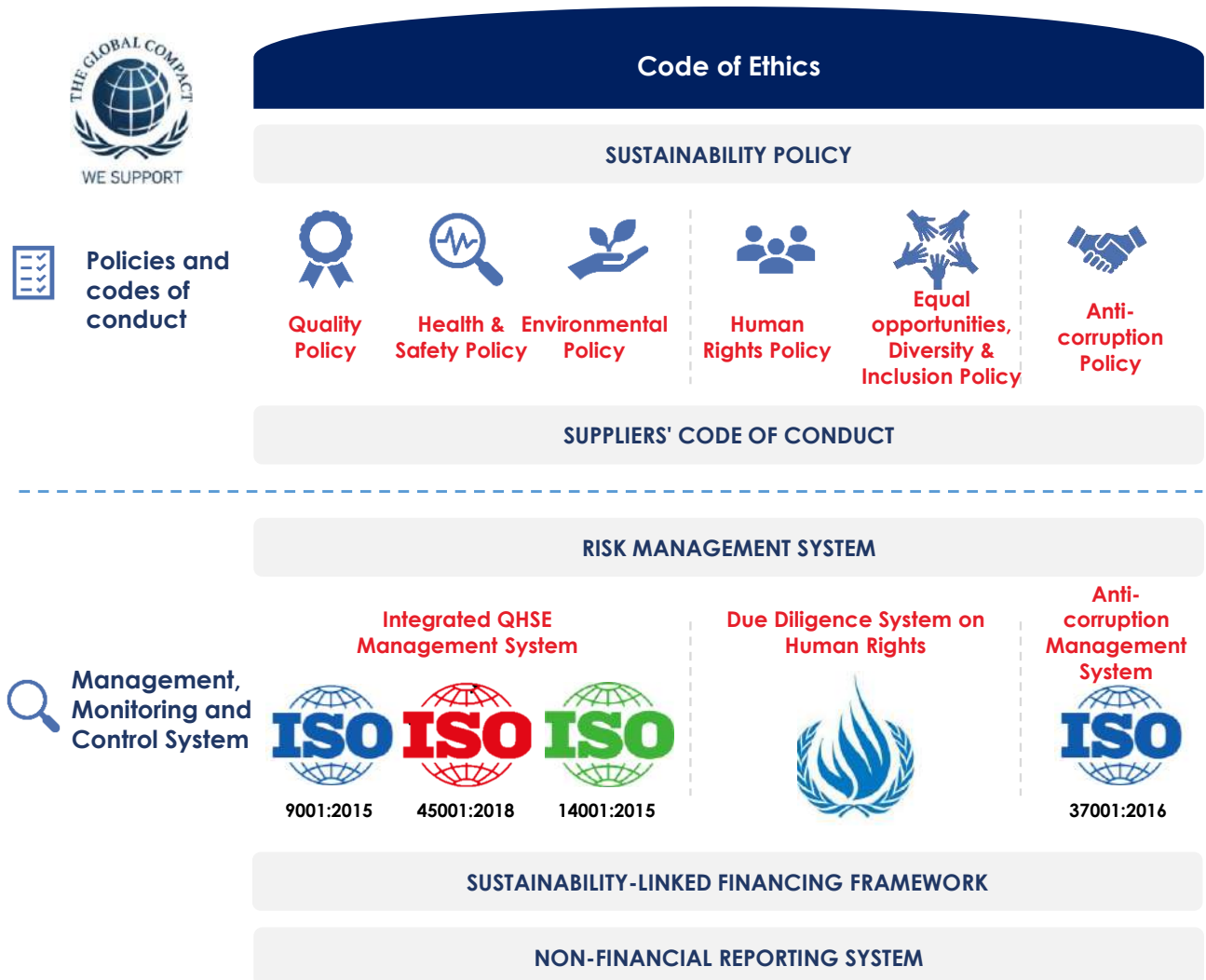
The identity pillars represent Webuild's commitment to build works well and to build works that "do good" for the future, in line with its growth strategy and business positioning.

ESG framework

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, procedures and controls) designed to

supervise significant ESG 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 is the culmination of a journey which started with the definition of Webuild's Identity Pillars. It sets the tone for how the Company interacts with its collaborators, partners and, more broadly, its stakeholders. The Code establishes proactive conduct to be adopted at work and an ethical leadership model.

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 all 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.

The Group’s large Italian companies also have a social accountability management system certified in accordance with SA8000⁴⁴.

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 guidelines for the design of organisational, development and control models (2021).

Sustainability-linked Financing Framework

In November 2021, the Company’s board of directors approved a Sustainability-Linked Financing Framework, formalising the inclusion of environmental sustainability criteria in the Group’s funding strategy. It also affirms the Group’s stated purpose of contributing to achievement of the UN’s SGDs and acceleration of the global climate transition.

The Framework sets out guidelines to be adhered to when the Company issues new financial instruments linked to sustainability objectives. It defines carbon intensity as the KPI and identifies specific intermediate and long-

⁴⁴ At the end of 2021, Cossi S.p.A. and NBI S.p.A. were SA8000 certified while Webuild Italia S.p.A. should obtain the certification by the end of March 2022.

term sustainability performance targets that contribute to the advancement of SDG 9 Industry, Innovation and Infrastructure and SDG 13 Climate Action.

The Framework was assessed by an independent body which issued a Second Party Opinion on the document's compliance with Webuild's sustainability strategy and international standards regulating sustainability-linked financing.

In January 2022, the Company completed the issue of its first sustainability-linked bonds, receiving orders for more than twice the amount offered, confirming the international and domestic financial community's appreciation of Webuild's strategy of recent years.

Security system

Webuild's security system is coordinated by a corporate department that ensures:

- definition of standards and guidelines on security risks;
- coordination of the local security units;
- specific assessments of security risks;
- ongoing monitoring of significant security risk events;
- definition of security incident management models for the effective management of security incidents that are harmful or potentially harmful to individuals, based on respect for the individual, human rights, the Code of Ethics, and in compliance with local and international regulations, as coordinated with the competent authorities;
- regular audits of the local security units.

Specifically, in order to identify, manage and mitigate potential risks and threats to the Company's value and the principles of legality, it adopts the following safeguards:

Preventative Analysis

Webuild's commitment to building large infrastructure projects exposes it to risks of potential criminal infiltration. The Company has put in place measures to identify and assess risks of possible infiltration and influence by organised crime in the production chain of its projects in Italy and, when appropriate, abroad.

The Security Department liaises with the corporate Compliance and Vendor Management Departments and project management to:

- perform structured analyses of the Group's partners working in sectors at risk of infiltration in line with legality protocols (supply cycle and transport of aggregates, concrete and bitumen, dry and wet leases, road transport for third parties, work site security, environmental services for the treatment and elimination of waste);
- carry out analyses and in-depth investigations of sub-contractors and sub-suppliers;
- cooperate with the police forces and competent institutions, as agreed with corporate offices.

Physical and employee security

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.

Security personnel receive the following training:

- group employees: initial training and periodic refresher courses from the local security 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;
- personnel of private companies: training by their managers based on training programmes that comply with the terms of the contracts agreed with Webuild and that include information on respect for the individual, human rights and the Code of Ethics;
- personnel supplied by the army or public safety forces: training that complies with local regulations and standards and is provided by their internal units.

The internal security personnel and personnel of private companies act in accordance with operating procedures approved by Webuild's security units and/or those of their company, which comply with Webuild's models and hinge on respect for the individual, human rights and the Code of Ethics, adapted to the local regulations and rules.

Personnel supplied by the army or public safety forces operate in accordance with the local regulations and procedures of their organisation or procedures drawn up by the local authorities for the specific service they are providing.

Cyber security

Given the Group's international footprint, the ongoing digitalisation of processes and remote work patterns, data and information protection is a key concern.

Accordingly, Webuild has set up an Information & Cyber Security Unit as part of the Security Department to steer, implement and monitor information and data protection measures for the Group based on the National Framework for Cyber Security and Data Protection and the main reference standards. It is assisted by the IT and Digital System Department.

Specifically, the Company has defined new security measures so that all technical applications and infrastructure are fully integrated with the cyber security systems. These measures, which are either being implemented or will be so in the near future, include:

- the definition of cyber security requirements for the group companies;
- the progressive standardisation of processes and tools;
- the introduction of the security by default & by design approach for each new project undertaken by the Company and for each contract;

- the set up of a Global Security Operation Centre for the Company and the work sites to monitor and guide timely remediation actions in the case of events that could potentially compromise the confidentiality, integrity and availability of data processing and technologies deployed while concurrently handling any resulting incidents and performing security assessments and audits.

The Company has prioritised raising its employees' awareness of the importance of this issue as they are the first line of defence. To this end, it deploys the most suitable training methods (in-person, e-learning, exercises and tests, newsletters, etc.) for headquarters and on site.

As part of its information & cyber security activities and in order to pro-actively prevent and respond to incidents, the Company has formal agreements in place with institutions and its peers in Italy to enable the improvement of response times and the capacity to deal with potential threats.

Data protection

Compliance with data protection regulations is a priority for the Company and it has a comprehensive organisational model to oversee such compliance, which is also guaranteed by the Data Protection Officer (DPO), who also covers the role of Compliance Officer. The DPO is assisted by a privacy team, comprising members from the main departments that can provide assistance thanks to their specific expertise (e.g., HR Department, Legal Department, IT Department and the Information & Cyber Security Unit). The team's objective is to advise on the application of the data protection regulations in accordance with Regulation (EU) no. 2016/679 (the General Data Protection Regulation, GDPR).

The Company has data protection policies and procedures for all its departments that process personal data, especially as regards data breaches and the transfer of data to countries that do not comply with the GDPR such as the US. An online training module on the EU Regulation is available to all employees as well as dedicated courses for those units that either process personal data or manage relationships with third parties acting as the data managers.

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

The main event of 2021 was Astaldi's integration into Webuild. The Group undertook a comprehensive overview of its organisation, which involved several sectors. The resulting integration has given rise to operating, economic and financial synergies thanks to the optimisation of work sites previously managed by both groups, centralised functions, human resources and assets. The Group also introduced an integrated commercial strategy.

Webuild appointed an Integration Management Officer to oversee and coordinate the entire process. This officer defined a master plan for the integration, coordinated the various departments involved and monitored the project's progress.

The integration of the two groups was supported by a comprehensive revisiting of Webuild Group's organisational structure, involving both the headquarters and outlying offices, based on its existing model.

The Group set up a newco specifically to grow and accelerate business at home. It also drew up a set of standard procedures for all the Italian work sites to speed up the adoption of the Webuild modus operandi in the newco's contracts.

With respect to the Company's headquarters, the main organisational reshuffles involved:

- the General Corporate and Finance Department, which structured risk management, control and escalation activities in more detail, mostly by (i) assigning new risk management duties to the Operations and Risk Controlling Unit which reports to the Chief Financial Officer, (ii) strengthening the Security Unit, also through partnerships with very prestigious experts, (iii) the more efficient management and prioritisation of the Corporate Identity and Communication Department's activities, (iv) projects to make best practices more efficient, centralised and standardised, such as for example, back office automation and the design of shared accounting service models;
- the department headed by the Global Operations General Manager, where a unit was set up to ensure more consistent geographical coverage;
- the Group Commercial Department, which now includes new positions to manage and develop relationships with the Group's clients (together with the relevant operating units for the various markets), implements the commercial plan and identifies new market opportunities;
- the Group HR Organisation and Systems Department has a new Innovation Program Management Unit with responsibility for implementing the Group's innovation program by coordinating the main stakeholders (internal and external) and supporting the development of the Connected Webuild projects⁴⁵.

Finally, to support the organisational change process, during 2021, the Group launched a digitalisation and simplification project for its regulatory system by: (i) mapping the entire value chain, (ii) redesigning the procedures using a workflow approach, (iii) creating digital tools to access the procedures, and their roll-out from the parent down to its subsidiaries and operating units throughout the Group.

Continuous communication and transparency with all the stakeholders

The Group has always engaged with all its stakeholders in a transparent and ongoing manner, using cutting edge tools for both external and internal communications.

⁴⁵ Connected Webuild is the Group's digital strategy to bolster its medium term competitive edge. It involves the introduction of an integrated, single IT infrastructure to connect processes, people, skills, data and assets, and to facilitate new business capabilities and transform existing ones.

In 2021, it focused on transparent presentation of the work sites through vertical communication plans to illustrate the activities and sustainability benefits of the construction phases of some work sites in Italy, such as that for the Giovi Third Railway Crossing - Genoa Junction project. It placed 15 webcams in Webuild work sites in Italy so that stakeholders could follow the projects. The Group also opened work sites to the public, with open days at the Milan Metro Line 4 site and the Paris Metro (Grand Paris Express) site.

During the year, Webuild developed its integrated multi-channel communication plan, Webuild Next-Gen, for young people. This included communication campaigns for the transparent presentation of the Group's plan to include young people in its activities. The Challenge 4 Sud campaign is being prepared with universities based in southern Italy, while the campaigns for UniWeLab's first hackathon with the University of Genoa took place, as well as the call for ideas for innovative proposals for Genoa's future, the Alberto Giovannini Award, the Scuola di Mestieri and the Ingenio al femminile award.

Webuild engages continuously with its stakeholders on digital channels with an ecosystem of 13 websites and five social media platforms. In 2021, the Group's digital touchpoints collected over 68,000,000 impressions, of which more than 90% through the social media, thanks to an extensive communications plan that can create 2,800 posts a year, with an average of around eight posts a day. The Group's website has 3,500 pages, which are refreshed daily. During the year, the Group also launched five new vertical mini sites: M4, Terzo Valico, Digital Experience, Supplier Hub and Building Sights. Its social media channels have over 239,000 followers, 15% more than in 2020.

In 2021, Webuild kept its stakeholders up to date with a direct email marketing (DEM) programme, sent to more than 8,000 contacts every week via 40 media campaigns on the Group's social media platforms. It also live streamed four events.

The Group rolled out a raft of initiatives to bolster stakeholders' positive perception of the importance of infrastructure to their local areas with projects like "Ponte Farnese", the virtual bridge built in Rome in Villa Farnesina in conjunction with the French Embassy, which included arts workshops open to the public. Another initiative as part of the Group's Cultural Agenda was the "We Love Art. Vision and Creativity Made in Italy" project, promoted by the Ministry of Foreign Affairs and International Cooperation in partnership with by Fondazione Cassa Depositi e Prestiti to showcase large Italian companies through contemporary art. This included a work of art dedicated to the Giovi Third Railway Crossing.

The Group was strongly committed to its strategic internal communication plan throughout the year, focused on strengthening the information and granular engagement processes of Webuild's people, both at the Company's offices and the work sites, with the aim of encouraging their conscious and active participation in working towards business objectives. In 2021, the main drivers of the Group's internal communication strategy were to improve accessibility to information (thanks to the deployment of innovative instruments and networking, such as the launch of the employee app) and messages targeted at senior management; the active promotion of the Group's identity to strengthen a shared culture to be promoted by employees as its ambassadors (the Brand Builders project); and support to change management processes.


Webuild also stepped up its sustainability-related communications during the year using an AI system to activate a publishing plan in line with the ESG plan. This included the production of ten articles, each of which was distributed online through about 60 newspapers and agencies.

Access to digital tools was ramped up and a weekly newsletter launched to reach an increasing number of employees. The Group also carried out targeted communication campaigns to raise awareness about issues close to its heart such as sustainability and the ESG plan objectives, diversity, innovation, safety and Covid-19 prevention measures. It also designed a special campaign for the onboarding of Astaldi employees as well as dedicated initiatives for other new employees.



Innovation, research and development

Strategic for the Group's sustainable growth and competitive edge

 **€111m**
Investments in innovation
2017-2021

 **≈290**
Average annual number of
employees engaged in innovation
and R&D activities

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 and staff 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;
- expansion into new business sectors.

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 2017-2021 five-year period, the Company invested on average around €22 million in innovation, research and development projects for a grand total of over €111 million. These projects have involved on average around 290 group specialised resources⁴⁶ each year.

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

⁴⁶ Personnel involved in long-term projects are included for each year of the project. The figures for 2021 include Lane's figures based on prudent estimates considering the available information that could be verified at the date of preparation of this Statement.



Design, planning and 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.

One of its key initiatives is the design and development of a system to collect, integrate and manage large quantities of data about contracts in order to process and structure them in a consistent and user-friendly manner.

Through the deployment of AI techniques, data analytics and machine learning, the platform will provide innovative support to decision-making at corporate and project level, improving the project team's forward-looking and management abilities:

- in managing contracts and planning activities, thanks to a model that provides real time information on the project's status;
- during calls for tenders for new projects, drawing on the forward-looking technical and financial models based on the integrated multi-disciplinary data.

Webuild has also carried out two interesting innovation initiatives in the tunnelling area. One was a study into the reuse of materials excavated by TBMs to fill embankments, which reduces the project's environmental footprint and costs as part of the 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.

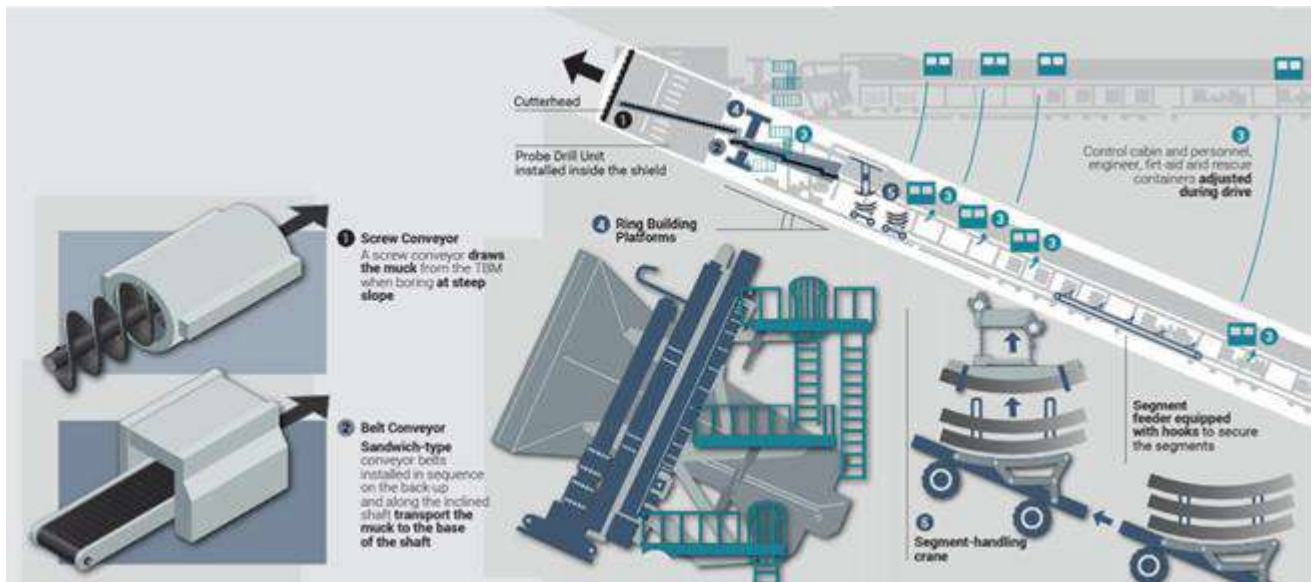
The Group is working on various initiatives to grow its business and expand strategically. They include the launch of a new highly innovative road maintenance model, designed to ensure the adequate performance and safety level of roads over the concession term. Third party certification bodies define the maintenance work required using a system of quantitative data and indicators obtained on site.

Specifically, the model will be based on a monitoring system (Internet of Things - IoT - technologies) and an appropriate application ecosystem to significantly reduce the need for extraordinary maintenance and maximise the safety of the infrastructure by using performance KPIs and scheduling timely maintenance activities. Webuild will also trial and subsequently roll out innovative technologies for the upgrading and maintenance of roads, based on the work performed by its innovation centre and through partnerships.

Construction techniques

Webuild's innovative potential is at its best in this area.

One of the most interesting initiatives carried out in recent years is the 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 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, represents a world first technological innovation in the sector of TBM tunnel boring.

Customised technological solutions were designed for this project. They included the single lining using interconnected segments, high performance sealing mortars, self-adaptive driving systems and reconfigurable platforms 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.

Webuild received the prestigious ITA Tunnelling Award 2021 for its innovative construction methodology, Riser Concept, developed for the environmental restoration project of the Matanza-Riachuelo catchment basin in

Argentina. This allowed the project team to bore and install pipes inside an undersea tunnel, thus reducing the construction times, risks and environmental impact.

Materials

Webuild carried out very interesting research into the feasibility of innovative solutions for the reuse of earth and rocks excavated by the TBMs, some of which have already been sporadically successfully trialled (i.e., aggregates for concrete or road paving), others tested in the laboratory (i.e., fillers for mortars from back-filling) and some which were completely new (i.e., the reuse of cement or geopolymers in the production cycle, landslide prevention and stabilisation of slopes, production of bricks). The aim is to bring together these initiatives in a system to manage the entire process which would be a useful tool to identify the most virtuous and effective reuse solutions for individual projects based on technical, environmental, financial and logistics considerations. From a circular economy viewpoint, the objective is to supplement the more traditional reuse methods with innovative methods whereby the excavated earth and rocks are put to greater use in protecting the local area and mitigating hydrogeological risk or simply acquire an economic value through their reuse in new production cycles while reducing transport (and related emissions) and disposal costs.

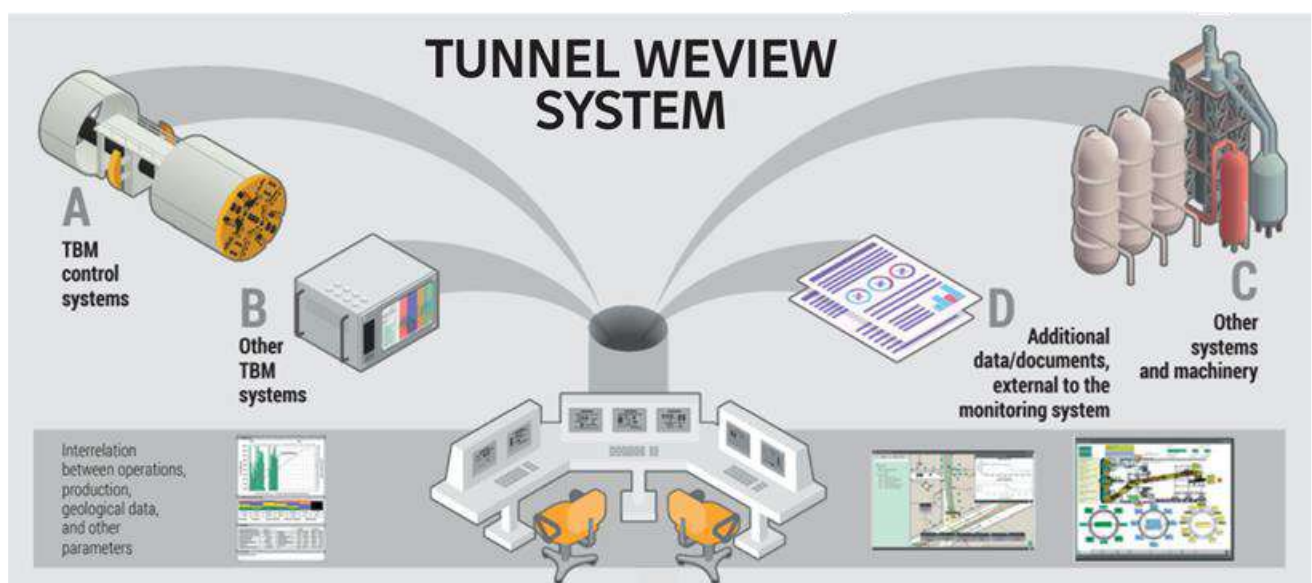


The Company also carried out technical and financial analyses with major international operators in the cement and concrete sectors into the development and customisation of reduced embodied carbon solutions to both support the Group's Climate Strategy (see the "Climate change" section for more information) and to develop technical solutions for specific business projects and initiatives.

Digitalisation of sites

The initiatives in this area cover many fields. They entail the development of innovative tools that use machine learning, artificial intelligence (AI), 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”;
- 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;
- a 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 transforms disaggregated data into integrated information available in a single control room;

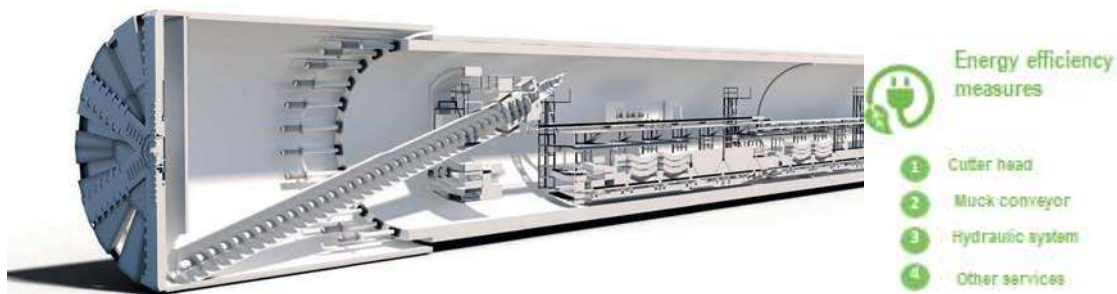


- a knowledge management ecosystem, designed to encourage a new approach to processes and activities, strongly focused on digital technologies with the end objective of increasing productivity, operating efficiency, sustainability, flexibility and traceability. In 2021, the Company launched a pilot platform at one of the Group's construction sites and two communities dedicated to specific issues (see the “Employees” section for more information);
- an innovative procurement platform, designed to streamline and optimise the entire supply chain management process, from the supplier screening and selection processes to negotiation and performance assessment, as well as contract planning management. The system will allow the Group to overcome certain important limitations inherent in solutions already available on the market, such as the insufficient integration of all the data and issues to be processed, the impossibility to map the entire supply cycle and the inability to completely meet the needs of the construction market, and specifically those of Webuild. The Group's aim is to build an integrated flexible platform that is also standardised, centralised and global in order to select the best suppliers, develop a more concise bidding process (assessing the potential profit margins of projects the Group intends to tender for), support procurement strategies and assign contracts to the most efficient suppliers at the best terms.

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:

- 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;



- 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;
- 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);
- full electric or hybrid propulsion multi-service vehicles to transport materials and personnel in underground sites and to support the TBMs during the mechanised excavation in order to fully or partly eliminate emissions of GHG and pollutants with a consequent improvement of the air quality in the tunnel;
- environmentally-friendly electrical transformer cabins built using a combination of low environmental impact technologies and materials. Once finalised, the cabins will be audited for EDP certification.

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

During the year, the US-based group company Lane launched its Fast Lane to Innovation Award programme to encourage, identify and recognise innovative practices developed in-house. In addition to their technical aspects, the candidate practices are assessed to evaluate their environmental benefits and sustainability.

The Company intends to invest additional resources of more than €30 million in the 2021-2023 three-year period, as set out in its ESG plan. Its aim is to roll out high impact innovative projects to drive technological and digital penetration of its business processes in order to ultimately improve efficiency and sustainability. Despite continuation of the state of emergency throughout 2021 due to the pandemic, the Company made investments of around €8 million in the first year of the plan, just under a third of the planned total for the three-year period.

Human resources



Health and safety, creation of jobs, attraction and professional development, diversity and inclusion: the Group's commitment to its people

Injury rate

one of the best in the sector

43%

employees under 35

36% women

at the head office

>560 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;
- 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 of information between people across the Group.

Main risks and management methods

The Company's HR management policy 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 2021, the Group's workforce was as follows:

Direct workforce by category (GRI 102-8)	Unit	2019	2020	2021	% 2021
Managers	n.	359	544	477	1.5%
White collars	n.	6,192	8,318	8,518	27.7%
Blue collars	n.	17,975	20,300	21,803	70.8%
Total	n.	24,526	29,162	30,798	100%

Direct workforce by geographical segment (GRI 102-8)	Unit	2019	2020	2021	% 2021
Italy	n.	1,699	3,174	3,554	12%
Africa	n.	8,724	10,055	11,340	37%
Europe (excluding Italy)	n.	755	2,419	2,322	8%
Americas	n.	4,248	6,789	8,084	26%
Asia and Oceania	n.	9,100	6,725	5,498	18%
Abroad	n.	22,827	25,988	27,244	88%
Total	n.	24,526	29,162	30,798	100%

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 82% and 18%, respectively.

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 2021 numbered 74,105.

Direct and indirect workforce by geographical segment (GRI 102-8)	Unit	2019	2020	2021	% 2021
Italy	n.	6,392	7,911	15,779	21%
Africa	n.	9,992	11,463	12,440	17%
Europe (excluding Italy)	n.	2,389	6,399	9,427	13%
Americas	n.	8,733	13,256	25,356	34%
Asia and Oceania	n.	21,869	15,854	11,103	15%
Abroad	n.	42,983	46,972	58,326	79%
Total	n.	49,375	54,883	74,105	100%

The above figures relate to the Group's employees at 31 December of each year, calculated in line with the consolidation criteria of each group company⁴⁷. Considering the workforce engaged in the Group's projects, the total at 31 December 2021 is 80 thousand direct and indirect resources.

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 2021, the Group hired 9,556 resources, including 4,201 under 30 years of age. Outgoing employees numbered 5,234 and this figure includes the transfers of resources among group sites. The greatest number of incoming and departing resources was seen in the American continent as a result of the stage of completion on the main ongoing projects.

Attraction, selection and development

Webuild launched its "Next-Gen" plan in 2021 for young talents in Italy and abroad. This initiative is designed to help train the up-and-coming generations and to create jobs and opportunities for professional training in the infrastructure industry. It includes partnerships with Italian and international universities, research and innovation projects focused on diversity and sustainability, and technical schools for the training and employment of specialised workers. Employee attraction, selection and development activities comply with the principles contained in the Code of Ethics and company policies.

Employer Branding

Webuild consolidated its new approach to Employer Branding in 2021, dictated by the need to overcome the limitations imposed by the Covid-19 emergency. Reiterating and extending its commitment to young people as one of its fundamental values, Webuild deployed all possible means to overcome the lack of physical interaction. This saw it hold around 30 events online for university students and graduates, ranging from career days and assessment simulations to round tables and seminars held directly by Webuild managers, representing a

⁴⁷ I.e., (i) the number of employees regardless of the investment percentage for consolidated companies; (ii) the number of employees in proportion to the investment percentage for joint operations; and (iii) none of the employees are included in the calculation for equity-accounted investees and other companies.

valuable opportunity to engage with the younger generations. The 2021 events calendar included “Women in STEM” initiatives aimed at talented female engineering graduates and engineers and facilitate their entry into the world of work.

2021 saw Webuild continue to cultivate strategic relationships with Italian and foreign universities, including Genoa University (with which it set up a joint research lab, UniWeLab), three Australian universities (with programmes dedicated to diversity) and ten US universities. The US-based group company Lane strategically focused on the latter due both to their long-standing relationship with the US group company’s reference markets and expertise in training new generations of engineers with greater diversity, readiness to transfer and a solid rounded education to meet the current and future requirements of engineering companies.



Main initiatives of 2021

Italy	United States	Australia	France
<p>In 2021, Webuild and Genoa University jointly set up UniWeLab, a research lab, powered by a team of young undergraduates and graduates to develop innovative ideas to promote sustainable mobility in the Genoa area.</p> <p>In November 2021, the Group introduced the Alberto Giovannini Award in memory of its former chairperson, following his untimely passing in 2019. Aimed at making a concrete contribution to the professional growth of young people, the award is open to all Italian universities engaged in promoting innovation in the construction sector. The Group will award eight international internships every year to students who have obtained the best marks for their master's dissertations on innovation and digitalisation of infrastructure as well as sponsoring a PhD bursary as an active contribution to research and innovation in the sector.</p> <p>Also in 2021, Webuild partnered with Italian National Council of Engineers (Consiglio Nazionale degli Ingegneri) to promote women in technical fields, acting as one of the sponsors of "Ingenio al femminile", an award for female graduates with the best engineering dissertations on "Sustainability in engineering sectors in pursuit of the 2030 Agenda objectives" in the 2019-2020 academic year.</p>	<p>In the United States, as well as focusing on universities pivotal to its reference markets, Lane rekindled its relationships with the organisers of national conferences targeted at a diverse university-level audience. It participated in the Society for Women Engineers (SWE) conference and will also take part in the National Society of Black Engineers NSBE conference in March 2022.</p> <p>This new, more targeted approach allows the group company to strengthen brand awareness with selected partners, focussing on fewer organisations but with greater involvement before, during and after events. Its commitment runs throughout the entire academic year through posts on social media, seminars and general support provided to students in interview simulations and resume workshops.</p> <p>Standardisation of the Group's approach to employer branding, both online and in-person, led to the development of a scalable solution, perfect for dealing with the ongoing transition from events that had moved completely online to a hybrid combination of online and in-person.</p>	<p>In 2021, the Group continued to partner with the University of Technology (UTS) in Sydney. The recipients of the Australia Tomorrow's Builders Scholarships were identified while the "Women in Engineering and IT" programme was renewed to promote women engineers' academic and professional training.</p> <p>The University of Melbourne in the state of Victoria also selected the recipients of two scholarships funded by Webuild, a male student who received the "Wbuild Master of Civil Engineering Scholarship" and a female engineering student who was awarded the "Wbuild Women into Engineering Pathway Scholarship" in the state of Victoria.</p> <p>Finally, the Group entered into a new partnership with the University of Queensland in 2021, reflecting how important it is to the Group to develop the young talents in the areas where it operates. Starting from 2022, Webuild will fund two scholarships for indigenous engineering students. This partnership speaks to the importance to the Group of inclusion and diversity as guiding tenets, helping to affirm Webuild as a Diversity Employer.</p>	<p>During the year, Webuild returned to the forum organised by École Spéciale des Travaux Publics (ESTP) in-person in Paris at the start of December. The forty-second edition of this event was a unique opportunity for companies and future engineers in France to convene and the Group ably promoted its job offerings and brand awareness in the fast growing French market.</p> <p>France is of strategic interest to the Group and coupled with its desire to create a multi-cultural work environment, led to Webuild's participation in the 2021 Job Networking Session, a two-day recruiting event dedicated to engineering graduates and soon-to-be graduates with a double diploma from Ecoles Centrale and one of their Italian university partners of the T.I.M.E. (Top International Managers in Engineering) network.</p>

During the year, the Universum classification of the "Most Attractive Employers Italy 2021" confirmed Webuild's position among the top 30 for STEM professionals in Italy, climbing 12 places on 2020 in the "STEM students" ranking. Webuild is also the most attractive business in the construction sector for both categories of the survey. These prestigious accolades bolster the Group's reputation on the labour market and its appeal as an employer of choice, bolstered by its regular notification of job vacancies at all levels and its core values, starting with how it cares for its employees in the more than 50 countries where it operates.

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 2021, 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 2022 by extending the analyses performed to date.

During the year, the Company launched its inclusion-oriented selection programme, one of several designed to foster diversity and inclusion as part of Webuild's larger 2021-2023 ESG plan.

This inclusion-oriented selection programme is comprised of three steps covering:

- the presentation of diversity-oriented shortlists (when possible);
- assessment of the working for inclusion skill described in the leadership model;
- the presentation of blind CVs to managers involved in selection to avoid possible involuntary discrimination during the selection phase.

In 2021, the programme was implemented at headquarters and it will be extended to the branches in 2022 and to all projects where Webuild has majority involvement starting from 2023. The Company has shared its new selection guidelines with all suppliers that also apply them and assisted the Group with personnel scouting and selection for headquarters.

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

Management training and development

The Company defined and introduced specific tools, programmes and initiatives to support and promote career paths, organisational growth and the continuity of its succession plans in 2021.

The leadership model, introduced in 2020 which identifies the soft skills and conduct necessary to achieve the Group's strategic objectives, is the reference framework for management training and development.

Specifically, the Group defined and launched a new performance management model in 2021 focussing not only on setting and assigning performance objectives but also on the managerial skills necessary to achieve such objectives. The model promotes management by objective and a culture of feedback, involving managers in the personnel development choices, the identification of growth paths on the basis of the gaps identified as well as the strengthening of tools for managing talents and key resources, including as part of succession

planning. The model has been introduced for all white collar employees at headquarters and will gradually be extended to the Group's other operating entities in 2022.

One of Webuild's key managerial and skills development tools is its Global Managerial Academy, set up in 2020. This school provides training paths for figures who are already working in key roles or who are growing inside the Company, with training tailored to their seniority and designed to foster the development of both their managerial and technical skills that are fundamental to the Group's business.

Given the continuation of the Covid-19 emergency in 2021, which meant that most work was still carried out remotely, all training courses were virtual. Thanks to the upgrading of the online interaction tools, this situation did not affect the participants' involvement, which continued to be effective and uninterrupted.

Continuation of remote working together with the Group's ongoing transition and significant metamorphosis meant that new training programmes had to be designed to support the different work methods. These included the leading virtual teams programme targeted at managers, programmes to familiarise employees with the IT and digital collaboration tools deployed by the Group and a psychophysical well-being programme to provide its participants with strategies to manage their mental and physical health and to develop a proactive approach to work and life during the pandemic.

In addition to specific tools designed to foster personnel development introduced in previous years, Webuild rolled out:

- assessment pathways to encourage the growth and promotion of its more senior resources, flanked by dedicated training and development initiatives (e.g., business coaching);
- a structured succession planning process to ensure a pipeline of successors for the Group's key strategic roles, both at headquarters and operations levels, also to guarantee business continuity.

The Company also continued its Inspire mentoring programme during the year. Its objective is to act 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. In addition to continuation of the mentorships commenced in 2020, Webuild also started to design a new onboarding project for new hires in 2021 as well as an innovative project for female leadership.

Webuild also focused on training to facilitate the integration of Astaldi resources with special courses to align skills and develop familiarity with internal processes. In addition to setting up the Welcome Onboard Community (see the "Knowledge Management and Technical Training" section), the Company provided onboarding courses as part of its E-Learning Academy, designed to introduce the key concepts of the Group's compliance, sustainability and organisational model practices, as well as dedicated training about how to manage internal processes and use the supporting IT systems.

E-learning courses provided both by the E-Learning Academy and through tailored webinars were complemented by courses on compliance (including with the launch of the Legislative decree no. 231 course for the subsidiaries) and technical subjects.

Knowledge Management and Technical Training

The Company set up a new Knowledge Management and Technical Training unit in 2020 to capitalise on internal skills by sharing and leveraging the Group's know-how and to develop new skills to tackle with the sector's future challenges.

Knowledge Management

During 2021, the Company continued its Knowledge Management Programme as part of its drive to optimise the knowledge-sharing tools and methods and access to specialist expertise, significantly improving the Company's competitiveness in the production and related sectors, and bolstering the retention and expertise of Webuild employees.

The purpose of the Knowledge Management Programme is to provide 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.

The Knowledge Management Programme has two main areas: the design of an integrated platform to host "explicit" information and collaboration communities that can capitalise on specific knowledge and make it easy to deploy as needed by transforming "tacit" skills into "explicit" skills in a digital format. It was necessary to identify the needs and requirements of the people in the different functions to design the Knowledge Management platform, aimed at reaching easily traceable information in a structured way and in profiled sharing, after which a concept of the new innovative Knowledge Management process and the related implementation roadmap were defined.

Based on this model, Webuild released the programme for the first company area in 2021. It also launched the first communities: Welcome on Board, to facilitate the onboarding of the Astaldi employees and the TBM Knowledge Community on technical issues related to using these machines. The communities facilitate operating efficiency, for instance, by sharing and re-deploying the best practices developed by one work site and transferring them to another. Thanks to a network of experts skilled in identifying effective, fast and appropriate solutions, recurring problems can be resolved easily and quickly.

Technical training

The Italian construction sector will see exponential growth in the next few years due to state investments as part of the plan to relaunch the economy together with the funds earmarked for infrastructure by the National Recovery and Resilience Plan.

Therefore, there will be great need for specialised labour, which is not currently available on the market due to the stagnant situation of the sector in recent years.

To meet this need, Webuild has set up a trade school, "Scuola di Mestieri", designed to train and employ a new generation of specialised workers in the infrastructure sector to work on the Group's projects starting from 2022.

The Scuola di Mestieri vocational courses bring together theory and on-site experience. The school aims to deliver specialist training to new resources and to integrate them into the Group, offering the security of stable employment and solid career prospects.

Alongside classroom lessons, the new hires will be mentored at the work sites by more senior resources who have been provided with tailored training on how to effectively pass on their know-how. Simulators will also be used to allow both the new hires and their mentors to trial critical conditions in a safe environment.

The school's key objectives are to:

- attract resources to the construction sector to benefit the entire industry;
- develop a pool of strategic resources able to respond to the medium to long-term changes the sector will face;
- provide reskilling pathways and rehiring of currently unemployed resources, embracing the National Recovery and Resilience Plan's mission for labour policies;
- leverage the know-how accumulated in-house on an international scale;
- install a culture of safety;
- standardise skillsets.

The Scuola di Mestieri has a dedicated selection process which includes aptitude tests to assess candidates' awareness of safety issues, as well as their interpersonal skills, willingness to learn and professional ethics.

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.

During the year, Webuild continued to focus on professional development and technical skills both by developing specific courses at headquarters and providing courses locally in the various geographical areas where it is present. The objective is to ensure that work is performed in accordance with its technical, quality, environmental, health and safety standards as well as to ensure that it has qualified personnel available for its current and future projects. Accordingly, projects continue to deliver professional training courses for the local workforce, defined using parameters that identify the training requirements and needs for each position and employees are required to attend the specific training course identified for their roles and requirements (both classroom-based 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 2021 covered many aspects (health and safety, the environment, quality, technical/specialist, compliance, management, etc.) for a total of 400,407 hours (273,665 hours in 2020). These courses were supplemented by health and safety courses provided directly at the work sites, which are very important as raising awareness and prevention tools. During 2021, the Group carried out roughly 147 thousand Tool Box Talks (short meetings on health and safety-related aspects and the environment

held at the start of work shifts) (188 thousand in 2020) at its work sites. Overall, Tool Box Talks on health and safety-related aspects numbered approximately 125 thousand (180 thousand in 2020) which, including those on the environment, brought the average to more than 400 a day (510 in 2020).

In addition to training given to group personnel, the staff of the Group's subcontractors attended courses on QEHS subjects totalling 161,037 hours in 2021.

A total of 561,445 hours of training were provided in 2021 to direct and indirect personnel (390,171 in 2020).

Training (GRI 404-1)	Unit	2019	2020	2021
Direct personnel	hours	252,357	273,665	400,407
Indirect personnel	hours	230,002	116,506	161,037
Total	hours	482,358	390,171	561,445

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 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.

The Company continued its Short Term Incentive (STI) programme for its key resources during the year, with the objective of strengthening the results-orientated culture. The programme is part of the new Performance management system which has continued the approach to setting objectives and assessing performance but has been enriched with a skills assessment section, in order to obtain an overall assessment of managers by considering not only what they have achieved, but how have they done it. The STI programme has three categories of objectives: the first is that of the Group's performance in line with that of senior management. The second is individual performance while the third refers to the skills requested of each position. At the end of the year, the results are assessed in qualitative and quantitative terms and considered together with the skills 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 operations area. 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.

During the year, the Company continued its 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. As the pandemic continued into 2021, the Company rolled out a project to streamline its offices in Italy, which also takes into account how the use of office space is impacted by how employees arrange their working week between the office and remote work. When employees return to the new premises in 2022, Webuild will activate a number of services to draw attention to the importance of a good work/life balance.

Another important aspect of this issue relates to the journey from home to work by private means of transportation, 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 well-being of its employees and protection of the environment should manage as best it can. The pandemic made working from home mandatory for all the office staff of the Italian companies, limiting travel from home to the office and accelerated the digitalisation of WFH. Together with its plan for the Rome and Milan offices, the Company introduced a new home-work travel plan in 2021 setting out initiatives and solutions to improve and make the journey from people's homes to the office more sustainable. It considered the location of the new offices, the possibility to work from home and the needs of its employees as per the dedicated survey.

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 Company's proactive encouragement of an inclusive culture which supports diversity continued in 2021. The existing awareness and communication campaigns about these issues were ramped up and specific initiatives deployed for employer branding, recruitment, training and development.

Specifically, the Group's focus on encouraging all forms of diversity and inclusion is reflected in its partnerships with universities and its employer branding. In 2021, these initiatives were aimed at promoting young people's growth through scholarships in Italy and abroad and the enhancement of their contribution to innovation (such as the UniWeLab project and the Alberto Giovannini Award described in the "Employer Branding" section), as well as promoting the role of women in research and development in the STEM subjects by sponsoring the Ingegno al femminile project.

Turning to recruiting, the introduction of the inclusion-oriented selection process (see the "Selection and acquisition" section) demonstrates the Group's intention to align its processes ever more closely with the principles of equal opportunity, diversity and inclusion.

In 2021, Webuild also became a member of the Italian association Valore D, which promotes gender balance and an inclusive culture both through training, as well as communication and networking.

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

The diversity and inclusion initiatives will continue in 2022 with specific projects that are already being prepared. They include training on intercultural dialogue, mentoring, specific training courses on inclusion and unconscious prejudice, female leadership and projects to increase awareness about gender diversity at leadership level for both men and women.

The Group has employees of more than 100 nationalities, 84% of the workforce is local, increasing to roughly 98% in Italy and 96% in Africa and the Americas. Local managers make up 73% of the total (more information is available in the "Social" section of this Statement).

The Group's leadership status is characterised by international managers from non-construction sectors who contribute their different views and outlooks. International resources cover 23% 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	2019	2020	2021
< 30 years	%	26%	26%	24%
30-50 years	%	59%	58%	57%
> 50 years	%	15%	16%	18%

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

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	2019	2020	2021
Men	%	90%	88%	88%
Women	%	10%	12%	12%

At group level, women make up 8% of the management team, 22% of white collars and 9% of the blue collars, while at functional level, they represent 7% of the technical and production staff and 36% of the office employees.

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

In 2021, the Group continued to develop its 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.

Some remuneration differences were identified in a few categories, partly due to the inclusion of Astaldi and Seli Overseas in the consolidation scope, which slightly worsened the overall situation in terms of remuneration differences and the number of female employees in management positions.

The Group intends to include targeted actions (e.g., budget quotas) in its 2022 remuneration policies to close the remuneration gap, identified after the integration processes, for certain categories.

As described in the previous sections, recruitment, development and training activities will continue to focus on equal opportunities for access to management positions, in order to increase the number of female employees holding senior positions.

Accordingly and with specific reference to the succession plans for key roles, Webuild has already set a target of 20% of women to be included in the succession pipeline for key roles, in advance compared to its target for 2023. It has also defined a growth path for the identified female employees to ready them for such positions. The 2023 target has been increased to 25%.

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 Group's scope after the inclusion of the Astaldi Group companies and contracts.

Organisational units

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

- 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;
- strengthening the integration of health and safety aspects within engineering processes through the technical safety unit;
- monitoring health at corporate level and providing guidance for work sites;
- ensuring continued health and safety operating support to the 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.

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 Department 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 2021, 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 the performance of its managers in terms of health and safety which rewards dedication and the results obtained by the relevant units and units over which they have influence.

Valyou – Our Health and Safety Way

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 2021. 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.

Thanks in part to the careful planning of missions in less dangerous periods and distance training, in 2021, 34 workshops and 32 safety intervention (s.a.f.e.r.) training courses were held with the participation of 934 managers and supervisors for a total of roughly 4,178 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.

The Company's main workplaces celebrated the World Day for Safety and Health at Work ("WSD") in April 2021. In line with the theme promoted by the International Labour Organisation (ILO) "Anticipate, prepare and respond to crises - Invest Now in Resilient Occupational S&H Systems", the Group focused on promoting awareness and the need to have in place tools (at system level) and protocols (at personal level) to augment our ability to respond to emergencies and change. Although the Covid-19 emergency made it more complicated or impossible to celebrate with the usual events and involvement of the workers, participation in the event was very satisfactory with more than 22 Italian and foreign work sites talking about the enormous efforts made to continue working with the highest safety standards in the midst of the pandemic.

The Group awarded the Safety Trophy to the work site that stood out both during the WSD celebrations and throughout the year. The award ceremony took place in January 2021 with the "virtual" awarding of the trophy by the CEO Pietro Salini to the Umm Lafina work site in Abu Dhabi (United Arab Emirates).

The objective of the activities carried out in the work sites in 2021 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.

Safety

There has been a generalised improvement in the safety achievements 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. The rates are also affected by the different ways in which events are treated in the various countries and their classification, while the Group always guarantees the best care of any injured persons.

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

Due to the stricter measures adopted to counter the spread of Covid-19 and in compliance with the regulations imposed by the relevant authorities, the Group's normal training, meetings and information about safety, which are fundamental to prevent injuries, were limited. The mobility of resources, quarantine periods and changes to shifts also affected prevention activities. Some of the incidents recorded in 2021 are due to the above factors.

The injury rates are set out below, expressed as the number of events for every million hours worked⁴⁸.

Injury rates - Direct workforce (GRI 403-9)	Unit	2019	2020	2021
Hours worked	hours	77,409,119	79,594,548	89,785,693
Lost Time Injury Frequency Rate	LTIFR	2.183	1.947	2.729
Total Recordable Frequency Rate	TRFR	6.45	5.63	6.70

Injury rates - Subcontractors' workforce (GRI 403-9)	Unit	2019	2020	2021
Hours worked	hours	78,405,464	59,693,023	57,341,702
Lost Time Injury Frequency Rate	LTIFR	2.053	3.066	4.185
Total Recordable Frequency Rate	TRFR	5.00	3.52	4.97

Total injury rates (GRI 403-9)	Unit	2019	2020	2021
Hours worked	hours	155,814,583	139,287,570	147,127,395
Lost Time Injury Frequency Rate	LTIFR	2.118	2.427	3.296
Total Recordable Frequency Rate	TRFR	5.72	4.72	6.03

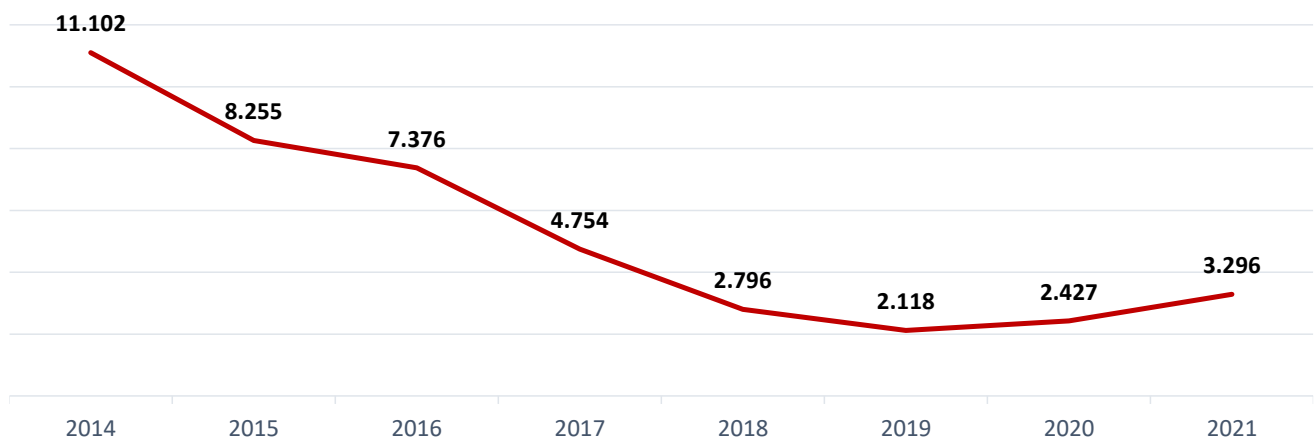
Reference should be made to the Methodology for reporting non-financial information for details

⁴⁸ More information about injuries recorded in the year is available in the GRI Content Index, indicator GRI 403-9

A local investigation and/or investigation with the support of corporate units is carried out 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 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 years.

Lost Time Injury Frequency Rate



As expected, there was a slight increase in the injury rate starting from 2020 due to the impact of Astaldi's entry into the Group, the different management methods established by the local regulations and the smaller prevention activities possible due to the pandemic-imposed restrictions. Webuild has introduced the actions necessary to improve the Group's safety performance in the coming years. Its objective is to achieve a 40% reduction by 2022 for the new Group (i.e., including Astaldi) compared to the LTIFR at the end of 2017 before the ValYou programme was rolled out.

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 security assessments and audits.

Health protection

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 2021), 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.

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 protection equipment, 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.

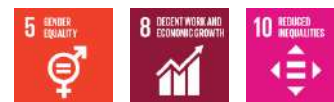
The anti-contagion safety protocols adopted for the Group's contracts since the pandemic broke out include the following measures:

- 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. Communication of recommendations to all personnel on the proper approach
- f. Distribution of FFP2 and surgical masks
- g. Greater availability of accommodation for camp staff, toilets and changing rooms
- h. More intensive daily cleaning of all environments used by workers
- i. Extraordinary sanitation cycles of the common areas at work sites and base camps
- j. Installation of hand sanitizer dispensers in various areas of work sites and offices
- k. Introduction of WFH for office staff
- l. 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
- m. Suspension and severe limitation of visitor access
- n. 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
- o. Obligation to wear face masks during all activities
- p. Introduction of a special procedure to treat personnel with flu-like symptoms by a work site nurse (when present)
- q. Allocation of emergency accommodation at base camps for the isolation of suspect cases until the health authorities' intervention
- r. Information campaigns with ad hoc meetings and posters in the workplace
- s. Differentiated management of waste from offices (both work sites and offices), quarantined staff accommodation and Covid-positive staff accommodation
- t. Review of the methods to clean accommodation (e.g., use of disposable tableware for quarantined or positive personnel) and wash flat linen

During the year, the work sites carried out extensive screening activities to identify potential cases of Covid-19 and take the necessary action in line with the processes defined by the competent authorities. Some work sites set up vaccination centres as a joint initiative with the local healthcare authorities.

Human rights



Respect and promotion of working standards in line with the international protection principles

Due Diligence on Human Rights

compliant with UN Guidelines

Agreement with the international trade union BWI

in place since 2014

100% of the operating entities

included in the risk assessment of human rights

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.

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.

Specifically, the Suppliers' Code of Conduct 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. It establishes the non-negotiable conduct expected of its suppliers.

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.

The Group makes whistleblowing systems available to workers and third parties, safeguarding whistleblowers from any retaliatory action and guaranteeing their anonymity, when requested.

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 content of the Company's Human Rights Policy (reiterated in the Suppliers Code of Conduct) draws on the results of the analysis and a thorough review and evaluation of the applicable standards and market best practices.

Risk identification and assessment process

In 2021, all the operating entities included in the scope of this Statement underwent the routine human rights risk assessment to analyse the risks specific to each entity generated by its direct and subcontracted activities. The risk assessment method has been adapted to accommodate the Company's existing project risk assessment tools.

This assessment firstly considers specific indicators to define each entity's country risk⁴⁹, as its geographical context (the many country-specific conditions, such as regulations, practices, etc.) is a key factor when considering human rights and the correct identification of priority areas. Therefore, where country risk is other than "low", the Company analyses the significant specific risks and the mitigation measures adopted by the entity.

In 2021, Webuild carried out its routine assessment of the human rights risks of its supply chain to check the existence of suppliers based in countries and/or that supply goods considered at risk (based on the source country)⁵⁰.

Considering all the operating entities assessed, roughly 32% of their total workforce (direct and indirect) is deployed in countries with a "very low" to "medium low" risk (e.g., Italy, Norway, the US and Australia), while the other approximate 68% work in "medium" or "medium high" risk countries (e.g., Ethiopia, Tajikistan, Saudi Arabia and Colombia). With respect to the latter, most of the workforce is engaged in working on six large projects that have been underway for several years. As a result, the Group has a very good understanding and oversight of the local situation and specific critical issues. Moreover, it does not operate in countries considered to be "high" or "very high" risk with respect to human rights.

The Group's commercial strategy is designed to mitigate country risk. In fact, more than 70% of its current order backlog is based in low risk countries such as the EU member states (mainly Italy), North America and Oceania. In addition, nearly all the new orders of 2021 were acquired in the same areas.

With respect to the supply chain's general risk profile:

- 82% (73% in 2020) of the Group's suppliers are based in countries with risks that are either "very low" or "low";
- none of the assessed suppliers are based in countries classified as "very high" risk and only 0.03% are based in "high" risk countries;
- no commodities at risk were purchased from significant suppliers⁵¹ during the year.

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.

⁴⁹ 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.globalslaveryindex.org).

⁵⁰ 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 measure commodity risk.

⁵¹ 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 0.04% of total purchases.

The main risks identified by the above-mentioned assessment and related management methods are summarised below.

Recruitment agencies

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, and the United Arab Emirates) 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 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.

Working practices

While the potential risk of hiring people under the minimum working age established by the applicable local regulations is minimal, the Group's policy is only to agree employment contracts with people who are at least 18 years old irrespective of the local regulations. In countries, where the presence of false identity documents is a risk (e.g., some African countries), the Group has special procedures in place to check the authenticity of the documents, either identification documents or 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 hours and holidays, economic treatment and other employment aspects. 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, nationality or ethnicity, 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 2021 is available in the "Equal opportunities, diversity and inclusion" paragraph of the "Main risks and management methods" section under "Human resources."

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.

Transparency and engagement with the communities

In 2021, the Group continued to be committed to and act transparently about human rights with its stakeholders, especially its investors, ESG rating agencies and NGOs such as Business and Human Rights Resource Centre (BHRRC).

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).

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

Supply chain

As a result of the routine assessment of risks related to its supply chain (briefly described in the “Risk identification” paragraph of this section), the Company has defined the following approach:

- vetting process for potential suppliers based on a dedicated human rights multi-factor assessment;
- contract clauses that require formal acceptance of the Code of Ethics and the Suppliers Code of Conduct, and extension of this commitment to the supplier’s subcontractors, which is mandatory for the contracts to be valid;
- monitoring, checks and audits to ensure compliance with its standards;
- regular assessments of the suppliers’ performances, which include ethical and social aspects (see the “Supply chain” section).

Training and whistleblowing

As part of its push to inform and raise employee awareness of human rights issues, 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. At 31 December 2021, roughly 70% of Webuild corporate employees have completed it as well as other personnel working at the Group’s work sites.

With respect to access to the whistleblowing channels, 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.



Climate change

Decarbonisation and resilience driving increasingly sustainable infrastructure

-50% GHG emissions intensity reduction target (2025 vs 2017) ⁵²	Science Based Target initiative⁵³ formal commitment undertaken by the Group
-24 Mt CO₂ annual emissions avoidable thanks to ongoing railway, metro and hydro projects	-7% total GHG emissions ⁵⁴ (2021 vs 2020)

Climate Strategy

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

The Group has a transparent, structured Climate Strategy. It intends to draw on this strategy to act as a beacon in the infrastructure industry supporting its clients in their journey to mitigate and adapt to climate change.

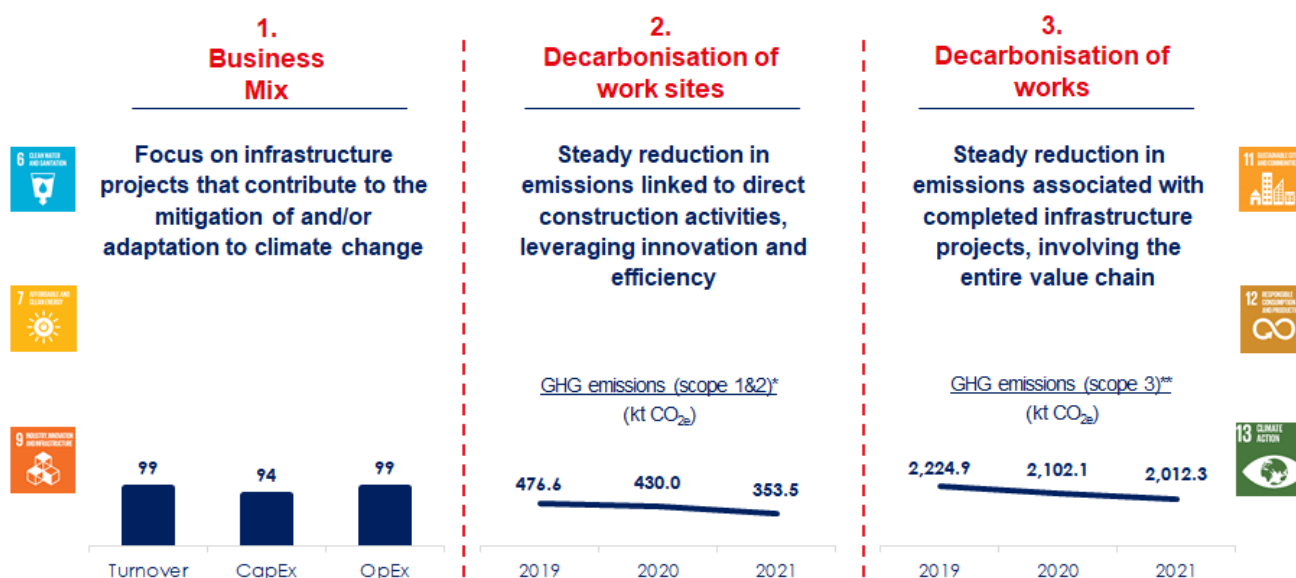
The strategy has three priority areas of intervention:

⁵² In terms of t CO₂e Scope 1&2/€m. Scope 1&2 indicate the emissions generated directly by the work sites and offices (scope 1) and by the electrical energy purchased (scope 2).

⁵³ International organisation that establishes guidelines to calculate targets related to companies' contribution to decarbonisation in line with the Paris Agreement using a scientific approach

⁵⁴ In terms of di t CO₂e Scope 1, 2 e 3

Climate Strategy



* Scope 1 (emissions from fuel, explosives and refrigerant gases), Scope 2 (emissions from electricity purchased, market-based method)
** Scope 3 (indirect emissions from goods and services purchased, transport, upstream energy, waste, travel of head office personnel)

In recent years, the Group has made good inroads in all three of its priority areas:

- nearly all its activities are EU taxonomy-eligible as they contribute to the mitigation and adaptation to climate change (see the dedicated box in this section);
- absolute GHG emissions (scope 1&2⁵⁵) have decreased by 18% compared to 2020;
- absolute GHG emissions (scope 3⁵⁶) have decreased by 4% compared to 2020;

The Group's achievements are confirmed by the independent accolades received, such as its inclusion in the "Europe Climate Leaders 2021" ranking drawn up by Statista in collaboration with the Financial Times and in the "Azienda più attente al clima 2022" (The most climate-conscious companies of 2022) by Corriere della Sera/Pianeta 2030.

Business mix

Webuild occupies a unique place in its market thanks to its focus on developing low-carbon footprint infrastructure (i.e., that contribute to climate change mitigation) and/or resilient infrastructure (i.e., that contribute to climate change adaptation).

⁵⁵ Scope 1 (emissions from fuel, explosives and refrigerant gases), scope 2 (emissions from electrical energy purchased, market-based method).

⁵⁶ Scope 3 (indirect emissions from goods and services purchased, transport, upstream energy, waste, travel of head office personnel).

The Group's contribution to climate change mitigation and adaption



Sustainable mobility

- Metros
- Railways
- Roads and motorways
- Bridges and viaducts
- Ports and sea works



Clean hydro energy

- Hydropower plants
- Pumped storage



Clean water

- Drinking water and desalination plants
- Wastewater management plants
- Hydraulic projects
- Drinking water and irrigation water reservoirs



Green buildings

- Civil and industrial buildings
- Airports
- Stadiums
- Hospitals

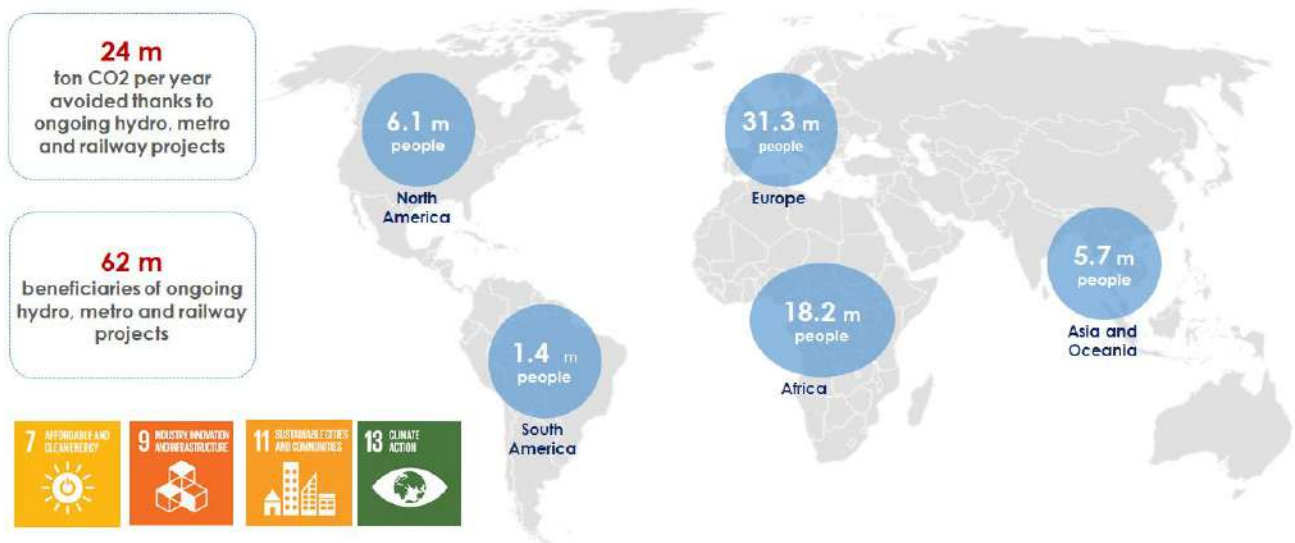
Key:

- Projects that mainly contribute to mitigation (reduction in GHG emissions)
- Projects that mainly contribute to adaption (resilience)

Specifically, the Group's sustainable mobility (railways and metros), clean hydro energy and green buildings projects contribute significantly to reducing GHG in the transport, energy and real estate sectors, the largest contributors to the climate-altering emissions.

The ongoing hydro energy, railway and metro projects will generate very significant benefits in terms of less emissions and greater numbers of people served, as summarised below⁵⁷.

⁵⁷ More information is available in the "Methodology for reporting non-financial information – Calculation method" section.



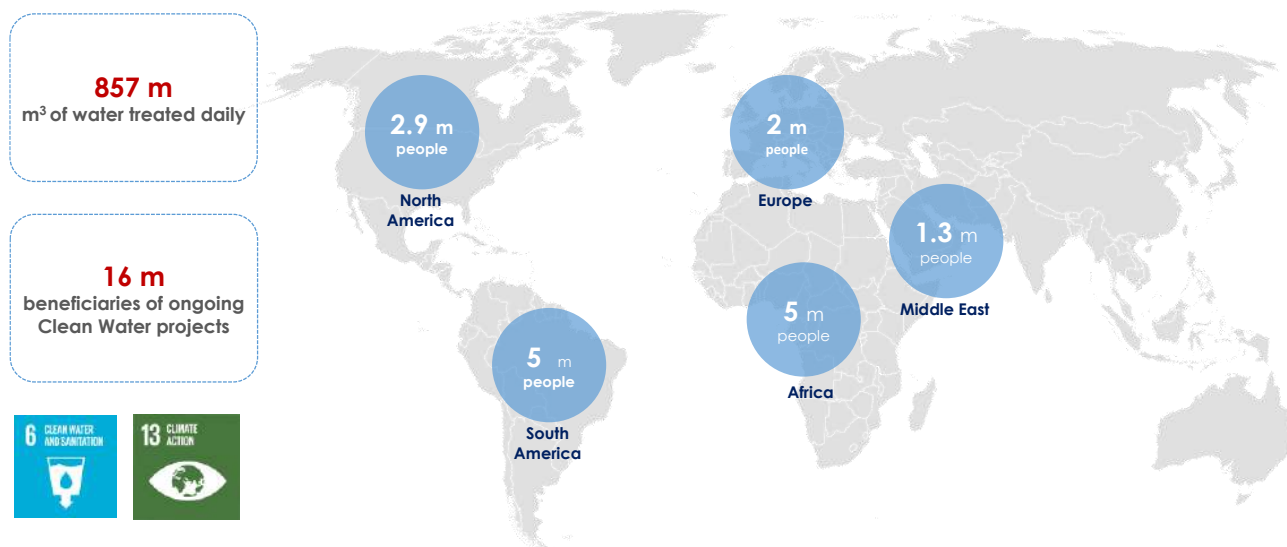
Moreover, by improving the resilience of infrastructure, the Group’s clean water and sustainable mobility (roads, bridges and tunnels⁵⁸) projects also contribute to the adaptation to climate change, which can be:

- chronic (e.g., higher temperatures, water scarcity), as in the case of drinking water and water treatment projects, aqueducts and water storage for drinking water and irrigation and desalination plants; or
- acute (e.g., extreme weather events), such as hydraulic projects in urban areas to reduce flooding and the related water pollution or transport infrastructure projects (to improve its resilience).

The ongoing clean water projects 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 leading to the loss of biodiversity (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 below⁵⁹:

⁵⁸ Designed according to resilience criteria.

⁵⁹ More information is available in the “Methodology for reporting non-financial information – Calculation method” section.



With respect to transport infrastructure, there is a growing focus on new infrastructure's resilience to climate change. 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. Examples of this are the award-winning Skytrain Bridge, built as part of the Sydney Metro Northwest project and designed to withstand the rain, flooding and winds forecast after 2100 or the New Genoa San Giorgio Bridge, designed to cope with the expected increase in rainfall over the next 80 years. It is assumed that use of these design techniques will become widespread over the coming years, also given the new regulations that will be brought in from time to time.

EU taxonomy for sustainable economic activities

The European Union is leading the global transition to a sustainable, resilient and low-carbon economy in line with the Paris Agreement and UN's 2030 Agenda.

By adopting the EU Green Deal, the EU institutions have defined an integrated, ambitious strategy to make Europe carbon neutral by 2050. This strategy includes plans, investments and reforms, such as, in particular, the initiatives to direct private investments (in addition to public investments) towards sustainability objectives.

The most important initiative in this respect is the EU taxonomy, a classification system of environmentally sustainable economic activities.

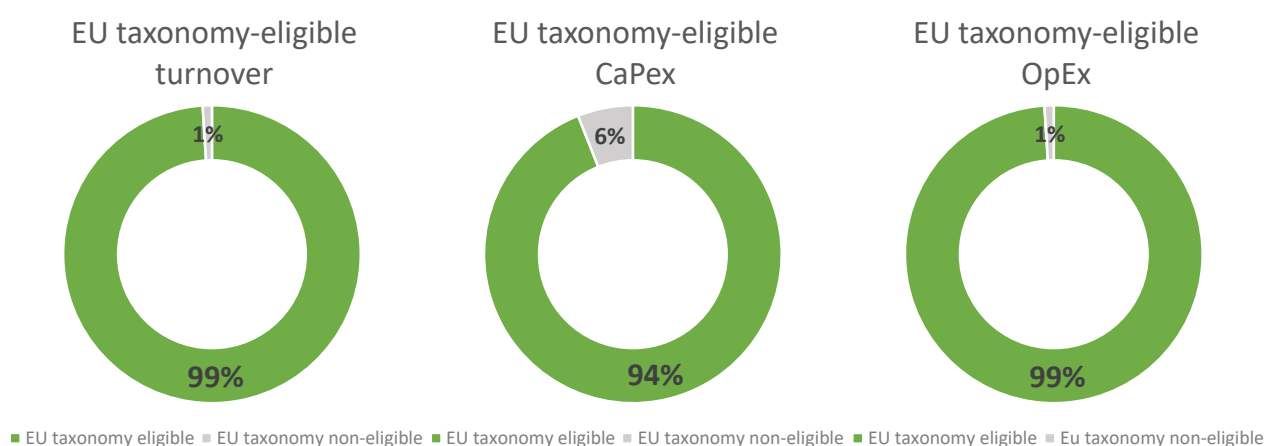
Regulation (EU) no. 2020/852 introduced the following categories of activities for the purposes of the taxonomy:

- Eligible economic activities, i.e., those economic activities listed in the delegated acts, regardless of whether they satisfy one or all of the technical screening criteria established by the European Commission;

- Aligned economic activities, i.e., those economic activities that, in addition to being eligible, make a substantial contribution to the mitigation and/or adaptation to climate change⁶⁰, do not do significant harm to any other sustainable objective (sustainable use of water, circular economy, prevention and reduction of pollution, protection of biodiversity), pass minimum safeguards⁶¹ and comply with the technical screening criteria established by the European Commission.

The delegated acts established that companies are only required to report KPIs for turnover, CapEx and OpEx associated with eligible and non-eligible economic activities in their 2021 financial statements⁶².

Webuild has analysed all the activities performed by the legal entities included in its consolidated financial statements, in order to identify those that are eligible and non-eligible. It then calculated the portion of turnover, CapEx and OpEx recorded in 2021, as set out below:



Webuild considered the following activities to be eligible in order to calculate the KPIs:

⁶⁰ It is currently only possible to assess those objectives (mitigation, adaptation) for which the technical screening criteria have been defined, while the criteria for the other four environmental objectives should be published in 2022.

⁶¹ In accordance with OECD guidelines for multinational enterprises and UN Guiding principles for business and human rights

⁶² The F.A.Q. published by the European Commission on 2 February 2020 specify, inter alia, that it is not necessary to consider the term “low-carbon” when this is not clearly defined to identify the eligible economic activities.

Sector	Activities
Protection and restoration activities	2.1. Restoration of wetlands
Energy	4.5. Production of electricity starting with hydroelectric energy 4.9. Transmission and distribution of electricity
Supply of water, sewerage, waste management and remediation	5.1. Construction, extension and operation of water collection, treatment and supply systems 5.3. Construction, extension and operation of waste water collection and treatment 5.6. Anaerobic digestion of sewage sludge 5.7. Anaerobic digestion of bio-waste
Transport	6.14. Infrastructure for rail transport 6.15. Infrastructure enabling road transport and public transport 6.16. Infrastructure enabling water transport 6.17. Airport infrastructure
Building and real estate activities	7.1. Construction of new buildings 7.2. Renovation of existing buildings
Information and communication	8.1. Data processing, hosting and related activities
Human health and social work activities	12.1. Residential care activities

Non-eligible activities include residual operations such as mining projects, the construction of waste-to-energy plants and other small civil engineering projects that are not included in the taxonomy lists.

In order to avoid the risk of double counting, when an activity contributed to both objectives (mitigation and adaptation), it was only counted once.

Webuild calculated the portion of turnover, CapEx and OpEx associated with the taxonomy-agreed activities (numerator), divided by the total turnover, CapEx and OpEx recorded in the period (denominator) in order to calculate the three KPIs. Specifically:

- the portion of turnover was calculated as the portion of net revenue from products or services (including immaterial) associated with the taxonomy-agreed activities (numerator), divided by net revenue⁶³ (denominator);
- CapEx includes increases in property, plant and equipment and intangible assets during the reporting period before amortisation, depreciation, impairment losses and any revaluations, including those arising from remeasurements and impairment losses, and excluding changes in fair value; the denominator also includes increases in property, plant and equipment arising from business combinations⁶⁴;

⁶³ Recognised in accordance with IAS 1.82.a) endorsed by the European Commission with Regulation (EC) no. 1126/2008. See note 31 "Revenue from contracts with customers" in the notes to the consolidated financial statements.

⁶⁴ CapEx includes costs recognised in accordance with point 73.e)ii and ii) of IAS 16 - Property, plant and equipment; point 118.e)i) of IAS 38 - Intangible assets, point 76.a) and b) (fair value model) of IAS 40 - Investment property; point 79.d)i) and ii) (cost model) of IAS 40 - Investment property; point 50.b) and e) of IAS 41 - Agriculture and point 53.h) of IFRS 16 - Leases. See the tables on changes in property, plant and equipment, right-of-use assets and intangible assets in notes 7.1, 7.2 and 7.3 in the notes to the consolidated financial statements.

• OpEx includes direct expenditure that cannot be capitalised incurred for research and development, real estate restructuring, short-term leases, maintenance and repairs and all other direct costs related to the ordinary maintenance of property, plant and equipment⁶⁵.

Decarbonisation of work sites

The second area of intervention of the Group's Climate Strategy is to reduce the GHG emissions of its construction business.

Since 2014, when Salini and Impregilo merged, the Group has steadily decreased its energy consumption and GHG emissions while progressively growing its operations.

These achievements are the result of ongoing investments in efficiency actions and measures introduced at the Group's work sites around the world, as well as innovation programmes designed to develop technical solutions. These initiatives have enabled Webuild to move beyond the business-as-usual operating methods to define new more ambitious GHG emission objectives.

In 2021, Webuild formalised its commitment to defining objectives in line with the SBTi standard and presented its 2030 reduction targets for validation.

The "Performance and targets" section provides a detailed description of the Group's programmes to reduce its GHG emissions associated with its construction business.

Decarbonisation of works

A steady reduction in GHG emissions associated with infrastructure projects developed by the Group is the third area of its Climate Strategy.

While work site decarbonisation aims to reduce emissions generated during the construction work, the works decarbonisation entails decreasing the emissions from the permanent materials used to build the infrastructure and the emissions generated by its use.

It is essential that the entire value chain from the investors to the clients, designers, regulators and supply chain, and not just Webuild, be fully engaged and committed to achieving this objective.

Webuild has honed its expertise in the field in the construction of infrastructure in line with eco-design and construction frameworks, certified in accordance with LEED, GSAS, IS, Envision and other standards. Such approach means the Company's projects are evaluated over their entire life cycle to identify and develop integrated energy efficiency and decarbonisation solutions, right from the design stage.

The Group's objective is to make this approach standard, progressively incorporating it into new business initiatives irrespective of the adoption of eco-design & construction formats.

When agreed with the client and allowed by local technical regulations, Webuild intends to build increasingly low-carbon infrastructure, thereby decreasing its indirect emissions (scope 3).

⁶⁵ See note 32.3 "Leases and maintenance" in the notes to the consolidated financial statements for information on the denominator.

It has defined a roadmap and specific initiatives for these scope 3 emissions (see the “Performance and targets” section).

Governance

The board of directors and its committees oversee the Company’s climate change policies and performance.

The board committees most involved in this process are the Control, Risk and Sustainability Committee and the Compensation and Nominating Committee.

Specifically, the former committee, comprising six independent directors, regularly reviews the Company’s ESG performance, including in relation to climate change as well as the related plans and actions. It also supervises the internal control and risk management system.

In 2021, Webuild rolled out the 2021-2023 ESG Plan which includes various climate change programmes and targets, tied to the long-term incentive plan (the 2020-2022 LTI plan) introduced in 2020, which also includes a specific GHG emissions intensity reduction objective (scope 1&2).

At the end of the year, the board of directors approved the Sustainability-Linked Financing Framework which formalises the inclusion of climate criteria in the Group’s funding strategy. It defines the guidelines the Company is committed to when issuing new financial instruments linked to specific carbon intensity objectives.

At management level, oversight of climate aspects is guaranteed by all the headquarters units involved (in line with the Company’s matrix organisational structure), which in turn coordinate the peripheral units.

Specifically, senior management adopts the Climate Strategy and targets proposed by the Corporate Social Responsibility Department.

In order to define and monitor progress on the Group’s main decarbonisation programmes, it has set up various interdepartmental and interdisciplinary teams at headquarters level since 2018, including:

- CLEF (Climate and Energy Efficiency) team⁶⁶, which researches, tests and introduces new solutions and technologies to reduce scope 1 and 2 GHG emissions;
- LCO (Life Cycle Optimisation) team⁶⁷, focused on researching, testing and introducing new solutions and technologies to reduce scope 3 GHG emissions.

Between 2018 and 2021, the CLEF team has mostly engaged in developing and testing solutions to make the excavation activities more efficient as they are one of the most energy intensive areas of the large infrastructure sector. The LCO team worked mainly on optimising the use of cement and concrete and developing new low-carbon solutions, including together with the supply chain.

⁶⁶ Comprising the Plant and Equipment (Global Supply Chain) and Environment (HR, Organisation and Systems) units and the Corporate Social Responsibility Department.

⁶⁷ Comprising the Procurement (Global Supply Chain) and Environment units and the Bidding & Engineering and Corporate Social Responsibility Departments.

As planned, senior management set new absolute emission reduction objectives in 2021 to align with the SBTi standard and presented its 2030 reduction targets for validation.

Integration of climate criteria as an integral way of doing business entails raising awareness and technical expertise about the issue. Accordingly, during the year, the Company launched an internal communication campaign dedicated to ESG issues, including the World Environment Day celebrated in June. It also introduced a technical training course for all personnel developed in collaboration with the Turin Polytechnic.

Main climate-related risks and opportunities

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

	Limited reduction in emissions	Large reduction in emissions	Reduction in line with the Paris Agreement objectives
	RCP 6.0 ⁶⁸	RCP 4.5	RCP 2.6
IPCC (Intergovernmental Panel on Climate Change) scenario	GHG emissions continue to increase throughout most of the century, the average global temperature rises by well above 2°C, the acute effects (heat waves, landslides, flooding, etc.) and chronic effects (extreme temperatures and humidity, water stress, etc.) of climate change will become more frequent, significantly affecting economic activities	GHG emissions peak before mid century to then reduce slowly. The rise in temperature hovers around 2°C, the acute and chronic effects of climate change intensify	GHG emissions begin to decrease significantly to reach net zero during the century. The rise in temperature does not exceed 2°C compared to pre-industrial levels. The effects of climate change stabilise and economic systems are heavily affected by governmental climate policies

All the scenarios include a rise in the temperature and physical impacts caused by climate change but at different speeds and magnitudes. Webuild has identified and assessed the effects of the potential risks and opportunities based on these scenarios in the short-term (<2 years), medium-term (2-5 years) and long-term (>5 years).

The findings of the scenario analysis and the climate risk & opportunity assessment were shared and integrated into the Group's Global Risk Assessment process.

⁶⁸ RCP (Representative Concentration Pathway) 6.0, 4.5 and 2.6 are the three pathways adopted by IPCC for different GHG concentration trajectories used for research purposes and to develop the forward-looking models.

The main 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).

Main physical and transition risks

The Company has identified the following climate risk factors, the related potential impacts and mitigation methods:

Risk area	Type and description	Potential impact	Assessment and mitigation measures
Physical risks	<p>Acute risks</p> <p>Increase in frequency and severity of extreme weather events (landslides, flooding, storm surges, heat waves, etc.)</p>	<ul style="list-style-type: none"> • Damage to work site buildings and plants • Delays to work schedules <p><u>Expected risk timeframe:</u> medium to long-term</p>	<p><u>Low risk</u></p> <ul style="list-style-type: none"> • Insurance cover for assets • Work schedules defined on the basis of past experience and weather forecasts • Negotiations with clients about exceptional events (extension of the timeline and/or acceptance of higher costs)
	<p>Chronic risks</p> <p>Increase in temperature and humidity levels, changes in precipitation, rise in sea levels</p>	<ul style="list-style-type: none"> • Less availability of water in areas subject to water stress • Lower productivity due to environmental conditions <p><u>Expected risk timeframe:</u> medium to long-term</p>	<p><u>Low risk</u></p> <ul style="list-style-type: none"> • Site set-up, plants and work schedules defined on the basis of the local environmental conditions <p>As these risks will occur in the medium to long-term, no significant impact on assets is expected given the temporary nature of the Group's work sites</p>
Transition risks	<p>Policies, regulations and technology</p> <p>Increase in cost of raw materials due to higher carbon tax</p> <p>Transition from existing plant, machinery and materials to solutions with lower emissions</p> <p>Introduction of new regulations and specific techniques</p>	<ul style="list-style-type: none"> • Higher procurement costs (if the carbon tax is passed along the value chain) • Higher investment outlays to replace/upgrade construction plants and methods • Higher costs and investments to comply with new requirements/regulations <p><u>Expected risk timeframe:</u> short to medium-term</p>	<p><u>Medium risk</u></p> <ul style="list-style-type: none"> • Innovation programmes to increase the energy efficiency of plant and machinery, construction techniques and use of materials • Partnerships with the supply chain to jointly develop low emission solutions • Technical/environmental training courses for personnel involved in sensitive processes • Ongoing analysis of newly issued regulations to ensure compliance <p>These risks are systemic, affecting the entire sector and not just the Company.</p>

	<p>Market and reputation</p> <p>Greater demand from clients for low emission construction solutions</p> <p>Greater interest of the financial community and stakeholders in the Company's decarbonisation plans</p>	<ul style="list-style-type: none"> • Higher costs and investments needed to acquire and adopt low emission methods and solutions • Less support from stakeholders if they consider the decarbonisation strategies and plans to be inadequate <p><u>Expected risk timeframe:</u> short to medium-term</p>	<p><u>Low risk</u></p> <p>In addition to the above measures:</p> <ul style="list-style-type: none"> • Definition of a Climate Strategy and decarbonisation roadmap • Definition and introduction of science-based emission reduction objectives • Link between emission performances and financing instruments (sustainability-linked bonds) and management's variable remuneration (LTI plan)
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Key opportunities

As well as being a source of potential risks, climate change can create opportunities for the Group, such as those listed below.

Business growth

The steady introduction of policies and regulations to accompany and accelerate the climate transition is an important lever to generate new business opportunities.

The Group already plays a leading role in the development of infrastructure that contributes to both climate objectives defined by the international community:

<p>Mitigation</p> <p>(reduction in GHG emissions)</p>	<p>Railways, metros, light rail, hydroelectric plants, high-performance buildings and civil structures</p>
<p>Adaptation</p> <p>(resilience to the effects of climate change)</p>	<p>Hydraulic projects, drinking water, desalination and water treatment plants, roads (including bridges and tunnels) and sea works</p>

These business areas will continue to offer strong growth potential in the coming years, bolstered by the state investment plans rolled out in the main markets of strategic interest to the Group, given their capacity to contribute to the achievement of the Paris Climate Agreement objectives and the SDGs.

The importance of improving the resilience of Europe's critical infrastructure

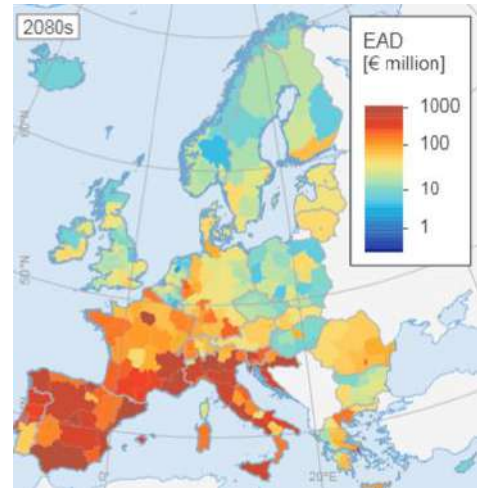
The extreme climate events of the coming decades could have a particularly strong impact on European infrastructure.

According to a study carried out by the European Commission⁶⁹, 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.

The funds earmarked by the EU as part of the EU Green Deal and NextGenerationEU become increasingly vital as they can be used to finance change in a sector that has been penalised by insufficient investments in maintenance and modernisation over the past decades.



Efficiency of operating processes

The growing demand for low GHG emission construction solutions and methods by the market has driven innovation and the development of partnerships with the supply chain. The introduction of new processes and related technologies makes it possible to decrease energy and materials consumption, as well as emissions, generating large cost savings.

As a result and notwithstanding its ongoing business growth, the Group has managed to steadily decrease its energy consumption and the use of the principal raw materials. This trend confirms the validity of its environmental strategy, reinforced with the introduction of Webuild's Climate Strategy, which includes:

- 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);

⁶⁹ Source: Escalating impacts of climate extremes on critical infrastructures in Europe, 2017, <https://www.sciencedirect.com/science/article/pii/S0959378017304077>

- 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 climate change and efficiency internal culture with employees through information, awareness raising and training programmes.

Performance and targets

The Group's carbon footprint

In 2021, Webuild updated its GHG emissions inventory to ensure full compliance with international standards, extending its reporting system to all the scope 3 emission categories while also applying the new reporting methods to previous years (2019 and 2020)⁷⁰.

GHG emissions (Scope 1 & 2) (GRI 305-1, 305-2, 305-3, 305-4)	Unit	2019	2020	2021
Scope 1 emissions	tCO _{2e}	385,691	358,733	311,272
Scope 2 emissions (market-based method)	tCO _{2e}	90,930	71,255	42,212
Scope 2 emissions (location-based method)	tCO _{2e}	85,173	68,252	38,574
Total scope 1 & 2 emissions (market-based)	t CO_{2e}	476,621	429,988	353,484
Intensity of scope 1 & 2 emissions	t CO_{2e}/€M	77	80	55

Scope 3 GHG emissions (GRI 305-3)	Unit	2019	2020	2021
Goods and services acquired	tCO _{2e}	1,827,973	1,697,170	1,552,130
Transportation of materials to the work sites	tCO _{2e}	251,731	278,131	289,301
Use of energy (upstream, not included in scope 1 & 2)	tCO _{2e}	99,333	90,745	107,213
Waste products	tCO _{2e}	36,823	31,134	58,904
Business trips and home-work commute of employees	tCO _{2e}	9,033	4,953	4,705
Total scope 3 emissions	t CO_{2e}	2,224,893	2,102,134	2,012,252

The above figures have been defined and calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and comply with the requirements of the Science Based Target initiative (SBTi). Specifically:

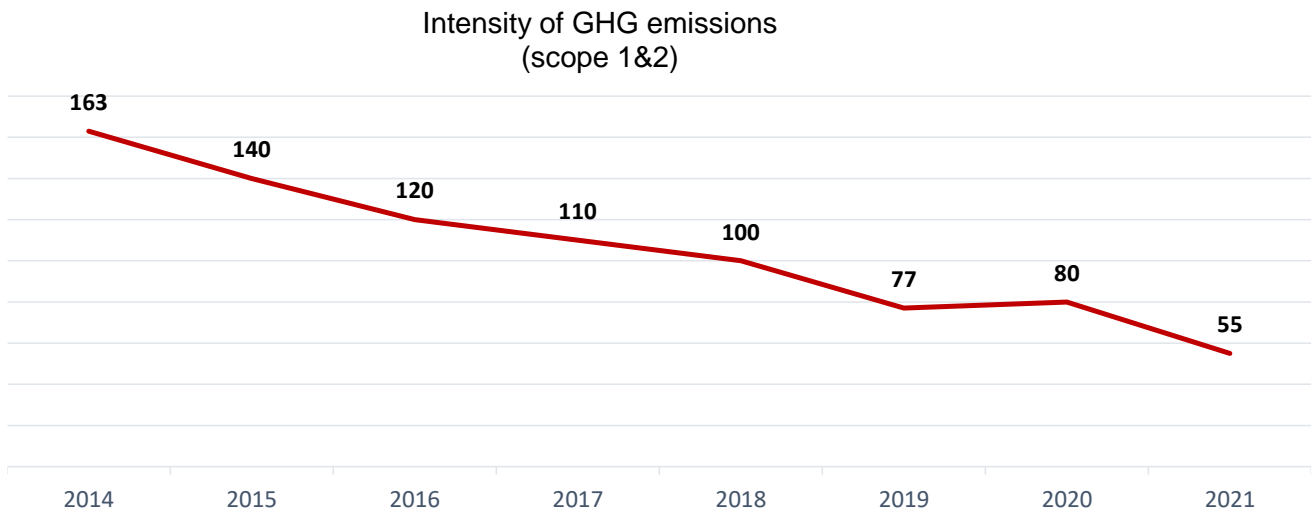
- Scope 1 includes emissions from sources controlled directly by the Group, i.e., from the use of fuel for vehicles, machinery and power generators, fugitive emissions deriving from the topping up of air

⁷⁰ Therefore, these figures have been restated and are not consistent with those shown in the 2020 Consolidated Non-financial Statement. The "Recalculation of environmental figures" paragraph of the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

conditioning systems, emissions deriving from the use of explosives for demolition and excavation activities;

- Scope 2 includes indirect emissions from purchased electricity;
- Scope 3 includes other indirect emissions generated by sources not owned or controlled by the Group. The emissions from goods and services purchased are the most significant and are largely influenced by the use of the principal construction materials (cement, steel, concrete). They are followed by emissions from transport, upstream energy, waste and the travel of head office personnel (in Italy and the US).

The graph below plots the intensity trend of GHG emissions (t CO_{2e} Scope 1&2/€M) and shows how it has improved over the past eight years⁷¹.



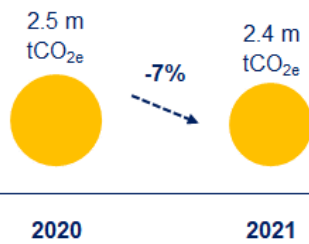
The large reduction in scope 1 and 2 emissions over the period is due to completion of some large projects, mainly in the Middle East (Kuwait and Qatar) where diesel is the main fuel used in the work sites. This reduction has been offset to a small degree by the start-up of newly acquired projects, whose ramp-up will be reflected in the emissions of coming years.

It is important to note that the infrastructure for which the Group generates emissions during their construction in turn generates benefits that are very significant in terms of avoided or reduced emissions once they have been rolled out. In addition, while the emissions generated by the Group are temporary (as they only take place during the construction period), the environmental benefits arising from the use of the infrastructure are nearly permanent given that many works have a useful life of between 80 to 100 years if not longer, as shown in the next graph.

⁷¹ The 2019 and 2020 figures have been recalculated using Astaldi's pro forma revenue, as shown in its information documents published on its website. In addition, since 2021, the indicator is also calculated using the market-based method (for scope 2).

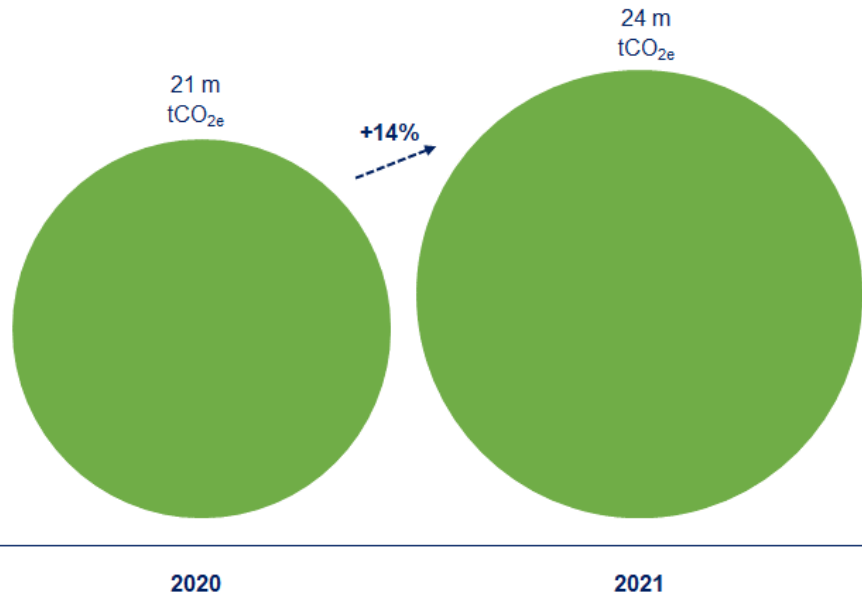
The Group's carbon footprint

(Scope 1-2-3 emissions generated)



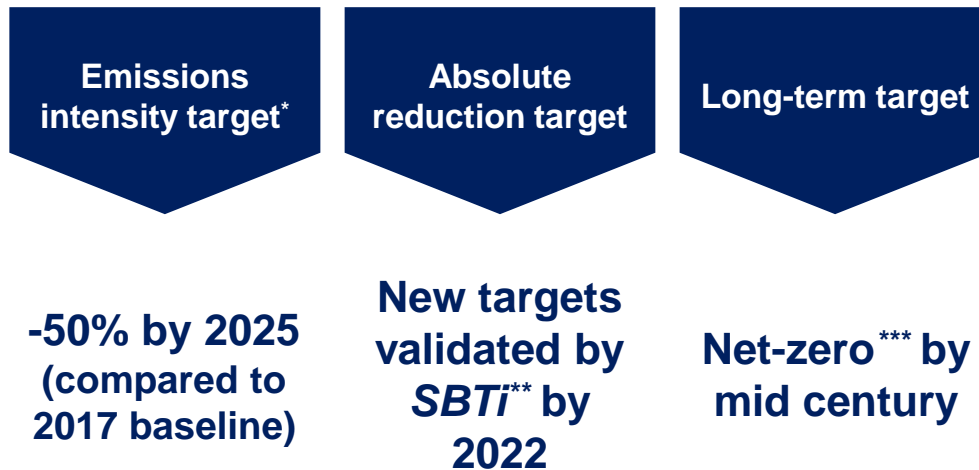
Contribution to mitigation of climate change

(annual emissions avoided by hydroelectric projects and metro lines)



Emissions reduction target

As described in the “Climate strategy” section, Webuild has designed a roadmap to steadily reduce its GHG emissions with the following short, medium and long-term targets:



* In terms of t CO_{2e} scope 1&2/€M. Scope 1 (emissions from fuel, explosives and refrigerant gases), scope 2 (emissions from electricity purchased, market-based method)
 ** Science-Based Target initiative
 *** State of no impact on the climate, obtained by reducing emissions and neutralising any residual emissions difficult to eliminate

In 2021, Webuild formally committed to its SBTi targets, presenting its scope 1 & 2 and scope 3 emission reduction targets for validation. It will publish these targets once it has obtained their validation.

These reduction targets are supported by an action plan defined during the year.

Webuild's main intervention levers to reduce scope 1 & 2 emissions are:

- the gradual transition from diesel generators at work sites to their connection to electricity grids;
- improving the efficiency of the vehicle fleet
 - by steadily replacing existing vehicles with low emission models, introducing hybrid and/or electric vehicles
 - use of conveyor belts to move excavation materials at the work sites instead of lorries
 - progressive adoption of high efficiency catalytic systems on site vehicles
 - introduction of real time consumption monitoring systems for vehicles and machinery;
- making plant, equipment and electrical systems more efficient,
 - by adopting power quality solutions able to stabilise electrical loads and reduce consumption in the work sites
 - ongoing deployment of “green” TBMs, i.e., machines engineered specially by Webuild together with the manufacturers for lower energy and water consumption compared to that of the traditional machines (see the “Company organisation - Innovation, research and development” section for more information)
 - development of environmentally-friendly robotic prefabrication systems, engineered specifically by Webuild with the manufacturers, which comply with the circular economy principles through the more efficient use of energy, water and materials
 - introduction of predictive maintenance systems, able to identify inefficiencies in the operation of work site equipment and improve maintenance cycles
 - ongoing deployment of ventilation systems in tunnels that operate with automated pollutants controls, able to make energy consumption more efficient and provide better air quality
 - progressive introduction of renewable production systems at the work sites, such as photovoltaic and mini-hydroelectric systems;
- utilisation of renewable energy by purchasing electricity from renewable sources and fuel with blends of renewable components (e.g., biodiesel).

As the emissions from the use of the principal construction materials (cement, concrete, steel) make up more than two thirds of the Group's scope 3 emissions, Webuild will focus on them to define its reduction target in line with the requirements defined by SBTi.

The main intervention levers to reduce its scope 3 emissions are:

- deployment of low emission construction materials (generated during their production), specifically
 - transition to low-carbon cement and concrete
 - transition to steel with high recycled content;
- development of processes to optimise infrastructure design, to achieve
 - optimisation of quantities of materials used during construction, thanks to value engineering solutions and/or innovative materials

- the utilisation of alternative low emission solutions (such as steel fibre instead of traditional metal reinforcements).

Webuild has also committed to reducing, where possible, its indirect emissions (scope 3) generated by its related activities, such as transport, waste production and personnel movements. Specifically:

- its procurement policy is designed to maximise purchases from local suppliers (91% in 2021), cutting out the need for long transport journeys and minimising the associated emissions. When goods are not available on the local market, the Group prefers to ship materials and machinery by sea as this is the means of transport with the lowest associated emissions;
- its environmental policy (see the relevant section) targets the steady increase in waste sent for recycling and reuse to minimise atmospheric emissions compared to waste sent to landfills or to waste-to-energy plants;
- with respect to reducing personnel movements
 - the Group has equipped its offices and work sites with video conference systems which significantly reduced the number of business trips even before the pandemic's onset
 - it has introduced extensive remote working programmes to deal with the Covid-19 emergency
 - its travel policies favour travelling by train rather than by plane and the use of public transport rather than taxis
 - the Italian head offices have a mobility manager who regularly draws up a home-office commuting plan
 - when possible, contracts have collective transport methods (buses) for blue collars and car-pooling for white collars at the work site offices.

Energy consumption

Energy requirements are the main source of GHG emissions at the work sites.

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.

The following tables show its energy consumption⁷² and the initiatives taken to reduce the related GHG emissions:

⁷² The "Recalculated environmental figures" paragraph in the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

Energy consumption (GRI 302-1, 302-2, 302-3)	Unit	2019	2020	2021
<i>Non-renewable energy sources</i>				
Diesel	GJ	4,972,867	4,547,812	4,098,364
Petrol	GJ	225,963	220,991	205,202
Kerosene	GJ	3,105	975	2,807
Natural gas and LPG	GJ	24,425	29,024	25,228
Electricity	GJ	575,359	499,595	370,161
Total consumption from non-renewable energy sources	GJ	5,801,718	5,298,396	4,701,761
<i>Renewable energy sources</i>				
Electricity from renewable sources	GJ	148,742	198,772	196,359
Total internal energy consumption	GJ	5,950,460	5,497,168	4,898,120
Energy consumption - subcontractors	GJ	904,849	1,146,475	1,705,414
Total	GJ	6,855,308	6,643,643	6,603,534
Energy intensity	GJ/€M	1,117	1,251	1,029

The Group's overall energy requirements have decreased compared to 2020. Consumption from the main energy sources (diesel, petrol and electricity) was affected by the reduction in activities for the contracts nearing completion (mostly in the Middle East), only partly offset by the greater volume of activities carried out for the projects in Europe, the US and Australia.

In 2021, 35% of the electricity consumed by the Group came from renewable sources (28% in 2020).

Over the last three years, initiatives have been rolled out to improve the energy efficiency of industrial processes, to adapt current production processes, to change the current energy sources used, to adopt less polluting logistics options and to introduce awareness campaigns for employees.

GHG emission reduction initiatives	Unit	2019	2020	2021
Active initiatives	n.	15	13	22
Reduction in GHG emissions	t CO ₂ e	52,253	78,979	73,704

In addition to the active initiatives shown in the table, the Group has planned initiatives as part of its strategy to reduce emissions described in the previous section.

Given the current situation with rapidly fluctuating energy costs, these ongoing and planned initiatives are very important as they will allow the Group to obtain significant savings.



Environment

Optimisation of the use of natural resources, protection of the environment and biodiversity for increasingly sustainable work sites

Circular Economy

focus on reuse, recycling and reduction of waste

68%

low-carbon steel used

98%

reused excavated materials

71%

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, including of an innovative nature, 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;
- engagement with the community and stakeholders.

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, air or biodiversity) 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).

Environmental management systems and certifications

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 any significant negative environmental impacts are properly identified, managed and mitigated and positive impacts seized as opportunities, 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).

The certification 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.

Environmental risk identification, assessment and management

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), emergencies (e.g., fire, spills). Identification of the significant environmental aspects includes an analysis of the main effects of the contract work and other activities on the different environmental components:

- 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 that also allow an assessment of the mitigation actions' effectiveness;
- specific instructions for the different method statements applied in order that the related impacts can be mitigated and monitored and improvement actions taken.

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.).

Organisational oversight

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 Quality 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 components 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. Partly to this end, the figures for 2019 and 2020 have been recalculated compared to those shown in the 2020 Consolidated Non-financial Statement, to include Astaldi's environmental performance⁷³. Overall, the main environmental indicators increased in 2021, reflecting the recommencement of works which had been strongly affected by Covid-19 in 2020.

The local area and the circular economy

At the end of 2021, the Group's work sites included in the scope of this Statement included 681 operational sites, of which 131 underground, for a total surface area of 160,397,970 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 areas
Africa	m ² / %	22,424,500	0%	0%
Europe	m ² / %	22,395,629	11%	6%
Americas	m ² / %	71,677,370	66%	4%
Asia and Oceania	m ² / %	43,900,471	18%	1%
Total	m² / %	160,397,970	36%	3%

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, USA 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 a railway project in Romania and two Italian projects (Cociv and Line 4 of the Milan Metro).

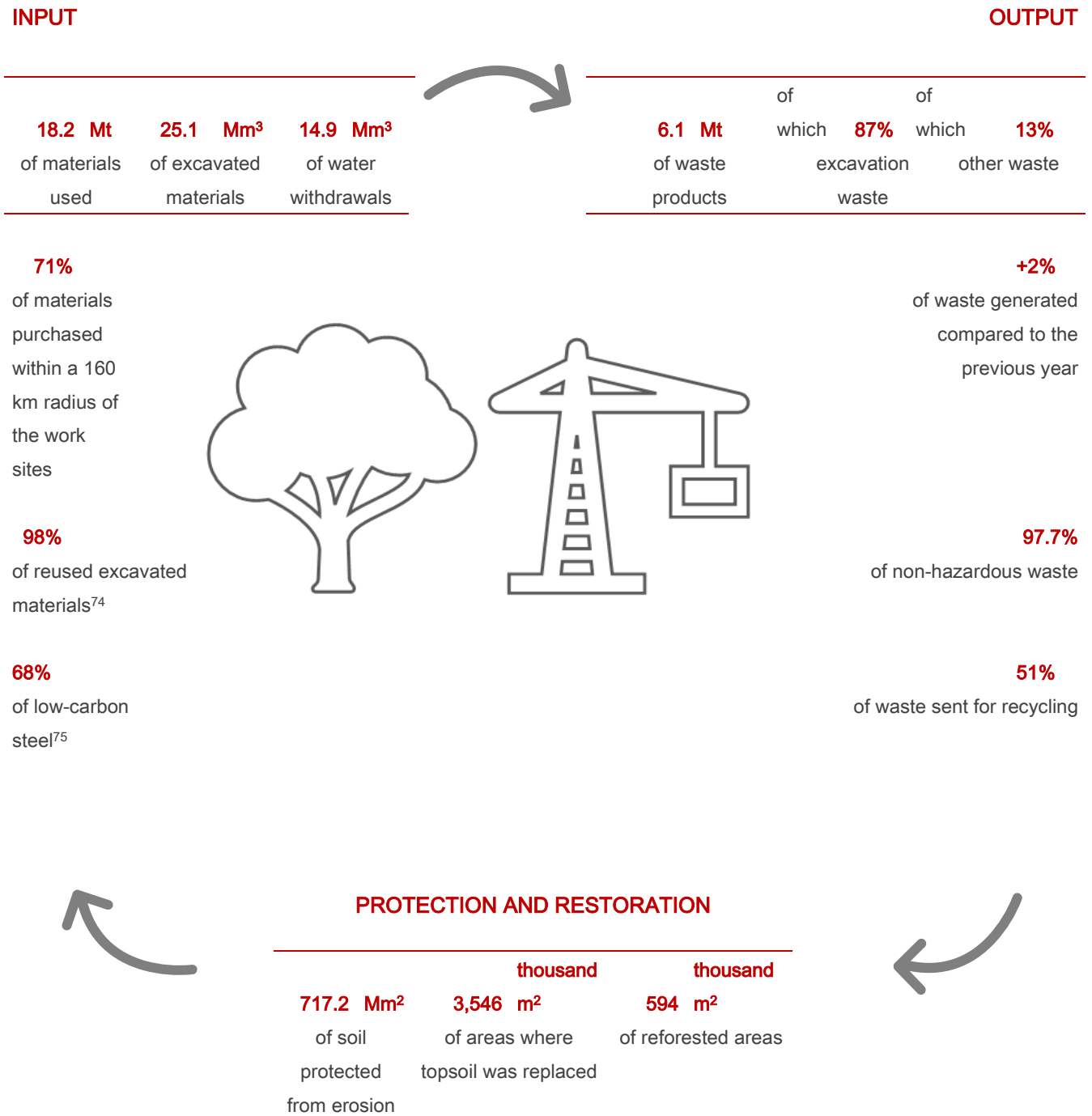
The projects in protected areas (or partly within them) in Asia and Oceania are Umm Lafina in the United Arab Emirates and Snowy 2.0 in Australia.

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

⁷³ The "Recalculated environmental figures" paragraph in the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

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.

⁷⁴ The materials reused during the year may include excavated materials from previous years.

⁷⁵ Steel with high recycled content (equal to or higher than 90%)

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.

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.

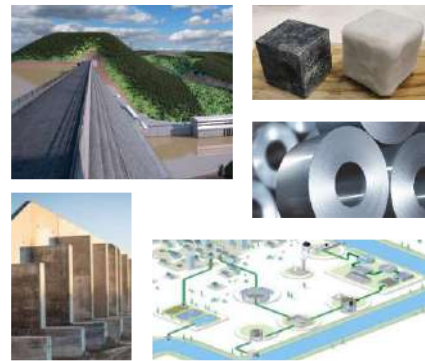
With respect to water resources, the Group is mainly involved in the development of storm water, industrial and drainage recovery systems to reduce the quantities of raw water and/or drinking water required at the work sites.

Innovative solutions to reduce materials and water footprints

As described in the “Climate change” section, the use of cement, concrete and steel at Webuild’s projects is responsible for most of the Group’s indirect GHG emissions (scope 3).

Webuild is engaged on all fronts to optimise the use of these materials at its work sites by:

- value engineering processes to decrease the quantities of materials used;
- development of special optimised concrete mixes with a low cement content or that include cement substitutes from other industrial sectors (e.g., the iron and steel sector) to allow a reduction in the use of cement of up to 65%;
- greater use of steel with a higher recycled content (including above 90%).



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 water resources. This will assist detection of water losses and immediate resolution, identification of waste and the reduction of water consumption and water efficiency.

The main raw materials used by the Group are shown in the tables below⁷⁶:

Materials used (GRI 301-1)	Unit	2019	2020	2021
<i>Principal construction materials</i>				
Bitumen	t	142,567	47,570	27,844
Cement	t	490,790	484,637	527,145
Concrete-reinforcing bars	t	243,436	179,758	173,681
Ready-mixed and pre-cast concrete	t	3,950,022	4,175,879	4,353,389
Ready-mixed asphalt	t	591,229	740,851	486,530
Total construction materials	t	5,418,044	5,628,695	5,568,590
<i>Aggregates</i>				
Aggregates and sand	t	9,488,392	11,411,623	12,584,211
Total aggregates	t	9,488,392	11,411,623	12,584,211
Water use (GRI 303-1)	Unit	2019	2020	2021
Wells	m ³	4,966,216	3,398,594	3,467,299
Rivers	m ³	5,099,717	6,882,593	9,562,130
Lakes	m ³	-	29,790	117,865
Aqueducts	m ³	4,229,675	2,389,843	1,642,059
Rainwater and wastewater from other organisations	m ³	36,158	63,455	140,357
Total	m³	14,331,766	12,764,275	14,929,711

The main variations on the previous year relate to the progress made on the Group's projects. Specifically, the reduction in aggregates and bitumen is mostly due to this sale. The decrease in the principal construction materials (-1% on 2020) is mainly a result of progress on the projects in the Middle East and the US, partly offset by the increase seen on the Italian projects.

The rise in the use of aggregates is mostly attributable to the greater activities carried out for Lane's projects in the US and for the projects in Ethiopia and Colombia.

There was a 17% increase in water resources utilisation in 2021, mostly due to the greater withdrawals from rivers for the Rogun Dam (Tajikistan) and the GERD and Koysya projects (Ethiopia) and from lakes for the Snowy 2.0 project (Australia).

With respect to the circular and green economy, during the year, 71% 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 2021, 68% of the steel used was low-carbon, i.e., with a recycled content of 90% or more. The Group also used 7.5 thousand tonnes of fly ash (14.4 thousand tonnes in 2020) and water recycled and reused in production processes of 1.3 million cubic metres (1.5 million cubic metres in 2020).

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

⁷⁶ The "Recalculated environmental figures" paragraph in the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

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).

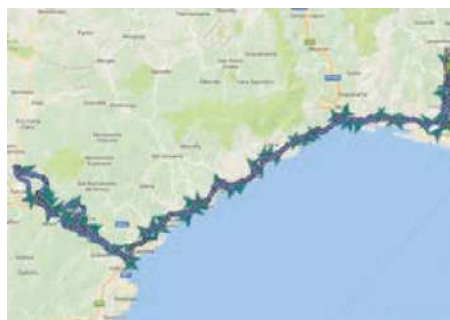
Contracts are managed to avoid damaging these environmental components. Specifically, containment tanks, wastewater conveying networks and waterproofing systems for risky logistic areas (e.g., workshops, fuel and chemical depots) are built during the work site start-up phase to prevent contamination 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 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 possible reuse within them, where possible and in compliance with the regulations, or transferred to third parties to be reused externally. In 2021, reused excavated materials⁷⁷ amounted to 24.6 million cubic metres (26.2 million cubic metres in 2020), 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 2021, areas where measures to protect against erosion have been implemented covered 717.2 million square meters (2020: 97.6 million square metres).

⁷⁷ These materials may include materials excavated in previous years.

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 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 it is 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 is shown in the following table⁷⁸:

Waste by activity (GRI 306-3)	Unit	2019	2020	2021
Construction and demolition waste	t	469,111	607,955	629,824
Excavation waste	t	7,262,294	5,247,569	5,298,227
Waste from support activities	t	101,876	105,030	148,946
Total non-hazardous and hazardous waste	t	7,833,282	5,960,554	6,076,998

Waste by type and destination (GRI 306-3)	Unit	2019	2020	2021
<i>Non-hazardous waste</i>				
Recovery, reuse and recycling	t	5,849,119	4,845,193	3,010,694
Incineration	t	943	6,329	1,257
Landfill	t	1,864,773	1,027,233	2,923,553
Total non-hazardous waste	t	7,714,836	5,878,756	5,935,504
<i>Hazardous waste</i>				
Recovery, reuse and recycling	t	105,248	61,102	103,238
Incineration	t	1,848	208	5
Landfill	t	11,350	20,488	38,250
Total hazardous waste	t	118,446	81,799	141,494
Total non-hazardous and hazardous waste	t	7,833,282	5,960,554	6,076,998

87% of the waste produced is from excavations, which thus affects Webuild's global waste performance. It is classified as waste in line with the applicable regulations and its possible internal and/or external reuse, which

⁷⁸ The "Recalculated environmental figures" paragraph in the "Methodology for reporting non-financial information" section includes comparative tables showing the recalculated figures and those of the approved 2020 Consolidated Non-financial Statement.

varies depending on the projects' characteristics and the material's geotechnical characteristics which the Group cannot influence.

The slight increase in waste in 2021 compared to the previous year is mostly due to the start-up of recently acquired projects in Europe and the progress made on the Koysha project in Ethiopia, partly offset by the reduction in waste on Middle East projects.

The percentage of waste recovered, reused and recycled is 51% 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 on 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.

Tailored plans are implemented for the protection of endemic and endangered species which provide for barriers/check points, work procedures, response and reporting procedures. The site employees are provided with the appropriate training courses.

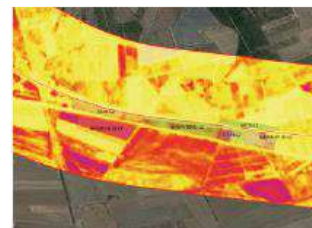
The Group also involves external professionals, researchers and local authorities in its procedures to manage operations in protected areas and/or when archaeological artefacts are discovered. For example, Webuild implemented an intensive system to monitor and protect the local flora and fauna at the Umm Lafina project in the United Arab Emirates, which is located in a coastal protected area with mangroves and a very diversified avian fauna. This system includes regular surveys by an independent specialist to monitor migratory birds. Webuild shared a special plan for the management of the mangroves with the authorities. This covered their movement, the planting of new plants previously grown in a nursery, and the monitoring of their well-being once they have been re-planted, with the requirement of a survival rate of at least 80%.

The Group ensures that 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 2021, 36% (2020: 25%) of the areas managed by the Group was located in protected areas and 3% (2020: 2%) in areas adjacent to protected areas⁷⁹.

Specifically, 81 work sites (the equivalent of 57.7 sq km) were located in protected areas (mostly in the US, followed by Italy, Australia, Chile and Poland) and 22 (the equivalent of 4.2 sq km) in areas adjacent to protected areas (mostly in the US, followed by Australia and the United Arab Emirates). Of these sites, 28 are in areas protected by local regulations, 21 in areas protected by national regulations and 50 in “Natura 2000” areas. There are 63 work sites located in ecosystems that contain water (e.g., lakes, rivers, swamps, etc.), seven in urban ecosystems, two in agricultural ecosystems, 16 in wood ecosystems, ten in mountain ecosystems, four in coastal ecosystems and one in an insular ecosystem. 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.

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

(GRI 304-3)	Unit	2019	2020	2021
Reforested area	m ²	188,140	159,506	593,973
Areas where the topsoil was replaced	m ²	710,295	8,625,836	3,545,662

⁷⁹ 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”.

The decrease in topsoil replacing activities compared to 2020 is mostly due to the performance of Lane's projects. The increase in reforestation activities relates to the specific stages of work on the projects in Colombia, the United Arab Emirates and Ethiopia. In 2021, the Group planted 264,618 trees (various species in Colombia and Ethiopia and mangroves in the United Arab Emirates).



Anti-corruption

Prevention and monitoring systems in line with the most stringent international standards

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.

Anti-corruption System

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.

Main risks

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.

Organisational and management oversight

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. In 2021, 100% of the legal entities making up Webuild Group were included in the Anti-corruption risk assessment scope. 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 2021, 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 programmes⁸⁰.

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.

Whistleblowing system

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. 2021/47 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 2021, the Company received ten 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. Most of the notifications received lacked key information or were too general making it impossible to perform targeted investigations.

Training

The Company requires that all new employees receive the mandatory Anti-corruption training as part of a broader Compliance programme. During 2021, 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 continued its annual certification process whereby all employees are asked to formally renew their commitment to the Company's Code of Ethics and Anti-corruption Model and to confirm that they have never been involved in conflict of interest situations.

⁸⁰ More information is available in the "Stakeholder engagement" paragraph of the "Social" section.

Monitoring and reporting

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 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

Quality partnerships and ongoing performance improvement to take on market challenges together

15 thousand suppliers

that worked with Webuild in around 70 countries

>164 thousand hours

HSE training provided to subcontractors' employees

Innovation Days

to encourage collaboration with innovative suppliers and partners

Improving vendor rating index⁸¹

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.

⁸¹ Internal supplier rating system

Main risks and management methods

In 2021, the Group worked with around 15 thousand suppliers⁸² 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.

Selection and qualification

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 allow the Company to obtain information about and assess 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 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.

⁸² Prudent figure that does not include all the Astaldi Group entities. Specifically, it includes the suppliers of the entities that had completed the ongoing Information system integration at the end of 2021.

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 2021, the Corporate Procurement Department vetted 6,490 potential suppliers to verify their integrity, classification of their know-how and reference lists with positive results for 94% of the applicants which were included in the suppliers register.

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.

Monitoring and performance assessment

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 2021, these assessments involved more than 20 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 86/100 (an improvement on the 80/100 of 2020), 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 (161,037 hours in 2021).

Involvement

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. At the start of 2021, the Group launched a programme to support the supply chain, Supplier Development Hub, to share its know-how, experience and solutions to accelerate innovation and sustainability in the infrastructure sector. This programme, hosted on a collaboration platform, involved workshops and webinars designed specifically about innovation and sustainability for the Group's suppliers.

The Company continued its innovation days in 2021, 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 2022.



Social

Economic development of local areas, ongoing engagement with stakeholders, support to communities: the shared value generated by the Group

84% direct employees hired locally	91% local procurement
7 jobs created for each direct group employee	≈14,000 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, 84% of the 30,798 direct employees were hired locally in 2021.

Direct employees hired locally	Unit	2019	2020	2021
Africa	%	96%	96%	96%
Europe	%	84%	90%	85%
Americas	%	96%	98%	96%
Asia and Oceania	%	26%	38%	42%
Average	%	69%	82%	84%

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 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 2021, local managers made up 73% of the total, reaching 98% in Italy. 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 43,307 at 31 December 2021⁸³.

⁸³ Excluding Lane.

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 2021, the Group maintained a strong relationship with its local supplier chain, working with roughly 15,000 suppliers for an average 91% of its expenditure made with local suppliers.

Local procurement (GRI 204-1)	Unit	2019	2020	2021
Africa	%	43%	47%	28%
Europe	%	97%	99%	94%
Americas	%	99%	99%	100%
Asia and Oceania	%	93%	84%	87%
Average	%	94%	91%	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.

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 behaviour, 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 2020⁸⁴ in the main geographical areas where it operates is provided below.

⁸⁴ This is the most recent year for which information is available. More details are provided in the GRI Content Index (disclosure 207-4).

Area	Tax jurisdiction	Revenue from sales to third parties	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, CG, GW, LR, TZ	339	10	26%	-20	-48	10,014	32
Americas	BR, CL, EC, DO, PA, US, AR, CA, CO, PE, VE, BO, CR, SV, GT, HN, MX, NI, PY	1,264	101	24%	-10	-3	5,648	116
Asia and Oceania	AE, KW, QA, OM, JO, KZ, SA, TJ, MY, AU, IN, ID, IR, SG	1,221	239	19%	-9	-0.1	6,613	216
Europe	AL, CH, RO, PL, GE, GB, CZ, UA, IT, TR, SK, AT, GR, FR, DK, ES, NO, NL, BG, RU, SE	2,281	828	19%	-11	-15	6,895	120

€m

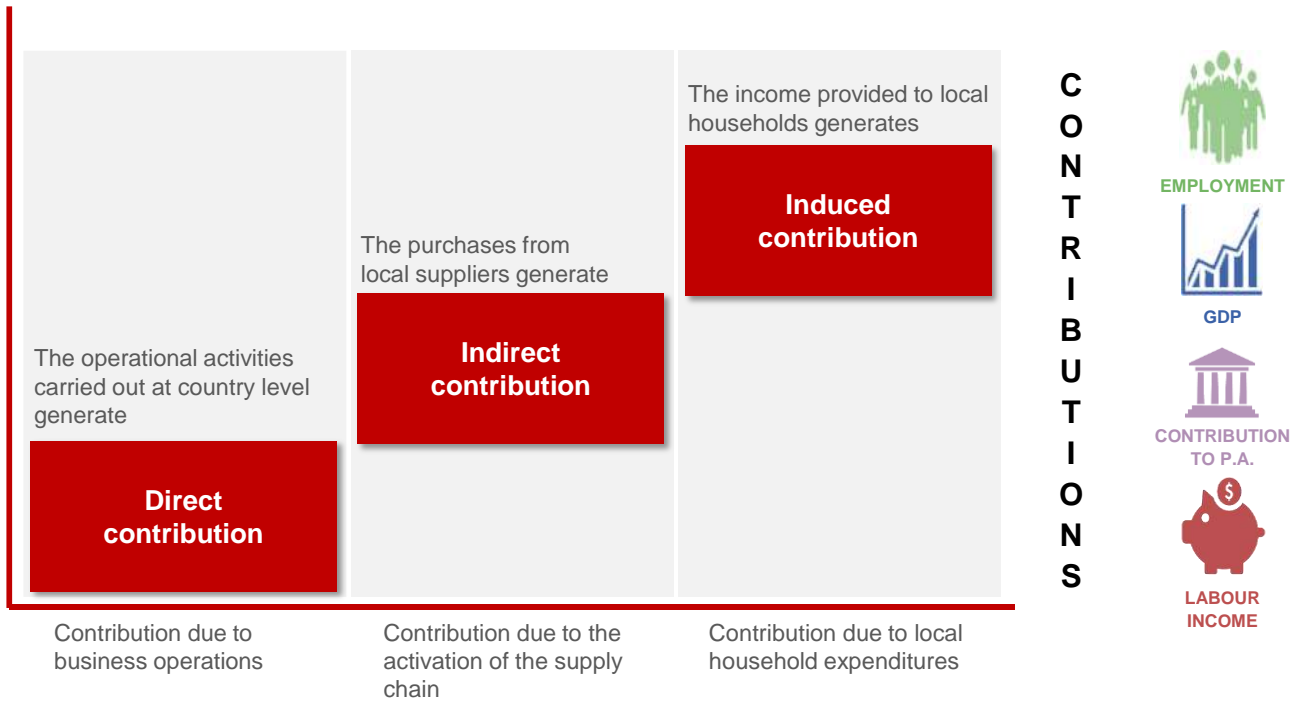
Contributions to local economies

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.

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 families⁸⁵.

The following graph presents the SEED model.

⁸⁵ 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.



If just the Group's main markets⁸⁶ are considered, its average contribution to their economies, expressed as a multiple, is as follows:

- seven jobs created for each direct Webuild employee;
- €3.5 of work income distributed for each Euro paid by the Group;
- €3.6 of GDP for each Euro of added value generated by Webuild;
- €7.9 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.

Many studies⁸⁷ 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 children, triggering intergenerational social mobility mechanisms.

In this respect, the Group provided 561,445 hours of training to its direct employees and those of its subcontractors in 2021.

⁸⁶ Italy, USA, Australia, Ethiopia and Saudi Arabia.

⁸⁷ 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.

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 43 initiatives in 2021 for €2.6 million (2020: roughly €1.1 million).

The most sizeable initiatives were carried out in Italy both at corporate and branch level, the US (by Lane) and Ethiopia, mostly for social, environmental, cultural and educational purposes.

Other initiatives include the customary free healthcare provided to local communities by work site clinics in Ethiopia and Tajikistan, as well as that started in Argentina, Saudi Arabia, Chile and Australia (Snowy project) this year. Specifically, 6,498 medical check-ups (2020: 5,922) were given and 13,607 health interventions (2020: 7,413).

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	Labour practices 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 abroad⁸⁸.

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:

<i>Channel</i>	<i>Activity</i>
Face to face communication	
Meetings, presentations, focus groups, workshops, interviews, consultations, career days, public events	>12,000 people involved in more than 1,600 meetings with the local communities and their representatives >3,000 people visited the Group's projects during roughly 500 open door events >1.3 million people were involved in about 5,200 information campaigns about the Group's projects
Digital communication	
Company websites, intranet, magazines, webinars, surveys, social media	1.5 million visits to the Group's website 1.3 million interactions on the Group's social media 68 million impressions on the Group's digital touchpoint

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.

⁸⁸More 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.

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 considers this risk to be immaterial given also that it carries out most of its operations in low-risk countries and no such events have happened recently. However, the Group constantly monitors stakeholder expectations about the projects it is involved in so that it can build transparent relationships of mutual trust, also in order to monitor and 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.

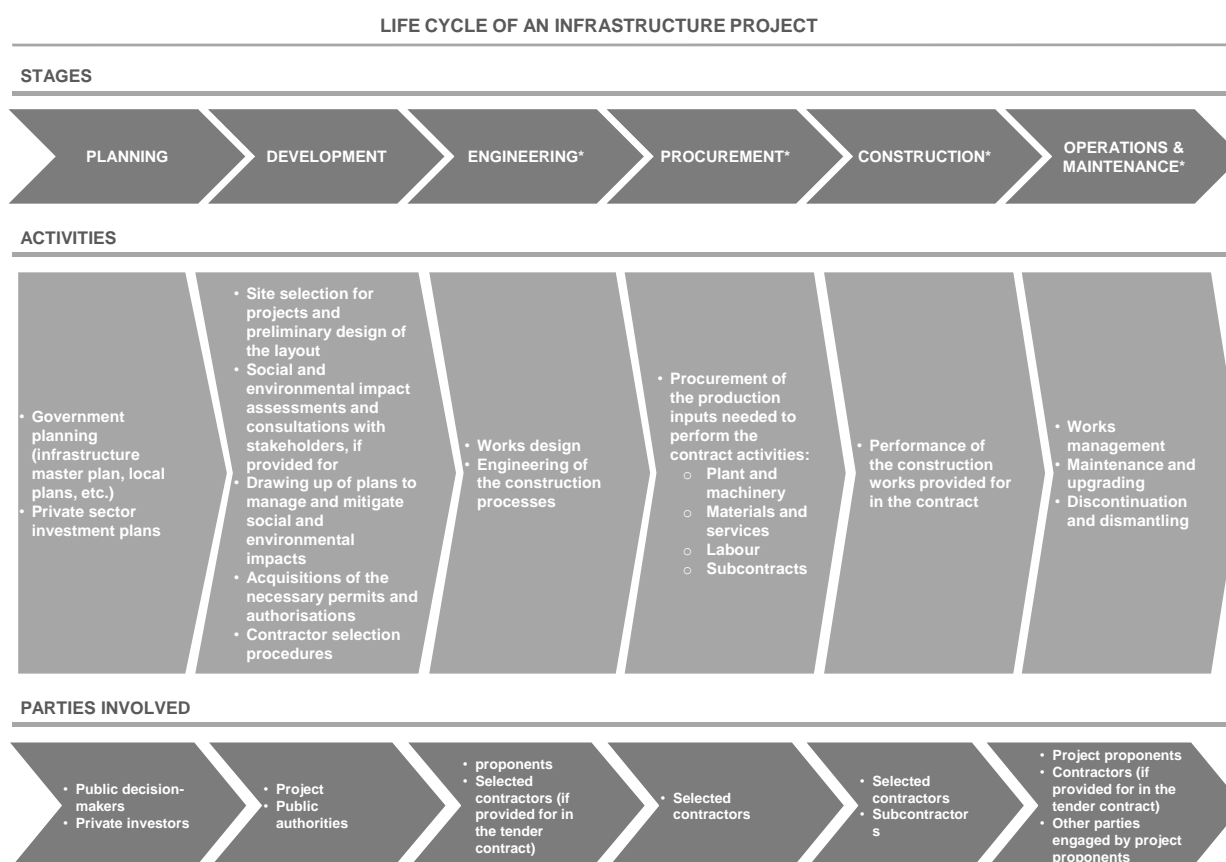
Standards applied

This 2021 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, SGDs), 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, investors, NGOs and ESG experts;
- approval of the material topics by management involved in non-financial reporting and checks of the materiality matrix by the Control, Risk and Sustainability Committee.

In 2021, the materiality analysis involved roughly one thousand parties from the above categories that confirmed the materiality of the topics shown in the matrix presented in the "Introduction" section, in line with the analysis performed in 2020.

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, Indirect economic impacts and Privacy	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 topics of innovation and cyber security, identified as material during the analysis, as they are not required by Legislative decree no. 254/2016 or the GRI Sustainability Reporting Standards. However, this Statement includes the topics 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-consolidated 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 2021 Statement's scope for which a non-financial reporting system was implemented is given below:

Name	Country	Name	Country
Webuild S.p.A.*	Italy	Nuovo Ospedale Sud Est Barese S.c.r.l. - NOSEB S.c.r.l.*	Italy
AGN HAGA AB*	Sweden	S. Agata FS S.c.r.l.*	Italy
Capodichino AS.M. S.c.r.l.*	Italy	SA.PI. NOR Salini Impregilo - Pizzarotti J.V.*	Norway
CDE S.c.a.r.l.*	Italy	Salini Australia PTY Ltd.*	Australia
Consorzio COCIV*	Italy	Salini Impregilo - NRW Joint Venture*	Australia
Consorzio Hirpinia AV	Italy	Salini Impregilo - Tristar*	United Arab Emirates
Consorzio Iricav Due	Italy	Salini Impregilo Canada Holding Inc.*	Canada
Constructora Ariguani SAS*	Colombia	Salini Impregilo Civil Works*	Canada
Cossi Costruzioni S.p.A.*	Italy	Salini Impregilo S.p.A. - The Lane Construction Co Jose J. Chediack S.a. UTE*	Argentina
CSC Costruzioni S.A.*	Switzerland	Salini Nigeria L.t.d.*	Nigeria
CSI Simplon Consorzio*	Switzerland	Salini Saudi Arabia Company L.t.d.*	Saudi Arabia
DIRPA 2 S.c.r.l.*	Italy	SCI ADI Ortakligi*	Turkey
Fisia Italimpianti S.p.A. *	Italy	SCLC Polihali Diversion Tunnel J.V.	Lesotho
HCE Costruzioni S.p.A.*	Italy	Seli Overseas S.p.A.	Italy
Infralegrea Project S.p.A.*	Italy	Sirjo S.c.p.A.*	Italy
Lane Industries Incorporated*	USA	SLC Snowy Hydro Joint Venture*	Australia
Metro Blu S.c.r.l.*	Italy	T.E.Q Construction Enterprise Inc.	Canada
Napoli Cancellò Alta Velocità S.c.r.l.*	Italy	Thessaloniki Metro CW J.V.*	Greece
NBI S.p.A.	Italy		

*The entities marked with an asterisk in the above table were also included in the reporting scope of the 2020 Consolidated 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 Grand Ethiopian Renaissance Dam (Ethiopia), Koysha (Ethiopia), Bumbuna O&M (Sierra Leone), Urban Roads (Sierra Leone), Rogun Dam (Tajikistan), Saida - Tiaret Railway (Algeria), Normalizacion Hospital Base de Linares (Chile), Normalizacion Hospital Barros Luco Trudeau (Chile), El Teniente - Q3 (Chile), S2 - Warsaw Southern Bypass - Lot A (Poland), S7 - Naprawa - Skomielna Biała (Poland), Sibiu Pitesti Lot 5 (Romania), Logistics Terminal at the Taranto Port (Italy), Sigonella Nato Base (Italy) and Cumana Railway (Italy).

The joint operations for which the Group manages their operations are Civil Works Joint Ventures (Saudi Arabia), South Al Mutlaa Joint Venture (Kuwait) and Salini Impregilo - NGE Genie Civil (France), Asocierea Astaldi S.p.A.-IHI Infrastructure Systems SO, L.t.d. (Romania), Asocierea Astaldi-FCC-Salcef-Thales, lot 2a (Romania), Asocierea Astaldi-FCC-Salcef-Thales, lot 2b (Romania), Consorzio Gdansk (Poland), BSS-KSAB JV (Saudi Arabia) and Consorcio Ana Cua (Paraguay).

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 emissions generated by the Group refer to a larger scope, defined in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, which considers all the emissions generated by Webuild and operations over which it or one or its subsidiaries has operating control. Therefore, in addition to the above operating entities, the scope also includes Mobilinx Hurontario Contractor (Canada) and Fisia Italmimpianti succursale Argentina-Acciona Agua succursale Argentina UTE (Argentina);
- the environmental data for the offices are limited to the headquarters in Italy (Milan and Rome) and the US (Lane’s head office) and include energy consumption, direct emissions and emissions related to personnel travel; the other offices are not included as they are immaterial;
- 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;
- 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 otherwise indicated, the 2019 and 2020 corresponding information are taken from the Group’s 2020 Consolidated Non-financial Statement, to which reference should be made.

Recalculation of environmental figures

The figures for 2019 and 2020 in the Climate change and Environment sections have been recalculated compared to those presented in the 2020 Consolidated Non-financial statement to include Astaldi and make the calculation methods consistent. This approach complies with the comparability principle defined in GRI Standard 101 and the requirements of GHG Protocol Corporate Accounting and Reporting Standard (Tracking Emissions Over Time section, referred to by the GRI Standards).

The tables affected by the recalculation are provided below, showing the figures taken from the 2020 Consolidated Non-financial Statement and the recalculated figures.

GHG emissions (Scope 1 & 2) (GRI 305-1, 305-2, 305-3, 305-4)	Unit	2019		2020		2021
		2020 NFS	Recalculated	2020 NFS	Recalculated	
		Scope 1 emissions	tCO _{2e}	350,593	385,691	330,596
Scope 2 emissions (market-based method)	tCO _{2e}		90,930		71,255	42,212
Scope 2 emissions (location-based method)	tCO _{2e}	43,371	85,173	30,910	68,252	38,574
Total scope 1 & 2 emissions (market-based)	t CO_{2e}	393,964	476,621	361,506	429,988	353,484
Intensity of scope 1 & 2 emissions	t CO_{2e}/€M	77	77	72	80	55

GHG emissions (scope 3) (GRI 305-3)	Unit	2019		2020		2021
		2020 NFS	Recalculated	2020 NFS	Recalculated	
		Goods and services acquired	tCO _{2e}	61,573	1,827,973	78,834
Transportation of materials to the work sites	tCO _{2e}		251,731		278,131	289,301
Use of energy (upstream, not included in scope 1 & 2)	tCO _{2e}		99,333		90,745	107,213
Waste products	tCO _{2e}		36,823		31,134	58,904
Business trips and home-work commute of employees	tCO _{2e}		9,033		4,953	4,705
Total scope 3 emissions	t CO_{2e}	61,573	2,224,893	78,834	2,102,134	2,012,252

Energy consumption (GRI 302-1, 302-2, 302-3)	Unit	2019		2020		2021
		2020 NFS	Recalculated	2020 NFS	Recalculated	
		<i>Non-renewable energy sources</i>				
Diesel	GJ	4,788,252	4,972,867	4,499,507	4,547,812	4,098,364
Petrol	GJ	234,462	225,963	230,167	220,991	205,202
Kerosene	GJ	2,875	3,105	962	975	2,807
Natural gas and LPG	GJ	3,905	24,425	15,381	29,024	25,228
Electricity	GJ	308,263	575,359	259,381	499,595	370,161
Total consumption from non-renewable energy sources	GJ	5,337,757	5,801,718	5,005,398	5,298,396	4,701,761
<i>Renewable energy sources</i>						
Electricity from renewable sources	GJ	148,619	148,742	206,656	198,772	196,359
Total internal energy consumption	GJ	5,486,376	5,950,460	5,212,054	5,497,168	4,898,120
Energy consumption - subcontractors	GJ	770,806	904,849	1,004,413	1,146,475	1,705,414
Total	GJ	6,257,182	6,855,308	6,216,467	6,643,643	6,603,534
Energy intensity	GJ/€M	1,220	1,117	1,238	1,251	1,029

Materials used (GRI 301-1)	Unit	2019		2020		2021
		2020 NFS	Recalculated	2020 NFS	Recalculated	
<i>Principal construction materials</i>						
Bitumen	t	77,705	142,567	43,357	47,570	27,844
Cement	t	357,757	490,790	408,631	484,637	527,145
Concrete-reinforcing bars	t	488,085	243,436	759,573	179,758	173,681
Ready-mixed and pre-cast concrete	t	2,808,654	3,950,022	2,999,374	4,175,879	4,353,389
Ready-mixed asphalt	t	560,039	591,229	675,581	740,851	486,530
Total construction materials	t	4,292,240	5,418,044	4,886,516	5,628,695	5,568,590
<i>Aggregates</i>						
Aggregates and sand	t	4,063,905	9,488,392	5,754,137	11,411,623	12,584,211
Total aggregates	t	4,063,905	9,488,392	5,754,137	11,411,623	12,584,211

Water use (GRI 303-1)	Unit	2019		2020		2021
		2020 NFS	Recalculated	2020 NFS	Recalculated	
Wells	m ³	3,739,539	4,966,216	2,226,930	3,398,594	3,467,299
Rivers	m ³	3,810,030	5,099,717	4,705,652	6,882,593	9,562,130
Lakes	m ³	-	-	29,790	29,790	117,865
Aqueducts	m ³	2,417,294	4,229,675	1,980,192	2,389,843	1,642,059
Rainwater and wastewater from other organisations	m ³	158	36,158	27,455	63,455	140,357
Total	m³	9,967,021	14,331,766	8,970,019	12,764,275	14,929,711

Waste by activity (GRI 306-3)	Unit	2019		2020		2021
		2020 NFS	Recalculated	2020 NFS	Recalculated	
Construction and demolition waste	t	291,491	469,111	522,685	607,955	629,824
Excavation waste	t	5,593,636	7,262,294	2,596,281	5,247,569	5,298,227
Waste from support activities	t	66,829	101,876	96,034	105,030	148,946
Total non-hazardous and hazardous waste	t	5,951,955	7,833,282	3,215,000	5,960,554	6,076,998

Waste by type and destination (GRI 306-3)	Unit	2019		2020		2021
		2020 NFS	Recalculated	2020 NFS	Recalculated	
<i>Non-hazardous waste</i>						
Recovery, reuse and recycling	t	4,341,435	5,849,119	2,195,581	4,845,193	3,010,694
Incineration	t	930	943	6,305	6,329	1,257
Landfill	t	1,598,681	1,864,773	988,993	1,027,233	2,923,553
Total non-hazardous waste	t	5,941,047	7,714,836	3,190,880	5,878,756	5,935,504
<i>Hazardous waste</i>						
Recovery, reuse and recycling	t	712	105,248	13,721	61,102	103,238
Incineration	t	27	1,848	13	208	5
Landfill	t	10,169	11,350	10,387	20,488	38,250
Total hazardous waste	t	10,908	118,446	24,120	81,799	141,494
Total non-hazardous and hazardous waste	t	5,951,955	7,833,282	3,215,000	5,960,554	6,076,998

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 clients).

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 refer to activities performed by subcontractors.

The GHG emissions figures are based on an inventory of the Group’s emissions in accordance with the GRI Standards and the recommendations of GHG Protocol Corporate Accounting and Reporting Standard and the requirements of the SBTi. The Group uses the operating control approach, i.e., it considers 100% of the emissions of the entities over which the Group controls their operating processes.

The GHG emissions were calculated and expressed as CO₂ equivalent (CO₂e). The Group used a calculation method based on the use of specific emission factors (EF) to calculate the total emissions of CO₂e.

The unit emission factors refer to the individual emission source and consider all the GHG contributions included in the calculation of the emissions expressed as CO₂ equivalent (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃).

The data used to calculate the emissions from fuel, electricity, materials used, waste generated at the work sites, both for the directly performed works and subcontracted activities, are extrapolated from the reporting systems used by the work sites (e.g., industrial accounting, inventory records, HSE reporting systems).

The data used to calculate the emissions from fuel and electricity used at the fixed work sites are taken from the suppliers’ documentation (e.g., invoices, reports).

The data used to calculate the emissions associated with business trips, employee home-work commute, transportation of materials to work sites from the production facilities were calculated using documentation provided by the service providers (travel agencies, logistics companies, vehicle lease companies) and estimates.

The emission factors are taken from qualified databases and/or product environmental certifications.

The main databases used were:

- Government GHG Conversion Factors for Company Reporting (UK Department for Business, Energy & Industrial Strategy – BEIS)
- CO2 Emissions from Fuel (International Energy Agency)
- Fourth Assessment Report AR4 (IPCC)
- Inventory of Carbon and Energy (Bath Inventory of Carbon and Energy – ICE)
- SimPro modelling software

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 intensity rate for GHG emissions includes the sum of scope 1 and scope 2 emissions).

The 2019 and 2020 figures were recalculated using pro forma revenue including that for Astaldi, as disclosed in its information documents published on its website.

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. 41	
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. 41	
102-7	Scale of the organisation: p. 79, p. 42, p. 131	6
102-8	Information on employees and other workers: p. 131. Open-ended contracts account for 94% of the total in Africa, 62% in the Americas, 87% in Europe and 79% in Asia and Oceania. 100.0% of the employees have full-time contracts. Percentages do not include Astaldi.	
102-9	Supply chain: p. 195	
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. 207, p. 156	
102-12	External initiatives: p. 112	
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, Canova Club, CCI France Italie (French Chambers of Commerce and Industry 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 Internazionale, ITCOLD - Comitato Nazionale Italiano per le Grandi Dighe, OICE – Associazione delle organizzazioni di ingegneria, architettura e consulenza tecnico-economica, Robert F. Kennedy Foundation, SIG – Società Italiana Gallerie and UNI – Ente Italiano di Normazione. It paid membership fees of roughly €303 thousand to these associations during the year.</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. 112	10
Governance		
102-18	Governance structure: p. 112	

Stakeholder engagement		
102-40	List of stakeholder groups: p. 203	
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 2021, this covered 11,305 employees, equal to 36.7% of the total.	3
102-42	Identifying and selecting stakeholders: p. 203	
102-43	Approach to stakeholder engagement: p. 177, p. 151, p. 195, p 209, p. 203	
102-44	Key topics and concerns raised: p. 203	
Reporting practice		
102-45	Entities included in the consolidated financial statements: p. 210	
102-46	Defining report content and topic Boundaries: p. 210	
102-47	List of material topics: p. 209	
102-48	Restatements of information: p. 210	
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 year. The reporting scope includes Astaldi for this year.	
102-50	Reporting period: 2021	
102-51	Date of most recent report: The 2020 Consolidated Non-financial Statement was published on 7 April 2021.	
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. 203	
102-55	GRI Content Index: p. 220	
102-56	External assurance: p. 228	
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 2021 amounted to €6,499 million, including €6,424 million which was distributed and €75 million which was retained. Specifically, €4,881 million was distributed to suppliers (operating costs), €1,102 million to employees (remuneration and benefits), €308 million to lenders and €134 million to the public administration (taxes). This does not include the dividends to be distributed to the shareholders, which will be available after the ex-dividend date expected to be 23 May 2022.	
GRI 202 Market Presence (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 199	6

202-2	Proportion of senior management hired from the local community: p. 199. 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. 203	
203-1	Infrastructure investments and services supported: p. 203. The total value of initiatives to assist local areas includes monetary donations (29.5%), sponsorships (9.9%) and contributions in kind (60.6%) (e.g., labour, materials, machinery).	
GRI 204 Procurement Practices (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 200	
204-1	Proportion of spending on local suppliers: p. 200. 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. 190 Errore. Il segnalibro non è definito.	10
205-1	Operations assessed for risks related to corruption: p. Errore. Il segnalibro non è definito. 153 companies were included in the assessment scope.	10
GRI 207 Tax (2019)		
207-1	Approach to tax: p. 200	
207-2	Tax governance, control and risk management: p. 200	
207-3	Stakeholder engagement and management of concerns related to tax: p. 200	
207-4	Country-by-country reporting: p. 200. The data refer to 2020 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.	
GRI 300 Environmental		
GRI 301 Materials (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 182	7, 8
301-1	Materials used by weight or content: p. 182. 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. 170	7, 8, 9
302-1	Energy consumption within the organisation: p. 170, p. 218	7, 8, 9
302-2	Energy consumption outside of the organisation: p. 170, p. 218. Significant external energy consumption refers to the Group's subcontractors.	7, 8, 9
302-3	Energy intensity: p. 170, p. 218	7, 8, 9
GRI 303 Water (2018)		
103-1, 103-2, 103, 303-1, 303-2	Management approach disclosures: p. 182	7, 8

303-1, 303-3	Interactions with water as a shared resource: p. 182, p. 219. Water withdrawn in areas subject to water stress: during the year, water withdrawals of 118,271 cubic metres were made in areas subject to water stress for a project being carried out by Lane in the US and the Saida - Tairret railway project in Algeria. 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 >1,000 mg/L of total dissolved solids: during the period, no water withdrawals with over 1,000 mg/l of total dissolved solids were made.	7, 8
GRI 304 Biodiversity (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 187	8
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas: p. 187.	8
GRI 305 Emissions (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 170	7, 8, 9
305-1	Direct (Scope 1) GHG emissions: p. 170, p. 218	7, 8, 9
305-2	Indirect (Scope 2) GHG emissions: p. 170, p. 218	7, 8, 9
305-3	Other indirect (Scope 3) GHG emissions: p. 170, p. 218	7, 8, 9
305-4	GHG emissions intensity: p. 170, p. 218	7, 8, 9
GRI 306 Effluents and Waste (2020)		
103-1, 103-2, 103-3, 306-1, 306-2	Management approach disclosures: p. 185	8
306-3	Waste by type and disposal method: p. 185, p. 219	8
GRI 307 Environmental Compliance (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 177	8
307-1	Non-compliance with environmental laws and regulations: p. 177	8
GRI 308 Supplier Environmental Assessment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 195	8
308-1	New suppliers that were screened using environmental criteria: p. 195. Specifically, in 2021, 73% of the suppliers with large orders (i.e., > €250 thousand) were screened. Excluding Lane (USA), whose screening process is being revised to become more compliant with that of the Group, the figure would be 85%. As described in the "Supply chain" section, this process involves screening of various aspects, including the suppliers' environmental policies.	8
GRI 400 Social		
GRI 401 Employment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 132	6
401-1	New employee hires and employee turnover: p. 132. Specifically, in 2021, 9,556 people joined the Group (entry rate of 32%), including 4,201 under 30 years of age (44%), 4,405 between 30 and 50 (46%) and 950 over 50 (10%). The geographical distribution of employees is as follows: 3,385 in Africa (35%), 4,556 in the Americas (48%), 795 in Europe (8%), 820 in Asia and Oceania (9%). During the year, people that left the Group, including the transfers of resources among group sites, numbered 5,234 (exit rate of 17%), including 1,850 under 30 (35%), 2,777 between 30 and 50 (53%) and 607 over 50 (12%). The geographical distribution of the leavers is as follows: 768 in Africa (15%), 3,342 in the Americas (64%), 545 in Europe (10%), 579 in Asia and Oceania (11%). 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. 151	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 one to 50 weeks for managers, one to 12 weeks for office staff and one to eight weeks for blue collars.	3

GRI 403 Occupational Health and Safety (2018)		
103-1, 103-2, 103-3	Management approach disclosures: p. 142	
403-1	Occupational health and safety management system: p. 142. 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. 142	
403-3	Occupational health services: p. 142142	
403-4	Worker participation, consultation, and communication on occupational health and safety: p. 142	
403-5	Worker training on occupational health and safety: p. 142	
403-6	Promotion of worker health: p. 142142	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships: p. 142	
403-9	Work-related injuries: p. 142. Despite the stringent assessments of risks and operating controls, nine fatal injuries took place in 2021 involving direct employees (0.10%) and one involving employees of subcontractors (0.02%). The serious injuries, calculated in accordance with Italian legislation (sick leave of more than 40 days), involved 13 direct employees (0.14%) and 11 employees of subcontractors (0.19%). The total number of recordable injuries was 602 for the direct employees (6.70%) and 285 for employees of subcontractors (4.97%). 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. 135135	6
404-1	Average hours of training per year per employee: p. 135, p. 210. In 2021, direct employees received on average 13 hours of training (per head). Specifically, an average of 10 hours of training per capita was provided to managers and white collars while blue collars received an average of 14 hours. Technical and production employees received an average of 14 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 43 for men and 30 for women. This figure is not significant for the operating units given the strong predominance of male resources.	6
GRI 405 Diversity and Equal Opportunity (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	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. 151(diversity of employees).	6
GRI 406 Non-discrimination (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	6
406-1	Incidents of discrimination and corrective actions taken: p. 151. The Group received two notifications of alleged discrimination from Lane's employees during the year. These notifications were handled in accordance with Lane's internal procedures. At year end, one case 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. 151	3
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk: p. 151	3
GRI 408 Child Labour (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	5
408-1	Operations and suppliers at significant risk for incidents of child labour: p. 151	5

GRI 409 Forced or Compulsory Labour (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	4
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour: p. 151	4
GRI 410 Security Practices (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 151	1
410-1	Security personnel trained in human rights or procedures: p. 151. 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. 151	1
411-1	Incidents of violations involving rights of indigenous peoples: p. 151. 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. 151	1
412-1	Operations that have been subject to human rights reviews or impact assessments: p. 151	1
GRI 413 Local Communities (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 207	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 72% of its in-scope projects. The clients consulted the local communities for 47% of the projects. A management system is in place to handle complaints from local communities for 50% of the projects (the grievance mechanisms). Development projects assisting the local communities exist for 22% of the projects while workers committees exist for 43% of the projects.	1
GRI 414 Supplier Social Assessment (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 195	2
414-1	New suppliers that were screened using social criteria: p. 195. In 2021, 73% of the suppliers with large orders (i.e., > €250 thousand) were screened. Excluding Lane (USA), whose screening process is being revised to become more compliant with that of the Group, the figure would be 85%. As described in the "Supply Chain" section, this process includes the screening of various aspects, including social ones (e.g., employees, health and safety and human rights).	2
GRI 415 Public policy (2016)		
103-1, 103-2, 103-3	Management approach disclosures: p. 220	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

Bridge table with TCFD (Task Force Climate-Related Financial Disclosure) recommendations

TCFD recommendations		2021 NFS
GOVERNANCE		
Governance around climate-related risks and opportunities	a) Role of BoD	"Climate change - Governance" section
	b) Role of management	
STRATEGY		
Actual and potential impacts of climate-related risks and opportunities on the organisation	a) Climate-related risks and opportunities	"Climate change - Main climate-related risks and opportunities" section
	b) Impact of climate-related risks and opportunities	
	c) Resilience of the organisation's strategy	
RISK MANAGEMENT		
Management of climate-related risks	a) Identification and assessment processes	"Climate change - Main climate-related risks and opportunities" section
	b) Management processes	
	c) Integration into overall risk management	
METRICS AND TARGETS		
Metrics and targets used to assess and manage climate-related risks and opportunities	a) Metrics used	"Climate change - Performance and targets" section
	b) GHG emissions	
	c) Targets	

Report of the auditors



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the 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 2021 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 17 March 2022 (the "NFS").

Our procedures did not cover the information set out in the "EU taxonomy for sustainable economic activities" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

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.

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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20124 Milano MI ITALIA



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.

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 performed reasonableness analyses of certain projects, which we have selected on the basis of their business and contribution to certain significant indicators, by obtaining documentary evidence and, where necessary, holding discussions with their management;
- through remote communication tools, we held discussions with the management of the high speed/capacity Milan - Genoa railway line project (COCIV), 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.



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Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 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.

Our conclusion does not extend to the information set out in the "EU taxonomy for sustainable economic activities" section of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Milan, 5 April 2022

KPMG S.p.A.

(signed on the original)

Angelo Pascali
Director of Audit