Sustainability Report 2022

ALMAWAVE

ALMAWAVE GROUP

THE NATURAL INTERACTION WITH TECHNOLOGY

ALMAWAVE | ALMAWAVE do Brasil | ALMAWAVE USA | PerVoice | abda | THE DATA APPEAL COMPANY | sister

Artificial intelligence at your service, delivering concrete results tailored to your specific requirements and environment.

MISSION

Our target is to make the digital transformation process real in everyday life, through a model of natural experience within the human-machine interaction.

We enhance knowledge and simplify services, operationalizing the potential of artificial intelligence within complex contexts, implementing state-of-the-art technological assets and remarkable expertise in the field of Big Data.

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Highlights 2022

present in **3** countries, with customers in more than **20** countries

>300 customers and **20** products

>30 partners

€**49.7** m of economic value generated, of which

€**41.1** m € (83%) distributed to stakeholders

Almawave's ESG model

The benefits of our solutions:

Intelligent decision-making support and data enhancement with an ESG perspective

Digitalization and process efficiency

Inclusion, transparency, and accessibility of community solutions

Reduction of customers' environmental impact

€4.2m in new R&D investments in 2022

6 tech labs

MARKET OFFER

BUSINESS OPERATIVITY

416 people[1] in the workforce, including **379** employees

21% women in management positions Ongoing support for initiatives to involve women in STEM education

40% of hires under the age of 30

Environmental strategy defined with metrics and targets for 2023, 2025 and 2030

ESG Committee established within the BoD, Managerial ESG Committees set up

27001 certification acquired for **Information Security** at Almawave and Pervoice

Zero data breach

1. The data relating to the total workforce compared to the value published in the 2022 Consolidated Balance Sheet of the Almawave Group differs due to a different reporting methodology

Letter to the stakeholders

Dear Stakeholders,

Throughout 2022, the global Artificial Intelligence (AI) market demonstrated exponential growth, showcasing the industry's strength and resilience, despite geopolitical uncertainties and global inflation. AI is a set of technologies that is transforming all sectors, and investments in this area are expected to increase by more than 30% per year. This positive trend is also reflected in Italy, where the AI market is forecast to grow from Euro 860 million in 2021 to Euro 1.4 billion in 2023.

Against this backdrop, Almawave reached significant milestones in 2022 and continues to achieve sustainable growth. The Company made strategic investments in market-focused solutions (Vertical AI solutions) to fully respond to customers' requirements. Leveraging its products and services, Almawave successfully resolves use cases unique to various industries (public finance, administration, defense, security, smart cities, health care, smart mobility and transport, enterprise, fintech, telecommunications and media, tourism, public services, ecological transition, and sustainability). These endeavors are shaping a unique future for the Company, one that sets Almawave apart from its competitors while capitalizing on market potential.

The Group embraced sustainability as a fundamental aspect of its business, incorporating ESG factors into its market product and service offerings and the Company's internal management, thus promoting a responsible, accessible, and sustainable digital transition. Almawave demonstrated its commitment to sustainable development through the creation of a sustainability strategy that encompasses specific objectives and targets aligned with the pillars of its sustainability model (Corporate Governance, Responsible Digital Transition, People, and the Environment). The Company's focus on sustainability is further evidenced by its receipt of the AssoNEXT Best ESG Identity award. Additionally, in February 2023, Almawave officially became a member of the United Nations Global Compact initiative, pledging to actively foster and promote corporate sustainability practices, with an emphasis on human rights, labor, the environment, and anti-corruption.

As part of the Responsible Digital Transition, in the future, Almawave intends to develop a product and service portfolio consisting solely of innovative solutions that prioritize environmental and social sustainability. The objective is to expand the use of Artificial Intelligence to support business outcomes, including digital transformation, the ecological transition, and sustainable tourism. In fact, the Group's robust commitment to innovation persists as it evolves its offerings and adds new platforms and products to its portfolio, including the AIWave platform in 2022. This new platform revolutionizes the way Artificial Intelligence is used in business processes by breaking down barriers and reducing complexity. In addition, in the first half of 2022, the Group acquired two companies, Sister (specializing in Geographic Information Systems -GIS-) and The Data Appeal (which uses Business Intelligence [BI] to support decision-making processes). These strategic acquisitions expanded the range of services offered and positively contributed to the social and environmental spheres. Sis.Ter develops solutions for the Integrated Water Service and Gas Distribution Network. By using technologies to intelligently manage the water and gas cycle, the Company has made improvements to leakage detection and assessment processes, optimized field activities, increased investment efficiency, streamlined resource management processes, and reduced energy consumption. On the other hand, The Data Appeal leverages data to accelerate progress towards a more sustainable, equitable, and inclusive world. In 2022, the company developed a range of indices, including the Destination Sustainability Index and Fair Index. These proprietary indices use automated and globally scalable technology to assess the economic, social, and environmental sustainability of regions, destinations, and brands.

Meanwhile, information security and privacy protection continue to play a vital role in the technology sector. The Group has always invested in adequate processes and infrastructure. As proof of this, in H1 2022, Almawave obtained "ISO 27001 - Information Security Management System (ISMS)" certification and STAR Certification from the Cloud Security Alliance (CSA), which refers specifically to the provision and management of secure cloud operating environments.

The Group's growth is also supported by the essential contribution of the people whose skills and quality underpin the continuous evolution of the business. In 2022, the number of staff increased considerably year-on-year, due to company acquisitions and the mass recruitment of expert professionals from the market. With a view to fostering a stimulating and flexible workplace, Almawave adopted a People Strategy known as "Become" in 2022. This strategy focuses its attention on individuals working in Information Technology by consolidating a flexible and integrated physical and digital space guided by the principles of trust and collaboration, autonomy and accountability, with a view to achieving efficiency and results. It also bears highlighting that the Almawave Group's focus on social issues, such as protection of human rights and diversity, is acute and extends throughout the corporate value chain. This is underlined by our achievement, in H1 2022, of the Standard Social Accountability 8000 (SA8000) certification, an international benchmark standard for social responsibility. Specifically, the Company monitors and measures its progress in relation to diversity, in order to improve its approach, and make its culture increasingly attentive to diversity and inclusion. The Company and the CEO routinely participate in events and seminars with a focus on women and Artificial Intelligence (including W-leadership, Belisario, and GirlsPower G-Power). The objective is to promote gender diversity and increase the presence of women in STEM.

Finally, with regard to its environmental impact, Almawave constantly monitors its emissions and energy consumption and promotes the reduction of waste and negative environmental externalities from a circular economy perspective.

These initiatives exemplify Almawave's concrete commitment to strengthening its focus on sustainability topics. The Group firmly believes that sustainability should serve as a primary pillar of its identity. We owe our success to the passion and commitment of all the people and employees who collaborate with Almawave. The combination of these elements will help us achieve our future goals while improving the well-being of the local community, driving digital inclusion, and actively promoting a responsible digital transition.

Valeria Sandei
Chief Executive Officer

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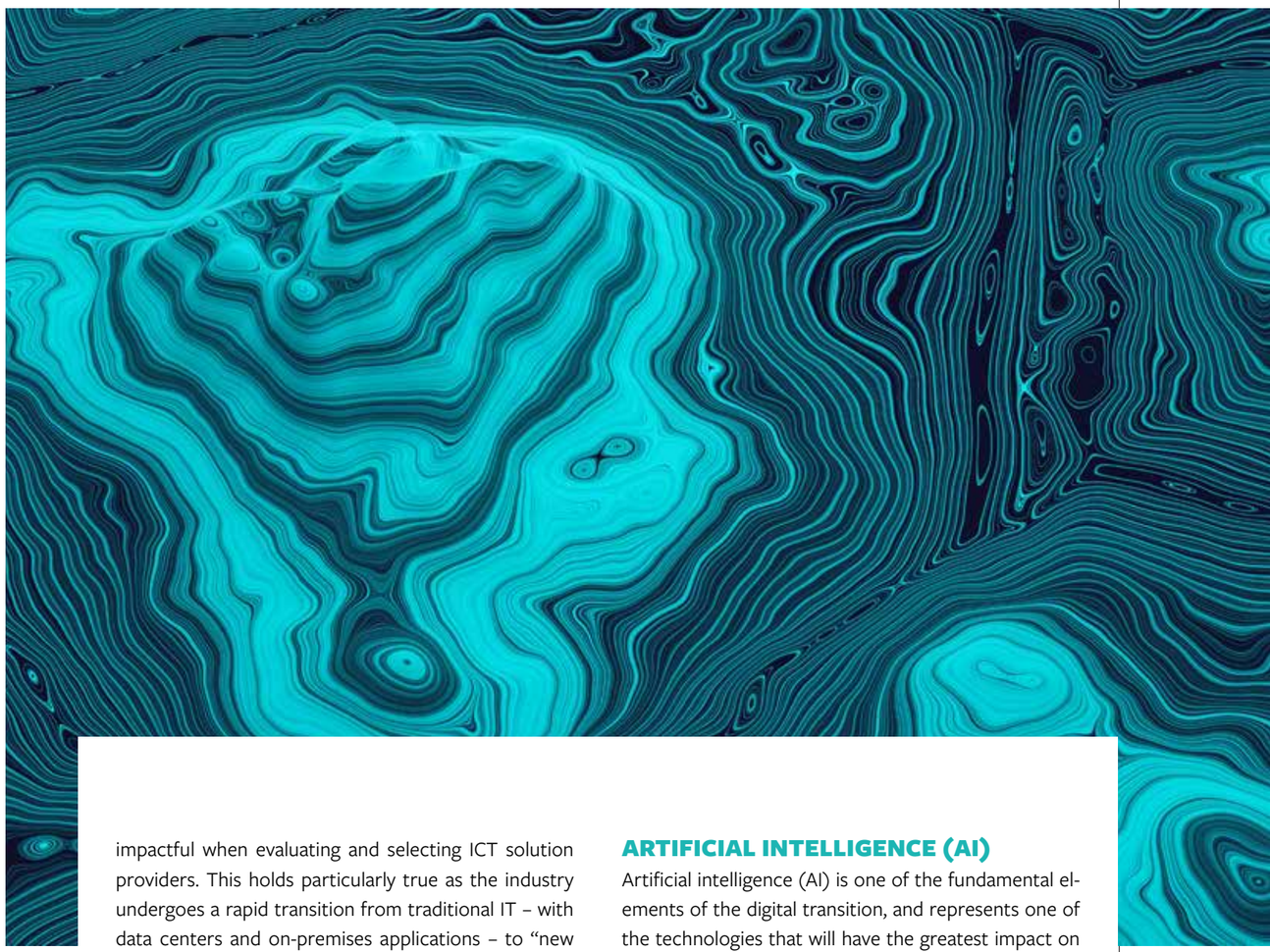
Let us introduce ourselves

1.1

Digital Transformation: Artificial Intelligence and Value Creation



Digital Transformation refers to the profound shift in organizational activities, processes, skills, and business models. It empowers the community to harness the potential of digital technologies and leverage their benefits. The adoption of technologies, such as artificial intelligence, cognitive computing, data analytics, cloud computing, and natural language is redefining the landscape for both businesses and the public sector, creating new opportunities for value creation. This transformation is already a reality and is actively impacting our daily lives, from our lifestyles to social interactions at work, to the significant benefit of consumers, society, and the environment.

Digital transformation is experiencing exponential growth as a result of the pandemic and the positive influence of the National Recovery and Resilience Plan. Presented in 2021, the plan includes "Mission 1", which focuses on "Digitalization, Innovation, Competitiveness, Culture, and Tourism", with a substantial allocation of Euro 40.3 billion to facilitate Italy's digital transition[1].

The ICT industry can play a key role in advancing the 17 UN Sustainable Development Goals (SDGs) by driving innovation, fostering an inclusive and sustainable economy, promoting industrialization, and creating resilient systems and infrastructure. The adoption of e-learning platforms and the promotion of Internet access in particular have the potential to improve access to education and training, thereby reducing inequality and facilitating the achievement of Sustainable Development Goal 4 "Quality Education"[2]. In addition, the adoption of advanced data analysis and artificial intelligence technologies could help reduce energy consumption in industrial sectors by 15-20% by 2040, thus supporting the achievement of Sustainable Development Goal 13 "Climate Action"[3].

Digital Transformation research conducted by the World Economic Forum[4] shows that digital transformation and sustainability are viewed as priority topics by the global business community. These two objectives can – and must – go hand in hand in today's economy. Technology is on a mission to help solve humanity's greatest challenges. It has been proven that ESG criteria are highly impactful when evaluating and selecting ICT solution providers. This holds particularly true as the industry undergoes a rapid transition from traditional IT – with data centers and on-premises applications – to "new IT", which enables data to be transmitted, stored, processed, and analyzed from anywhere and at any time. As a result, customers, regulators, and other stakeholders are placing growing importance on data security, user privacy, and equal access to the benefits of technology. The integration of ESG factors into a New IT-based digital transformation will improve its likelihood of success. By taking advantage of technology's potential, ESG initiatives can achieve greater efficiency and effectiveness. There is therefore no better time to combine the digital transition with sustainability, so that we can design and build a smarter future for all.

ARTIFICIAL INTELLIGENCE (AI)

Artificial intelligence (AI) is one of the fundamental elements of the digital transition, and represents one of the technologies that will have the greatest impact on the evolution of society and the creation of value in the coming years. AI is a diverse set of technologies that interact with each other to allow machines to perceive, learn, understand and act independently.

The term "artificial intelligence" was coined in 1955 by computer scientist John McCarthy as "the science and engineering of making intelligent machines, especially intelligent computer programs". Since then, the evolution of artificial intelligence has been marked by many milestones and revolutions, which have radically altered society and created business and development opportunities that the Almawave Group has been able to seize. The future holds a number of stimulating challenges for artificial intelligence along the lines of five main development macro-trends[5].

1. https://www.governo.it/en/node/16701
2. UNESCO. (2017). Information and Communication Technologies in Education for Sustainable Development: A Review
3. World Economic Forum. (2018). Digital Transformation Initiative - Maximizing the Return on Digital Investments.
4. https://www.weforum.org/agenda/2023/01/digital-transformation-new-it-esg-davos-23/
5. Gartner, Forbes

1.2

The Almawave Group: A global dimension

Mission

Our target is to make the digital transformation process real in everyday life, through a model of natural experience within the human-machine interaction.

We enhance knowledge and simplify services, operationalizing the potential of artificial intelligence within complex contexts, implementing state-of-the-art technological assets and remarkable expertise in the field of Big Data.

Almawave is an Italian technology company operating in the field of Artificial Intelligence applied to Natural Language Processing and Big Data services. Having accumulated over a decade of experience, it has established a prominent position in both the Italian and international markets. The Company is part of the AlmavivA Group, a market leader in Information and Communication Technology, and assists both public and private companies in making the digital transition.

Artificial Intelligence includes solutions able to simulate human reasoning and learning methods in order to solve complex problems through the adoption of predictive algorithms and machine learning mechanisms that unlock the power of big data. Such technologies enable a new form of automation, leveraging extremely sophisticated solutions capable of analyzing large, unstructured datasets.

Almawave embodies the AlmavivA Group's drive for innovation and digital transformation powered by "Made in Italy" artificial intelligence technologies. Through the use of Machine Learning, Deep Learning, and Natural Language Processing, Almawave develops versatile, multifunctional and multi-sector technological solutions that can be applied to everyday life.

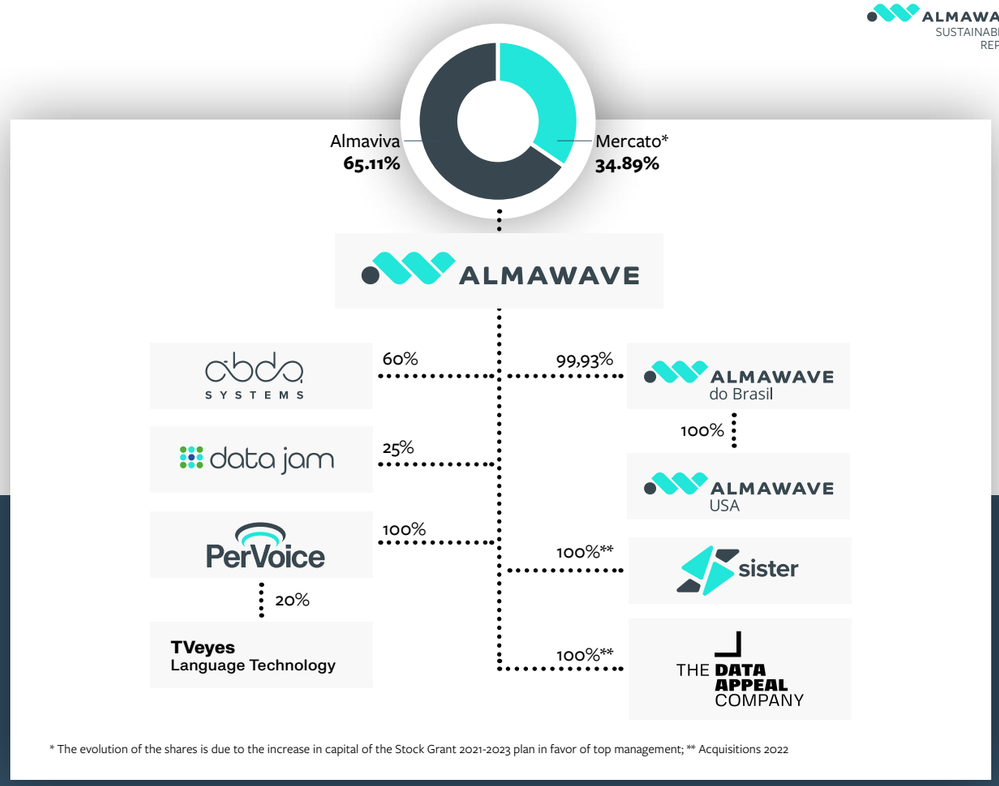
Almawave's mission is to combine cutting-edge proprietary technology with advanced services to accelerate digital transformation and translate its potential into measurable business results.

In the last decade, the Company's growth has developed along two main lines:

1. The first concerns the complex world of human-machine interface technologies, targeted at simplifying the relationship between humans and their computer systems, and making the systems and processes of companies and public administrations more efficient.
2. The second involves capitalizing on the fields of Data Science, Big Data, Machine Learning and Artificial Intelligence to bring better understanding, ideas and value creation to support for strategic decision-making, with an idea of democratization in the use of data for the benefit of all end users.

Almawave's global dimension is underlined by its consolidated presence in Italy, and growing international operations. The Group is a dynamic and growing business reality: thanks to its subsidiaries, nine branch offices, and constantly evolving network of international partners, it can respond to the diverse needs of the market, offering services to customers all around the world.

The Almawave Group: A global dimension



* The evolution of the shares is due to the increase in capital of the Stock Grant 2021-2023 plan in favor of top management; ** Acquisitions 2022

2006

January

ALMAWAVE IS BORN OUT OF ALMAVIVA CONSULTING

The AlmavivA Group decides to create a dedicated division for the development of artificial intelligence applications.

2010

February

ALMAWAVE DO BRASIL IS ESTABLISHED IN BRAZIL

With the goal of becoming the leading supplier of “people-centered” technologies in the Brazilian market, Almawave do Brasil offers large Brazilian companies quality, efficient solutions for Customer Interaction and Knowledge Management processes.

2013

ACQUISITION OF MAJORITY HOLDING IN PERVOICE

A spinoff of the Bruno Kessler Foundation, PerVoice is the first Italian technology services company to offer a portfolio of Automatic Speech Recognition solutions through its Audioma® platform.

2017

BIG DATA CONTRACTS

Almawave wins, together with other partners, 2 lots within important Consip framework agreements

2021

ACQUISITION OF OBDA SYSTEMS

OBDA Systems is an innovative startup, spun out from the La Sapienza University of Rome, that offers high-tech products and solutions for extracting key data from large and complex datasets. The acquisition allows Almawave to broaden its spectrum of proprietary solutions relating to language technologies and Big Data in support of businesses and public administrations.

Almawave lists on the Euronext Growth Milan segment of the Italian Stock Exchange

2022

April

ACQUISITION OF THE DATA APPEAL COMPANY

A developer of vertical AI analytics solutions and a tourism, fintech and location intelligence leader.

May

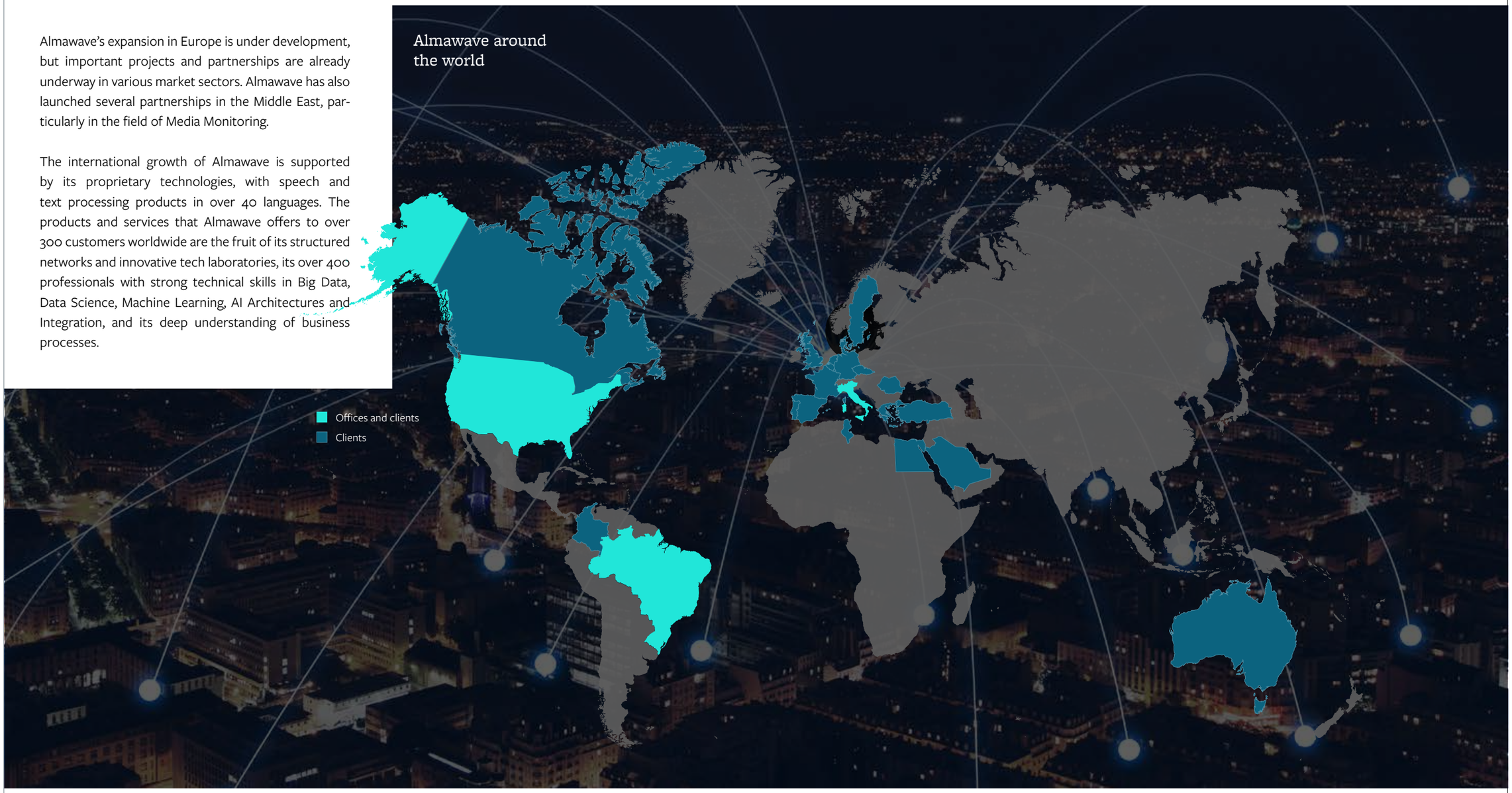
ACQUISITION OF SISTER

SisTer – Sistemi Territoriali S.r.l., with registered office in Cascina (Pisa), a developer of Data Science solutions and projects, focused on Open Data Analytics, Spatial Intelligence and Decision Support System platforms for the Multi-utilities and Government sectors.

The Almawave Group: A global dimension

Almawave's expansion in Europe is under development, but important projects and partnerships are already underway in various market sectors. Almawave has also launched several partnerships in the Middle East, particularly in the field of Media Monitoring.

The international growth of Almawave is supported by its proprietary technologies, with speech and text processing products in over 40 languages. The products and services that Almawave offers to over 300 customers worldwide are the fruit of its structured networks and innovative tech laboratories, its over 400 professionals with strong technical skills in Big Data, Data Science, Machine Learning, AI Architectures and Integration, and its deep understanding of business processes.



1.3

The technological sectors in which Almawave operates

Almawave operates in the technological sector of Artificial Intelligence applied to Natural Language Processing, embracing increasingly specialized and innovative fields and applications, such as Machine Learning, Conversational Platforms, Automatic Speech Recognition, Machine Translation, and Ontology-Based Data Management. The goal is improved human-machine interactions and the creation of integrated, multimodal and omnichannel solutions.

By using predictive algorithms, artificial intelligence enables machines to understand, act, and learn with human-like levels of intelligence.

By providing high-value technology solutions, Almawave renders customers' business processes more efficient thanks to the delivery of effective and pervasive solutions.

Almawave exploits the potential of data and its technologies to revolutionize business processes in the vein of Digital Transformation. Applying Artificial Intelligence, the Group is able to:

- Automate business processes using data extracted from natural spoken and written language;
- Create new models of human-machine interaction that simplify the user experience;
- Enable a new data governance model, discover new phenomena and correlations, and fully exploit company information assets.

In 2022, the Almawave Group worked to develop the following areas to support its customers, employees, and citizens:

- Enabling new models of access and use of complex information;
- Extracting, aggregating, and visualizing different forms of information and data (text and voice), exploiting Artificial Intelligence algorithms;
- Facilitating the interpretation of complex information and business phenomena, supporting decision-making processes;
- Creating new models of interaction between organizations and users (customers, employees, citizens), multichannel text, and voice;
- Automating processes by exploiting pre-trained intelligent models;
- Enabling a new data governance model, discovering new phenomena and correlations, and fully exploiting company information assets.

Besides, we list details of the aforementioned technological fields:

NATURAL LANGUAGE PROCESSING (NLP)

Natural Language Processing (NLP) is the branch of Artificial Intelligence that deals with the automatic processing of the natural language used in everyday life. NLP solutions process both natural speech and text content, and perform tasks on the basis of extracted information and instructions. Leveraging NLP, Almawave supports its customers in simplifying and optimizing complex processes, such as Customer Relationship Management and Customer Care Services. The technology:

- Classifies and extracts information in relation to specific domains;
- Supports over thirty languages, with a focus on Italian;
- Effectively combines approaches based on knowledge representation (ontologies, knowledge graphs) and machine learning = Composite AI;
- Uses open formats and tools with a "no vendor lock-in" strategy.

GENERATIVE AI

The introduction of generative AI has transformed the interaction with applications. Our R&D laboratories have developed a new interface for the various platforms of our Group, combining natural language query algorithms to access structured data, advanced vector search techniques and powerful new generation large language models.
Here are some examples currently being developed:

TDAC's Destination AI: "Composite AI" technologies applied to The Data Appeal Company's proprietary platform for tourist destinations have given rise to a new integrated module of generative Artificial Intelligence functionality that is able to analyze information and data from different sources with simple natural language questions. Through this analysis, it is possible to provide performance indices and insights, understanding trends, for more effective tourism management.

SisTer's Smart Water AI: The same technological structure has made it possible to create a natural language interface that allows direct operation on control room applications and automatically generate reports. All this to improve "field force management" applications, facilitating access to technical and operational information from "rugged" mobile devices and simplifying the management of work orders."

The technological sectors in which Almawave operates

MACHINE LEARNING

Machine Learning is the branch of artificial intelligence that uses data and algorithms to emulate the way humans learn. In machine learning systems, the machine "learns" to perform a certain task from examples given during a learning phase, and then, without limiting itself to replicating what it has learned, develops rules for managing new data relating to the same domain. Almawave contributes to improving basic linguistic knowledge and the completeness of specific linguistic domain models, adopting techniques that minimize the quantity of training data needed, using both internally developed software and emerging machine learning models.

CONVERSATIONAL PLATFORMS

Conversational Platforms are end-to-end solutions that use Artificial Intelligence and Natural Language Processing to automate and integrate the management of conversations across a plurality of speech and text channels. Such platforms are able to manage real conversations, alternating questions and answers between user and machine, and enable channel blending, that is, hybrid conversations that involve additional interventions by human operators. The technology:

- Is multi-channel, multi-device, and multi-modal (speech and text);
- Can involve human operators at any point in a conversation, using a Human-in-the-loop (HITL) model;
- Provides "no-code" and "low-code" tools for the development of conversational dialogues.

AUTOMATIC SPEECH RECOGNITION

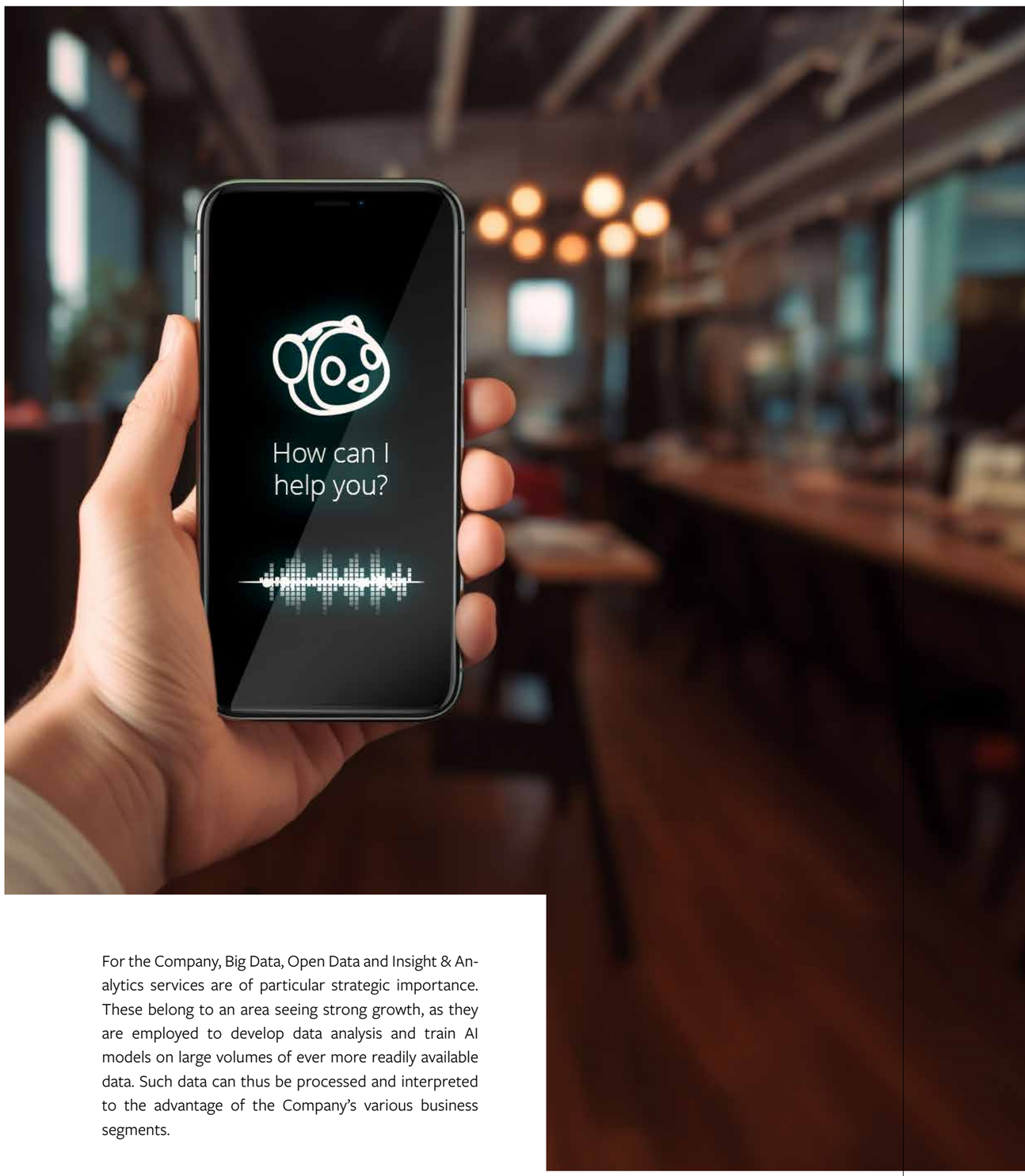
Automatic Speech Recognition is technology that applies Artificial Intelligence to spontaneous speech in order to make human-machine interactions simpler and more natural. ASR technology is applicable to a wide range of fields and use cases. Indeed, its versatility is a critical success factor in optimizing and improving user experience and operational processes.

MACHINE TRANSLATION E SPOKEN LANGUAGE TRANSLATION

The production of content is continuously expanding, surpassing the capacity for manual translation to ensure universal accessibility. "Machine Translation" applies AI to transcribed text, automatically producing corresponding documents in all supported languages. "Spoken Machine Translation" is its natural evolution, innovatively combining "Machine Translation" and "Speech Recognition" to overcome language barriers in speech.

ONTOLOGY BASED DATA MANAGEMENT

Ontology-Based Data Management is technology that supports companies in their data governance, production and management processes, using knowledge representations and exploiting semantic technologies to facilitate user access to information.



For the Company, Big Data, Open Data and Insight & Analytics services are of particular strategic importance. These belong to an area seeing strong growth, as they are employed to develop data analysis and train AI models on large volumes of ever more readily available data. Such data can thus be processed and interpreted to the advantage of the Company's various business segments.

1.3.1

The changing context

DIGITAL SECTOR TRENDS

In 2023, the Information Technology (IT) sector is expected to strongly recover, with an estimated 5.1% year-on-year growth to USD 4,600 billion. Investment is forecast to increasingly shift towards cloud options, while companies will continue to invest in maintaining their in-house data centers.

Italy's digital market recorded growth of 3% in the first half of 2022, bringing its total value to Euro 37,163 million. In 2023, the Italian digital market is forecast to grow by a further 3%, reaching a value of Euro 79,138 million. A more significant increase is expected in the following years, with growth of 4.8% in 2024 and 5.3% in 2025, taking the market beyond Euro 87 billion by 2025.

Growing rate

>30%

in all AI sectors/ technologies

ARTIFICIAL INTELLIGENCE SECTOR TRENDS

The global artificial intelligence (AI) market grew significantly in 2022 and is expected to see further steady growth. The industry brought in revenues of around USD 387 billion in 2022, with an estimated 260% increase by 2029, exceeding USD 1 trillion. The US is the industry leader, followed by China, which expects rapid growth and revenues of USD 64.7 billion by 2027. Europe is also growing significantly, with revenues expected to reach around Euro 27 billion over the next three years. The UK, Germany, and France are leading the way in this regard.

The size of the global AI market is expected to grow at an average annual rate of 27% from 2020 to 2025 , with strong demand and adoption in areas such as NLP, Machine Learning, Speech Recognition, and Computer Vision.

1. Gartner, Grandview Research, Allied Market Research, and the Artificial Intelligence Observatory of the Polytechnic University of Milan, 2022

The changing context

AI is being applied in sectors such as IT, financial services, retail, telecommunications, and defense, and investments are growing steadily. However, AI is still in its infancy and investments are expected to increase significantly, especially in the public administration, health care, and manufacturing sectors.

In Italy, the AI market is set for strong growth in the three-year period from 2021 to 2023, with expected revenues of Euro 1.4 billion by 2023. Furthermore, investments in Big Data analytics platforms are expected to increase, and could exceed Euro 3 billion in 2023. A significant percentage of medium-sized and large Italian companies started at least one artificial intelligence project during the year. AI applications used by Italian companies mainly concern the financial services segment. Chatbots and Intelligent Virtual Assistants (IVAs) are solutions that are expected to see considerable growth, followed by Customer Care, Robotics and Intelligent Process Automation (IPA) solutions. The sectors expected to see the most growth over the coming years are Telecommunications, Media & Advertising, Automotive & Transportation, and Healthcare .

Despite showing a lower than average growth rate, the "Telco & IT" industry remains the best-served in Latin America. In 2022, the industry steadily increased its investments in and use of Artificial Intelligence (AI), focusing mainly on four technologies: Machine Learning, Natural Language Processing, Computer Vision, and Speech Recognition. Over the forecast period (2019-2025), the Brazilian AI investment market recorded a compound annual growth rate (CAGR) of 32.1%, increasing from USD 4.3 million in 2019 to USD 30.4 million by 2025. AI adoption witnessed notable growth in 2022. Local companies are increasingly investing in AI technologies to improve internal processes and offer new products and services to customers. Industries such as finance, agriculture, and health care showed great enthusiasm in adopting AI technology. In addition, the government is actively engaged in pilot projects that make use of AI in domains such as public safety and crisis management.

AUTOMATIC SPEECH RECOGNITION TECHNOLOGY TRENDS THE EVOLUTION OF CONVERSATIONAL TECHNOLOGIES: THE 2023 CUSTOMER EXPERIENCE

In recent years, consulting firms have examined how companies are using speech technologies based on ASR (Automatic Speech Recognition) to improve the efficiency and productivity of their organizations.

We expect voice technology to become an integral part of many business activities and voice models to be increasingly adapted to specific use cases, industries, intents, and languages. Speech engines have transformed significantly in recent years due to advances in artificial intelligence and improvements in accuracy, performance, and scalability.

The 2023 Customer Experience is based on virtualization and the automation of interactions between customers and brands. Autonomous conversational agents such as chatbots and voicebots are becoming increasingly popular, creating a global market estimated to reach USD 52 billion by 2028. Artificial Intelligence is not only a technological component, but also a mindset geared towards providing a better service experience for external and internal customers.

Two key aspects contribute to the field of voice assistance:

1. Speech Analytics, which allow customer service to be monitored and conversations between operators and customers to be analyzed, providing useful data to improve helpdesk processes, customer satisfaction, and sales.
2. Voice biometrics, i.e., the use of voice to access services, perform tasks, and secure applications. It offers a higher level of security than traditional passwords and security applications. On-premises implementations are preferred to ensure data security and maintain a high level of workplace security. The use of voice biometrics is growing in the financial services, retail, public administration, health care, security, telecommunications, and service provider sectors.

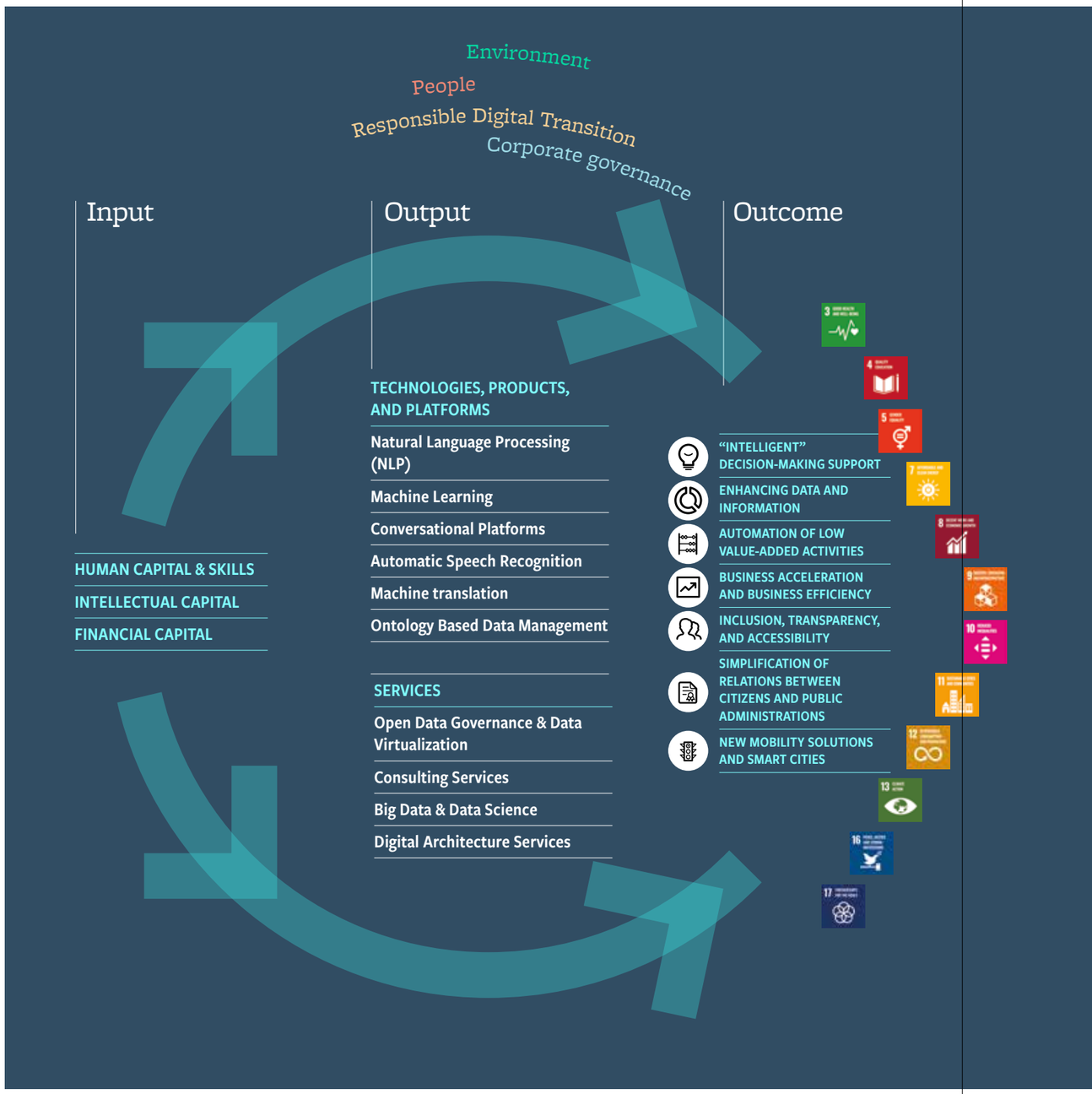
1.4

Technological and sustainable vision: Almawave's integrated business model

In the context of digital transition, Almawave markets itself with a value creation model that integrates business aspects (inputs and outputs) with sustainability aspects (outcomes), to generate positive economic, social and environmental impacts through technology.

The essential inputs of Almawave's business model are: a human capital of over 400 professionals, with cross-cutting skills and extensive knowledge of the reference technological sectors; and intangible assets, namely patents, trademarks, and organizational procedures. The entire input structure is backed by solid financial capital, which allows a constant flow of investments into research and development activities that form the basis of Almawave's innovation engine. These basic elements are then transformed into competitive outputs: proprietary products and technologies complemented by diversified services, which make the digital transformation of customers a reality, and respond to the needs of various markets. The ultimate goal is to generate outcomes that can contribute, through business activities, to improvements in all areas of sustainability.
Almawave's integrated model is driven by a 360° sustainability approach that simultaneously considers the aspects of corporate governance, responsible digital transition, people, and the environment.

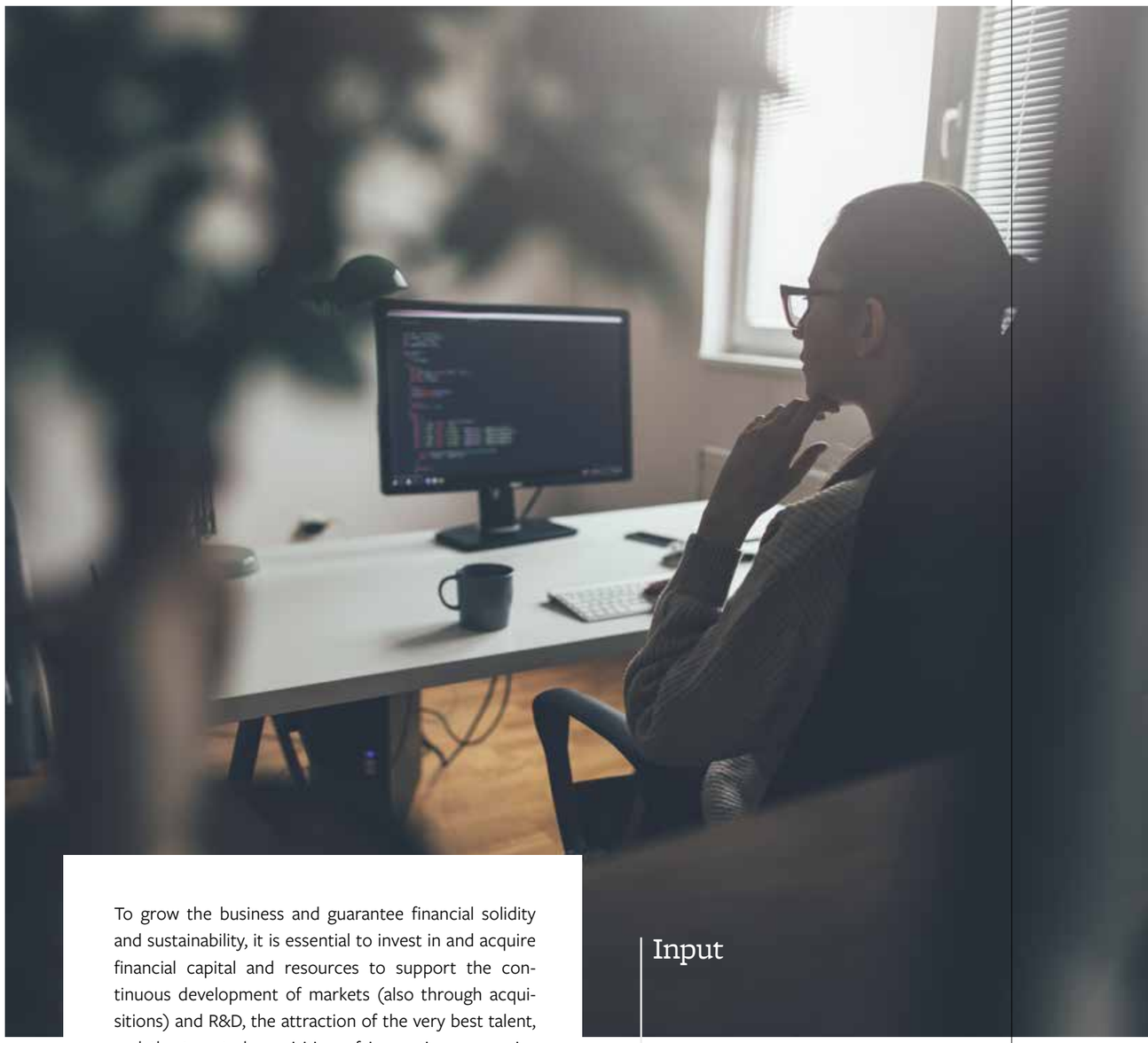
Our business model



1.4.1 Essential inputs

Deep knowledge of reference technological sectors, a team of professionals with specific and cross-cutting skills, proprietary intangible assets and the backing of solid financial capital are the key inputs of Almawave's integrated business model.

Almawave's human capital and skills allow its technological solutions to be created and brought to the market, and, therefore, represent the Company's core resources that support its business. Almawave's people are specialized in a variety of fields, including: "Digital Architecture For AI & Cognitive Design", for the design of digital architectures that integrate AI applications with customer ecosystems; "Conversational AI & Engagement", to support the customer in deploying multichannel and multimodal virtual assistants, simplifying engagement and providing natural language access to data and processes; and "Cognitive Solutions & Smart Process Automation", for the deployment of cognitive Natural Language Processing and Computer Vision technologies that optimize and automate business processes, improve customer experience, and provide analyses of the Voice of the Customer. Furthermore, expertise has been developed in the field of data management, particularly in relation to: "Data Driven Transformation & Augmented Analytics", for the development of solutions and the adoption of new information management models that integrate structured and unstructured data; "Open Data & the Semantic Web", for the modelling of knowledge and information with symbolic representation and learning methods, the design of data models, including virtual ones, and the creation of new analysis paradigms in the field of Open Data, Linked Data and the Semantic Web; and "Social Media & Web Data Science", for the development of data science solutions leveraging web and social sources for discovery, analysis of topics, contents and the dynamics of interest, and digital reputation monitoring;



Input

To grow the business and guarantee financial solidity and sustainability, it is essential to invest in and acquire financial capital and resources to support the continuous development of markets (also through acquisitions) and R&D, the attraction of the very best talent, and the targeted acquisition of innovative companies (one in 2021 and two in H1 2022).

Intellectual capital - consisting of IT Operations processes, the filing of trademarks and patents, and the organizational procedures that guide project management operations - facilitates business activities, protecting the work performed and the capital invested, and standardizing processes in order to ensure greater fluidity between the different fields of interest.

HUMAN CAPITAL & SKILLS
INTELLECTUAL CAPITAL
FINANCIAL CAPITAL

1.4.2

The outputs: Technologies, Products, Platforms, and Services

Almawave's outputs are based on a comprehensive set of technologies, developed and integrated in a modular suite of products. These are developed and customized to offer the market a wide range of vertical AI solutions based on customer needs

PROPRIETARY TECHNOLOGIES

Through its proprietary technologies, Almawave is focused on continuous product development for the creation of increasingly advanced and integrated solutions, capable of fully leveraging information assets, automating processes, and creating increasingly effective and natural experiences in intelligent interactions with customers, citizens and users. Almawave's proprietary technologies include:

- **Iride®** is a modular suite of products integrating AI technologies, text and speech Natural Language Processing and advanced algorithms to optimize customer experience, improve business processes, facilitate information analysis and data governance, and enhance all touchpoints. It automates the management of support services and all Customer Care activities.
- **Audioma** is Almawave's Automatic Speech Recognition (ASR) technology that transforms natural speech into audio-synchronized text. The advanced ASR system makes it possible to use any speech content, both in real and deferred time. Audioma® can be used in both specialist or technical language domains, such as medical or legal sectors, and general language domains, such as broadcasting and contact centers.
- **Mastro** is an advanced ontology-based data access (OBDA) solution that enhances access to both structured and unstructured data.

PRODOTTI

Thanks to its deep knowledge of the technological fields in which it operates, Almawave is able to offer a complete suite of solutions to support customers in their digital transformation. With over 20 products, supporting over 35 languages, Almawave responds to the varied needs of customers in the areas of:

- **Information governance**: AI and Cognitive solutions for navigating data and information, and discovering new correlations through a new data governance model.
- **Natural experience**: Natural language interactions that meet user expectations and improve engagement.

The outputs: Technologies, Products, Platforms, and Services

PLATFORMS

- **Aiwave** is a cognitive services platform which enables new models of development and delivery of AI-based solutions. As a single platform for developers and business users, AIWave breaks down barriers and reduces the complexity of adopting AI in business processes.
- **Data Appeal Studio** is the first all-in-one Location Intelligence platform specially designed for the tourism industry, which collects, analyzes and compares all online data on destinations, operators, and tourists.

SERVIZI

Almawave's team of professionals supports companies and public administrations in their technological innovation processes, accelerating the integration of tools, market technologies and methodologies capable of raising the organization to new levels of quality and efficiency.

Some of the products and services it offers are:

- Application of strategies and methodologies to process and exploit Big Data (data processing, virtual data lake, augmented analytics) and Open Data (data preparation, semantic modelling, citizen services) to extract value from data and transform it into knowledge.
- Support in data governance, using Data Science approaches and Machine Learning and Artificial Intelligence techniques to guide companies on their journey of transformation into a knowledge-driven organization.
- Design of IT architectures for digital transformation and artificial intelligence project and solution implementation
- Technology consulting services on strategy, innovation path design, service design, solution implementation, process transformation, based on market technologies.

The outputs: Technologies, Products, Platforms, and Services

Leveraging its knowledge of various technological sectors, and replicating and customizing standard modules, Almawave is able to offer products and services that meet a wide range of specific business needs.
The main market segments served are:

Vertical solutions offered to the various markets

PUBLIC FINANCE & WELFARE PAutomatic processes and data analysis that use AI to drive digital transformation in the finance sector and improve customer experience.

CENTRAL GOVERNMENT & WELFARE Support for public administrations in developing transparent and accessible operations, through the advanced use of AI and Big Data and Open Data approaches.

DEFENSE & SECURITY AI to facilitate and support companies and organizations in identifying potential risks, threats, fraud, and disinformation campaigns.

SMART TERRITORY The use of AI to support Smart City project monitoring and analysis, with the creation of city performance KPIs (for aspects such as safety, security and tourism) and Decision Support System (DSS) systems.

HEALTHCARE AI at the service of e-health and new remote information, diagnosis, and prognosis paradigms.

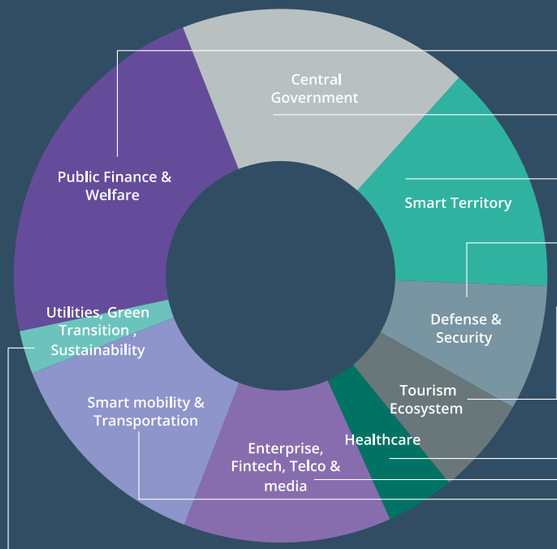
SMART MOBILITY & TRANSPORTATION Advanced solutions for areas such as customer journey and experience, knowledge management, and maintenance activities.

FINTECH, TELCO & MEDIA COMPANIES Solutions exploiting the potential of AI and Natural Language Processing technologies for data-driven organizational management and Customer Relationship Management, and platforms supporting self-service and analytics activities oriented towards the digitalization of services, the automation of processes, and understanding customer needs.

TOURISM ECOSYSTEMS Enabling the digitalization of the tourism and cultural sectors in a Big Data perspective, where the adoption of AI technologies and solutions can make data accessible, usable and interpretable.

UTILITIES, ECOLOGICAL TRANSITION & SUSTAINABILITY Technologies and products for water & gas companies, enabling optimized network management and decision support for government agencies and financial institutions. They streamline access to diverse and alternative information sources, enriching the available data and facilitating its analysis and interpretation.

The various solutions provided to sectors generate revenues, which are distributed across the main markets, with a particular focus on Public Finance and Welfare, Central Government, and Smart Cities. Smart Mobility & Transportation, Fintech Telco & Media Companies.



22.4%	Public Finance & Welfare
17.6%	Central Government
13.9%	Smart Territory
7.6%	Defense & Security
5.9%	Tourism Ecosystem
4.2%	Healthcare
12.6%	Enterprise, Fintech, Telco & media
13.2%	Smart Mobility & Transportation
2.6%	Utilities, Green Transition, Sustainability

1.4.3 Outcomes and sustainability benefits

By making use of Artificial Intelligence, Machine Learning and Conversational Platforms, Almawave's integrated approach generates a wide range of positive impacts, allowing the automation of activities with low added value, simplifying the relationship between citizens, businesses and public administrations, accelerating cooperation between organizations, and integrating decision-making processes with data- and information-based intelligent support systems. In addition, Almawave's Natural Language Processing and Machine Translation services breach linguistic, logistical and architectural barriers, to make all the functional and operational processes of any organization more accessible and inclusive.

Through its various business activities, Almawave unlocks the true value of digital transformation, contributing to the achievement of 12 of the 17 Sustainable Development Goals (SDGs), as defined in the 2030 Agenda, signed in 2015 by 193 United Nations countries, including Italy. The SDGs are based on the United Nations Millennium Development Goals, and arose from an emerging awareness of the unsustainability of the pre-existing development model, and of the need to work, on a global level, towards 17 sustainable development goals.

1.5

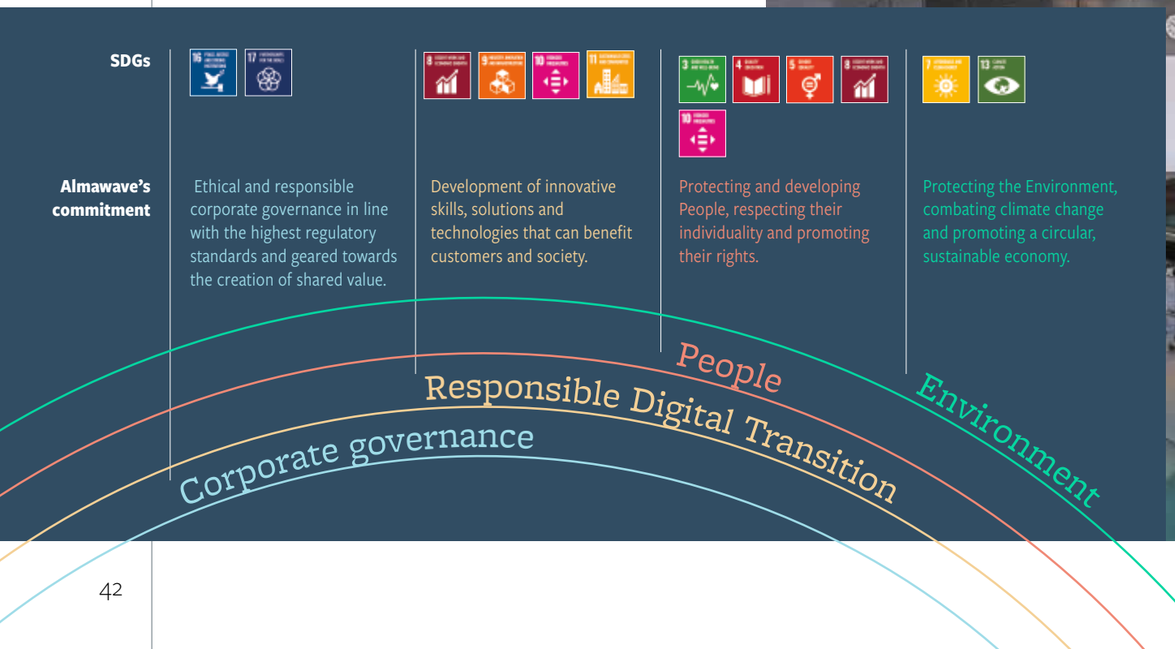
Almawave's sustainability approach

1.5.1

Our sustainability model

Almawave's sustainability approach blends social, environmental and governance aspects, both in marketing of products and services and business operations, allowing the Company to foster an ethical, inclusive digital transition, with a reduced environmental impact. This integrated model allows Almawave to create shared value that becomes social value for people, economic value for customers and stakeholders, and environmental value for ecosystems.

Almawave's sustainability approach is based on four sustainability pillars:



Corporate governance incorporates the values and ethics that guide the Company, inspiring its system of policies and procedures, in compliance with the highest regulatory standards, preventing conflicts of interest, and acting in accordance with antitrust regulations. When conducting business, Almawave upholds a strong commitment to responsible and transparent practices, seeking to create not only economic value but also social and environmental benefits.

Through activities related to responsible digital transition, Almawave contributes to the development of innovative communities, industries and infrastructures, accompanying society towards an increasingly digital and responsible future, through the application of transversal skills, advanced technology and custom solutions, and constant improvements to service and product quality and customer satisfaction.

Almawave's people are its most important resources. For this reason, the Company is committed to valuing and protecting the diversity and uniqueness, psycho-physical well-being and growth of every individual, and supporting this effort with training and the attraction of the very best talent. The focus on social impacts extends to the entire value chain from suppliers, through customers, to communities.

Almawave's dedicated environmental management system is designed to minimize its impacts on the planet, climate and natural resources. The Company constantly monitors its emissions and energy consumption, and works to reduce waste, minimize negative environmental externalities, and guarantee efficiency and sustainability according to the principle of the circular economy.

In adopting this approach, Almawave is firmly committed to achieving the Sustainable Development Goals (SDGs), in particular by focusing on the goals most closely related to its four pillars of sustainability.

Evidence of the Company's attention to sustainability is also in the participation of the Company's CEO, Valeria Sandei, in public discussions and meetings on environmental, social and governance issues. One such occasion was at the SDA Bocconi Live Forum entitled "Sustainable Investing & ESG Criteria in Finance", discussing sustainable investment opportunities, the application of environmental, social and governance criteria, and how sustainability affects strategies, leadership styles, and the value chain.

Almawave won the AssoNEXT Best ESG Identity award in November 2022. The prize was awarded to Almawave for "Having embarked on a conscious journey towards sustainability that blends social, environmental, and governance aspects, both in terms of the marketing of products and services and business operations, allowing the Company to foster an ethical, inclusive digital transition, with a reduced environmental impact".

1.5.2

The materiality analysis process on sustainability topics

Almawave carried out a materiality analysis process in order to identify the most relevant topics on which to focus corporate sustainability strategies and the content of its Sustainability Report.
In line with the GRI Standards, which serve as the reporting framework for Almawave's Sustainability Report, the Company conducted an updated materiality analysis in 2022. This analysis incorporated the revisions made to the GRI Universal Standards released in 2021.
The recent update provides for the identification of topics that represent the most significant positive and negative, actual and potential impacts organizations have on the economy, the environment, and people, including their human rights. This perspective, which takes into consideration the impacts generated or likely to be generated by Almawave, is defined as Impact Materiality.

The process of identifying material topics for Almawave involved the following key steps:

1. **Analysis and understanding of the organization's context**
   Before identifying Almawave's impacts, the Group took the initial step of understanding its activities, business relationships, stakeholders, and the sustainability context in which it operates. To this end, a benchmark analysis was carried out with comparable companies in the sector and in compliance with the requirements of the main international sustainability standards. In addition, the Group analyzed the external context to gain insights into the main trends and relevant factors pertaining to sustainability within the sector in which Almawave operates.

2. **Identification of impacts**
   The Group subsequently identified the main positive and negative impacts – both actual and potential – of the Company and the players involved in its value chain on the economy, environment, and people (including human rights) by gathering internal and external documentation and engaging with various company representatives.

3. **Evaluation of the significance of impacts**
   The impacts identified were thoroughly evaluated to determine their significance, considering key factors such as severity, extent, irremediable character (only for negative impacts), and likelihood of occurrence.
   Stakeholder Engagement activities involved eight categories of stakeholders: Top Management, Employees, Suppliers, the Financial Community, Customers, Universities and Research Bodies, Sector Associations, and the Media.

4. **Prioritization of topics based on impact assessments**
   In line with the requirements of the new 2021 GRI Universal Standard, the results of Almawave's impact assessments were reworked to create a prioritized list of material sustainability topics. These topics were categorized based on the Company's four sustainability guidelines.

MATERIAL TOPICS 2022

Material topics		Significance		
		Very High	High	Medium High
Corporate governance	Creating shared value	■		
	Business continuity and cybersecurity		■	
	Protecting intellectual property			■
Responsible digital transition	Digitalization and business process efficiency	■		
	Privacy and data protection	■		
	Innovation		■	
	Technology for humans - People-centered		■	
	Digital solutions for the community and inclusion		■	
	Customer satisfaction and product and service quality		■	
	Green solutions for customers			■
People	Valuing human capital, attracting talent	■		
	Well-being, occupational health and safety		■	
	Responsible supply chain			■
	Diversity and inclusion			■
	Human Rights			■
The environment	Energy consumption and combating climate change			■

When analyzing the prioritization of topics with significant impact, "Valuing human capital and attracting talent" emerges as highly relevant. Dedicating attention to people and their professional growth is a core element of the technology sector, where having highly qualified and specialized personnel is crucial for achieving business success.

Another very relevant topic, related to Almawave's core business, is "Digitalization and business process efficiency". The Company is committed to increasing the digitalization of its customers to create more efficient business processes by delivering high-value technological solutions.
"Creating Shared Value" and "Privacy and Data Protection" are two additional key aspects for Almawave. These areas seek to promote the generation of value for all stakeholders while prioritizing the security and protection of sensitive information.
In addition, the topic of "Innovation" remains important, in line with the Company's ongoing commitment to providing innovative products and solutions that increase the well-being of the community.

1.5.3 Sustainability strategy: Almawave's commitments

Almawave's strategy is defined at the Group level. The AlmavivA Group decided to make its commitments to sustainable development concrete by defining a sustainability strategy with specific objectives and targets. These goals relate to the individual pillars of the sustainability model and the material topics identified in the materiality analysis phase. The strategy was also created in consideration of the financial market's various demands and an in-depth benchmarking study of comparable companies in the ICT sector. The objectives were shared with company departments, which will be responsible for pursuing and achieving them.

In December 2022, Almawave actively showcased its commitment by participating in a workshop organized by STEP FuturAbility District. The workshop sought to emphasize the role of AI in facilitating the transition towards a sustainable development model.

In addition, in February 2023, Almawave formally joined the United Nations Global Compact (UNGC) initiative. The global network of companies seeks to integrate sustainability into business through the development, adoption, and dissemination of ESG practices, with a particular focus on four areas: human rights, labor, the environment, and anti-corruption.

	Material topic	Objective	Target	SDGs
Governance	Governance system	Ensure fair representation on the BoD in terms of gender, age, independence, minority appointments, and other categories	Increase female board membership to 33% by 2025	
		Top Management remuneration linked to ESG goals	Definition and incorporation of ESG topics into remuneration policies for Top Management in 2023	
		Establishment and development of transparent and accountable sustainability governance	Launch of training courses on ESG topics for the Board in 2023	
	Business continuity and cybersecurity	Minimize the risk of IT system disruptions and cyber attacks	Reduce service interruptions in software and IT services provided to customers to negligible levels in 2023	
Responsible digital transformation	Innovation	Invest in research and development on innovative projects with an ESG outlook and monitor the related impacts	• Increase the number of innovative projects that contribute to improving ESG impacts in 2023 • Scale up partnerships with research institutions/universities by 2025	
	Digital solutions for customer sustainability and digitalization	Offer the market innovative solutions that contribute to improving and monitoring customers' ESG impacts (e.g. community and inclusion, sustainable mobility, clean tech, digitalization and business process efficiency, etc.)	By 2025, widen the range of innovative solutions that contribute to improving the ESG impacts of its customers until 100% of the portfolio is covered	
	Customer satisfaction and product and service quality	Maintain high levels of quality and customer satisfaction	Standardization of quality and satisfaction assessment systems differentiated by business area by 2025	
	Privacy and data protection	Minimize the risk of information privacy breaches and the number of related complaints	• No substantiated complaints received concerning breaches of customer privacy in 2023 • Extension of ISO 27001 certification to all relevant Group Companies by 2025	
People	Valuing human capital, attracting talent	Support staff professional development and engagement, monitoring and improving training	Provision of an average of 15 hours of training per person by 2025	
	Diversity and inclusion	Increase the number of women in managerial positions	Expand initiatives to encourage women's participation in STEM education and increase their presence in the company in 2023	
	Responsible supply chain	Increase the number of suppliers involved in the evaluation process through ESG criteria	Standardization of the supplier evaluation system through ESG criteria for the entire Group by 2025	
Environment	Energy consumption and combating climate change (Sustainability team)	Increase the use of renewable electricity	100% renewable electricity consumed (differentiated by country) by 2030	
		Reduce direct and indirect emissions to achieve Group-wide Net Zero emissions by 2030	• 100% use of green cloud solutions by 2025 • Achievement of Net Zero Emissions by 2030	
	Circular waste management (Sustainability and quality team)	Increase the percentage of waste directed to recovery	100% separate waste collection Group-wide in 2025	

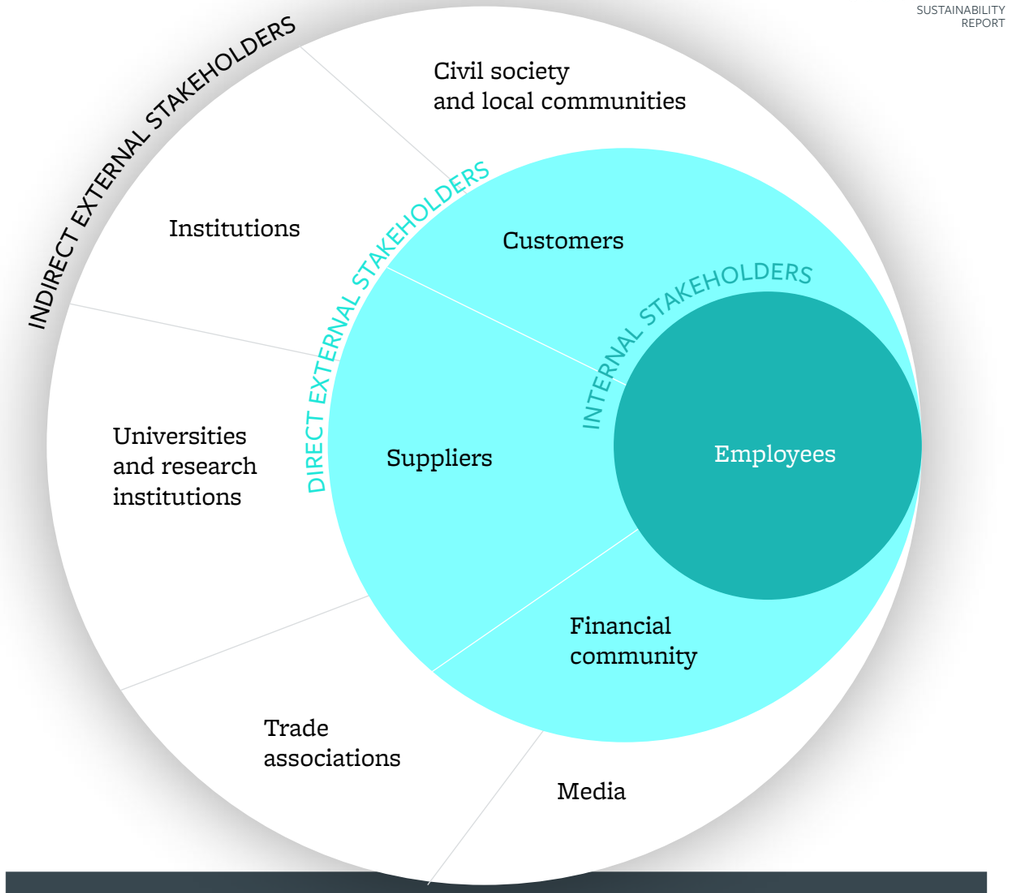
1.5.4

Almawave stakeholder engagement

Over the years, Almawave has built a relationship of trust and constant dialogue with its stakeholders, in order to better understand the context in which it operates, anticipate and mitigate potential risks, seize business opportunities, and create value for the community. By involving its stakeholders, the Company makes its social responsibility a reality.

Almawave has mapped its stakeholders by involving top management and analyzing the Company's corporate structure, business activities, value chain and existing network of relations. The various stakeholders were thus identified and classified in three categories: internal, direct external, and indirect external.

Almawave engages its stakeholders by constantly interacting with them through direct relations, periodic meetings, and listening to their needs.



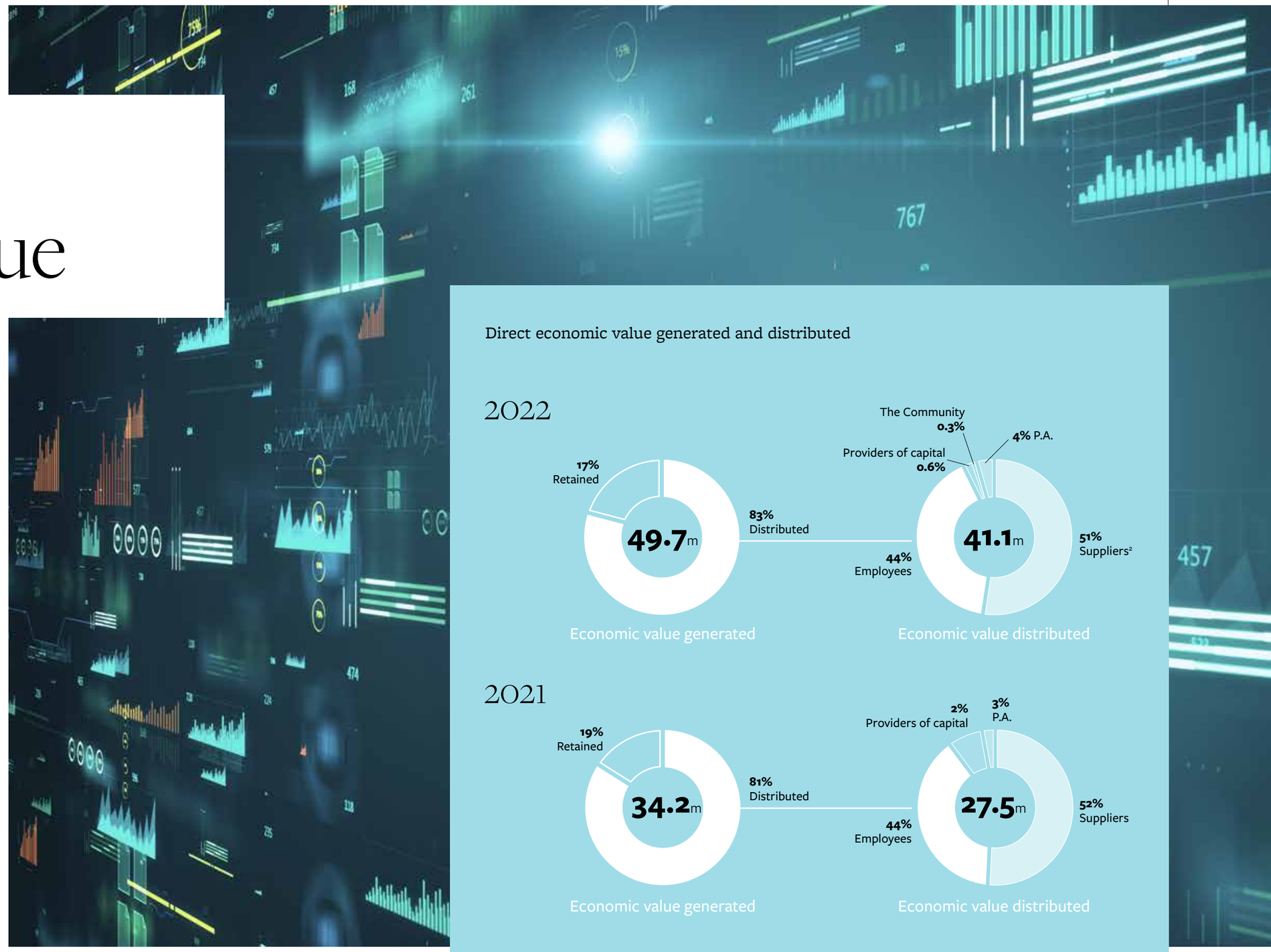
Stakeholders	Type of engagement activity
Employees	Almawave nurtures direct and continuous contact with its employees through specific activities and tools. Doing so helps to align individual values with those championed by the Company, legitimize ongoing changes, put collective commitments into context, and reaffirm the Company's ability to compete on the market.
Customers	Almawave improves its business approach through focus groups, conferences, and public presentations, with a focus on customer needs and satisfaction.
Suppliers	The Group organizes face-to-face meetings, site visits, and partnerships to exchange mutual interests and promote future business development.
Financial community	Conference calls are scheduled to facilitate the sharing of financial results, enhance the transparency of financial information, and improve the monitoring of company performance.
Civil society and local communities	Participation in local and global events, participation in associations, membership of the UN Global Compact, and volunteer activities promote Almawave's mission and vision.
Universities and research institutions	Almawave is always attentive to its relations with universities, higher education institutes, and the world of research through Group programs that involve the systematic participation of Almawave experts in career days, seminars, and workshops to raise public awareness on topics related to digital innovation.
Trade associations	Through the work of its top and senior management teams, the Almawave Group nurtures an ongoing relationship with the industry bodies, giving constant impetus to project collaboration and conversation.
The media	Press releases, conference calls, social media channels, media conferences, interviews, and brand awareness activities are arranged to provide the most up-to-date information on business and company performance.
Institutions	Dialogue with institutions and participation in working tables increases public awareness of AI.

02

Governance

2.1

Creating shared value



Almawave has always been attentive to not only its economic performance, but also to its environmental, social and governance (ESG) performance, to the value it generates, and to how this value is distributed to various categories of stakeholders, from shareholders to customers, employees, suppliers, academia, research, and the communities of which Almawave is a part. When conducting business, the Group generates and distributes value, contributing to the development of the economy and the well-being of the local community and stakeholders.

In 2022, approximately Euro 49.7 million was generated in terms of economic value, up 45.47% on the previous year. 83% of this value, or Euro 41.1 million, was distributed to the following stakeholders: suppliers – operating costs – Euro 21.1 million (51% of the distributed[1] value); employees, Euro 18.1 million (44% of the distributed value), in the form of wages, social security contributions and company benefits; public administrations, Euro 1.5 million (4% of the distributed value), in taxes; and providers of capital, Euro 0.25 million (0.6% of the distributed value), through the payment of interest, in addition to Euro 0.13 million (0.4% of the distributed value), through donations and sponsorships.

Direct economic value generated and distributed

2022

2021

1. Net of the costs incurred for R&D activities equal to 0.4 million Euros for 2021 and 0.3 million Euros for 2022
2. Net of the costs incurred for R&D activities equal to 3.4 million Euros for 2021 and 3.9 million Euros for 2022

2.2

Governing bodies and organizational structure

Almawave's governance has a long-term-oriented vision, in order to anticipate and respond effectively to new challenges, combining the technological development needs of the markets in which it operates with sustainable development goals.
As part of its management of economic and financial aspects, Almawave has, for a number of years, used a top-tier reporting, controlling and accounting system, according to IFRS-IAS international accounting standards.

Launch of training courses on ESG topics for the Board in 2023

2.2.1

The Corporate Governance model

33%

women on the Board of Directors by 2025

Almawave's corporate governance is based on the traditional Italian model, which, without prejudice to the role of the Shareholders' Meeting, assigns a strategic management role to the Board of Directors, the fulcrum of the organizational system, and a supervisory role to the Board of Statutory Auditors. The audit of accounts is awarded to an independent audit firm by the Shareholders' Meeting.

Almawave has adopted a "231" Organizational Model, consisting of a set of behavioral rules, processes, procedures and policies functional to the creation of an integrated control system, in order to prevent the commission of the offenses set out in Legislative Decree No. 231 of June 8, 2001. The model also provides for a Supervisory Board, which is tasked with supervising and monitoring the performance and compliance of the adopted Organizational Model, and its updating.

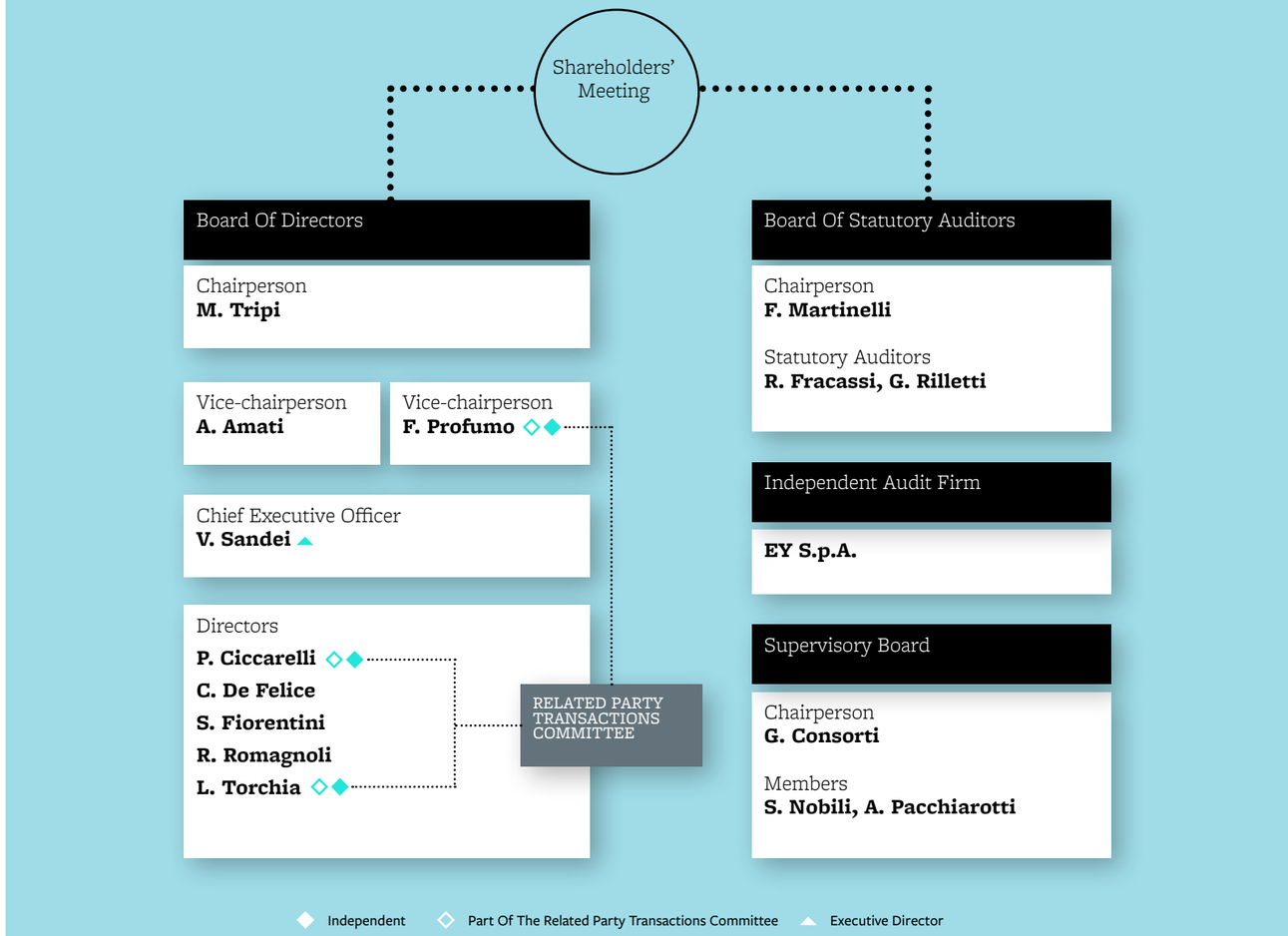
THE BOARD OF DIRECTORS

Almawave's strategic management is therefore entrusted to the Board of Directors (BoD), which has powers for the ordinary and extraordinary management of the Company. The current Board of Directors was appointed in 2021 and consists of nine members, two of whom are women and seven men. The Chairperson of Almawave's Board of Directors is not a Senior Executive of the Company.

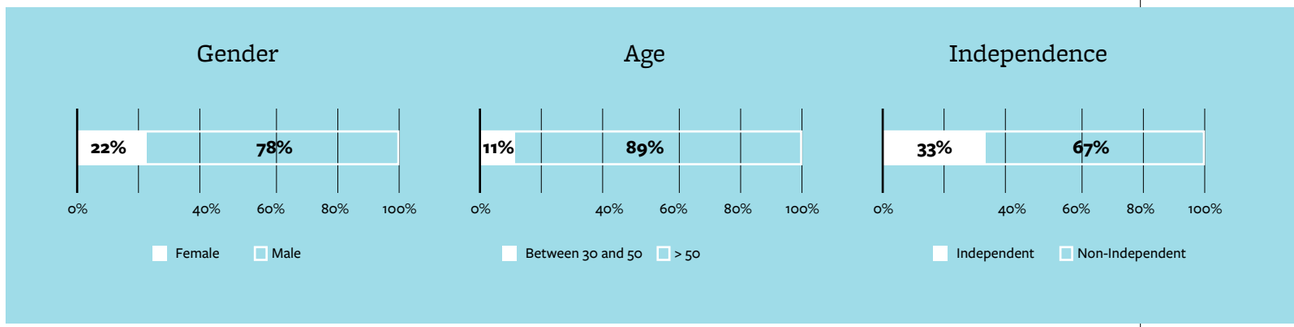
The role of Chief Executive Officer is held by Valeria Sandei, who has led the Company since 2007. Almawave is one of the very few listed Italian companies with a female CEO. To ensure genders are equally represented on the Board of Directors, Almawave has set a target of increasing the presence of women on the Board to 33% by 2025. There are three Independent Directors on the Board of Directors, one of whom holds the position of Vice-Chairperson. In line with the By-Laws, the appointment of members to the Board of Directors is based on slates of candidates submitted by shareholders. These shareholders, either individually or collectively with other shareholders, must represent at least 10% of the share capital with voting rights at the Shareholders' Meeting. The slates must include a sequential number of candidates, not exceeding the number of Directors to be appointed. Additionally, the slates must indicate at least one candidate who meets the independence requirements specified in Article 148, paragraph 3 of the Consolidated Finance Act and the Self-Governance Code issued by Borsa Italiana S.p.A, or at least two if the slate comprises more than seven candidates. In addition, candidates must meet the requirements of integrity provided for in Article 147-quinquies of the Consolidated Finance Act and the regulations on participation in public tenders.

The Board of Directors analyzes and approves the Sustainability Report, prepared annually, to publicize Almawave's environmental, social, and economic strategies and performance and to make compliance with its commitments transparent.

Composition of the administration and control boards as at May 2022

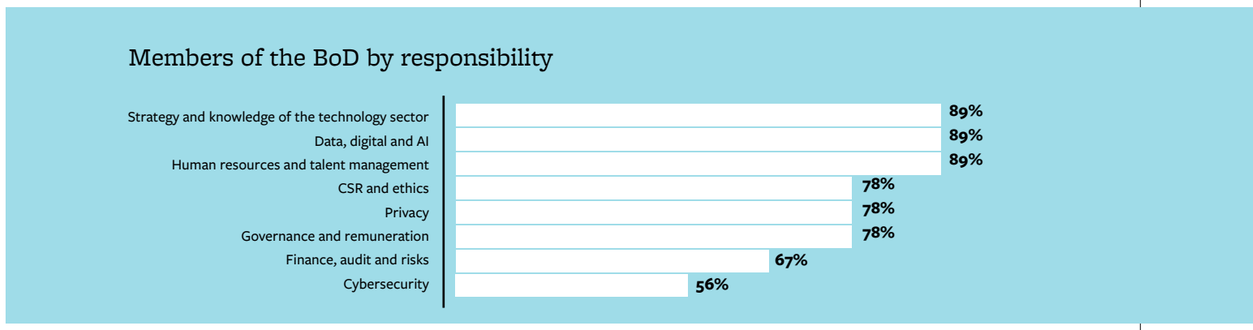


Composition of the Board of Directors



The Corporate Governance model

Definition and incorporation of ESG topics in remuneration policies for Top Management in 2023



BoD RESPONSIBILITIES

In developing increasingly transparent and accountable sustainability governance, Almawave is committed to providing specific training courses on ESG topics for the Board in 2023.

Furthermore, during 2023, Almawave plans to define and adopt a remuneration policy for Top Management that is linked to ESG objectives.

The Board of Directors has established two internal Committees to advise and make proposals to the Board: the Related Party Transactions Committee and the Sustainability Committee.

The Related Party Transactions (RPT) Committee, which comprises three Independent Directors, supports the BoD in approving any Related Party Transaction by issuing a non-binding reasoned opinion on the Company's interests in carrying out the transaction, and on the propriety and substantial correctness of any related conditions. In accordance with the By-Laws and Consob Regulation No. 17221 of 12 March 2010, as amended (Consob Related Party Transactions Regulation), Almawave has adopted a specific procedure to handle transactions involving related parties. This procedure was approved by the Board of Directors during its meeting on March 4, 2021 and subsequently updated during its meeting on June 30, 2002. The Related Party Transactions Committee is appointed by the Board of Directors.

The Sustainability Committee, comprising three Directors (of whom one independent) and established on November 9, 2022, is responsible for assisting the Board of Directors with investigative, propositional and advisory functions, in the pursuit of sustainable success, including through support in assessments and decisions related to environmental, social and governance topics, by promoting the continuous integration of national and international best practices related to sustainability into corporate strategies. The Committee is appointed by the Board of Directors, and its members are selected based on their expertise, relevant to their respective roles, and diversified in a manner that enables effective governance across different areas of the Company and meets the requirements of diversity, including gender.

The Board's Sustainability Committee collaborates with the ESG Management Committee, which comprises representatives of the various company departments, in coordination and integration with AlmavivA S.p.A. This Committee also plans, supervises and constantly monitors environmental, social and governance sustainability initiatives, thus supporting the strategic strengthening of the Almawave Group's organizational structure.

AlmavivA's Management Committee comprises the following individuals:

- Chief Sustainability Officer
- Administration, Financial Statements, and Tax
- Purchasing and General Services
- Head of Communications and Institutional Relations
- Head of HR
- Chief Information Security Officer (CISO) & Group Security IT Policy
- Internal Audit and "231" Compliance Department
- Corporate Affairs Department
- Innovation Committee Coordinator

The ESG Committee is responsible for:

- Understanding the developments in environmental, social, and governance topics and their influence on the dynamics of the market in which the Company operates, in addition to assessing the risks and profitability prospects of its businesses, in order to manage the related impacts and adopt improvement actions;
- Steering the corporate system's evolution towards full sustainability, generating economic, social, and environmental value, and defining the Sustainability Report;
- Promoting the principles of sustainable management and circular economy throughout the organization

Corporate governance incorporates the values and ethics that guide the Company, inspiring its system of policies and procedures, in compliance with the highest regulatory standards, preventing conflicts of interest. To ensure sound, accountable, and transparent governance, anti-corruption training courses are provided to members of the Governing Body. If a transaction arises in which the Managing Director encounters a conflict of interest, they are obligated to notify the Board and abstain from participating in the transaction. No conflicts of interest occurred during 2022.

In accordance with the By-Laws, the Shareholders' Meeting determines the total annual gross fee due to the members of the Board of Directors, which is distributed by the Board of Directors. In 2021, the Shareholders' Meeting approved the 2021-2023 Stock Grant Plan, mandating the Board of Directors to set performance parameters as a condition for the allocation of shares.

THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors oversees Almawave's compliance with law and the By-Laws and the principles of correct administration, the adequacy of the administration and accounting organization adopted by the Company, and its correct functioning. The Board of Statutory Auditors is made up of five members appointed by the Shareholder's Meeting: three are effective members, that is, the Chairperson and two Statutory Auditors, while the other two are Alternate Auditors.

THE SUPERVISORY BOARD

In 2022, in view of the listing of the Company, the Board of Directors appointed a Supervisory Board composed of three members (previously it had been one). The Supervisory Board (SB) supervises the performance and updating of and compliance with the Organizational Model, and, should any non-compliance occur, promptly report such to the BoD. The SB is furthermore responsible for determining appropriate measures to respond to non-compliances, for preparing periodic reports to the BoD and the Board of Statutory Auditors based on verification and control activities, and their outcome. In addition, the SB has the task of promoting and monitoring initiatives and staff training to raise awareness of the Organizational Model and of compliance with its principles. In 2022, as in 2021, there were no recorded cases of non-compliance with the Organizational Model. The tasks assigned to the SB require that it has autonomous powers of initiative and control, hence the decisions taken by the SB are unquestionable by the institutions.

2.2.2

Organizational structure

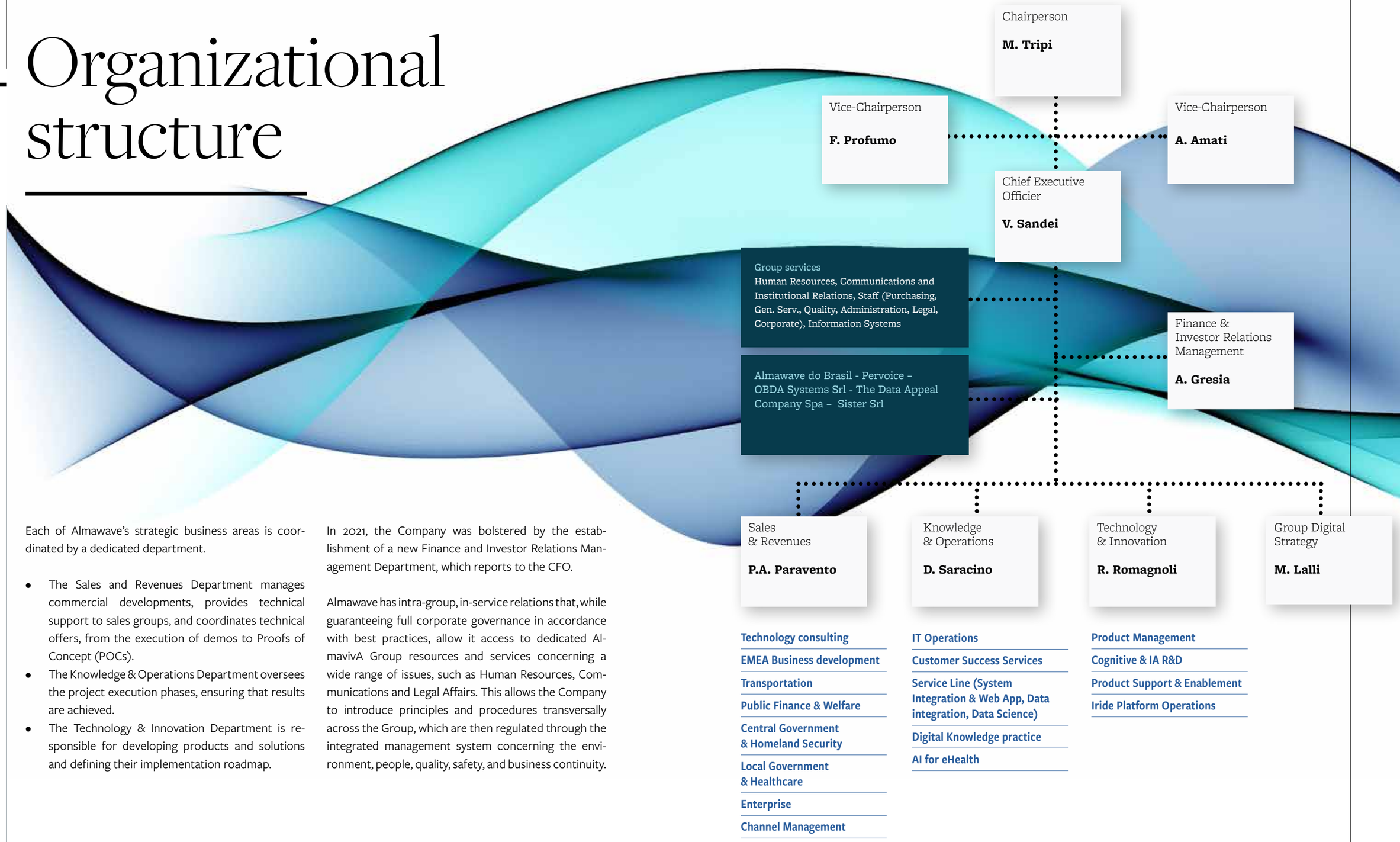
Each of Almawave's strategic business areas is coordinated by a dedicated department.

- The Sales and Revenues Department manages commercial developments, provides technical support to sales groups, and coordinates technical offers, from the execution of demos to Proofs of Concept (POCs).
- The Knowledge & Operations Department oversees the project execution phases, ensuring that results are achieved.
- The Technology & Innovation Department is responsible for developing products and solutions and defining their implementation roadmap.

In 2021, the Company was bolstered by the establishment of a new Finance and Investor Relations Management Department, which reports to the CFO.

Almawave has intra-group, in-service relations that, while guaranteeing full corporate governance in accordance with best practices, allow it access to dedicated AlmavivA Group resources and services concerning a wide range of issues, such as Human Resources, Communications and Legal Affairs. This allows the Company to introduce principles and procedures transversally across the Group, which are then regulated through the integrated management system concerning the environment, people, quality, safety, and business continuity.

2022 Organizational Chart of Almawave S.p.A.



2.3

Responsible business

To the Almawave Group, Responsibility and Integrity in Business means taking ethical principles into account when creating a strategic business vision, through the effective management of social and ethical topics that impact the organization and its areas of activity. In particular, Almawave has been SA8000-certified (Social Accountability 8000) since June 2022 and has extended its best practices to all Group companies. The Almawave Group also declares that it complies with all the requirements of the SA8000 Standard and respects the principles of the international instruments referred to therein. It is also committed to complying with national laws, other applicable laws, and any requirements which it is obliged to respect.

The Organization is aware of its role and responsibilities within the economic and social community and intends to define itself as an outstanding operator with regard to Social Responsibility. This means raising as much awareness as possible of the principles of Social Responsibility in all the companies of the Almawave Group, and in particular:

- Viewing employees as a strategic resource, respecting their rights, and encouraging their professional development;
- Viewing suppliers as business partners in the provision of the Company's core business goods and services, and promoting the SA8000 principles to them;
- Viewing customers as a fundamental element of the AlmavivA Group's success, working to satisfy them and contribute to the circulation of SA8000 values among them.

As part of the AlmavivA Group, the Almawave Group possesses an organizational structure that incorporates and adopts the principles set out in the Group's policy, and the SA8000 principles specifically. The following teams are involved in applying the Social Accountability Management component:

- Quality and Customer Satisfaction;
- Human Resources;
- General Services and Logistics;
- Professional service acquisitions;
- HW and SW acquisitions;
- Legal affairs;
- Communications and Institutional Relations

Internally, initiatives related to social responsibility are promoted on the corporate Intranet and externally on the website, where the Sustainability Report and policy are also published.

The individuals and entities involved in these initiatives include the Head of the Social Responsibility Document System (RSDRS), the SA 8000 Management Representative (RDSA), the SA8000 Workers' Representative(s) (RLSA), the Social Performance Team (SPT), the Health and Safety Committee, the Prevention and Protection Service Coordination, the Prevention and Protection Service Manager (RSPP), the Employee Health and Safety Representative (RLS), the Employer, and the Workers themselves.

2.3.1 Almawave's values

Almawave promotes ethical business values, both internally and in all of its commercial relations, in accordance with universally acknowledged ethical principles, laws, and the highest national and international standards.

ALMAWAVE'S VALUES

Almawave bases its values on the AlmavivA Group's Code of Ethics, which defines key values for the corporate culture and professional ethics of Almawave's employees, managers, and executives in relations with customers, collaborators, and the market. Employees take a special course when they join the Company to ensure standards and values such as compliance and ethics remain an integral part of the corporate culture and daily activities.
The Code of Ethics was approved by the Board of Directors and is published on the website via the following link Codice-Etico.pdf (almawave.com)
It is also published on the Supplier Register platform and suppliers must sign it to join the register.

FAIRNESS, IMPARTIALITY AND LOYALTY

These are the basic principles which Almawave undertakes to respect and enforce internally and when conducting its business, in compliance with applicable laws and the highest international standards

EXCELLENCE, EXPERIENCE, CUSTOMER FOCUS

Almawave aspires to ensure the highest levels of quality, drawing on its experience, to meet expectations of customers, who are always at the center of its thinking

INNOVATION

Continuous research into advanced technologies and the development of innovative solutions are the driving force behind Almawave's evolution

COMPLIANCE

Adoption of all means to prevent violations of the law and the principles of transparency, fairness and loyalty by its employees and collaborators

TRANSPARENCY IN ACTION

Open and transparent communication in dealings with the market, investors and the community, to safeguard competitiveness

FAIR COMPETITION

In Almawave's own interest and that of all market players, customers and stakeholders1

VALUING PEOPLE

To guarantee the well-being and protection of human resources and local communities in which Almawave operates

SUSTAINABLE DEVELOPMENT

Responsible use of resources, respecting the environment and the rights of future generations

2.3.2 Governance and management systems

In compliance with the principles of traceability and the separation of responsibilities, the AlmavivA Group has adopted a specific governance system, which applies to the management and coordination activities of all of its subsidiaries, including those of the Almawave Group. The Compliance and Governance Models are based on the corporate Code of Ethics, By-Laws and the following governance reference sources:

- Policies, defining high-level principles and rules of conduct (all the policies are made available on the corporate intranet);
- Procedures, defining methods, tasks, roles, responsibilities, management, control and monitoring, and communication flows.
- Integrated Management System (IMS) Documentation, including manuals, guidelines, scope, organizational aspects and guidelines reporting the general principles and operating methods of the IMS, applicable to specific areas.

The policies, procedures and documentation of the Integrated Management System concern all basic elements of the Group's way of working and operating, namely: Quality and Service Management, Security and Business Continuity, Environmental and Energy Compliance, Social Responsibility, and Occupational Health and Safety.

The monitoring and prevention of non-compliance has always been a guiding principle in the conduct of Almawave's business. A concrete example of this commitment is its Organization and Management Model, drawn up as per Legislative Decree No. 231/2001 (231 Model). The 231 Model sets out procedures and monitoring activities to prevent unfair competition, legal violations, and active and passive corruption.
In 2022, the Supervisory Board drew up an annual plan to verify the compliance of Company procedures with the principles dictated by the Model and by the Decree. On November 9, 2022, version four of the Organizational Model – which incorporates regulatory updates and introduces new control schemes – was presented and approved by the Board of Directors.
The Organizational Model applies to all stakeholders and is published on the Intranet, to which all employees have access.

ALMAWAVE'S CERTIFIED MANAGEMENT SYSTEMS

The most authoritative and rigorous management systems have been integrated into Almawave's organization, in order to improve company performance, bring services into line with the highest quality standards, and increase customer and stakeholder satisfaction, with a view to continuous improvement, fairness, reliability, and sustainable development. The monitoring of energy, environmental, social and governance (ESG) issues is guaranteed by the alignment of policies, processes and procedures to the Integrated Management Systems adopted by the parent company AlmavivA and compliant with the international standard BSPAS 99.

2022 AUDIT RESULTS

Almawave's management systems undergo annual audits by highly qualified, independent external auditors. The audits carried out in 2022 for the management systems and in particular the ISO 9001 management system for which Almawave is directly responsible did not identify any severe non-conformities, and any emerging findings have been taken into consideration in improvement plans. The management systems were found to be effective and compliant with the relevant standards.

Management system	Certification	Description	Company
Quality	UNI EN ISO 9001:2015	The ISO 9001 Management System makes business processes more efficient with a view to increasing customer satisfaction.	Almawave Pervoice OBDA System
Corporate Social Responsibility	SA8000:2014	The SA 8000 Management System certifies company management in relation to respect for human and labor rights and child exploitation and safety guarantees.	Almawave
Information security	SO/IEC 27001:2017	The ISO 27001 Management System defines procedures for the effective management of information security with a view to guaranteeing customer data protection.	Almawave Pervoice
Information security	Cloud Security Alliance (CSA) STAR Certification	The Security, Trust, Assurance, and Risk (STAR) Registry certifies the compliance of a given cloud computing environment with best practices.	Almawave

2.4 Business continuity and Cybersecurity

IT tools and applications are essential for the effectiveness of both business and operational processes. It is therefore essential for Almawave to guarantee the protection and continuity of the corporate IT system, both in providing services to customers and in safeguarding internal data assets, in order to strengthen the loyalty and satisfaction of the stakeholders involved.

The Company has established ways of identifying risks and mitigating them and has a cross-cutting "IT security" process for the entire business. This process consists in the implementation, management and maintenance of the Information Security Management System (ISMS) for which the Company obtained ISO27001 security certification in June 2022. In addition, in January 2022, Almawave obtained Security, Trust, Assurance, and Risk (STAR) certification from the Cloud Security Alliance (CSA), a world-leading organization dedicated to defining and raising awareness of best practices for the security of cloud computing environments. Furthermore, Almawave makes use of the CED and Azure cloud infrastructures of the ISO 27001 certified Parent Company, Almaviva S.p.A., for the creation of company and customer databases.

Almawave methodically follows the typical operational phases (Deming Cycle: Plan, Do, Check, and Act), which are repeatedly executed over time to ensure continuous improvement of the System. These phases are essential for the adoption, management, and evolution of any management system. IT Security roles and responsibilities are defined at company level, and the operational staff involved are given periodic training. The supporting document system is an integral part of the set of controls adopted to protect the information assets on which the entire company IT Security System is based. The General IT Security Policy is made up of Specific IT Security Policies, which refer to or are referenced by other documents, such as the Operating Procedures, which give precise instructions for the implementation of the policies.

By applying and monitoring compliance with the ISO 27001 standard, Almawave:

- Ensures that data is accessible only to those authorized to access it;
- Protects the accuracy and completeness of the data, and the methods for processing it;
- Ensures that authorized users have access to the data and associated assets when needed.

IT Security is also organized through the development of ad hoc solutions. In 2022, the Group successfully adopted a solution enabling centralized monitoring and control of GDPR compliance by relevant business users. The solution is based on the adoption of a proprietary AlmavivA platform integrated with the Company Information Systems.

In addition, continued use was made of the Cyber Intelligence platform, "Joshua" (developed by AlmavivA), which uses Open Source INTelligence (OSINT) methods to measure exposure to corporate Internet Cyber Risk.

Business continuity and Cybersecurity

SECURITY ENHANCEMENT: THE SECURITY ENHANCEMENT PLAN

A security enhancement plan was adopted in response to the increased focus on IT security following the serious incidents that occurred in 2021, which affected major public administrations and IT companies. This plan includes preventive actions that increase the level of protection against attacks in general, and against malware and identity theft specifically. The Plan led to the implementation of the following actions:

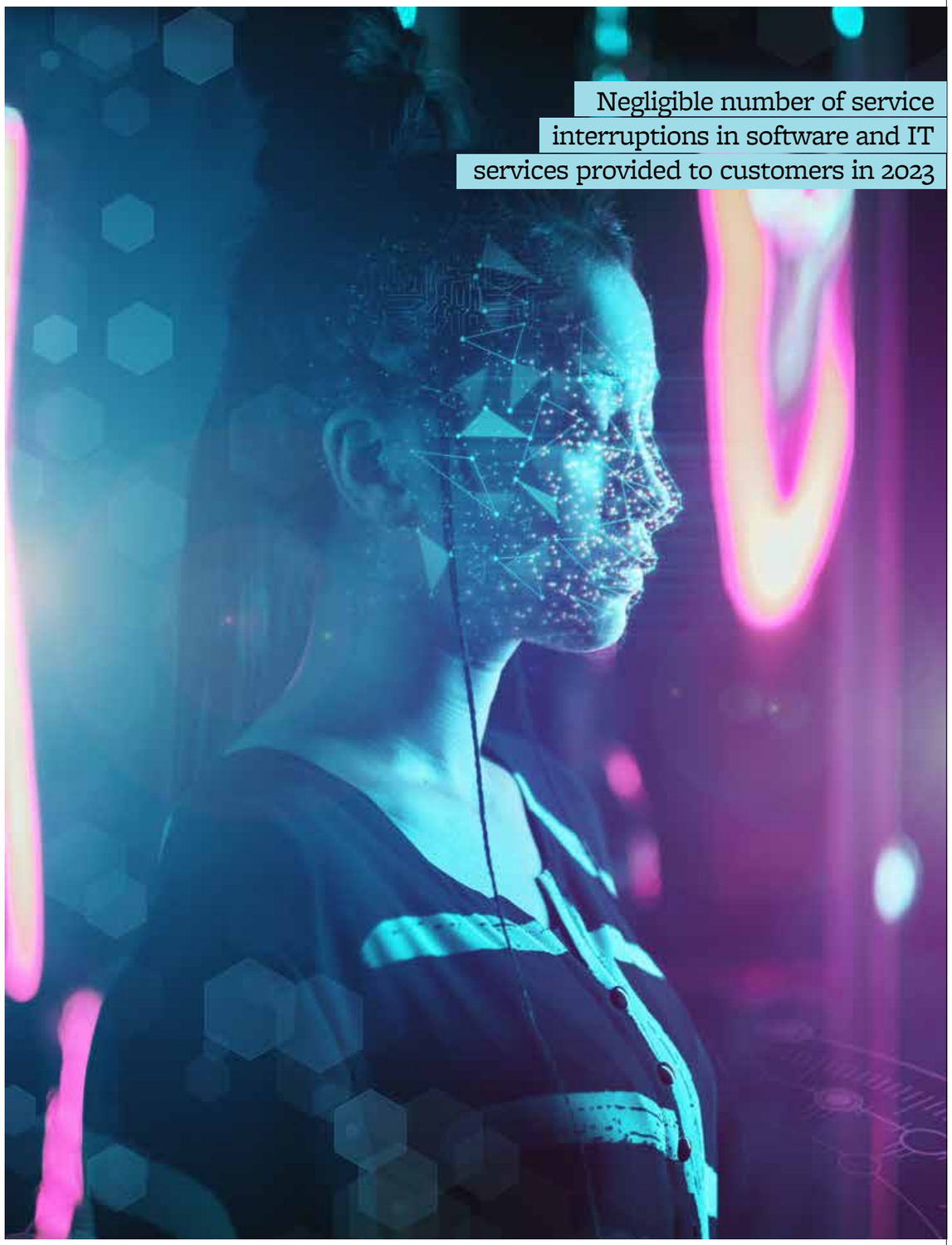
- Extension of multi-factor authentication for access to Microsoft Office 365 to all Company employees.
- Secure browsing – adoption of a secure Internet browsing solution for employees working at the office and remotely. This solution includes security analysis of both unencrypted and encrypted web traffic while respecting privacy and restricting access to inappropriate or risky websites.
- Implementation of a Zero Trust architecture in the Company Data Center, with integrated use of HFW's Advanced Endpoint Protection (AEP) agent and Privileged Access Management (PAM) technologies. This allows administrative access to systems only through Privileged Access Management (PAM), decreasing the attack surface and preventing the lateral movement approach typical of recent attacks.
- SSL Inspection Agent AEP - deployment on Data Processing Center systems of a feature that analyzes encrypted traffic via SSL certificates, and highlights any anomalies or possible attacks.
- User Data Backup - off-line backup of employee Office 365 account data, increasing protection from the effects of ransomware attacks.

The human factor is a crucial aspect of cybersecurity. Although specific tools help to reduce and compensate for distractions or human error, people still require adequate preparation and training. Therefore, in recent years the Company has involved the entire corporate population in various training, refresher and awareness raising campaigns, mainly through intranet communications, on cybersecurity issues and policies. The AlmavivA Group's Internet use regulation was adopted in 2022 (updated in 2021). It contains rules for using company equipment, accessing the Internet, and safe web surfing.

Thanks to its "Information Security Management System", Almawave mitigates the risks of data and information loss and business disruptions resulting from cyber attacks, distractions, and human errors, related to both company and customer systems.

In 2022, Almawave improved its performance for the KPI related to service interruptions in software and IT services provided to customers. Specifically, there was a 29% decrease in service disruptions caused by various factors such as technical failures, programming errors, cyber attacks, weather events, or natural disasters at hosting facilities. However, there was a slight increase in the number of reported performance issues (+15% on 2021). Total customer downtime relating to performance issues and service interruptions in software and IT services provided to customers reduced by 8%.

Almawave is committed to minimizing the risk of computer system interruptions and cyber attacks. In 2023, the Company set a target of zero service interruptions in software and IT services provided to customers.



2.5 Protecting intellectual property

Intellectual property represents a fundamental asset to be safeguarded for Almawave, given its continuous research and development activities and the very nature of its business, which offers solutions based on technological innovations that are also protected through potential patent filings.

Almawave's proprietary artificial intelligence technologies, protected product brands, and the publication of various scientific papers represent important intellectual property assets for the Company.

Almawave handles intellectual property protection through:

- Use of intellectual property protection tools: patents, trademarks and copyrights;
- The stipulation of confidentiality agreements;
- Provision of ad hoc clauses in agreements with customers, suppliers and partners;
- Protection of software languages and source codes;
- Support for license compliance in the use of open source technologies within proprietary products;
- Monitoring of trademarks filed by competing companies, using alert services.

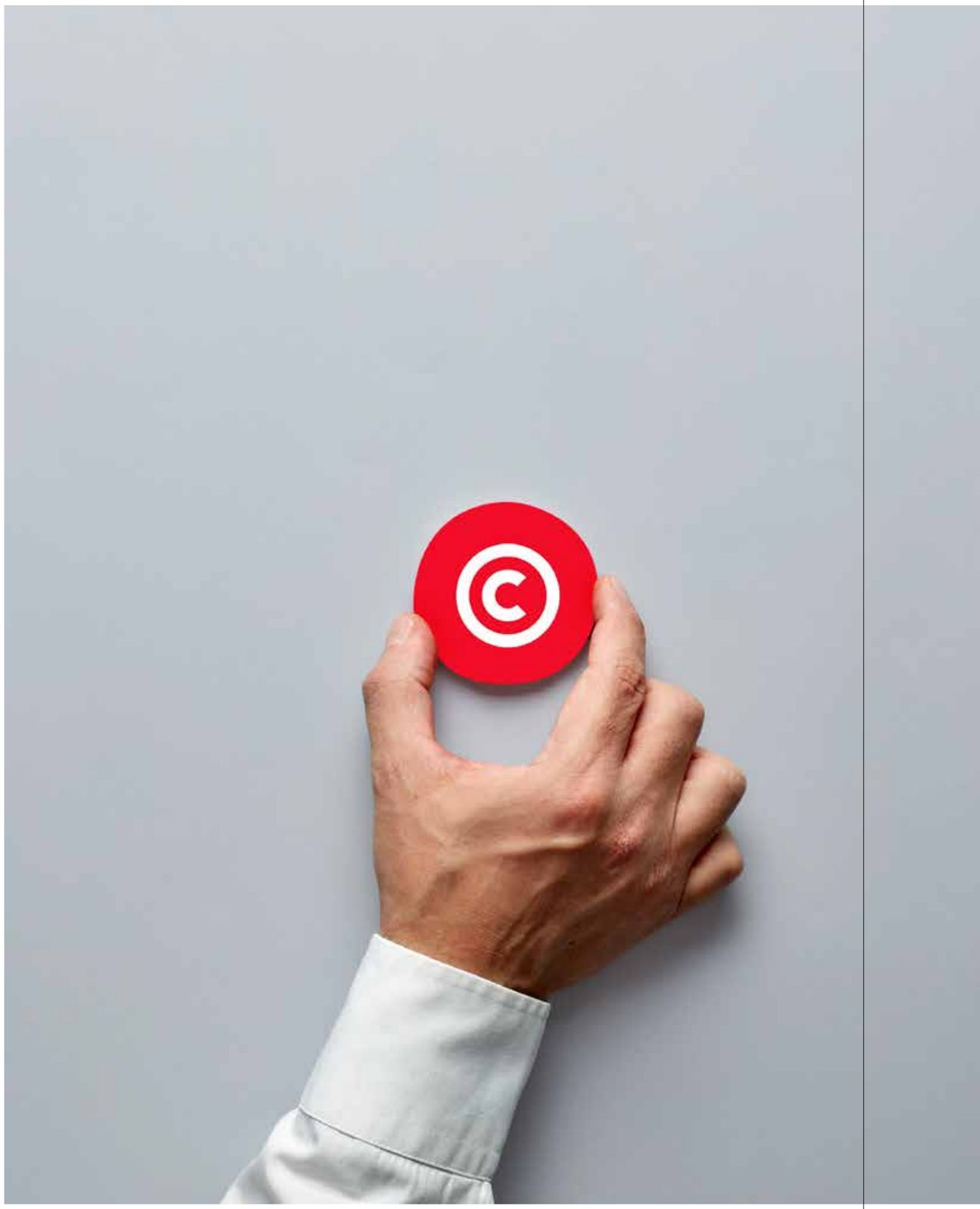
Through these measures, Almawave maintains its commitment to continuously enhancing the quality of its offerings on the market and fosters the development of new products and services while safeguarding the competitive advantage it has attained.

3 Patents

US-registered patents regarding the system and methodology for process and information management to improve efficiency, business quality and overall customer satisfaction

19 Brands

Trademarks registered in the European Union and Great Britain to protect both the corporate name and Almawave products



03

Responsible digital transition

3.1

AI solutions for sustainable development

3.1.1

The value and guiding principles of sustainable AI

FROM TECHNOLOGY TO VALUE CREATION

Artificial intelligence systems have the potential to create value for the individual and society as a whole. The World Economic Forum report entitled "Positive AI Economic Futures", and put together in collaboration with the UC Berkeley Center for Human-Compatible AI and Roland Berger, collects the views of 150 thought leaders from various fields on possible future benefits of AI for society[1].

Shared economic prosperity: According to some estimates, the global economy could one day be worth ten times as much due to increased productivity resulting from the use of AI. The economic benefits of technological progress should be shared and distributed around the world.

Rebalancing the economy: By leveraging various features for the benefit of humanity, artificial intelligence can help society overcome the current dynamics that lead to the concentration of power and wealth in the hands of large companies.

Flexible job market: Artificial intelligence stimulates the creation of new jobs, making the job market more flexible through increased job opportunities, supported by new forms of education.

More rewarding work: Artificial intelligence could stimulate the creation of new jobs that are more satisfying and flexible than those it will make obsolete, while machines will take over unsafe and monotonous tasks.

Artificial intelligence on a human scale: Considering the ethical aspect of AI, entrepreneurs, leaders, and institutions will opt to rely on technologies that complement and support people, finding the "sweet spot" between humans and machines.

Civic empowerment and human prosperity: In a world where less fulfilling jobs will be made obsolete by AI, well-being will increasingly come from unpaid activities, such as self-improvement, experimentation, volunteering and other activities oriented to the common good.

DIVERSITY AND NON-DISCRIMINATION

AI systems must guarantee inclusion and diversity, taking into account the different cultures and means of access for different populations when determining system scopes.

RESPONSIBILITY

Mechanisms must be in place to ensure responsibility and the obligation to make AI systems and their results accountable.

TECHNICAL AND SECURITY ROBUSTNESS

Technical robustness requires AI systems that are developed with a preventative approach to risk, thereby guaranteeing operating continuity.

TRANSPARENCY

The way AI systems make decisions and learn to adapt to their environment must be clear and transparent, as must the management systems for the data used and created.

HUMAN OVERSIGHT

Whatever the autonomy level of the AI system, it is important that it is always governed by a human for its entire life cycle.

PRIVACY AND DATA GOVERNANCE

An adequate data governance system must be in place to ensure the quality, integrity and relevance of this data to the area in which the AI system will be used. Access protocols are therefore set up and the means of data processing must allow for privacy protection.

SOCIAL AND ENVIRONMENTAL WELL-BEING

System scopes must be designed to address global concerns regarding sustainability and to benefit ecological and social responsibility.

THE PRINCIPLESOF AI

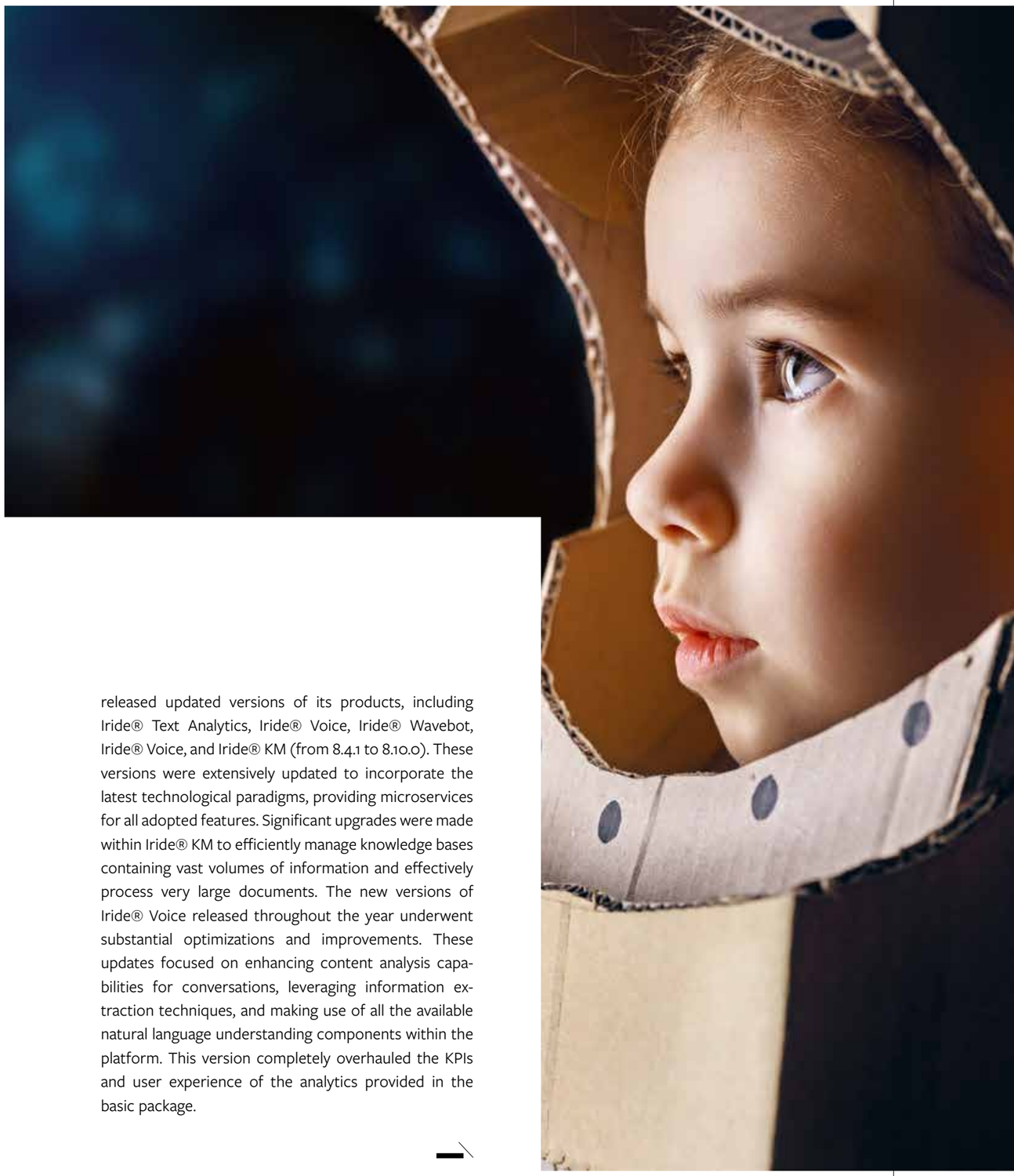
Considering Almawave's approach to the topic of sustainability, artificial intelligence should offer the ability to take successful action and monitor complex processes, offering more opportunities for self-fulfillment and enhancing social cohesion, while preventing the erosion of self-determination and human responsibility. From this perspective, the development of AI must enhance and support human autonomy. Technologies must be at the service of humanity, without devaluing the skills and work carried out by people, but making them more efficient and contributing to the creation of shared added value.

To pursue these goals, Almawave fully adheres to the following seven principles of sustainable artificial intelligence[2].

1. Positive AI Economic Futures, World Economic Forum, UC Berkeley Center for Human-Compatible AI, Roland Berger, Insight Report, 2021
2. Ethics guidelines for trustworthy AI, High-Level Expert Group of European Commission, 2018, Ethics guidelines for trustworthy AI | Shaping Europe's digital future (europa.eu)

3.1.2

Technological solutions for a responsible digital transition



Composite AI
Not a single technology, but the combination of a number of integrated AI components

Not a product, but a modular, integrated platform

Not just one way to provide solutions, but every way possible: On-Premises, SaaS, PaaS, and hybrid models

Almawave guides its customers' digital transformation journey by applying artificial intelligence and a model that prioritizes a natural experience in human-machine interactions. Almawave's proprietary technological assets facilitate the processing and interpretation of text and speech in over 35 languages, operationalize multi-channel and multimodal interactions, and analyze data and information to enhance knowledge and improve automation. Applying natural language to technology enables simpler and more intuitive, transparent, and inclusive communication with customers, users, and citizens. As a consequence, a more effective result is achieved for individuals and the Company, creating a better experience.

Through its three modular suites of proprietary products, Audioma, Iride, and Mastro, Almawave is able to offer tailor-made solutions that meet different needs. In 2022, the Almawave Group continued to strongly innovate through the development of the products IRIDE and Audioma and the bringing on stream of new platforms/products. In March 2022, Almawave launched AIWave, a cognitive solutions platform with pre-trained artificial intelligence models capable of delivering all the proprietary solutions in a cutting-edge, competitive way, directly in the cloud, and therefore without the need for local installation. Throughout the year, Almawave released updated versions of its products, including Iride® Text Analytics, Iride® Voice, Iride® Wavebot, Iride® Voice, and Iride® KM (from 8.4.1 to 8.10.0). These versions were extensively updated to incorporate the latest technological paradigms, providing microservices for all adopted features. Significant upgrades were made within Iride® KM to efficiently manage knowledge bases containing vast volumes of information and effectively process very large documents. The new versions of Iride® Voice released throughout the year underwent substantial optimizations and improvements. These updates focused on enhancing content analysis capabilities for conversations, leveraging information extraction techniques, and making use of all the available natural language understanding components within the platform. This version completely overhauled the KPIs and user experience of the analytics provided in the basic package.

Technological solutions for a responsible digital transition

Products

INFORMATION FUSION MODULES

Almawave's three modular platforms are able to interpret natural language and offer cognitive information discovery services that enable a natural multi-channel experience. Cognitive information discovery leverages artificial intelligence for automated data and information extraction, reasoning, and memorization for future applications. PerVoice's Audioma®, FlyScribe®, and Verbamatic® products also offer speech processing technologies, such as automatic speech recognition and machine translation, to expand its portfolio. The following are individual modules that enable cognitive information discovery, in order to navigate data and information and discover new correlations by integrating text and speech from various sources.

The other Almawave Group companies are also committed to proposing new solutions to support responsible digital transition.
PerVoice made significant strides in upgrading its speech recognition technologies, Audioma® and Flyscribe®, during the year. These upgrades encompassed not only the addition of new features but also improvements in the quality of automatic transcription and translation. Additionally, PerVoice developed new tools to streamline the data acquisition process, minimizing human effort. The Flyscribe® product received notable upgrades, including the integration of Spoken Language Identification for managing and transcribing multi-language content and translation in a single target language. As a result of these continuous improvement-oriented activities, Pervoice increased its customer numbers in 2022 and gained considerable market recognition for the quality of its services.
In addition, it expanded its solution portfolio through the acquisition of The Data Appeal Company and Sis.Ter, placing increased emphasis on environmental and social sustainability.

iride TEXT ANALYTICS

Customer's needs understanding (classification, automatic request dispatching in real-time, ...)

iride KM

Navigating data and information to discover new correlations

iride VOICE RT

Supporting Contact Centers operations

iride VERBAL ORDER

Optimizing contract management processes

iride VOICE

Discovering customer needs, emotions and satisfaction level from the "voice of the customer"

FlyScribe® TRANSCRIPTOR

Automatic speech transcription and documents production of any on-site event

Verbamatic® STENO

Speech reporting and transcription (e.g. business meetings), with audio synchronization and final text revision

iride AWARE

Using social media to detect opinions, feelings and moods on topics of interest

Monolith

Define enterprise knowledge graphs of business organizations' domains of interest through an easy-to-understand graphical language

FlyScribe® CLOUD

Automatic transcription, subtitling and translation of audio-video files (text sync with the original audio)

Verbamatic® DIGITAL ARCHIVE

Audio-video contents index and search, with the option of recover the portion of the dialogue of interest and maintain the synchronization between transcribed text and audio

DATA APPEAL STUDIO

The Saas platform designed to enhance the reputation of Hotels, Museums and Restaurants and to improve the travellers' customer experience

TRAVEL APPEAL

Our SaaS Experience Intelligence and Destination analysis platform

DATA APPEAL API

All of our data, on demand

mastro

Ontology based data access management system to query data

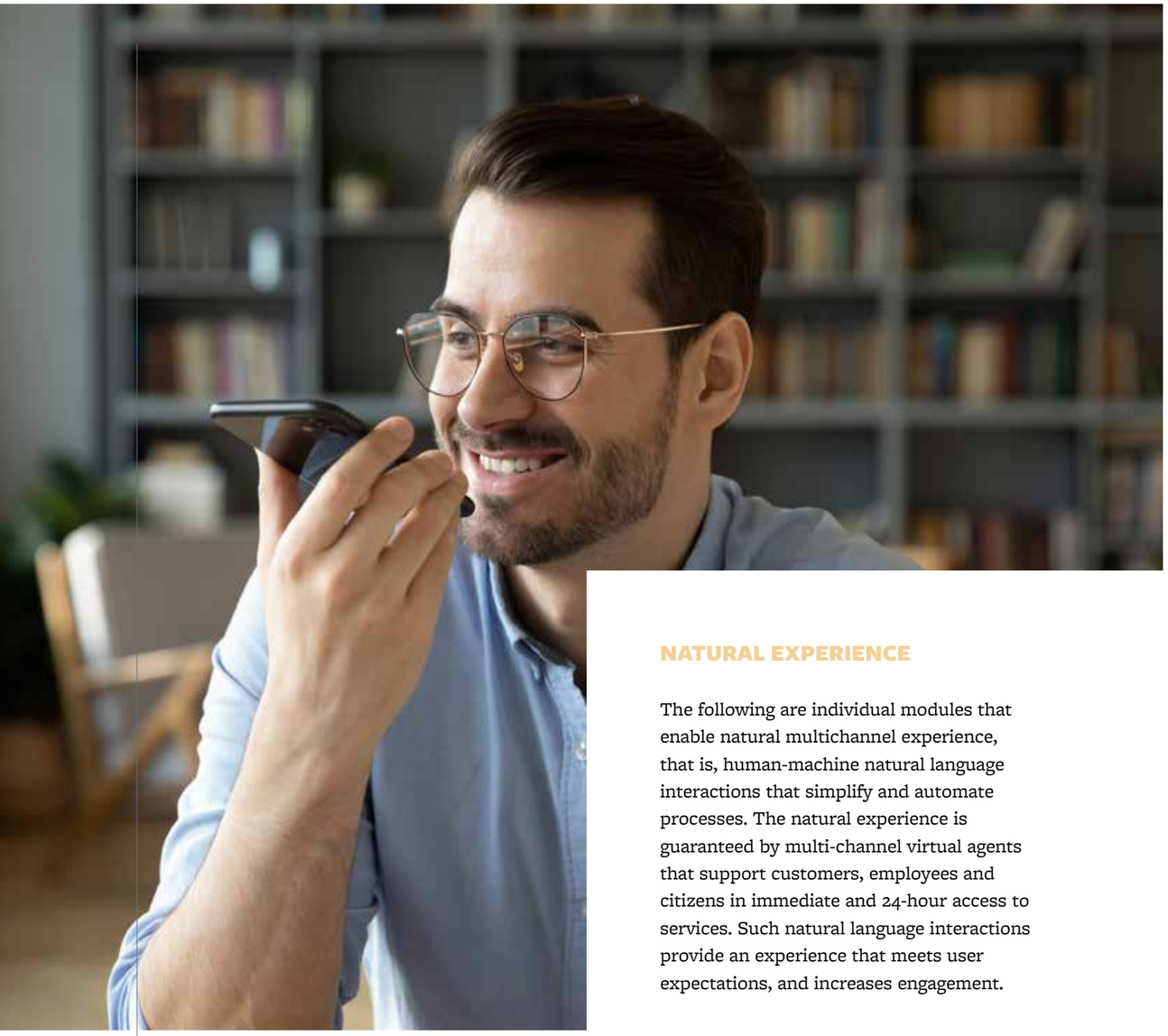
SWMS SMART WATER MANAGEMENT SYSTEM

For the monitoring of leakage and to support the decision making (DSS) of the managing bodies of the Integrated Water System.

SGMS SMART GAS MANAGEMENT SYSTEM

For the detection and assessment of dispersions and the support of decision making (DSS) of gas network operating entities. Support for ATEM tenders

Technological solutions for a responsible digital transition



NATURAL EXPERIENCE

The following are individual modules that enable natural multichannel experience, that is, human-machine natural language interactions that simplify and automate processes. The natural experience is guaranteed by multi-channel virtual agents that support customers, employees and citizens in immediate and 24-hour access to services. Such natural language interactions provide an experience that meets user expectations, and increases engagement.

iride TEXT ANALYTICS

Understand customer requirements (e.g. email classification and automatic request forwarding in real time)

iride CHANNEL HUB

Manage cross- channel interaction with customers and gather information from different sources

iride KM

Conceptually navigate content using the awareness management motor, specialized in a number of business domains

iride WAVE BOT

Manage dialogue in natural language, text and voice using a virtual assistant

Audioma®

Automatic Speech Recognition and Natural Language IVR

Verbamatic® PSW

Create subtitles for any event, with the possibility of live editing a few seconds before they are published

iride CALL

Improve customer experience through conversational IVR and manage outbound campaigns

Audioma® BIOMETRICS *

Vocal biometrics to prevent fraud carried out through Contact Centers

iride TRAINER

Optimize training using e-learning, gamification and simulation of operating processes

iride CM

Allow real-time recovery of information from different systems through a unified front end

iride BKO

Automatize back-office activities to manage reports (e.g. complaints) efficiently and promptly

Technological solutions for a responsible digital transition

AIWAVE: THE NEW AI PLATFORM

AIWave is the Almawave platform developed in 2022 that combines various AI technologies, including machine learning, deep learning, automated reasoning and knowledge graphs, to transform the potential of natural language into data, knowledge, actions, and interactions. AIWave breaks down barriers, reduces the complexity of adopting artificial intelligence, and thus supports innovation and digital transformation initiatives. A platform for everyone: it provides partners and developers with technologies, tools, models and features to build new applications, while providing end customers with ready-to-use vertical solutions, without the need for specific skills.

The AIWave proposition features modularization of solutions according to different macro-needs:

- **Conversations**: AI assistants, IVR, chatbots and virtual assistants for building and customizing conversational AI systems. Conversational AI allows users to ask questions, get answers and perform complex tasks in both the digital and physical world through natural dialogue.
- **Discovery**: From the collection of data and information to their integration, understanding, and semantic organization. Semantic search solutions interpret natural language to help people find, navigate, filter and extract complex business information in a simple and effective way.
- **Speech & Voice**: Making the complexity of human communications simple, thanks to solutions that transform speech into actions and information.
- **Comprehension**: Tools and solutions to transform unstructured data into value-added insights. Unstructured data provide a wealth of unmet opportunities to improve business performance, minimize risks and boost customer satisfaction, business innovation and profit.

This product takes Almawave to another level of business, allowing it to reach new industries and scale to the international market. The constantly evolving application remains a key focus of Almawave's R&D laboratories and both internal and external continuous training, enabling Almawave to meet new challenges in terms of: multicloud readiness, flexibility, reliability, scalability, and continuously updated release models. Specifically, the team supports the continuous development of products based on the proprietary technologies of Iride®, Audioma® and Mastro®, in order to release new product versions and artificial intelligence algorithms on the market.

Throughout the year, AIWave underwent numerous adoptions and upgrades. These enhancements included the integration of a new algorithm that uses Transformers neural architectures to analyze and evaluate opinions expressed in short texts about different topics. Additionally, a new model based on neural architectures was developed to automate the handling of user questions, using a predefined knowledge base to provide responses to known queries. Furthermore, a new application named AIEasy was created, harnessing pre-trained models specialized in specific domains to analyze and classify e-mails, effectively routing them to the relevant departments. In addition, new text classification algorithms were developed that allow the system to assess its confidence in the predictions made. Tools were also introduced to analyze and understand the behavior of the neural models used in AIWave, providing explanations for the decisions made and allowing users to assess the system's ethics and consistency.

Technological solutions for a responsible digital transition

BENEFITS FOR THE COMMUNITY AND THE ENVIRONMENT

Almawave's projects prioritize high social impact, striving to enhance individual and community well-being and satisfaction. These initiatives revolve around the development of advanced technologies that foster digital inclusion for companies, institutions, and citizens in the countries where Almawave operates by increasing their competitiveness and enhancing their adaptability to dynamic markets. The main benefits for companies and administrations include:

1. Intelligent decision-making support
2. Enhancing data and information
3. Automation and digitalization of low added-value activities: supporting and optimizing best practice and automated system processes so that they are fast, easy and decisive;
4. Business acceleration and efficiency: supporting an efficient management of processes, reducing errors, eliminating the burden of repetitive tasks, and continuously improving the quality of processes.
5. Inclusion, transparency, and accessibility
6. Simplification of relations between citizens and public administrations
7. User Experience improvements: providing users with valuable customer-centric self-service and self-care tools, where technology remains at their service.
8. Using new technologies to develop solutions that help customers reduce their environmental impacts.

By 2025, Almawave intends to have a product and service portfolio composed of 100% innovative solutions that contribute to improving the ESG impacts of its customers. These solutions include community and inclusion, sustainable mobility, clean tech, digitalization, and business process efficiency.

SPECIFIC PROJECTS IN 2022

Improved accessibility to open data meant that public administrations made an exponentially increasing number of services available to citizens. In many circumstances, smart cities are making more or less complex services available to citizens that are easy to use, such as through mobile apps. One such example is the municipality of Florence, where the local government made geolocalized and up-to-date services available with regard to charging stations, available parking spaces, and the nearest hospitals.

In 2022, Almawave developed automated conversational tools within the welfare and care sector. These tools not only provided valuable information to operators but also offered citizens an innovative way to access information tailored to their specific needs.

The Almawave Group helped INPS develop virtual assistants on the INPS portal as part of a program to improve user self-care and experience, in the hope of optimizing the user's path to finding information and support 24 hours a day.

Thanks to its experience in Natural Language Understanding, Almawave launched a Healthcare tool for patient diaries in collaboration with one of Italy's largest hospitals and IRCCSs (Scientific Hospitalization and Treatment Facility). This solution increases the amount of available patient information (often doubling it and using it as the only source for reports) and enables physicians to arrive at a more accurate diagnosis and prognosis.

Almawave's offer is increasingly oriented towards environmental and social sustainability. Accordingly, Almawave expanded its products and services through the acquisitions of The Data Appeal Company and Sis.Ter in 2022.

Technological solutions for a responsible digital transition

THE DATA APPEAL COMPANY

THE DATA APPEAL COMPANY

Founded in 2013, The Data Appeal Company's mission is to simplify and democratize data, which is crucial for the growth of organizations and companies worldwide, and essential for sustainable development and management, across all sectors, thanks also to specially designed proprietary indices. The company uses data to accelerate progress towards a more sustainable, equitable, and inclusive world: building awareness of sustainability and social responsibility is part of The Data Appeal Company's mission in relation to travel and tourism and the United Nations Sustainable Development Goals (SDGs). The company operates in three specific use cases: Tourism, Finance and Location Intelligence.

During 2022, The Data Appeal Company's R&D activities focused on the creation of new models strongly based on geospatial analysis and the definition of KPIs through the use of machine learning technologies.

Data Appeal's proprietary KPIs already serve as industry benchmarks for evaluating the efficiency and performance of companies across various sectors. These new benchmarks define the success of actions, products, and services, guiding strategic decisions and uncovering genuine business value.

Specifically, among the already operational proprietary indices with a focus on sustainability, economics, society, and the environment, we note the Destination Sustainability Index, the Fair Index, and the Urban Safety Index.

The Destination Sustainability Index is based on ETIS (European Tourism Indicator System, an official framework of the European Community) methodology. It analyzes the level of environmental, economic, social, and managerial sustainability of any region or destination. The Fair Index, on the other hand, is a complex and composite indicator that assesses the communication of a brand and the perception of communities with respect to ESG topics. The goals of both sets of indexes is to measure, compare and raise awareness of companies, territories and tourist destinations in a completely automatic and scalable way, using proprietary technology with a global coverage. In addition, TDA has developed an Urban Safety Index, which estimates the impact of crimes committed at a destination on quality of life and economic viability. It seeks to improve the perception of safety in urban settings. To calculate the index, phenomena related to the "gray area of illegality", defined as activities that are not directly dangerous but create unease or fear, are also assessed.

In addition, the company also developed the following indices in 2022:

- **Seasonality Balance Index**. This index measures the non-dependence of a tourist destination on seasonality. The value is given as an index varying from 0 (high dependency) to 100 (low dependency). If a destination does not depend overly on seasonality, it will be more resilient to damaging events that occur in the peak seasonality period.

- **Footfall Index**. This index measures the flow of people accessing a certain area or POI category. The flow of people can be estimated based on the frequency with which online content is published and how it changes over time. The index measures the presence of people and the effectiveness of their presence in economic terms by rewarding cases where presence is continuous over time, both during the day and on different days of the week.

The Company's strong commitment and interest in sustainability is also demonstrated by the creation and publication of a free eBook entitled "Misurare e migliorare la strategia aziendale con i Big Data" [Measuring and Improving Business Strategy with Big Data] on its website. The eBook provides real-world examples for practical analysis of the effectiveness of sustainable initiatives adopted by companies, presents real-life cases studies to illustrate how sustainability data analysis can be applied to all industries, and informs readers how to use Big Data and AI to define new, more effective and sustainable KPIs

Technological solutions for a responsible digital transition

SIS.TER

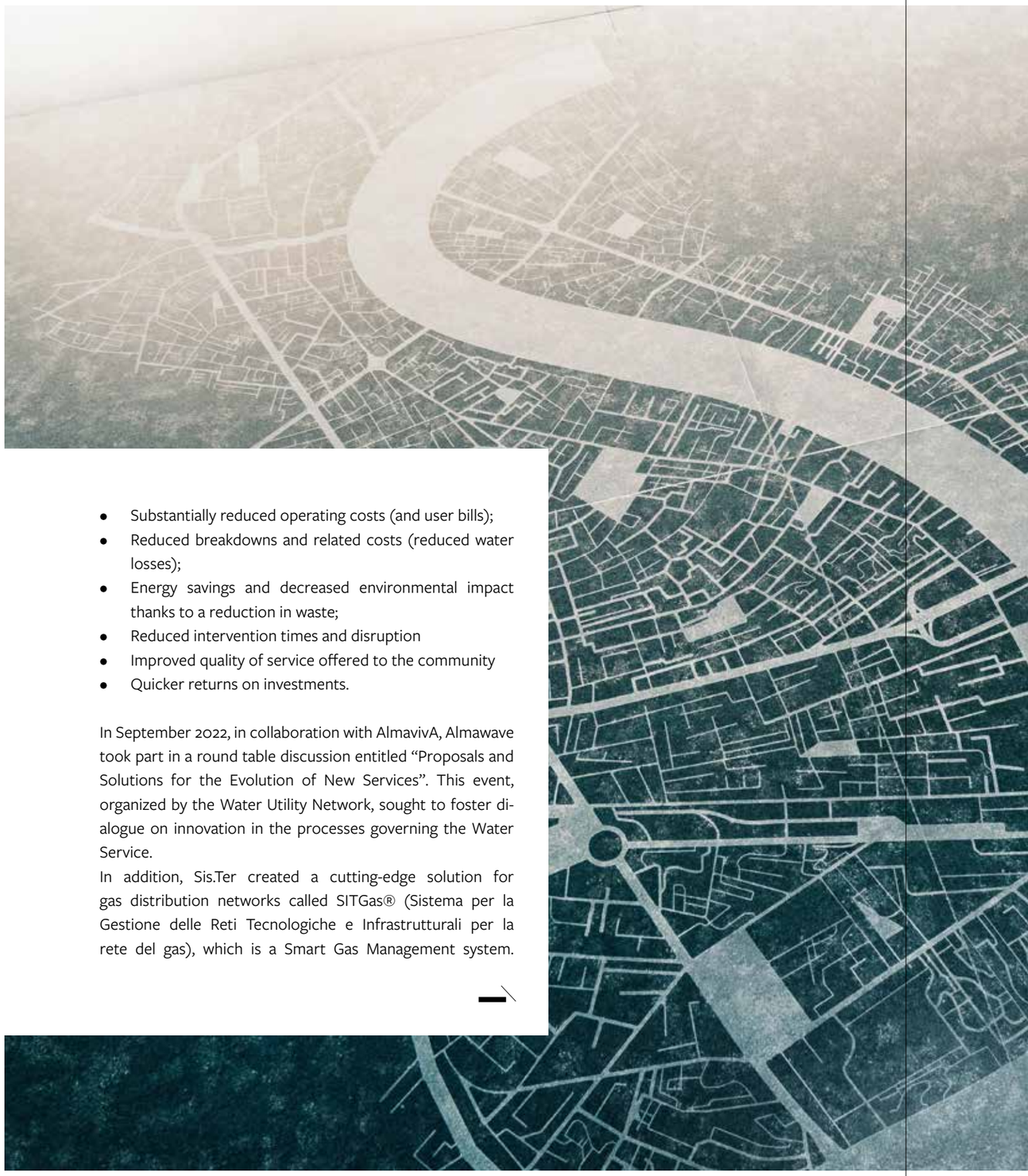
Sis.Ter was founded in 1991 as a spin-off of CNUCE, a CNR institute in Pisa. It operates both in the Central and Local Public Administration sector and in the private Utilities (integrated water system and gas distribution) and ICT companies sector.

Sis.Ter brings innovation through consulting and services in the field of new technologies, with a focus on geo-spatial computer applications and information visualization. The Company offers consulting, design, research, and training services in the field of GIS (Geographical Information Systems), DSS (Decision Support Systems), and Knowledge Management applied to regional assets and analyses. In addition, Sis.Ter began a major company internationalization process in 2022, having acquired customers such as the OECD and the Swiss Federal Statistical Office.

Particular attention is paid to the development of innovative solutions related to National Recovery and Resilience Plan missions on ecological transition and optimization of the use of natural resources, such as water and gas.

In the utilities sector, Sis.Ter builds cyber-physical systems, digitizing the customer's technological networks (water and gas) in order to reduce waste, optimize consumption, and manage energy resources in an environmentally sustainable way, leveraging new technologies such as precision geo-location, artificial intelligence for predictive analytics, In-memory processing for optimal performance on large volumes of geographic and non-geographic data.

Within the scope of activities related to the NRRP, Sis. Ter is particularly focused on measures to reduce water losses in aqueduct networks. This is due to the high degree of specialization the Company has achieved in this sector, which is in turn recognized by the market. Among the range of environmentally friendly solutions offered to the market, Sis.Ter has developed the Sister Smart Water Management System (SWMS). This product effectively addresses the various challenges associated with managing the Integrated Water System, taking into account industry 4.0 perspectives, i.e., the infrastructure that connects water supply, wastewater treatment, and the distribution of drinking water. Designed for next-generation IT infrastructures, SWMS is a modular and flexible solution that adapts to different needs and usage profiles, interfacing with the most popular business systems, using smart technologies for intelligent water cycle management. The very high performance of SWMS is owed to its state-of-the-art technology and careful design, ensuring high response speeds and efficient data volumes. In addition, multi-channel access to information, cross-integration with business systems, and advanced, functional user interfaces ensure maximum usability for end users. By adopting SWMS, companies in the industry can reap the following benefits:



- Substantially reduced operating costs (and user bills);
- Reduced breakdowns and related costs (reduced water losses);
- Energy savings and decreased environmental impact thanks to a reduction in waste;
- Reduced intervention times and disruption
- Improved quality of service offered to the community
- Quicker returns on investments.

In September 2022, in collaboration with AlmavivA, Almawave took part in a round table discussion entitled "Proposals and Solutions for the Evolution of New Services". This event, organized by the Water Utility Network, sought to foster dialogue on innovation in the processes governing the Water Service.

In addition, Sis.Ter created a cutting-edge solution for gas distribution networks called SITGas® (Sistema per la Gestione delle Reti Tecnologiche e Infrastrutturali per la rete del gas), which is a Smart Gas Management system.

Technological solutions for a responsible digital transition

This innovative system provides advanced capabilities for effectively managing gas distribution networks. The main objective of SITGas is to ensure efficiency, safety, quality, and competitiveness in the management of technological and infrastructure networks. The features of SIT Gas include:

- Network simulations: it identifies disconnected elements, valves that need to be closed, and cathodic protection systems through network connectivity analysis. This helps with the design and preventive verification of projects.
- Network design: it provides tools for designing new network components and modifying existing networks. This allows network expansion to be accurately planned and correctly scaled using simulations.
- WebGIS and mobile devices: it provides a web interface for network management, analysis, and modification. Through query, search, reporting, and editing features, network information can be accessed from any connected device.
- Advanced reporting: it generates high-quality reports, such as tables, maps, and graphs, for internal consultation and reporting to the relevant authorities. It supports several standard printing and plotting formats.

In the Government sector, Sis.Ter supports Italian public administrations throughout the process of exposing their information assets to the public. The key services provided in this field include conducting a census and selecting datasets for open data publication; remediation, processing, and enhancing the quality of datasets; documentation of open data according to international standards; determination of appropriate licenses for releasing datasets; compliance with national and EU guidelines; development of websites for publishing open data; adoption of reports, dashboards, and interactive tools to facilitate user access to published data.
In November 2022, Sis.Ter presented the 2030 Assessment, which uses a methodology developed by GeoSmartLAB to assess the region's position for each Sustainable Development Goal of the 2030 Agenda for Sustainable Development. This assessment makes it possible to identify the region's strengths and weaknesses, analyzing them not only from a morphological/environmental point of view, but also from an economic and social one. This approach creates a useful metric for individual urban transformation activities.
At the end of November, ISTAT launched a new ISTATData platform online, which was entirely developed by Sis.Ter over the course of three years with ISTAT. ISTATData is the largest national statistical database on the web, making it a very important point of reference for Sister and the whole Almawave Group.
In the area of social and digital content accessibility, Sis.Ter adapted one of its software products (Databrowser) to comply with the Web Content Accessibility Guidelines (WCAGs) in 2022. By complying with these guidelines, content becomes accessible to a wider audience, encompassing individuals with disabilities such as visual impairments, hearing impairments, motor limitations, speech disabilities, photosensitivity, and various combinations thereof. It also enhances accessibility to some extent for individuals with learning disabilities and cognitive limitations. The expertise acquired will certainly be useful with a view to increasing activities for the public administration and as an offer in the area of software products for the private market.

Technological solutions for a responsible digital transition

40.3 (billion €)

Invested in “Digitalization, innovation, Cmpetitiveness, culture, and tourism”

Projects dedicated to “Digitalization, innovation, competitiveness, culture, and tourism”

INVOLVEMENT IN THE NATIONAL RECOVERY AND RESILIENCE PLAN

Almawave is committed to supporting Italy’s recovery by contributing its technology and expertise to the responsible digital transition, using technology for the common good (including inclusion), and improving people’s quality of life.

The company’s approach is in line with the National Recovery and Resilience Plan[1] (PNRR), which includes “digitalization and innovation” as one of the strategic axes along with ecological transition and social and territorial inclusion.

The company, among the many initiatives of the PNRR, supports some central organizations’ monitoring activities to acquire and catalog the Plan’s projects by providing some tools that enable operators to meet a quick control requirement thanks to text comprehension tools.
In addition to offering its services, Almawave has developed AgID Cloud Marketplace solutions and The Data AppealAI & data platform in line with the goals set by the Mission on digitization and innovation. Many Almawave customers have already been involved in projects related to PNRR, and the Group wants to be a key player in responsible digital transition. These investments will be an important stimulus for responsible digital transition, and the Group wants to be a protagonist.

Almawave has also contributed to the INPS Digital Pension Consultant project along with Almaviva.

>20 Customers involved in projects related to the NRRP

- **PUBLIC FINANCE AND WELFARE**
- **CENTRAL GOVERNMENT**
- **SMART TERRITORY**
- **HEALTH**
- **SMART MOBILITY & TRASPORTATION**
- **ECOSYSTEM TOURISM** — THE DATA APPEAL COMPANY
- **UTILITIES, ECOLOGICAL TRANSITION AND SUSTAINABILITY** — sister

1. The National Recovery and Resilience Plan, #Nextgenerationitalia, https://www.governo.it/en/node/16701 The resources of the NRRP total Euro 191.5 billion and have been allocated to six different missions. As much as 21% of the total amount, that is, Euro 40.3 billion, has been allocated to “Mission 1: Investments in Digitalization, Innovation, Competitivity, Culture and Tourism”, which seeks to boost and relaunch the competitiveness and productivity of the country system.

3.2

Innovation, research and development

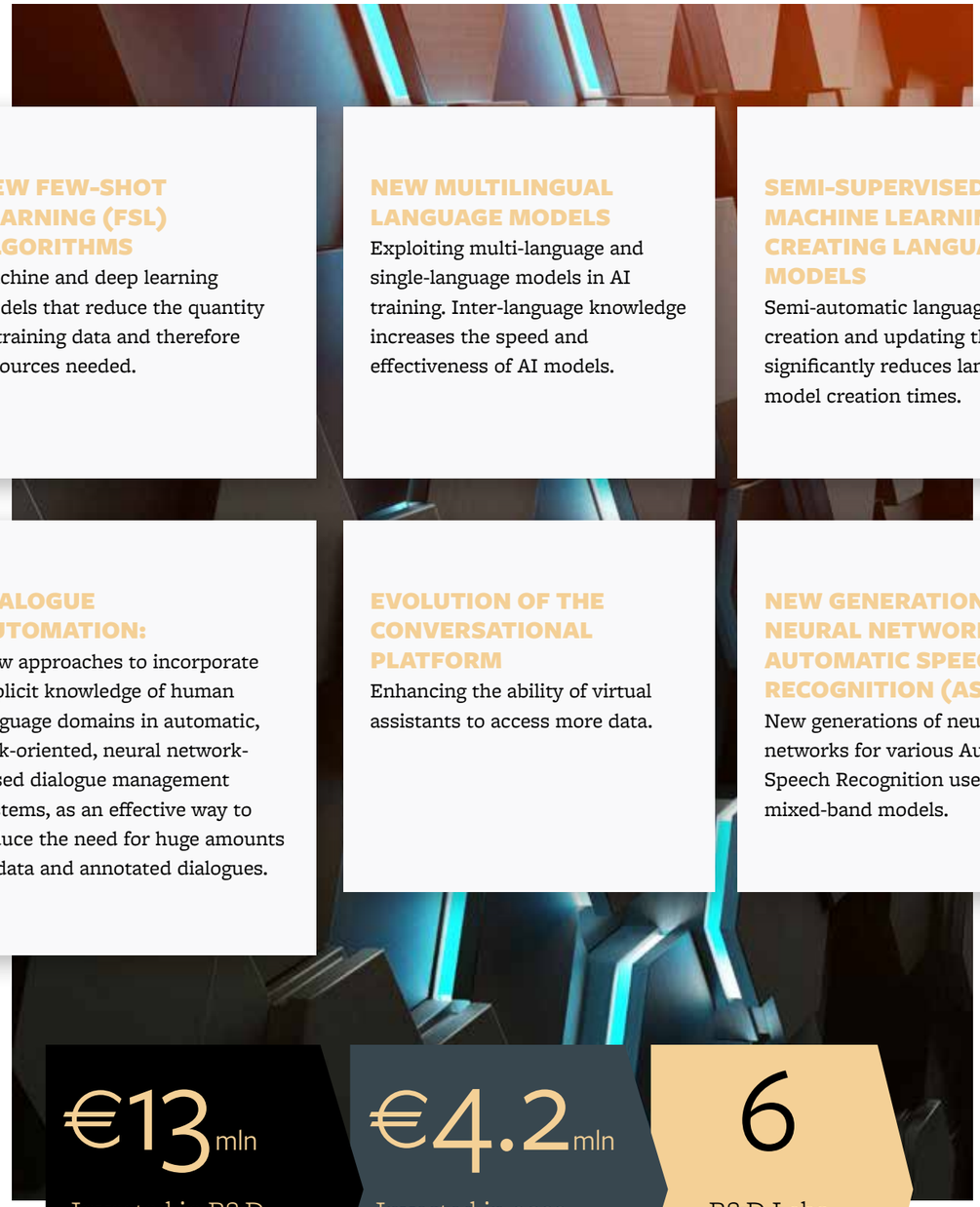
3.2.1

Proprietary technology and research and development

Innovation is the DNA of Almawave

At Almawave, innovation involves embracing cutting-edge technologies while prioritizing people. By mastering the complexity of the most advanced technologies, the Group strives to deliver innovative products and solutions that simplify the interaction between humans and machines. Its goal is to unlock the value of unstructured data in both the corporate and public sectors. Indeed, Almawave stands out in the market thanks to its excellent ability to master the complexity of certain advanced technologies, facilitating their application in everyday business processes.
For over ten years, Almawave's R&D laboratories have been engaged in the development and application of proprietary AI technologies. These technologies are the foundations of a multi-channel, multilingual platform, consisting of several individual modules for the development of applied vertical solutions for text and speech analysis, and for enabling natural language interactions with advanced tools. The Company's proprietary technologies respond to numerous needs in various industries in the fields of customer experience management and the governance of information and data.

Thus far, Almawave has invested a total of more than Euro 39 million in R&D since 2010, of which Euro 4.2 million in 2022, increasing the production capacity of its six existing laboratories, developing new products and releasing new product versions, with a continuous commitment to applied research and staff training.



NEW FEW-SHOT LEARNING (FSL) ALGORITHMS
Machine and deep learning models that reduce the quantity of training data and therefore resources needed.

NEW MULTILINGUAL LANGUAGE MODELS
Exploiting multi-language and single-language models in AI training. Inter-language knowledge increases the speed and effectiveness of AI models.

SEMI-SUPERVISED MACHINE LEARNING FOR CREATING LANGUAGE MODELS
Semi-automatic language model creation and updating that significantly reduces language model creation times.

DIALOGUE AUTOMATION:
New approaches to incorporate explicit knowledge of human language domains in automatic, task-oriented, neural network-based dialogue management systems, as an effective way to reduce the need for huge amounts of data and annotated dialogues.

EVOLUTION OF THE CONVERSATIONAL PLATFORM
Enhancing the ability of virtual assistants to access more data.

NEW GENERATIONS NEURAL NETWORKS FOR AUTOMATIC SPEECH RECOGNITION (ASR)
New generations of neural networks for various Automatic Speech Recognition use cases and mixed-band models.

€13 mln
Invested in R&D between 2018 and 2021

€4.2 mln
Invested in 2022 alone

6
R&D Labs

Proprietary technology and research and development

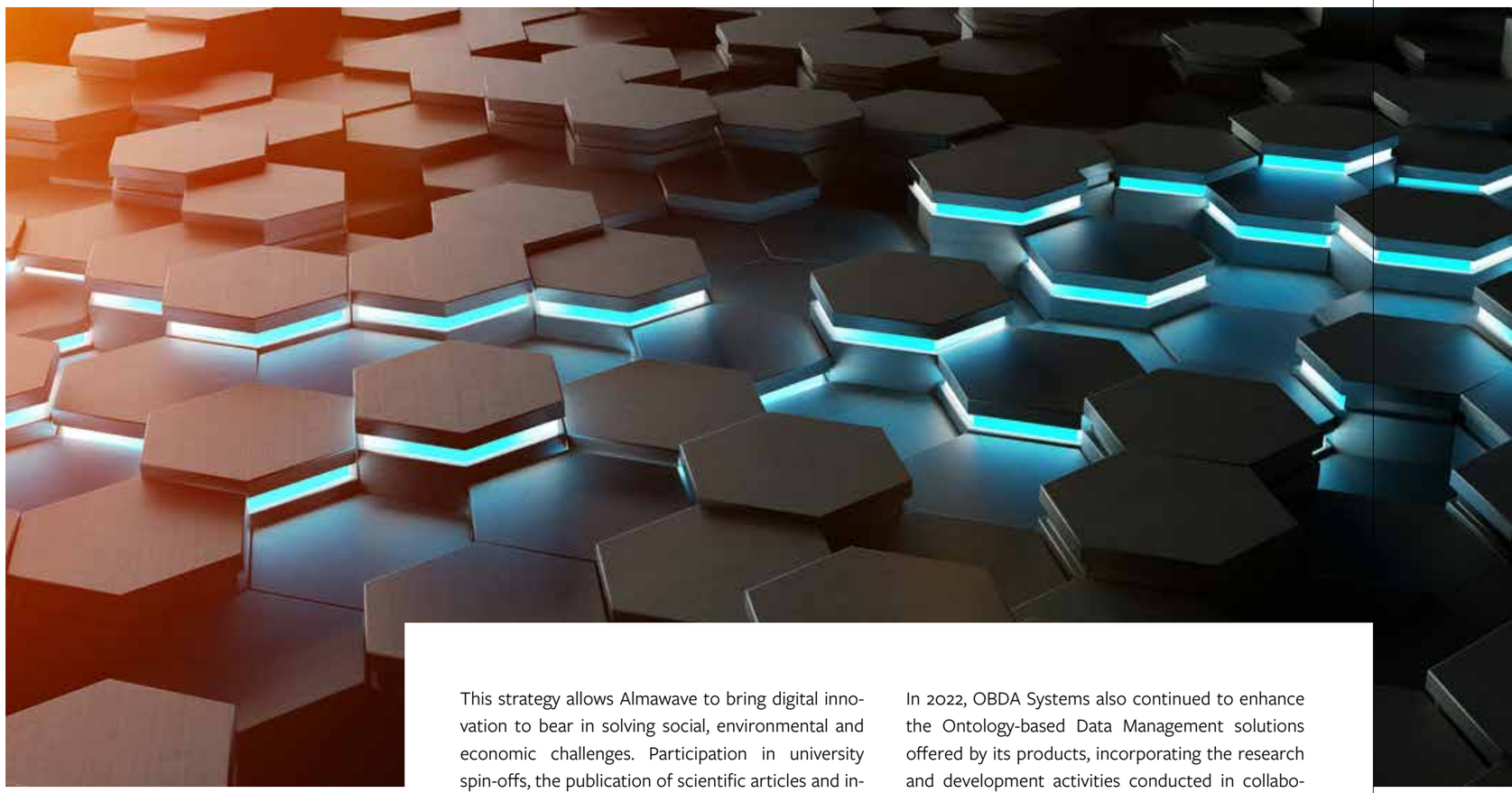
In collaboration with its parent company AlmavivA, Almawave launched a research project within an RTI (temporary grouping of companies) to further develop predictive systems for breast cancer and myeloma, including image analysis systems, medical record text analysis, and the use of often overlooked data such as genomic information and patient quality of life. The ultimate goal is to improve cancer diagnostics and empower patients.

In addition, The Data Appeal Company is finalizing the development of a SaaS (Software as a Service) platform that automates ESG score calculations and the compilation of sustainability reports using AI (Artificial Intelligence). The ESG platform is an extremely flexible and fully customizable tool for measuring ESG performance for the three main areas (E, S, G), seven sub-areas (defined as capital), and 24 macro-indicators comprising over 120 sub-indicators.

The Company is currently working on developing a new indicator called the Inclusivity Index, which includes a specific sub-indicator known as the LGBTQ+ Index. This initiative is being undertaken in partnership with Sonders&Beach, Italy's leading integrated tourism group. The group applies sustainability and social inclusion criteria to its entire supply chain. The indicator will be able to measure the level of gender inclusivity of any region, company, or organization. A KPI available on the Data Appeal Studio platform that can be integrated via an API or in data pack format.

3.2.2

An ecosystem with leading scientific partners



Scale up partnerships with research institutions and universities by 2025

AThroughout its history, Almawave has established a robust collaborative ecosystem with prominent research entities, forming a virtuous cycle that brings value to the region. By swiftly and directly implementing the latest research advancements, Almawave bridges the gap between academia and industry with its proprietary technology, while also facilitating knowledge transfer. This commitment is further exemplified through programs that enable the integration of resources into the Company's research and development labs. Furthermore, Almawave orients its research to practical use cases and industrial contexts, enabling the technology to support emerging market needs. Finally, this ecosystem accelerates third stream initiatives through which universities interact directly with society and local communities to create economic value from knowledge.

This strategy allows Almawave to bring digital innovation to bear in solving social, environmental and economic challenges. Participation in university spin-offs, the publication of scientific articles and international conferences are strategic levers for the Company in the development of technologies and the raising of public awareness on such issues.

In this context, the Company boasts various collaborations with leading universities and institutions, including the AI departments of the Federico II University of Naples, the Polytechnic University of Milan, the Bruno Kessler Foundation, the University of Trento, the Tor Vergata University of Rome and the Sapienza University of Rome, which have, over the years, led to such successful projects as PerVoice and, more recently, OBDA Systems and Data Jam.

During the first half of 2022, PerVoice primarily focused its R&D activities on technological/application aspects, and continued its collaboration with key scientific partners, including FBK (Fondazione Bruno Kessler) and the University of Marche.

In 2022, OBDA Systems also continued to enhance the Ontology-based Data Management solutions offered by its products, incorporating the research and development activities conducted in collaboration with La Sapienza University into new releases of Mastro, Monolith, Eddy, and Grapholscape. The Company also developed a new module: Sparqling.

In addition, The Data Appeal Company collaborates with several universities, including IULM and Bocconi, to provide data for teaching and research purposes. It intends to increasingly develop this area of collaboration with dedicated programs.

Looking to 2025 and beyond, Almawave seeks to further expand its network of partnerships with universities and research centers, which will allow the Company to open up to emerging sectors in which the application of AI technologies is still in the start-up phase, with a specific focus on products dedicated to the healthcare sector.

3.2.3 Research consortia, international collaborations and European tenders

With the goal of continuously improving its technologies, Almawave maintains international collaborations with research bodies, consortia, and sector associations, and participates in various research projects funded by the European Union and national bodies. Such collaborations and projects are oriented to finding solutions to social problems through a virtuous ecosystem of private sector operators and research entities, enhanced by Almawave's participation in various academic start-ups.
In 2022, Almawave worked on the European Commission's "CNECT/LUX/2022 - LANGUAGE TECHNOLOGY SOLUTIONS" project, in collaboration with various partners. This initiative focused on mapping language technologies on a European and global scale, thereby playing a vital role in enhancing the community's understanding of the language technology market, highlighting the value of language technologies for digitalization purposes, and facilitating access to information for individual citizens.

Research activities continued both in-house and in partnership with the academy, with the ongoing collaboration of relevant scientific partners. Work continued with the University of Tor Vergata on the optimization of Artificial Intelligence models for automatic dialogue management. The focus was on developing a hybrid approach and reducing the need for large sets of annotated dialogues by incorporating explicit domain expertise, while also focusing on the "explainability" of the decisions made. In the first half of 2022, these activities resulted in the publication of two scientific papers at leading Italian and international conferences, whose innovations are currently being integrated into the AIWave platform and the Iride® Wavebot product. These innovations will be made available to customers in the second half of the year.

E-HEALTH PARTNERSHIPS

Almawave initiated several partnerships in the e-Health field. These include Almawave's scientific partnership with the University of Macerata until 2024, which focuses on studying doctor-patient conversations and has the objective of using artificial intelligence systems in the doctor-patient environment. Additionally, Almawave is collaborating with the IRCCS San Raffaele in Rome to conduct experiments using text analysis on medical records.

The year also saw the launch of the OncologIA research project, co-funded by the Apulia Region. The project seeks to help doctors treat and prevent breast cancer and myeloma. The research focuses on creating a specialized oncology datalake (OMOP) capable of managing information from various clinical domains, studying processes and possible optimizations through the use of Artificial Intelligence, and creating a Clinical Decision Support System (CDSS) capable of improving and speeding up diagnoses.

WORKFORCE MANAGEMENT FOR NETWORK UTILITIES (WFM4NET)

Workforce Management for Network Utilities (WFM4Net) is a research and development project developed by Sis.Ter and co-funded by the MISE within the framework of the 2014-2020 Competitiveness and Enterprise National Operational Program - "Smart Factory" ERDF Desk. The project's goal is to undertake research and development activities focused on designing and constructing a prototype for a new product that caters to managers in the field of Integrated Water Service (SII), gas distribution, and potentially other Network Utilities. The prototype being developed by WFM4Net will allow utilities companies to demonstrate the essential innovation required to move towards better process management and service quality from a Smart Factory perspective. This achievement will yield significant and sustainable competitive advantages, including:

- More efficient workforce activities resulting in quicker intervention times and fewer disruptions;
- Improved planning of network maintenance and upgrades;
- Better working conditions and job security;
- Increased ability to respond to requests from authorities (e.g., ARERA indicators);
- Less time and money spent on ordinary and extraordinary interventions and operating costs (and user bills);
- Better service quality;
- Improved ability to monitor and manage the technological network (water, gas, etc.);
- Shorter returns on investments (better yield);
- Gradual decommissioning of sector-specific and technologically obsolete software solutions in favor of a new, single, natively integrated system, resulting in streamlined costs;
- Reduced hardware management and maintenance costs thanks to the move to a cloud-based solution;
- More energy savings and reduced environmental impact.

Research consortia, international collaborations and European tenders

GAS ENERGY MANAGEMENT SYSTEM (GEMS)

Gas Energy Management System (GEMS) is a research and development project developed by Sis.Ter and co-financed by the Region of Tuscany as part of the 2014-2020 TUSCANY ERDF Regional Operational Program (ROP). GEMS is dedicated to developing a Smart Network Management solution that facilitates the integration of IoT data with network mapping, technical information, and other business domains. The goal is to build an integrated and data-enriched Geo Data Warehouse (DWH). By adopting this intelligent management system, companies in the sector can significantly reduce energy and operational expenses and make substantial advancements in network and field operations optimization. This includes improved efficiency in investment and maintenance planning, enhanced safety measures in network operations, increased competitiveness in concession tenders, and stronger relationships with authorities, utilities companies, and local licensing bodies. In short, the proposed solution will enable companies to fully participate in the 4.0 industrial revolution, deriving maximum benefit from the investments made on the network while improving service quality.

GOAL 2030

The Data Appeal Company has developed the innovative GOAL 2030 project in collaboration with the Apennine Foundation to develop agile, effective, and state-of-the-art solutions to promote and measure sustainability-related land data. The objective of the project is to revitalize Italy's landlocked areas and make them more attractive to tourists, exploiting their natural orientation towards sustainability. By analyzing sustainability data, valuable insights can be gained regarding the strengths and potential of inland areas, municipalities, villages, and destinations to develop a more competitive tourism offer and attract new travelers.

SUSTAINABLE AND DIGITAL TOURISM

Meanwhile, in 2022, The Data Appeal Company participated in the seventh edition of TTG Italia Turismo Digitale, an event held in Rimini and a point of reference for those working in the tourism sector. The company contributed to the event with a survey, conducted throughout Italy, on the perception and sentiment of sustainability at Italian destinations. This year, an award was also given to the destination deemed most sustainable. Finally, the company participated in an event organized by ICON in 2022, contributing its scientific expertise to help raise awareness of tourism for innovative purposes.

3.2.4 Future prospects for innovation

On the technology and supply side, the Group intends to continue its growth by further investing in increasing and strengthening its solutions for application in various markets, such as Government, Fintech, Tourism, Ecological Transition, Smart Mobility & Transportation and Healthcare. In order to consolidate its leadership in the field of Artificial Intelligence, new resources will also be invested in the development of the core product technology platforms Iride, Audioma, Mastro and the products of the companies acquired during 2022, in addition to supporting the new talent recruiting programs. In the area of Big Data services & digital transformation, confirming the strategic quality and speed of integration of the Almawave model, the synergies with The Data Appeal Company and Sistemi Territoriali - the two companies acquired during last year - will be further strengthened.

In order to further diversify the customer base, a close focus will be placed on domestic and international business development, which will be supported by investments in marketing that are appropriate and functional for market positioning.

The company will additionally focus on the Government market, partly because of the significant challenges related to the introduction of the National Recovery and Resilience Plan (NRRP), in addition to the tenders won and framework agreements already obtained. The Smart Mobility & Transportation, Tourism and Ecological Transition markets will also be targeted, in order to consolidate and expand - including through qualified partners - the existing customer base.

A portion of investment in business development will be allocated to improve Almawave's positioning on the international market.

3.3

Customer satisfaction and privacy protection

3.3.1

Customer satisfaction and product and service quality

The Management System Certificate and the Quality ISO 9001 Management seek to maintain the management of the quality of Almawave's products and services, which is oriented to making business processes more efficient, to improving their performance, to bringing services into line with the highest quality standards, and to continuously improving customer satisfaction.
With the ISO 9001 standard, Almawave has defined a Quality Policy to satisfy the needs of customers and stakeholders by establishing specific business processes that identify risks, opportunities, issues, all customers and stakeholders, and their individual needs. The Quality Policy is shared at all company levels. In fact, a concrete commitment is requested from Top Management, who identify system goals and the plans, and employees, who are specifically trained and instructed to carry out the tasks required by the management system.
The Quality Policy and its goals and plans are all fundamental elements that form the basis of product and service design, production, distribution and supplier and results monitoring.
The parent company Almaviva monitors the Customer Satisfaction management and measurement model for services and products in an integrated manner through the quantitative and qualitative assessment of customer satisfaction.
This model involves two parallel approaches:

- Direct evaluation, that is, measuring the quality perceived by users or customers, in relation to the aspects considered to be of greatest importance for the service, as provided for in the contract.
- Indirect evaluation, that is, measuring quality in the delivery of the contracted service, in relation to planning documents.

In 2022, customer Satisfaction (indirect assessment) results for 2021 were included in a report. The indirect satisfaction levels of two customers were investigated, with a focus on the most economically relevant contracts.

In addition, the use of tools to monitor operational systems and expected quality levels through dashboard features and alert systems was consolidated. The indicator for contract availability levels was monitored specifically, which revealed 99.5% availability (when factoring in planned system downtime).
Work also continued on the Medical Device Regulation (MDR) project to achieve Class II b (CE marked) Medical Device Certification for the Clinical Stability Indicator (CSI).
To maintain high levels of quality and customer satisfaction, Almawave intends to standardize its quality and satisfaction assessment systems, differentiated by business area, by 2025.

3.3.2

Data privacy: reliability and security

Data protection is a central aspect of Almawave's corporate culture. To ensure data and privacy are managed correctly, Almawave complies with the principles and requirements set out in European Regulation 2016/679, "General Data Protection Regulation" (GDPR).
The principles of lawfulness, pertinence, necessity, proportionality and security guide Almawave in the adoption of appropriate organizational, logistical, technical and procedural measures to prevent any intentional or accidental alteration, destruction, loss, unauthorized access or unauthorized processing not in accordance with the stated purposes of the data collection.
With this in mind, in June 2022, Almawave certified its Information Security Management System (ISMS) to the ISO 27001 standard, already possessed by the Parent Company, AlmavivA. This system is governed by the Policy, Procedures and Processes of AlmavivA Group's Integrated Management System, incorporating methods of collaboration between Almawave and AlmavivA. The scope of application of the ISMS consists of services provided by Almawave to external customers, in relation to supply contracts, and within the Company, in support of business processes.
In internal relations, the processing of personal data by Almawave, as Data Controller, relate to company management activities, such as the search for and selection, management and administration of personnel, sales and procurement processes, general services, and information systems. In external relations, the Company is committed to guaranteeing high customer data security and privacy standards by developing data handling solutions compliant by design with applicable regulations, particularly with the GDPR, and with the ISO 27001 certified Management System. The treatment and management of personal data conforming to the highest international security standards for Almawave provides a guarantee of certainty, reliability, confidentiality, integrity and availability of the information assets managed and maintained in relation to services on behalf of Customers. This commitment was evidenced in 2022 by the total absence of non-compliances with applicable laws and regulations, and of complaints regarding customer privacy violations or data loss.

Extension of ISO 27001 certification to all Group Companies by 2025

zero

substantiated complaints received concerning breaches of customer privacy

The Company complies with the GDPR regulatory obligations by conducting the following activities:

- Risk assessment and the adoption of mitigation measures;
- Protection of the right of access to and rectification and cancellation of personal data;
- Designation and training of those "Authorized to process personal data";
- Appointment of the Data Protection Officer;
- Development of the Privacy Policy according to EU Regulation 2016/676;
- Agreements between the Data Controller and Data Processor.

Almawave intends to proactively mitigate the risks associated with privacy breaches, data alterations, losses, unauthorized access, and the unlawful processing of citizens' and users' information to prevent accidental or unauthorized disclosures, and maintain compliance with national and international laws. It intends to record zero incidents of substantiated customer privacy complaints by 2023. At the same time, it seeks to extend its 27001 certification to the other Group companies by 2025

04

People

4.1

The value of our staff

4.1 The value of our staff

Social aspects of the Company's organization, from occupational safety to the protection of human rights, diversity and freedom of association, are monitored for all Group companies by AlmavivA's Social Performance Team according to Social Accountability Standard 8000 (SA8000), for which Almawave acquired certification in 2022. This international benchmark standard for social responsibility is based on international conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Convention on the Rights of the Child, and the International Labour Organization (ILO) Conventions.

The SA 8000 standard is applied across the Company, involving everyone from employees to suppliers and the entire value chain in a virtuous cycle of responsibility that monitors specific requirements relating to:

1. Child labor
2. Forced or compulsory labor
3. Occupational health and safety
4. Freedom of association and the right to collective bargaining
5. Discrimination
6. Disciplinary procedures
7. Working hours
8. Remuneration

Almawave also fulfills its social responsibility by creating and maintaining stable, qualified employment. Valuing talent and building the trust of its people are among the Company's main priorities, and are pursued through training courses focused on specific digital skills for managing increasingly advanced technological and organizational complexities. Almawave's approach to managing its people is systemic, in that it requires an ever-growing cross-section of skills to implement cutting-edge technological solutions, and goal-oriented, in that innovation, collaboration and continuous development are at the founding core of Almawave's business model.
For advice on policy adoption and/or to raise concerns about responsible business conduct, workers can turn to the SA8000 Workers' Representative (RLSA) and Social Performance Team (SPT). The SA8000 Workers' Representatives are appointed by the workers themselves and are tasked with acting as the point of contact for collecting suggestions or useful information to improve the Social Accountability Management System and prevent any non-compliance issues with the principles outlined in the standard. RLSAs are spokespersons for workers' demands both vis-à-vis top management and during inspection visits by certification bodies or other external bodies.

The tools available to workers are the reports governed by a specific procedure published on the company Intranet and the section of the Service Portal dedicated to reporting near misses.

4.1.1 Workforce breakdown

416

Employees[1]

+42%

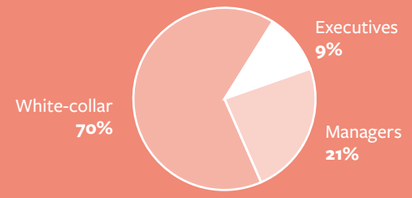
Permanent contracts

In 2022, Almawave's workforce amounted to 416 people, of which 379 employees of the Almawave Group and 37 contractors (+17 compared to 2021). The number of employees increased by 42% compared to 2021 - corresponding to 113 additional employees - due to the acquisition of the companies Data Appeal (42 people) and Sis.Ter (28 people), in addition to 122 new hires and 66 departures during 2022. Furthermore, in 2022, permanent employment contracts increased by 42%, continuing the growth of the previous year, and the Company's commitment to maintaining lasting employment relationships with its people.

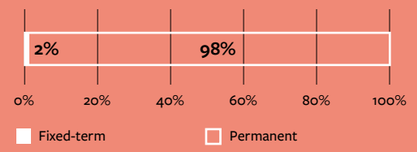
72% of the company population is male. This is a small increase on 70% in 2021 and in line with the market in which Almawave operates, reflecting a lower number of women graduates in STEM subjects interested in working in the Technology & Transformation sector. In 2022, as in 2021, almost all employment relationships were governed by permanent contracts (98%) while 2% were fixed-term contracts. In addition, the majority of employees (97%) are employed full time. The majority of workers are located in Italy (84%), with over half (62%) aged between 30 and 50.

Employees by gender (2022)

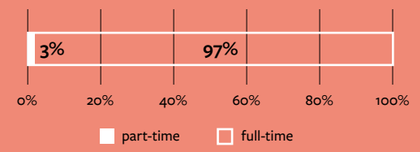
Employees by category (2022)



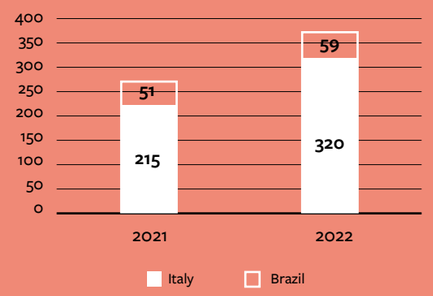
% employees in 2021 by contract type



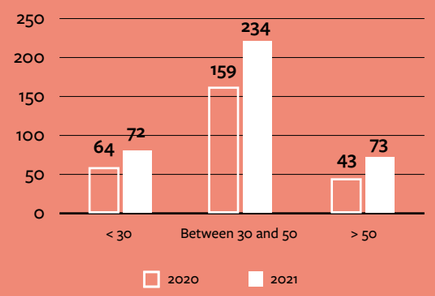
% employees in 2021 by job type



Employees by geographical area



Employees by age group



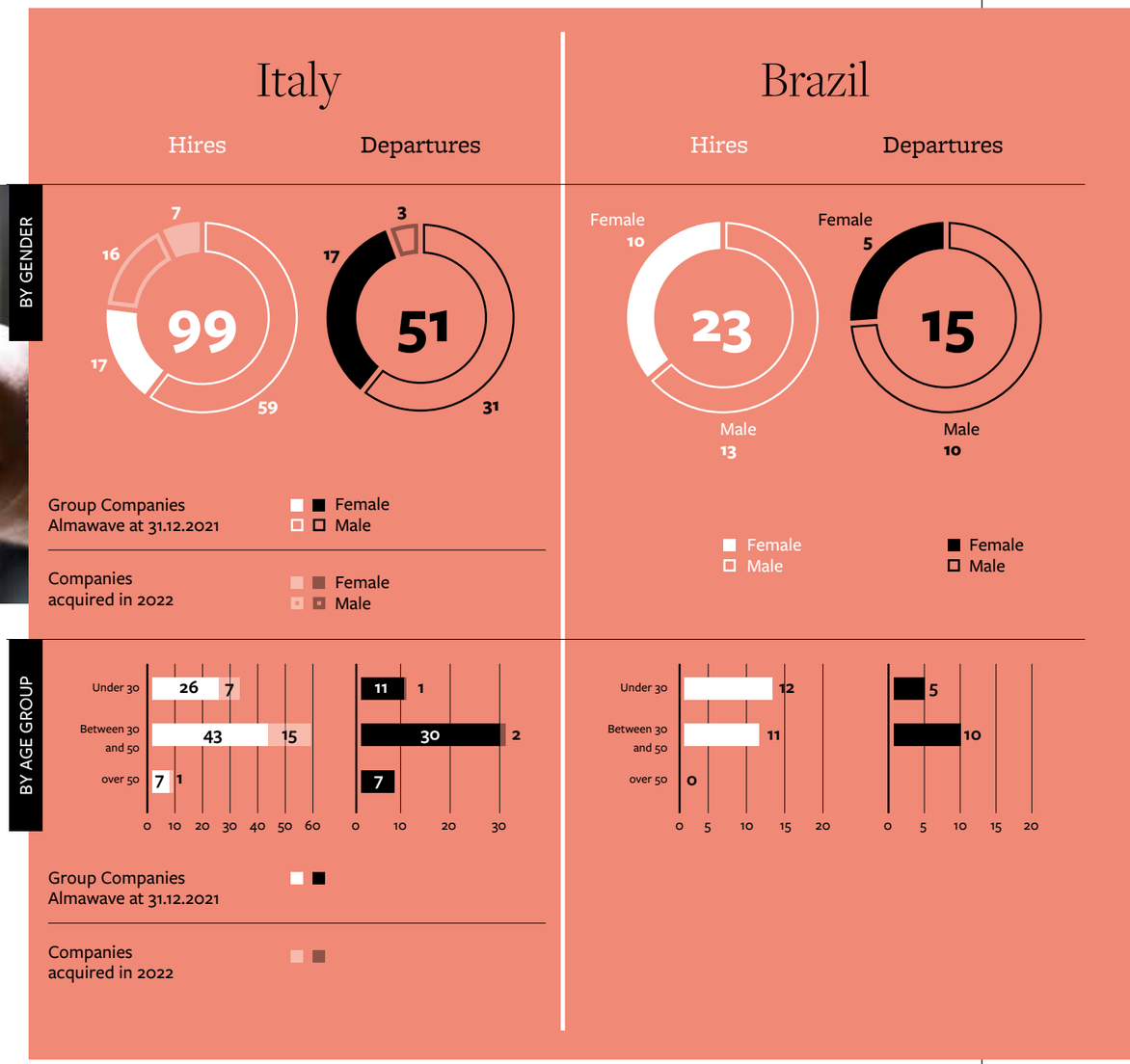
1. The data relating to the total workforce compared to the value published in the 2022 Consolidated Balance Sheet of the Almawave Group differs due to a different reporting methodology

4.1.2 Hires and departures

In 2022, the number of staff increased significantly, driven by new company acquisitions and a strong recruitment drive to attract skilled professionals from the market. As a result, the Group made a total of 122 new hires. Out of these, Italy accounted for 76 new hires, including 23 individuals from the two companies acquired in 2022 (specifically, 19 from The Data Appeal and 4 from Sis.Ter). Additionally, 23 hires were made in Brazil.
Specifically for Almawave, the increase in personnel was primarily recorded in the technical delivery department, with a focus on enhancing skills for the Digital Knowledge Practices and Service Lines. This was achieved by bringing in professionals such as engineers, developers, and data scientists. Additionally, program managers were hired to cater to specific customers/markets and ensure improved coordination of project developments from a commercial perspective. The sales areas were strengthened with Sales Managers, Key Account Managers, and Presales Managers, who focused on individual markets, including overseas, to maximize presence and business development.

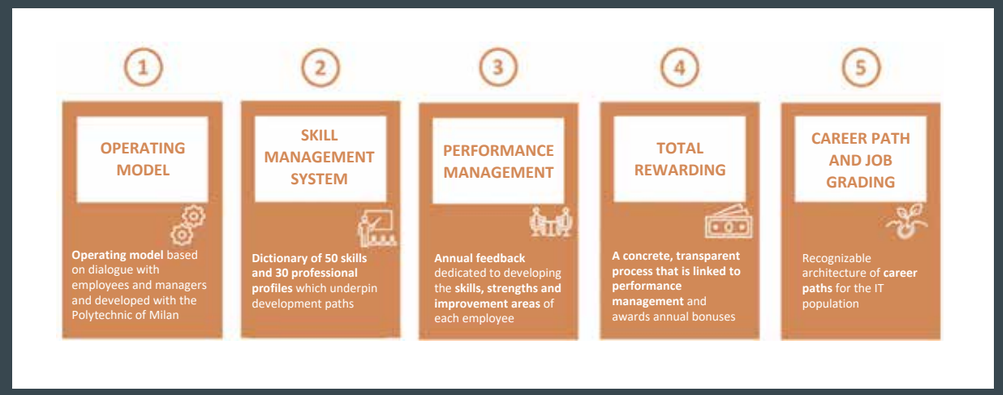
There were 66 staff departures during the year, of which 48 in Italy, 15 in Brazil and 3 at The Data Appeal. The turnover rate is therefore positive, featuring more new hires than departures.
There is therefore considerable growth overall, supported by the strong dynamism of the labor market in the technology sector. In terms of gender, the hiring and departure patterns reflect the preponderance of men in IT fields. Additionally, there was a more significant increase in male staff than in 2021.
The age group most impacted by both positive and negative changes was between 30 and 50 years old, followed by the under 30 age group, in which Almawave is investing in particular.

2022 hires and departures by geographical area, gender, and age group



4.2

Almawave's people strategy



Almawave, as a part of the AlmavivA Group, embraced the People Strategy called "Become", developed by AlmavivA in 2021. The goal of this innovative approach is to prioritize satisfying people's needs and create a stimulating work environment that is receptive to external changes and integrates physical and digital spaces. The strategy is guided by principles such as trust, collaboration, autonomy, responsibility, and orientation towards efficiency and results.

The People Strategy is based on five pillars. Innovative measures and solutions will be gradually introduced for each pillar.

The Almaviva Group launched a new hybrid work model in 2021. The new organizational model takes into account both the preferences of employees and the corporate belief that, in order to build stable, solid working relationships over time, it is important to preserve dedicated moments for human relations between employees. The hybrid remote working model involves spending 50% of the time working on-site and the other 50% working remotely, including while on the go. This new approach to work fosters a healthy work-life balance for employees, acknowledges their unique contributions, cultivates trusting relationships among colleagues, minimizes health and safety risks, and positively influences the environment by reducing the number of journeys made. To mitigate any related data security and business continuity risks, employees are provided with innovative, cutting-edge tools, devices and mobile connectivity.

Within the framework of the People Strategy, Almaviva Italia Group is committed to supporting the development of its talent by offering opportunities for professional growth and the development of the skills of individuals. To this end, in 2022 Almawave launched a Skills Management System, including a Skills Dictionary and a framework of Standard Professional Profiles that outline professional and career development paths. The project was inspired by the most recognized international skills certification methodologies in the IT sector.

In addition, during 2023, there will be ongoing enhancements to the Performance Management System, which is a continual evaluation and comparison process that culminates in an annual feedback session. In this session, the Assessor and Evaluator review the previous year's performance and determine the required promotions in roles and responsibilities. The objective is to "accompany" people on a path of steady, clear growth shared with their managers.

In 2023, the Almaviva Italia Group plans to develop dynamic career paths for the business areas of Digital Change and People-Centered Technologies, across different roles and seniority levels, in order to stimulate engagement, motivation and the skills development of its people. Based on the results of the Performance Management System, it has also created a transparent Recognition Management Process, shared across company management.

4.2.1

The pursuit of the well-being of Almawave's people

The COVID-19 pandemic demanded certain changes in the methods and planning of work activities, and the design and development of new, effective organizational solutions in compliance with state of emergency provisions.

To address this challenge, Almawave has initiated a project to modify its operational model, in line with the AlmavivA Group's strategy, revolutionizing its organization of work, rethinking tools and resources, and creating a flexible, integrated system of physical and digital spaces inspired by a hybrid model of smart working, based on trust, collaboration, autonomy, and responsibility, and oriented towards efficiency and results. In 2021 the project was funded by an investment of approximately Euro 4.3 million, and Euro 4.2 million in 2022.Almawave complies with and applies this new operating model to its Italian operations.

The project is based on four pillars: an Organizational Model that enhances individual contributions to business results through hybrid smart working and collaboration and communication using innovative tools; Flexibility in hours and workplaces, encouraging organizational well-being and work-life balance; the use of innovative and cutting-edge Technology, such as smartphone and laptop platforms that guarantee the efficiency and security of data; and the Reorganization of Office Spaces, taking into account the security and individual needs of the various company departments.

Through the project which revised the operating model and introduced a new hybrid workplace model, Almawave introduced a remote working approach by which all employees can perform their duties from a place other than their own office, with the right equipment, tools, mobile connectivity and data security measures to guarantee greater flexibility, security and continuity in planned activities. However, in order to maintain effective working relationships, a team spirit and a sense of belonging, even among colleagues of different departments, Almawave has scheduled weekly and monthly work meetings with managers and teams, in addition to informal breakfast and lunch meetings. The Organizational Model adopted allows the development of working relationships based on trust, collaboration and autonomy that values people and boosts efficiency.

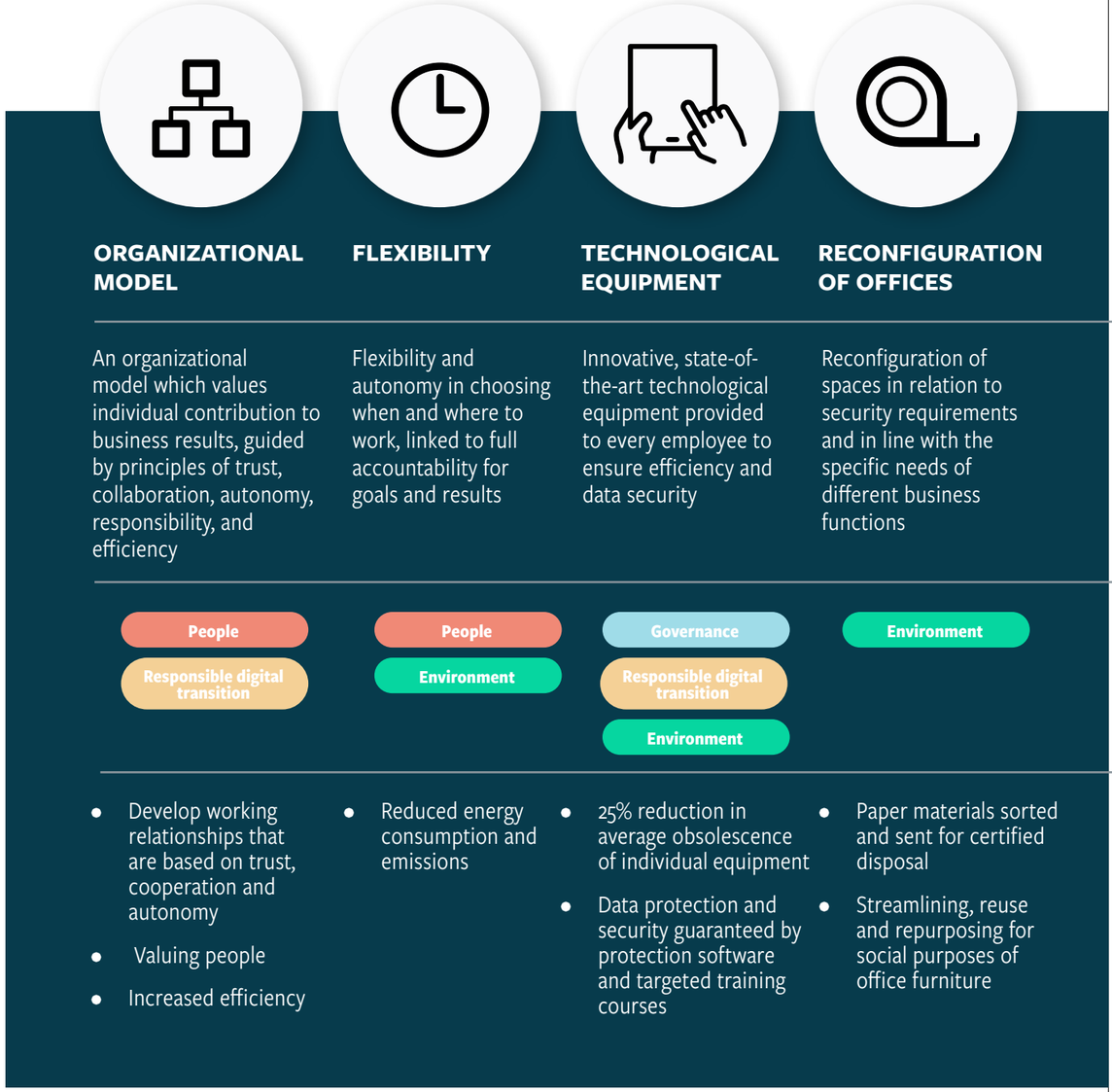
The pursuit of the well-being of Almawave's people

PARTICIPATION IN THE ELIS "MINDSET REVOLUTION" PROJECT - PHASE 2

During the latest edition of the Mindset Revolution Program, the CEOs of the ELIS Consortium companies expressed their shared desire to collaborate on the social aspect (S), specifically focusing on "enhancing the capacity to create relationships within organizations and transforming the workplace into a nurturing environment for the well-being of individuals".
The objective of this second two-year period is to cooperatively develop a transformation project within the company by leveraging the contribution of other CEOs, Human Digital Masters (digital technology experts), and Middle Managers. The CEOs identified the areas in which they would like to become "masters in the art of relationships", thereby defining a scope for experimentation. Within this framework, CEO Valeria Sandei presented a project she is committed to launching in 2023. The initiative revolves around defining a model for ongoing organizational feedback by conducting regular surveys across all companies within the Almawave Group.
The project objective is to introduce an innovative continuous feedback model to the entire corporate community so that everyone's voices are heard and there is greater clarity on how to constantly improve the company climate, processes, and communication. The model relies on the launch of a series of surveys that use proprietary AI technologies (Natural Language Processing). These tools enable the collected aggregate results to be enriched by also detecting sentiments and emotions expressed within responses, thus providing additional value through the analysis of textual feedback and employees' perceptions of the company, organization, vision, and context. With the idea of corporate technology serving both the Company and those involved in its advancement in the market, individuals will have the opportunity to assess the quality of corporate solutions for a shared purpose "firsthand".
The frequency of survey launches (to be determined) will center around the ongoing monitoring of the organization and its employees (facilitating the sharing of the mission and corporate vision). The objective is to detect any gaps that require targeted actions while promoting efficient and seamless internal communication, with greater commitment from department heads to actively involve all employees.

Anticipated results:

- Achievement of a clearer "collective" perception of how people "experience" the Company (their real needs and expectations and how the Company copes with them), which is also useful in terms of benchmarking against the market (company well-being/remuneration/training).
- Transformation of the act of listening to individuals from mere words into tangible actions and making it a central part of the strategy, while ensuring the outcomes are shared with all. Engagement involves us all, and everyone should be able to freely express their contribution and ideas on the topics under analysis.
- Consolidation of corporate culture, fostering a sense of belonging, and facilitating the alignment of shared goals and values, especially during a phase of growth and integration of new companies within the Group →Engaged and motivated employees are valuable assets who actively contribute to achieving established objectives and serve as influential "company ambassadors". Their influence extends not only to the rest of the company population, promoting a sense of belonging and retention, but also to brand identity.
- Promotion of a new approach to employee engagement that is more aligned with the company population than traditional models. This innovative approach seeks to achieve the objectives of competitiveness and cost-effectiveness by fostering a well-defined, up-to-date, and shared framework. It also intends to identify new company challenges that can be addressed, experimented with, and leveraged →Exploration of innovative tools to facilitate the survey process
- The first survey was launched in mid-January 2022.



The pursuit of the well-being of Almawave's people

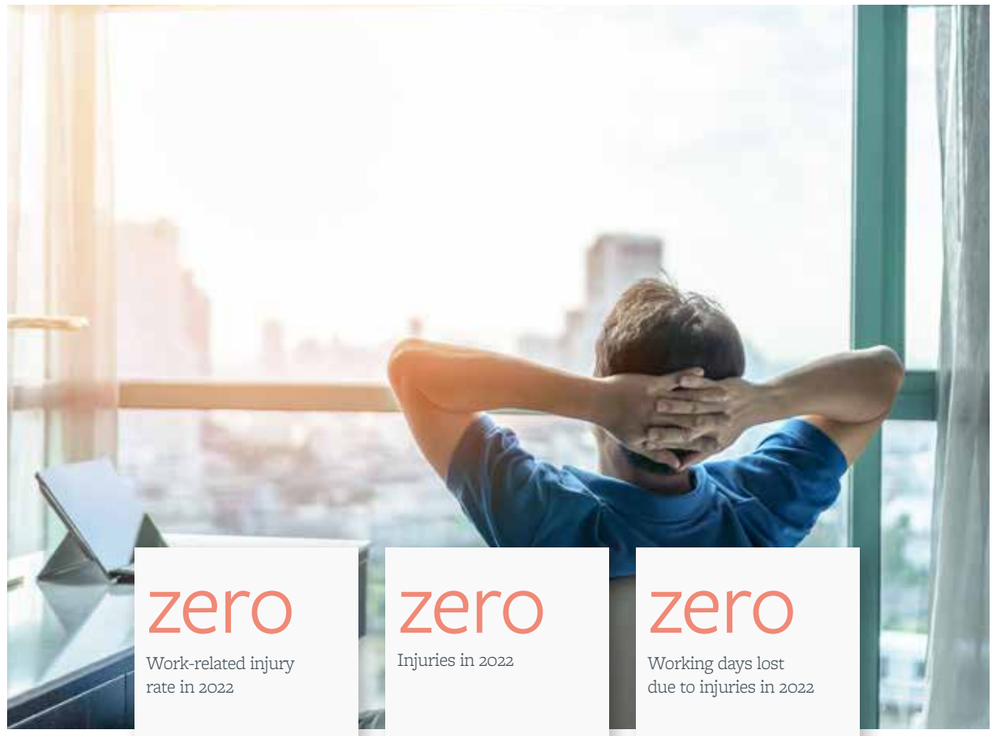
BENEFITS

Once again in 2022, Almawave confirmed its commitment to the well-being of its people by extending benefits to part-time and fixed-term employees.
The main benefits include:

- Health insurance for employees, managers and Executives;
- Life insurance for executives only;
- Disability or disability coverage for employees, managers and executives;
- Parental leave of six months, as per Italian Law;
- Retirement plan for all employees;
- Share ownership plan for certain senior Executives;
- Civil liability coverage for Directors;
- Cometa Fund for severance pay and supplementary contributions, accessible to all employees on a voluntary basis;
- Gym pass (Gympass) for employees in Brazil;
- Flexible working hours;
- Option to work remotely.

OCCUPATIONAL HEALTH AND SAFETY

Ensuring health and safety in the workplace is a top priority for Almawave and is reflected in its promotion of a safety culture rooted in prevention, proactively addressing potential injuries and employee dissatisfaction due to a poor work-life balance. As part of the AlmavivA Group, the companies within the Almawave Group oversee the Health and Safety department. Together, they uphold values such as awareness, knowledge, sharing, and collaboration while promoting a welcoming and stimulating environment that positively affects staff well-being. This, in turn, improves productivity and the quality of work performed, and ensures working conditions fully respect the right to health. The Group complies with the highest national and international health and safety regulatory standards, and its business processes follow operational procedures and standards. Working environments are inspected and all other measures that serve this purpose are adopted. Almawave applies the guidelines and best practices of the AlmavivA Group's Occupational Health and Safety Management System, defined in compliance with the international standard UNI/EN/ISO 45001:2018, with a view to promoting continuous health and safety improvements.
Health and Safety Governance places the responsibility for health and safety issues with the Chief Executive Officer, who appoints a Prevention and Protection Service Officer and company doctors, one of whom assumes the role of coordinator.
Following a prevention and protection-oriented approach, the constant monitoring of occupational risks is of utmost importance for all Group companies and is carried out through regular inspections, job analysis, reporting, accident analysis, and the identification of hazards with elimination at source.
In addition, although it is not a common occurrence, workers are expected to report hazardous situations to the company representatives via a ticket or e-mail.
The nature of Almawave's business, which primarily involves office work, can be considered low-risk. Work-related injuries are rare and usually occur during commutes or non-routine situations that are not caused by work activities.



No injuries occurred in 2022, and the total recordable incident rate (TRIR), the fatality index, and the index of work-related injuries with serious consequences (excluding deaths) were therefore all zero.
The Group's commitment to this topic is also manifested through the provision of comprehensive training to all employees. The Company ensures that training programs on occupational health and safety are accessible to all workers, defining their content based on regulatory guidelines and the specific context of the company. The contents and methods of delivering courses on health and safety are established in collaboration with the Joint Territorial Body (OPT), to best fulfil the training needs of all workers. Training is structured into courses, which include six-hour refresher sessions scheduled every five years. In addition, employees attend eight-hour basic training sessions divided into four hours of general training and four hours of specific training. Training methods were modified due to the COVID-19 pandemic. Since 2020, courses have been delivered online.

With a view to preventing occupational ill-health, all Almawave workers are asked to undergo medical examinations, on company premises, both upon joining the Company and on a regular basis, in the event of any health-related absence over 60 days, and upon the specific request of the worker. Almawave employees have supplementary health insurance policies at their disposal, in compliance with the current national collective bargaining agreements (CCNLs).
To encourage worker engagement and consultation in the field of occupational health and safety management, and above all, to provide access to and circulate pertinent information related to occupational health and safety to workers, the company Intranet has a section dedicated to worker health and safety. It includes resources such as the organizational chart, manuals, informational materials, bite-size training modules, emergency procedures, links to relevant institutional websites, and more. For specific situations, targeted communications are published on a case-by-case basis.

4.2.2

Training for professional development

For Almawave, training is an important strategic lever that enables the professional development of individuals and the entire organization, in response to constantly evolving technological, organizational, social and environmental challenges. For Almawave, investing in training means enhancing skills, stimulating creative and lateral thinking, and guaranteeing an engaging and satisfying working environment in which everyone can best express their skills. The Company's development of skills is based on three pillars: training, performance appraisals, and incentives.

Almawave's Training Plan is structured to support every employee in acquiring the technical skills and tools to achieve the existing and future goals of the various projects of the Group.

Special management training targets the development of cross-cutting skills and specialist expertise in the various activities pertaining to different roles. The Training Plan is defined on an annual basis, taking into consideration the needs identified by team leaders.

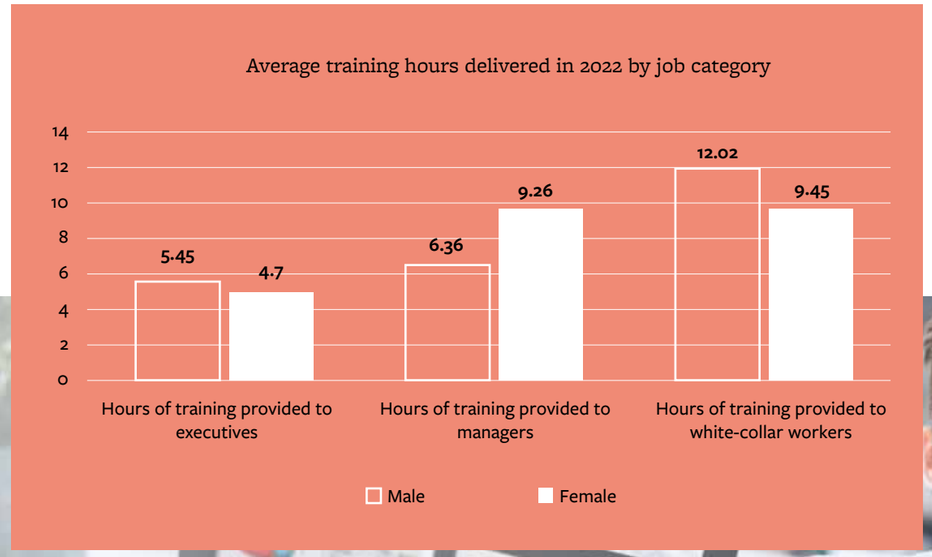
In 2022, 3,699 hours of training were provided, averaging approximately 9.76 hours per capita, an increase of around 76% over the previous year. Almawave intends to increase the number of training hours offered to its employees to an average of 15 hours of training per capita by 2025.

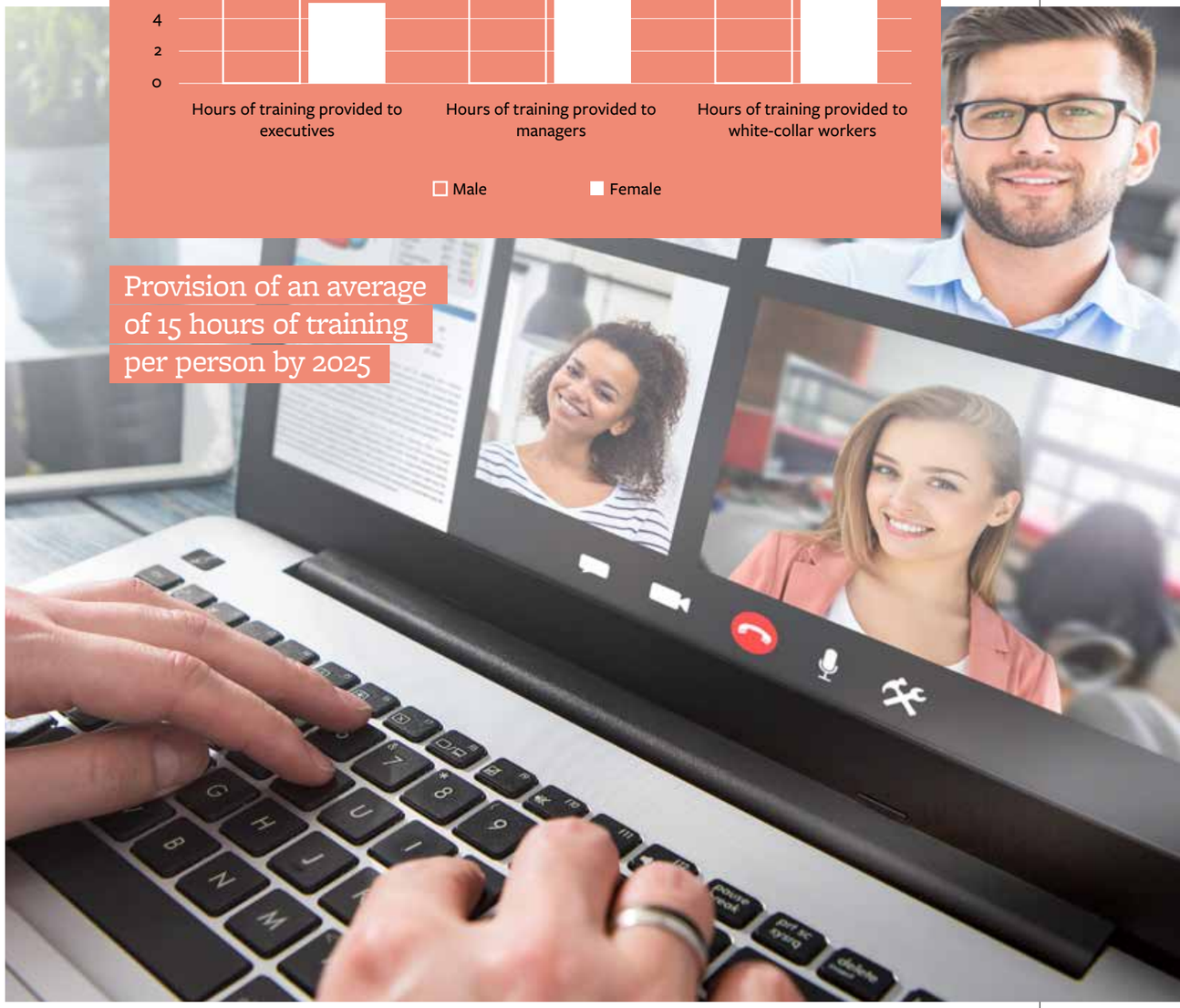
3,699
training hours

9.76
average per capita training hours

In addition to traditional training, Almawave encourages the informal exchange of "company knowledge" among employees. For this reason, the Company continued to promote its Knowledge Management initiative in 2021, involving informal meetings between work teams and the sharing of best practices and ideas, The principal objectives are the maximizing and sharing of ideas, in order to promote the development of corporate culture and operational efficiency

In 2022, the T&I Department promoted a series of training sessions involving deep dives into proprietary products and technologies, such as AIWave, conversational AI, AI easy, and Speech Analytics. 545 participants were invited to these training sessions, which had a total duration of 788.5 hours.





Training for professional development

SA8000 TRAINING

The Quality department is responsible for planning training activities to raise awareness of S8000 issues among company personnel. The goal is to facilitate their growing commitment to business ethics. In addition, in collaboration with the Human Resources department, the Quality team organizes projects to promote and raise awareness of SA8000. In line with the goal of fostering greater integration and support for the Social Responsibility Strategy, Policy, and Objectives, the department ensures that its initiatives align with communication tools designed to circulate information and promote SA8000 principles to the entire Group. Documents and training materials on the application of SA8000 are made available to all personnel. The effectiveness of workers' information and training activities on the SA8000 standard is verified at the end of training sessions with questionnaires and through audits and/or interviews with workers.

PERFORMANCE INCENTIVES

A performance incentive scheme was adopted in 2019 for Technology & Development employees to boost their confidence and job satisfaction. The process is based on the assignment of technical goals, individual performance and skills to be achieved during each year. By setting individual performance goals, Almawave expresses its commitment to enhancing the skills and qualifications of employees involved in the development of competitive products and technological solutions.

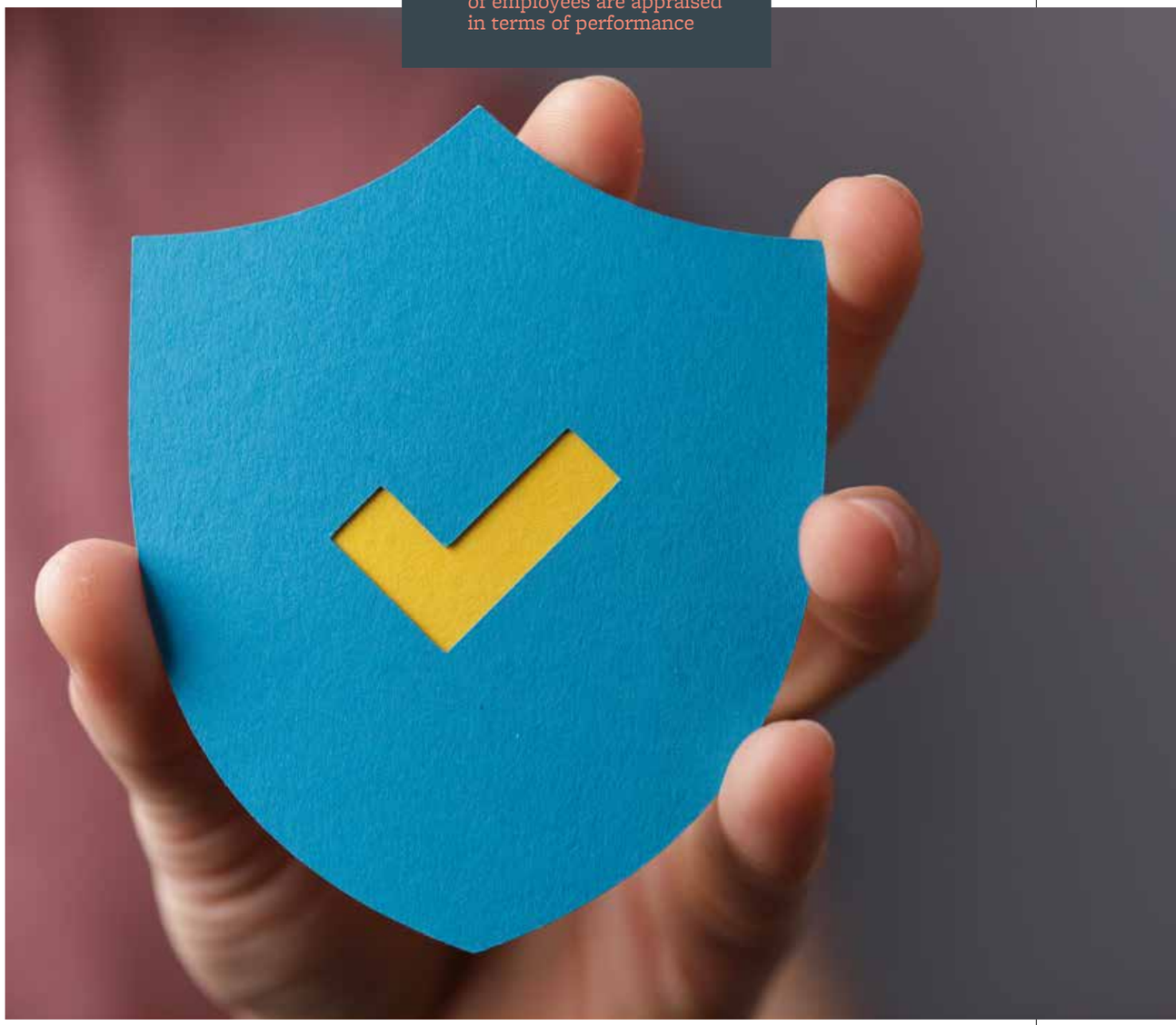
PERFORMANCE ASSESSMENT

The performance appraisal process, defined at AlmavivA Group level, is enacted annually, and directly involves all employees.

The appraisal process varies according to different organizational roles and responsibilities:

- Quantitative goals, linked to the payment of bonuses, are set for Executives and managers.
- R&D resources are appraised in reference to the achievement of measurable laboratory goals, for which a dedicated incentive system has been developed;
- The remaining part of the Company's staff are appraised according to qualitative goals, regarding both technical and soft skills, and are the subject of manager-employee interviews featuring open dialogue that is conducive to the emergence of suggestions oriented to continuous improvement.

100%
of employees are appraised in terms of performance



4.2.3 Attracting the best talent

Almawave strives to create a work environment that attracts and develops talent, offering training in technical/specialist and transversal and soft skills that build on the characteristics of each talent. Almawave promotes collaboration with the academic world to create beneficial partnerships between academia and business. In addition, the Company is dedicated to increasing education levels and well-being within the community while promoting the values that define its commitment to innovation, international culture, and business development. Almawave also endeavors to engage its employees in paths of professional and personal growth.
Almawave continues to hire young talent, with approximately 37% of new hires under the age of 30, in addition to senior figures with the right technological skills to face the challenges of an innovative, competitive market. Overall, this means that approximately 56% of new hires are between the ages of 30 and 50 years old.

The continuous recruitment of new talent – including through apprenticeships to build skills and train young people – is proof of the Company's desire to invest in resources and increase its market competitiveness.
Since 2019, Almawave has supported the professional development of young talent through its Academy program, which offers special training and job placements to recent graduates under the age of 30. The trainees are selected with STEM (Science, Technology, Engineering and Mathematics) profiles, and offered a six-week training course on technological topics of interest to Almawave. At the end of the training, trainees are tested and selected for 30-month apprenticeship contracts in the Knowledge & Operations Department and the most suitable work teams according to individual propensities identified during the training and final selection interviews. In 2022, two Academy courses led to the hiring of 18 employees, adding to those trained in previous editions of the Academy.

The Almawave Academy selects the best talents and trains them on subjects relevant to the Company's business, developing the skills and learning methods demanded by the constantly evolving technology sector.

Attracting the best talent

In 2022, Almawave expanded its workforce by incorporating new skills and expertise, further bolstering the Group's market position. This was accomplished through the successful acquisition of two companies by the Almawave Group: Sistemi territoriali and The Data Appeal Company.

The search and selection of talents are supported by Almawave's recruitment process through four main channels:

1. **SOCIAL RECRUITING**: via the professional networking platform LinkedIn, the Company regularly identifies potential candidates and promotes employee engagement initiatives, such as cultural events and activities, in order to attract new talent.

2. **RECRUITMENT PROCESS OUTSOURCING (RPO)**: through collaborations with recruiting firms, professional figures that respond to the profiles sought by the Group are identified according to instructions provided by department managers.

3. **HEADHUNTING**: Almawave collaborates with recruiting firms specializing in top management roles, particularly to fill commercial roles.

4. **PARTNERSHIPS**: thanks to the creation of a virtuous ecosystem between leading local academia and businesses, talents are identified in circles where innovation and research are founding elements. With this in mind, investments have been made in various university spin-offs, and international partnerships have been launched with various research institutions and universities of excellence.

In addition, Almawave is committed to the development of STEM talent in partnership with ELIS, an organization that offers professional training and skills enhancement programs. Together with ELIS, in 2021, the Company conceived the "Liceo TRED" four-year high-school program on the ecological and digital transition, in order to contribute to training young people in skills that will be in demand in the future, to help combat educational poverty and early school leaving, and to promote career orientation towards scientific disciplines. The project came to being through collaborations with the CONSEL Consortium, a network of schools, universities and companies that help identify skills needed by the future labor market, and offer students opportunities to test their knowledge in real-life situations through work experiences abroad and in international contexts. The Liceo TRED program, involving 27 schools throughout Italy, was launched in 2022, and will continue over the next four years.

4.3 Diversity and inclusion

THE GENDER GAP IN ICT AND ALMAWAVE'S COMMITMENT TO CLOSING IT

As highlighted by the 2022 World Economic Forum's latest gender inequality analysis, labor markets continue to show persistent trends in the segregation of occupations by gender. In 2021, among the industrial sectors analyzed, the ICT & Software sector presents one of the most critical situations, with female presence in the sector globally still at 31%, though showing some improvement compared to 2015 . In the updated version of the 2022 report, this trend was confirmed by the overall percentage of female graduates in information and communication technology, which stands at 1.7%, compared to 8.2% of male graduates . The disparities increase when considering cutting-edge technological sectors such as Artificial Intelligence, Big Data and Cloud Computing. Since February 2018, gender disparity in these sectors has seen only minimal progress. According to the latest available data, the share of women in Cloud Computing is 14.2%, showing a slight improvement of 0.2%, while the share of women in Big Data and AI is 32.4%, down 0.1% compared to 2018.

The 2021 World Economic Forum's analysis shows that the small number of female figures in STEM disciplines, often classified as a "supply problem", may actually depend on deeper biases. The social experience of learning in STEM classes and working in technological fields, which shape the potential employee base, are still distinctly male-dominated. Only a third of science, technology, engineering and mathematics graduates are women . Additional biases are found in recruitment processes, which often use male-skewed algorithms and datasets, and in women's career paths, which see their participation decrease with age.

Essential elements in reducing the gender gap are the elimination of social barriers in school and academic pathways in STEM disciplines, the promotion of a corporate culture that values diversity, and the creation of a more inclusive and flexible work culture . AI technologies themselves, as reported in a further analysis by the World Economic Forum can be valuable tools in identifying and correcting gender bias. For example, certain AI technologies are able to independently and objectively process large sets of job applications, and thereby eliminate gender bias in the recruitment process. Furthermore, such technologies can be used to support company policies and practices, providing timely analyses, identifying and minimizing bias, introducing greater transparency and visibility, and supporting employee training.

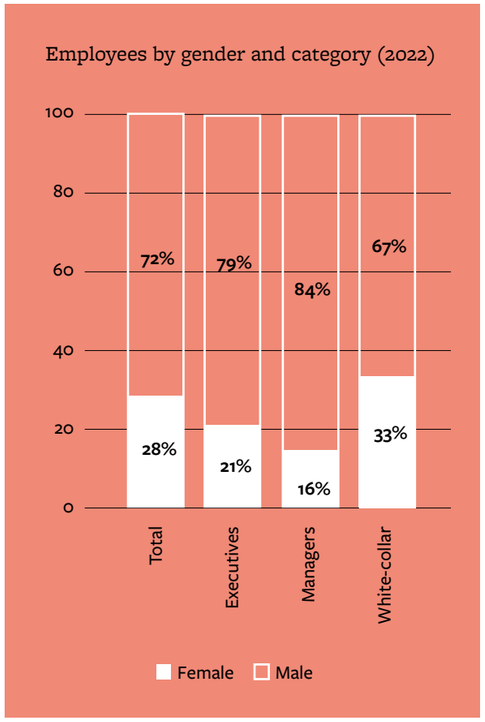
Well aware of the persistent gender gap in the sector in which it operates, Almawave is firmly committed to promoting diversity in all its forms (gender, but also generational, religious, sexual, and cultural diversity) and to providing equal opportunities, making this commitment an integral part of its mission. The Company strongly discourages all forms of discrimination in the hiring process and personnel management, aware that it can generate inequality and discontent in the workplace.
In Almawave's corporate culture, diversity is a value to be protected and promoted, guaranteeing an inclusive workplace that is free of gender bias and values the uniqueness of each individual, as a strength for the Company. Almawave's strong innovative drive is also enabled by a diversity of perspectives, which foster progress and provide a competitive advantage. The Group's commitment is supported by a governance that is particularly attentive to issues of diversity and inclusion. This commitment has been led in particular by Valeria Sandei, the Company's Chief Executive Officer since 2007, through her attention to gender issues as not only a strong signal for all employees, but also part and parcel of Almawave's innovation.

$100m
Size of the AI technology market dedicated to D&I

31%
Women in ICT

1. Global Gender Gap Report 2021, Insight Report, World Economic Forum, *WEF_GGGR_2021.pdf (weforum.org)
2. Global Gender Gap Report 2022, Insight Report, World Economic Forum, *WEF_GGGR_2022.pdf (weforum.org)
3. "Gender bias" si può tradurre con "effetto di distorsione legato al genere" oppure "distorsioni che si sono verificate in quanto non sono state considerate in modo opportuno le differenze di genere", oppure anche "pregiudizi legati al genere". Il bias di genere si manifesta per esempio in una pianificazione in cui non si considera che donne/ragazze e uomini/ragazzi, in base alla loro diversa posizione sociale, possono avere esigenze e interessi diversi.
4. Women in digital scoreboard 2021, The European Commision, Women in Digital Scoreboard 2021 | Shaping Europe's digital future (europa.eu)
5. Are We Really Closing the Gender Gap in Tech?, Forbes, 2021, Are We Really Closing The Gender Gap In Tech? (forbes.com)
6. Diversity, Equity and Inclusion 4.0: A toolkit for leaders to accelerate social progress in the future of work, 2020, World Economic Forum, WEF_NES_DEI4.0_Toolkit_2020.pdf (weforum.org)

Diversity and inclusion



Almawave's commitment to gender equality is developed along three main lines:

- Raising gender equality awareness in secondary school and university students by sharing successful female experiences in the Company;
- Ensuring equal treatment and opportunities for men and women in terms of access, selection, recruitment, promotion, training and working conditions;
- Raising gender stereotyping awareness, and promoting a leadership model that encourages diversity in teams.

In addition, Almawave actively participates, together with the entire AlmavivA Group, in recruitment days dedicated to women who have embarked on a university career in Science, Technology, Engineering and Mathematics (STEM).

DIVERSITY IN ALMAWAVE'S WORKFORCE

Women accounted for more than a quarter of Almawave's workforce in 2022, representing a slight decrease on the previous year's figure of 30%. The Company monitors and measures its progress in relation to diversity, in order to improve its approach, and make its culture increasingly attentive to diversity and inclusion. Almawave is committed to promoting equal opportunities, and to making sure every person feels valued for their general and work skills, regardless of personal characteristics. The focus is placed on professionalism and merit, in order to value both those who are already part of the Company and new hires. Indeed, Almawave's recruitment process is primarily based on the skills and knowledge of the individual, regardless of gender.

Also at an organizational level, by assigning responsibilities based on seniority and regardless of gender, Almawave has filled various positions in the organizational chart with women.

In October 2022, Valeria Sandei, CEO of Almawave, was named a Woman Leader of Conversational AI, along with nearly 200 other women who have demonstrated the ability to change the world by leveraging their expert skills. The event will take place in April 2023, when these women will be honored at the "Project Voice Women's Summit", as part of the main US event on AI applied to Speech&Text Recognition.

Also in the same period Almawave's CEO contributed to the international seminar on "Women, Economy & Power" organized by the Marisa Bellisario Foundation, which acts as lobby and network of energies, skills, merit, dialogue and discussion oriented to building a country made for women and for growth. Moderated by the journalist Maria Latella, and introduced by Maria Cristina Messa, the Italian Minister of Universities and Research, the round table including Valeria Sandei discussed the theme of "Women and Artificial Intelligence".

Almawave is committed to bridging the gender gap and enhancing its workforce as women have made significant contributions to the world of science and technology. As a result, fostering gender diversity in the field of Artificial Intelligence plays a key role in the Company's mission. Almawave actively participated in the "Virtual Job Meeting STEM Girls" event to promote opportunities in December 2022. This event provided a platform for young women graduates and recent graduates in STEM subjects seeking employment to network with HR managers and recruiters.

In 2023, Almawave intends to expand its initiatives to encourage women's participation in STEM education and increase their presence in the company.

Increase the number of initiatives to involve women in STEM education in 2023

EQUAL PAY

Almawave believes in the importance of gender pay equality at all levels, and provides all employees with remuneration that is consistent with market standards and internal practices to ensure an adequate level of both external competitiveness and internal equity. This is also demonstrated by the fact that there is no gender pay gap at Almawave S.p.A. The ratio of the average basic salary (fixed remuneration) between men and women was balanced overall in 2022 (1.04). This was also the case for top positions (executives and middle managers). There was a minor imbalance for white-collar workers.

Diversity and inclusion

ALMAWAVE'S COMMITMENT TO THE RIGHTS OF EVERY INDIVIDUAL

For Almawave, diversity and inclusion has a broad meaning that goes beyond the gender gap. Inspired by the highest international standards, the Company recognizes its responsibility in promoting the rights of all people, and applying the principles of its Code of Ethics in all circumstances. Almawave undertakes, along the entire value chain, to develop its business in a responsible manner, respecting local, national and international standards for the protection of human rights. Consequently, Almawave rejects all forms of child labor, forced labor and worker exploitation, and any type of psychological or physical abuse or coercion. Furthermore, Almawave guarantees the freedom of association and collective bargaining, and protects its employees through measures to guarantee their health and safety.

All forms of violence and harassment at work are prohibited, and a corporate culture based on respect, professionalism and non-discrimination is promoted. Each individual at Almawave has the responsibility to work collaboratively with others and contribute to the creation of a healthy work environment, reporting any conduct or incidents not in line with company policies. In order to protect everyone's rights, dedicated reporting ("whistleblowing") channels have been made available, and reported episodes are handled in a timely manner (see the "Responsible business" section). Almawave's commitment to the protection and promotion of human rights is evidenced by a total lack of reported discrimination again in 2022.

Zero Incidents of discrimination reported

Almawave favorably considers and in certain cases supports social, cultural and educational initiatives promoting the individual and improving life conditions. Among the initiatives to protect rights and all types of diversity, we highlight Almawave and the AlmavivA Group's membership of the Disability Pride Network, a body that promotes the civil rights of people with disabilities and seeks to encourage their full social inclusion. This membership has seen the Group sign the Common Charter of Values. The organization is an international network of entities that share the same values and goals. It seeks to promote and strengthen a new way of living, of thinking and of valuing people with disabilities.

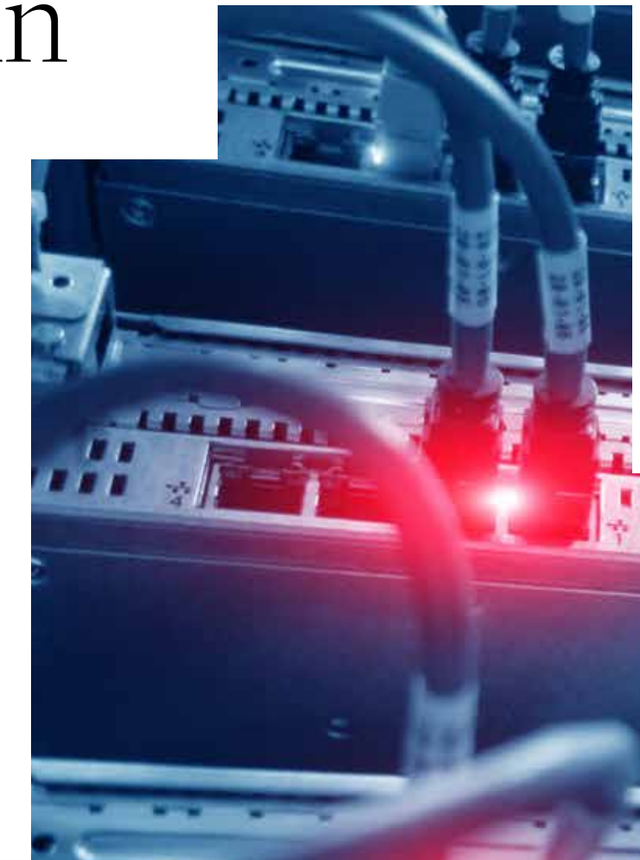
In September 2022, in their role as digital partners, Almawave and Pervoice made concrete contributions through their speech recognition solutions and technologies. Subtitles accompanied each speech at the event. Demonstrating how technology is an important tool for breaking down the barriers that prevent inclusion, empowerment, and the exercise of the rights of people with disabilities.

4.4 A responsible supply chain

Almawave's supply chain mainly refers to IT services provided by third parties. The data for these services are stored by data centers that guarantee maximum security and privacy. The Group primarily buys basic hardware and software, telecommunications services, travel and IT professional services.

In 2022, Almawave collaborated with 210 suppliers, for a total value of Euro 20.7 million.

The Company is committed to developing a responsible and resilient supply chain, preventing any environmental or labor-related harm by constantly monitoring suppliers and ensuring that they adhere to ethical, social, and environmental values and maintain a code of ethics consistent with the Group's values.



82% suppliers evaluated on social and environmental criteria

Before suppliers are qualified, the following documents must be completed and signed:

- Social Accountability, Environmental Sustainability, and Energy Efficiency Questionnaire;
- A signed commitment to legal, ethical, social, and environmental standards.

Data collection is managed in a controlled manner in accordance with the Company's "Supplier Qualification – Group Register" procedure.

The questionnaire on social and environmental responsibility and energy efficiency allows the Group to ascertain the supplier's compliance with the requirements of standards such as SA8000, ISO14001, ISO 50001, ISO9001, ISO27001, ISO22301, and ISO45001, with a particular focus on human rights.

89 % of new suppliers were evaluated according to these criteria in 2022. Compared to the previous year, the number of suppliers under evaluation was reduced, taking only the largest ones into consideration[1]. Social audits of suppliers per the Group's procedures will be resumed in the future, having been temporarily suspended due to the COVID-19 pandemic.

Furthermore, to ensure effective compliance with the principles of Social Responsibility, Environmental Sustainability, and Energy Efficiency, a self-assessment questionnaire on these topics was sent to a representative sample of approximately 800 suppliers registered with the Almaviva Group in 2021. The results have not yet been fully analyzed.

Actions taken against company suppliers, following the analysis of data related to SA8000 requirements, potentially involve collaboration with certifying bodies, non-governmental associations, and SA8000-certified Group customers. The goal is to protect and advocate for workers, with a particular focus on child labor.

With this in mind, Almawave intends to contribute to the development of a responsible and resilient supply chain while reducing environmental and social damage at the global level and increasing the number of suppliers involved in the evaluation process through ESG criteria. It intends to standardize its supplier evaluation system through ESG criteria for the entire Group by 2025.

Standardization of the supplier evaluation system through ESG criteria for the entire Group by 2025

1. The reported value was calculated considering in the evaluation criteria only the new suppliers who, during 2022, recorded a total ordered amount above the threshold of €20,000. However, when considering the entire scope of all new suppliers for Almawave, without any threshold limits, the data related to the evaluated new suppliers in 2022 stands at 23%.

05

Environment

5.1

Almawave's commitment to the environment

For Almawave, caring for the environment permeates every aspect of the Company's operations, from the provision of technological products and services that support customers in their ecological transition, to the offer of environmentally friendly solutions to the market, and the internal management of business processes and practices.
Since 2008, Almawave has been part of the AlmavivA Green project, which oversees management of a number of environmental aspects, from business impacts to green solutions for customers, working along on three lines of action.

The guidelines of the "AlmavivA Green" project

Green Company

Implement behavioral patterns, organizational action and management of facilities and logistics to reduce consumption and the environmental and energy impact of business activities.

Green It

Promote an approach that prioritises efficient use of information technology to reduce resource consumption, maximize the energy efficiency of services provided and products throughout the life cycle.

Green Solutions for the Environment

Enhance and develop experiences, skills and technologies to innovate the Company's business offerings in the fields of the environment and energy.

THE GREEN TEAM[1], COMPRISED OF MANAGERS FROM DIFFERENT BUSINESS FUNCTIONS WITHIN THE ALMAVIVA GROUP WITH DIVERSE EXPERTISE, IS RESPONSIBLE FOR PROVIDING SUPPORT TO VARIOUS ACTIVITIES RELATED TO ENVIRONMENTAL MATTERS

Regarding initiatives related to GREEN IT, in 2022, a control room was established as a part of a resource use restructuring plan. Its purpose was to monitor the actual horizontal and vertical use of servers. Preventive monitoring enabled the partial shutdown of unused servers at night and the total shutdown of servers no longer used due to reduced service utilization. With this in mind, some operations were centralized, resulting in substantial energy savings that also optimized efficiency. The control room itself was equipped with KPIs capable of making energy reduction decisions (for the same cost) such as exploiting higher night availability for CPU-intensive processes (e.g. machine learning).
As part of the AlmavivA Group's integrated management system, Almawave applies the Group's best practices regarding three reference environmental standards: ISO 14001, ISO 500001, ISO 14064.
To encourage climate change mitigation and adaptation, the Company is committed to pursuing projects, best practices and initiatives in compliance with the Principles of the 1992 Rio Declaration. Among the principles outlined is the Precautionary Principle, which Almawave fully recognizes. This states that, where there is the risk of serious or irreversible damage, a lack of full scientific certainty should not be a reason for postponing the adoption of appropriate and effective measures, including cost-effective measures, designed to prevent environmental damage

1. The Green Team comprises the management representative for the Integrated Management System, the manager for environmental and energy issues, the Purchasing department; the Human Resources department; the General Affairs department; the General Workers' Representative Bodies (RSUs); and almavivA's Communications department.

5.2

Almawave's role in combating climate change

Almawave measures its environmental performance to understand the impact its business has on the environment and take continuous improvement actions. The environmental areas of greatest importance for the Company are energy consumption and staff travel for business trips or commutes. Water and waste management, on the other hand, is the responsibility of the AlmavivA Group. Almawave adheres to the guidelines set by the Group in this regard.
Almawave has drawn up its own strategic plan, which includes various environmental actions. The key points on which the Company focuses include:

- Purchase of Green Energy;
- Further investments in monitoring activities and energy efficiency measures;
- Low-emission building selection policies;
- Car policies that promote electric mobility;
- Circular economy initiatives
- Continued adoption of the New Operating Model, which reduces commutes and the size of offices (and how much they consume).

5.2.1 Electricity consumption and emissions

Almawave prioritizes energy consumption as a key environmental aspect. The Company is committed to adopting various energy efficiency measures to ensure that its offices and Data Centers (which are owned by the AlmavivA Group and essential for Almawave's operations), are highly efficient structures.
As part of its integrated environment-energy management system, the AlmavivA Group conducted an analysis of risks and opportunities in relation to energy consumption at its offices, including those of Almawave. This analysis considered locations and their impacts, including powering all corporate ICT systems, heating, cooling, and office lighting. Specifically, an Energy Planning Process has been implemented, which allows identification of an action plan to improve energy performance through the analysis of activities that affect energy consumption.
Among the initiatives included in the "AlmavivA Green" project is the Smart Energy Management (SEM) system.

This was created in collaboration with ENEA and enables monitoring and analysis of energy consumption in buildings, through a proprietary IT platform connected to an extensive network of sensors. The system came into operation in 2010 at all major Group sites and is now also a commercial product, used to analyze and manage several sites across Italy. At the Rome Casal Boccone site (which houses Almawave's offices) a building automation system has been added. This uses automated features to manage lighting in common areas such as corridors, stairwells and elevator landings.
Due to the use of fuels for the company vehicle fleet and the purchase of electricity, total energy consumption in 2022 was approx. 2,325 GJ, up on 2021. Total (Location-based) emissions relating to Almawave's activities amounted to 174 metric tons of CO_2e in 2022. Consumption increased in 2022 compared to previous years, due in particular to the Company's growth (including in terms of employee numbers and company vehicles), the resumption of post-pandemic activities, and the increased use of the corporate vehicle fleet.
Indirect emissions (Scope 2), increased again, with a recorded 75.2 metric tons of CO_2eq (using the location-based approach) in 2022. This is not consistent with the downward trend recorded at the end of 2021 compared to 2020.

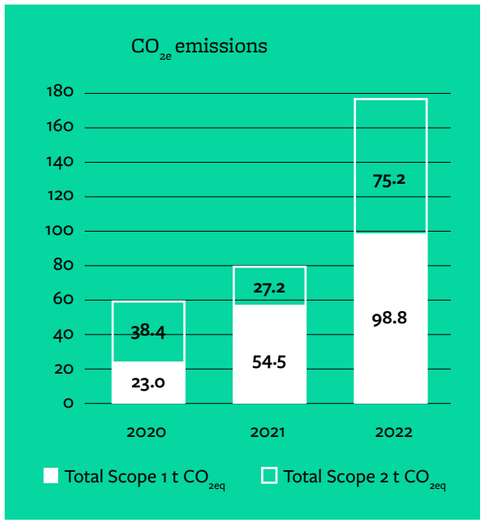
1. Agenzia nazionale per le nuove tecnologie, l'energia e lo sviluppo economico sostenibile

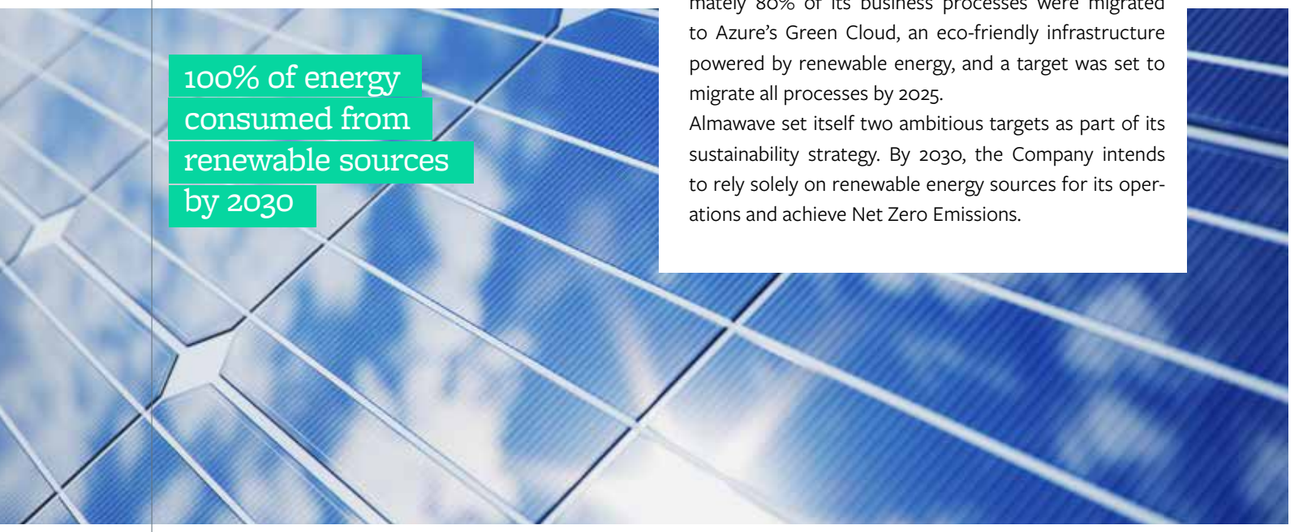
Almawave's role in combating climate change

Almawave also relies on the AlmavivA Group's Data Centers for some of its activities, specifically the Scalo Prenestino Data Center in Rome. Efficient energy management is a priority for this infrastructure, which regularly invests in state-of-the-art technology and facility upgrades. Thanks to these efforts, energy consumption has decreased by 60% in recent years, while computing capacity has tripled. In addition, all Group Data Centers are certified to ISO 27001 for information security and ISO 22301 for business continuity.

Almawave took significant steps to minimize the environmental impact of its business activities. Approximately 80% of its business processes were migrated to Azure's Green Cloud, an eco-friendly infrastructure powered by renewable energy, and a target was set to migrate all processes by 2025.

Almawave set itself two ambitious targets as part of its sustainability strategy. By 2030, the Company intends to rely solely on renewable energy sources for its operations and achieve Net Zero Emissions.





BUSINESS TRIPS

Almawave's environmentally significant activities include business trips. In 2022, these contributed a total of 86.98 metric tons of CO2eq (11.2 metric tons of CO2eq in 2021), broken down into journeys:

- by air, for a total of 324,154 kilometers, corresponding to approximately 72.1 metric tons of CO2eq (compared to 28,555 km travelled in 2021, corresponding to approximately 5.3 metric tons of CO2eq);
- by car, for a total of 114,772 km, corresponding to 11.79 metric tons of CO2eq (up from 33,814 km in 2021, corresponding to 3.4 metric tons of CO2eq);
- by train, where 422,362 km were travelled, which contributed approximately 15 metric tons of CO2eq (up from 69,400 km in 2021, corresponding to 2.5 metric tons of CO2eq).
-

The notable rise in all types of travel compared to 2021 can be attributed to Almawave's expanded business scope, an increase in international activities, and a return to a post-COVID-19 "new normal" of conducting business meetings with customers and partners. While Almawave makes extensive use of remote collaboration platforms to minimize physical travel and foster agile working, these results prompted Almawave to explore the possibility of offsetting its CO_2 emissions by participating in projects that generate carbon credits in the future.

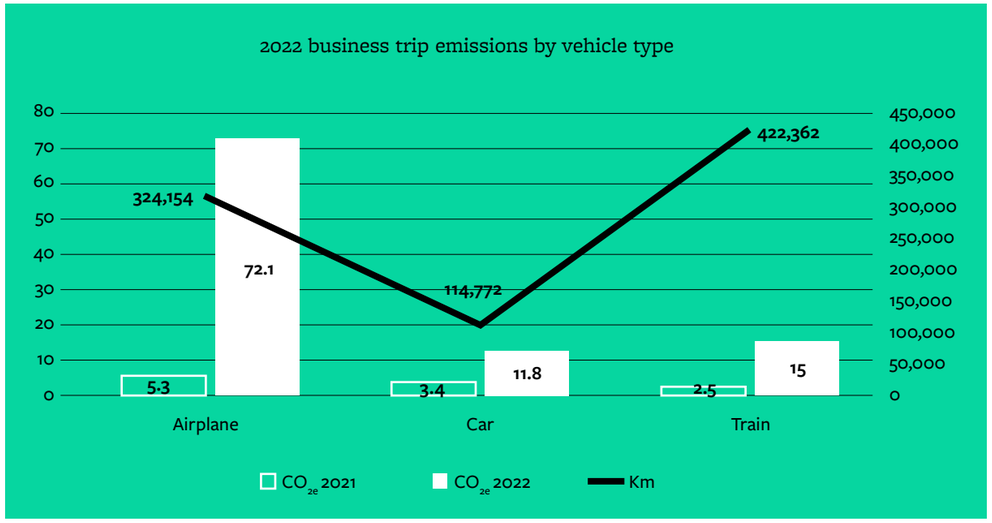
SUSTAINABLE MOBILITY IN COMMUTING

The peripheral location of the main offices, the pandemic, and the structural smart working plan have led to a very significant reduction in private car use.

In an effort to reduce the environmental impact of employee travel, the Company conducted a sustainable mobility survey in 2022. The survey involved 6,500 Almawave's and AlmavivA Group employees in different locations and revealed a predominant reliance on cars for commuting to the office. In addition, the survey highlighted the poor time efficiency of public transport and the difficulties involved in using bicycles due to the lack of cycle paths or excessive distances between home and work.

The initiatives that garnered the highest employee appreciation included: promoting the use of electric cars and plug-in hybrids by installing more charging points at primary locations; organizing carpools between individuals with similar commutes; encouraging shared mobility options (such as shared scooters, electric scooters, and bicycles).

These results were incorporated into the 2022 Commuting Plan, which defines ongoing and planned actions to achieve an efficient, intelligent, and sustainable company mobility system.



1. Il dato relativo alle emissioni Scope 2 del 2021, pari a 27,8 tonCO2eq, ha subito una variazione rispetto al totale riportato nel Report di Sostenibilità 2021 (32,4 tonCO2eq). Ciò è dovuto principalmente all'aggiornamento della metodologia di calcolo e al perfezionamento dei dati presi in considerazione.

Almawave's role in combating climate change

100% separate waste collection for the whole Group by 2025

5.2.2 Waste management

Waste management and disposal is delegated to the AlmavivA Group, and therefore, Almawave was not a "producer" of waste in 2022. However, the Company's objective is to comply with AlmavivA's guidelines, which envisage the adoption of separate waste collection for all Group companies by 2025.

As a direct or indirect producer of both hazardous and non-hazardous waste due to the nature of its business, the Group has adopted an approach to minimize the associated environmental impacts. To achieve this, the Company efficiently uses technological tools and strives to reduce its use of hazardous materials. It also closely monitors waste production, with a specific focus on waste containing toxic substances known for their polluting nature and exacting disposal requirements, paying particular attention to proper collection and disposal procedures for waste generated at company sites. Waste management is regulated by a specific procedure set out in an operational note addressed directly to the departments involved in its management. In addition, the Company is committed to adopting a cross-cutting approach to protect the environment and promote the efficient use of technology.

The Company works daily to reduce the consumption of natural resources, waste production, and to ensure proper waste management and disposal. In 2022, the Group entrusted part of the disposal of electronic equipment to partners that embrace the recovery strategy and the values of transparency, efficiency, and sustainability.

In order to oversee waste management in an even and uniform manner, AlmavivA has appointed a Waste Management Officer at Group level, who is supported by individual employees at each site. In addition, it has defined a detailed list of the types of waste produced directly and indirectly at company sites and as part of the management of services agreed with its customers. Furthermore, for each type of waste a specific categorization sheet has been prepared and is periodically updated by the consultant Dangerous Goods Safety Adviser (DGSA), in order to identify the degree of hazard and specific handling and transport methods according to applicable legislation. From the Annual Report, prepared in compliance with the legal obligations of the DGSA, it emerged that, in 2022, in relation to the handling and transport of hazardous special waste, no incidents causing damage to people, goods or the environment occurred such as to require the drafting of a specific incident report.

With a view to sustainability and the circular economy, waste is also dealt with in the passive cycle procedure through the writing of specific clauses in the stipulation of agreements with suppliers, which verify their degree of compliance with the Group's Code of Ethics and sustainability objectives.

The classification and monitoring of suppliers is a significant commitment that adheres to the ISO14001 requirements and the principles outlined in the Group Policy document. This commitment also extends to subcontractors.

CIRCULAR ECONOMY INITIATIVES

For several years, the parent company has been actively involved in the Circular Economy, undertaking a range of initiatives, such as:

- The donation of all decommissioned but working goods (office furniture, PCs, and other electronic equipment) to public and private entities that are interested in using them and giving them a second life, thus contributing to the circular economy;
- The Evergreen Collection, which involves installing special ecoboxes and posters at Almawave's various locations, in addition to the publication of targeted communications on the Intranet, with the goal of promoting a culture of environmental protection and educating individuals on correct waste separation practices;
- The Clear Water Project, thanks to which plastic-free water dispensers replaced bottled water vending machines. On the same topic, a campaign on the responsible use of water was also launched, using targeted communication, billboards, and the company Intranet;
- Active and systemic collaborations with recycling platforms to recycle products that have reached their end-of-life so that new raw materials can be recovered

5.2.3 Water consumption management

Water consumption at all major sites is included in the ISO 14001-certified Environmental Management System and the water consumed by the main site in Rome Casal Boccone is also monitored in real time through the SEM platform. The use of this valuable resource is steadily decreasing overall, and in 2018 a decision was made to stop using groundwater for garden irrigation at the site in Rome. There were improvements in water use due to a reduction in the area occupied by the Group and the more efficient management of water resources, achieved through monitoring (SEM) and extraordinary maintenance, which significantly reduced leaks.

06

Annexes

6.1.1 Reporting principles and criteria

STANDARD, GUIDELINES AND RECOMMENDATIONS

Almawave's 2022 Sustainability Report seeks to set out the material sustainability impacts for Almawave and its key stakeholders. It considers the entire value chain, describing the Company's performance in managing non-financial aspects, policies, activities, major achievements during the year and future commitments regarding the activities of Almawave and its subsidiaries.
The document was approved by the Almawave Board of Directors on xxxx 2023 and published on xxxx 2023. It has been prepared in accordance with the Global Reporting Initiative's (GRI) "GRI Sustainability Reporting Standards" (adopting the latest GRI Standards published in 2021), according to the "In accordance" option, in order to provide an accurate and quantitative overview of the Company's performance. The "GRI Content Index" section contains the list of GRI indicators reported and a reference to the section in the document containing the information associated with them.
This document was subject to limited assurance engagement (in accordance with the criteria established by the Revised ISAE 3000) by EY S.p.A. This verification was carried out according to the procedures described in the "Independent Auditors' Report" in the Annex. The quantitative indicators that do not refer to any general or topic-specific related to the GRI Standards, detailed on the pages listed in the Index, are not subject to limited review by EY S.p.A.
The principles used to define the content of the Sustainability Report are therefore those indicated by the GRI Standards:

- **Completeness**: the material topics described in the Sustainability Report are covered in their entirety and represent the environmental, social and economic impacts most relevant to Almawave's business. They thus enable a comprehensive assessment of the Company's performance in the reporting year;
- **Sustainability context**: Almawave's performance is presented in the broader context of sustainability;

To ensure the quality of the information reported, the quality principles defined by the GRI were followed in the preparation of this Sustainability Report.

- **Accuracy**: The detail level of the content of this Sustainability Report is adequate to understand and assess Almawave's sustainability performance during the reporting period;
- **Clarity**: Clear and accessible language and illustrative tables used to represent the Company's performance make this Sustainability Report easy to use and understand for stakeholders;
- **Comparability**: the indicators set out in the Sustainability Report refer to the three-year period 2020-2022, and their performance over the years is always notated so as to allow comparison and comparability of Almawave's performance over time;
- **Balance**: this document reports Almawave's performance during the reporting period in a balanced manner;
- **Timeliness**: the information contained in this document is made available in a timely manner to enable users to factor that data into their decision-making processes.
- **Verifiability**: information has been collected, recorded, compiled, and analyzed in such a way that it can be examined to establish its quality.

SCOPE

The data and information reported refer to Italian and foreign companies consolidated as at December 31 of the reporting year, unless otherwise stated.
There was a change in the reporting scope compared to 2021 due to the addition of Sis.Ter and The Data Appeal Company (companies acquired in 2022). Therefore, the reporting scope comprises Almawave S.p.A., PerVoice S.p.A., Almawave do Brasil S.p.A., OBDA Systems, Sis.Ter, and The Data Appeal Company.
Some organizational governance processes refer to AlmavivA Group S.p.A. procedures, which are implemented in all companies.

PERFORMANCE INDICATORS

Unless otherwise specified, the data and performance indicators refer to the year ended December 31, 2022, and 2021 and 2020 data are also provided for comparative purposes.
The process to gather the data and information reported in the Sustainability Report, which were selected based on a materiality analysis that identified the sustainability issues most relevant to the Group (for more details see section "1.5.2 The materiality analysis process on sustainability topics"), involved the various corporate functions of the relevant companies in the Almawave Group and the AlmavivA S.p.A. Group.
Data were processed by point extractions, aggregations and calculations and - where specifically indicated - involved the use of estimates. No specific activities were excluded from reporting. There were no significant changes in the nature of the business in the reporting year.
To ensure historical comparability of performance, the values for the reporting year (2022) were compared with those for the previous year using graphs and tables. The calculation methods used to determine the indicators are set out in the section "Calculation methodology".
The annex contains the table of GRI indicators broken down by reported impact area (Corporate governance, Responsible digital transition, People, Environment) with reference to the sections of the document, a list containing definitions of the topics recognized as material, and a table linking material topics, related GRI aspects, and the scope of impacts (GRI Content Index), which act as a compass for the reader.

For any questions regarding this Sustainability Report, please contact the Investor Relations Department by e-mail at: investor.relations@almawave.it

6.1.2

Calculation methodology

KPIs	Methodology
Corporate governance	
Economic value	Economic value generated represents the wealth created by the Company in the execution of its activities. A significant portion of this value is then distributed (distributed economic value), in the form of operating costs, wages and salaries for employees, payments to providers of capital, and governmental payments. The economic value generated that is not distributed constitutes retained economic value. Each of the components of these indicators is calculated by referring to individual items in the Financial Statements published in Almawave's Consolidated Financial Report.
Training on preventing corruption	**E-learning** for staff in areas of low/medium/high corruption risk. **General workshop**: classroom training events for staff in areas of high corruption risk. **Job-specific training:** classroom training events for professional areas at high risk of corruption.
People	
Industrial relations	**Employees Covered by Collective Bargaining:** means those employees with an employment relationship governed by collective bargaining contracts or agreements, whether national, industry-, company- or site-based.
Hours of training	Hours provided to Almawave employees through training paths (classroom and distance) both independently and also through on-the-job training. Average training hours are calculated by dividing total training hours by the number of employees at the end of the year.
Turnover rate	**Positive**: The ratio of new hires at December 31 for the reporting year to the total workforce at December 31 for the previous year. **Negative**: The ratio of departures at December 31 for the reporting year to the total workforce at December 31 for the previous year.
Supply chain	A significance-based approach was adopted to calculate new suppliers assessed according to environmental and social criteria in 2022 (only new suppliers with an order total exceeding Euro 20,000 in 2022 were considered).

KPIs	Methodology
People	
Safety	**TRIR**: frequency rate of total recordable injuries (work-related injuries with days off, medical treatment or work restriction). Numerator: number of total recordable work-related injuries; denominator: hours worked in the same period. Ratio result multiplied by 1,000,000. **Rate of work-related injuries with serious consequences**: work-related injuries leading to more than 180 days of absence or resulting in total or permanent disability. Numerator: number of work-related injuries with serious consequences; denominator: hours worked in the same period. Ratio result multiplied by 1,000,000. The activities that Almawave carries out are intellectual in nature and typically office-based, and thus considered low risk for injury. The **main hazards** to workers mainly relate to accidents while commuting.
The environment	
Energy consumption	The conversion factors used for gasoline, diesel, LPG and methane come from the U.K. Department for Environment, Food and Rural Affairs (Defra) database, updated annually in 2020, 2021, and 2022. The conversion factors used for electricity were taken from ISPRA for the Group's Italian companies and from the Ministry of Science, Technology, and Innovation (Fator médio - Inventários corporativos - Ministério da Ciência, Tecnologia e Inovação [www.gov.br]) for Brazil. To calculate energy consumption for 2022, the methodology was changed, both due to the availability of more precise and timely data and more refined methodological considerations on emission factors.
GHG emissions	**Scope 1 emissions**: emissions directly generated by the Company's assets. The emission factors used for gasoline, diesel, CNG, LPG, methane and biogas come from the Defra database, updated annually in 2020, 2021 and 2022; **Scope 2 - Location-Based Emissions**: these are indirect greenhouse gas (GHG) emissions, resulting from energy consumption, measured in metric tons of CO_2eq, based on geographical location. The emission factor used for electricity purchased from the grid under the location-based methodology comes from the ISPRA 2022 database (for Italy) and the factors published on the Ministry of Science, Technology, and Innovation website (for Brazil). **Scope 2 - Market-Based Emissions:** these are indirect greenhouse gas (GH) emissions resulting from energy consumption, measured in metric tons of CO_2eq, based on the market. The Residual Mix published by the Association of Issuing Bodies (AIB) and the factors published by the Ministry of Science, Technology, and Innovation (for Brazil) were used for this approach. To calculate emissions for 2022, the methodology was changed due to the availability of more precise and timely data.

6.2 Correlation tables

CLUSTER	MATERIAL TOPIC	GRI & TITLE	MATERIAL TOPIC SCOPE	
			INTERNAL	EXTERNAL
Governance	Creating shared value	GRI 201: Economic performance	✓	Customers Suppliers Financial community
	Business continuity and cybersecurity	-	✓	Customers
	Protecting intellectual property	-	✓	
Responsible digital transition	Technology for humans - People-centered	-		Customers
	Digital solutions for the community and inclusion			Customers
	Green solutions for customers	-		Customers
	Digitalization and business process efficiency	-		Customers
	Innovation	-	✓	Customers
	Customer satisfaction and product and service quality	-		Customers
		GRI 418: Customer privacy		Customers
Persone	Valuing human capital, attracting talent	GRI 401-1: New employee hires and employee turnover GRI 404: Training and education	✓	
	Well-being, occupational health and safety	GRI 401-2: Employee benefits GRI 403: Occupational health and safety	✓	
	Diversity and inclusion	GRI 405: Diversity and equal opportunity GRI 406: Non-Discrimination		
	Human Rights	-		Suppliers
	Responsible supply chain	GRI 414: New suppliers that were screened using social criteria		Suppliers
Ambiente	Energy consumption and combating climate change	GRI 302: Energy GRI 305: Emissions	✓	

6.3 Definition of material topics and impacts

CLUSTER	TOPIC	DESCRIPTION	IMPACTS	SDGS
CORPORATE GOVERNANCE	**Creating shared value**	Create value for all stakeholders (shareholders, employees and suppliers, etc.), generating well-being for the community and new wealth for the country by involving all stakeholders	**Positive impact:** Contribution to the development of the economy, and the well-being of stakeholders and the community, through the generation and distribution of value by the organization in the conduct of its business	16
	Business continuity and cybersecurity	Guarantee the reliability of IT systems and IT infrastructure provided to customers by developing services that center around data security while minimizing cybersecurity risks. Adopt policies and procedures in line with best international standards such as ISO 27001 Management System for information security and ISO 9001 Management System for business process quality	**Positive impact:** Increased stakeholder confidence and satisfaction, including in customers specifically, due to the lack of business disruption and data losses. **Negative impact:** Potential disruption of business activities and data losses due to ineffective processes and systems put in place to ensure service continuity. Distractions and human errors pose risks that can lead to cyber attacks targeting both company and customer systems.	17
	Protecting intellectual property	Protect the technological innovations at the heart of the Company's products, including through the possible filing of patents.	**Positive impact:** Improvement of the market offering and stimulated development of new products and services thanks to the effective safeguarding of innovations generated by the Company. This is accomplished through measures such as filing licenses and patents, registering trademarks and copyrights, stipulating confidentiality agreements, and incorporating tailored clauses into agreements with customers, suppliers, and partners, thus preserving the competitive advantage attained by the Company.	17
RESPONSIBLE DIGITAL TRANSITION	**Technology for humans - People-centered**	Apply natural language to technology by developing IT solutions that ensure simpler, more intuitive, transparent and inclusive communication with the customer, user and citizen. In summary: to create a better experience.	**Positive impact:** Improved experience and provision of simpler and more intuitive human-machine communication to provide more effective solutions for individuals and the Company. **Negative impact:** A failure to meet customers' needs met due to the provision of technological solutions that do not facilitate effective human-machine communication.	8, 11, 9
	Digital solutions for the community and inclusion	Contribute to technological and digital development by providing digital services to support businesses, institutions and citizens. Develop solutions that enhance individual and collective well-being even in the areas with the greatest social impact, such as health care, and those the support digital inclusion.	**Positive impact:** Increased individual and collective well-being thanks to the development of technologies that support the digital inclusion of businesses, institutions, and citizens in countries where the Company operates and the areas of greatest social impact, thereby increasing their competitiveness and improving their adaptability to changing markets. **Negative impact:** Failure to meet the needs of the community, businesses, and institutions and a slowdown in the productivity, modernization, and competitiveness of the countries in which the Company operates due to a failure to develop technological and digital solutions for them.	8, 11, 9
	Green solutions for customers	Seize opportunities by offering customers new solutions regarding environmental issues (e.g. 'Green IT' solutions with the lowest possible impact on the climate and 'IT for Green' solutions to help customers achieve their ambitions for sustainability)	**Positive impact:** Contribution to the reduction of customers' environmental impacts by adopting innovative solutions and advanced technologies and offering environmentally friendly solutions to the market. **Negative impact:** Failure to meet customers' needs due to a lack of technological solutions that help reduce their environmental impacts.	
	Digitalization and business process efficiency	Enabling customer digitalization to allow business process efficiency by delivering high-value technological solutions.	**Positive impact:** Contribution to improved customer business process efficiency and satisfaction thanks to the delivery of high-value, effective and pervasive technological solutions. **Negative impact:** Customer dissatisfaction due to digital solutions that do not contribute to the process efficiency and slow down the digitalization process.	
	Innovation	Investing in research and development to support the harmonious integration of technology and people, putting the latter at the center to support them in developing targeted solutions with strong social impact.	**Positive impact:** Provision of innovative products and solutions that effectively handle the complexities of cutting-edge technologies, ensuring their seamless integration into everyday business processes. This simplifies the human-machine interaction, enhancing the well-being of the community.	

6.3 Definition of material topics and impacts

CLUSTER	TOPIC	DESCRIPTION	IMPACTS	SDGS
	Customer satisfaction and product and service quality	Place the customer at the heart of all activities, proactively providing the best service to add value. Understanding customer needs and offering the best services by adhering to elevated quality standards.	**Positive impact:** Increased customer satisfaction and service quality thanks to the definition of a quality policy and the achievement of specific certifications (such as ISO9001) with the goal of aligning services to the highest quality standards. **Negative impact:** Dissatisfaction and loss of trust on the part of customers due to the poor quality of services offered, which results in reputational damage and harms customers' business activities.	8, 11, 9
	Privacy and data protection	Protect the privacy of customers' sensitive personal data, operating responsibly in managing this data in accordance with national and European regulations.	**Negative impact:** Alteration, destruction, loss (including accidental), or unauthorized access and processing of data, with the potential use of data in breach of national or international laws and consequent violation of the privacy rights of citizens and users.	
PEOPLE	**Valuing human capital, attracting talent**	Create and maintain stable and qualified employment and encourage employees' educational growth, stimulating their professional development. Attract top talent and retain staff by promoting a goal-oriented, agile approach to work. Create an ecosystem in conjunction with universities and research institutions, promoting membership in academic startups. Enhance collaboration with academia to create virtuous partnerships between academia and business.	**Positive impact:** Increased employee well-being and growth, fostering their loyalty and innovative potential through welfare and training programmes designed to align with their expectations, enhance their talents, and develop their skills; promotion of collaborations with the academic world to establish beneficial partnerships between academia and business, thus increasing education levels and well-being within the community. **Negative impact:** Reduced job satisfaction, motivation, productivity, and quality of work performed by employees due to outdated training programmes and inadequate welfare plans, with consequent negative effects on company turnover; poor dialogue and collaboration with universities and research institutes, which could result in a reduced ability to attract new talent.	3, 5, 4, 8, 10
	Well-being, occupational health and safety	Promote a working environment that is welcoming, stimulating and which positively affects staff well-being, ensuring working conditions that guarantee full respect for the right to health, in addition to elevated health and safety standards.	**Negative impact:** Damage to health, potential injuries, and employee dissatisfaction due to a lack of attention to work-life balance, resulting in loss of efficiency and productivity.	
	Diversity and inclusion	Foster an inclusive work environment designed to ensure equal opportunity and encourage diversity as a driver of organizational innovation by promoting a female leadership model. Discourage all forms of discrimination and encourage generational, religious, sexual, cultural and gender diversity as a driver of innovation and corporate competitiveness.	**Negative impact:** Incidents of discrimination in the recruitment process or personnel management (due to generational, religious, sexual, cultural, or gender diversity) that create inequality and discontent in the workplace.	3, 5, 4, 8, 10
	Responsible supply chain	Ensure that sustainability is not merely limited to the Company's operations but that it extends to suppliers by evaluating their service, cost, technical support and social impact in addition to quality.	**Positive impact:** Contribution to the development of a responsible and resilient supply chain, reducing environmental and social damage globally. **Negative impact:** Contribution to the generation of damage to the environment or third-party workers due to a failure to adequately monitor supplier practices.	
	Human Rights	Ensure respect for human rights throughout Almawave's value chain and business operations, ensuring fundamental freedoms of association and labor rights and the elimination of modern slavery, child labor and human trafficking.	**Negative impact:** Human rights violations along the entire value chain due to an inefficient monitoring system.	
ENVIRONMENT	**Energy consumption and combating climate change**	Promote efficiency and reduce energy consumption within the organization, to also enable the reduction of climate-altering gas emissions from business activities.	**Negative impact**: Generation of climate-altering emissions due to business activities, and along the entire value chain due to a lack of strategic monitoring plans to reduce them.	7, 12, 13

6.4.1

Corporate governance

GRI 201-1: Direct economic value generated and distributed

Economic value	Unit	2020	2021	2022
Economic value generated	**Euro millions**	27.8	34.2	49.7
Economic value distributed	**Euro millions**	23.6	27.5	41.1
Operating costs	Euro millions	12.2	14.4	21.1
Value distributed to employees	Euro millions	9.3	12.0	18.1
Value distributed to providers of capital	Euro millions	1.8	0.4	0.3
Value distributed to Public Sector	Euro millions	0.4	0.7	1.5
Value distributed to the community	Euro millions	0	0	0.1
Economic value retained	**Euro millions**	4.2	6.7	8.6

GRI 405-1a: Diversity of governance bodies and employees

Board of Directors by gender and age	Gender	Age	unit	2020	2021	2022
Members of the Board of Directors at December 31, by gender and age	Female	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	1	1	1
		> 50	number of employees	0	1	1
	Total members		number of employees	**1**	**2**	**2**
	Male	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	2	1	0
		> 50	number of employees	4	6	7
	Total members		number of employees	**6**	**7**	**7**
	TOTAL		**number of employees**	**7**	**9**	**9**

GRI 405-1a: Diversity of governance bodies and employees

Supervisory Board by gender and age group	Gender	Age	unit	2020	2021	2022
Members of the Supervisory Board at December 31, by gender and age	Female	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	0	0	0
		> 50	number of employees	0	0	2
	Total members		**number of employees**	**0**	**0**	**2**
	Male	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	0	0	0
		> 50	number of employees	1	1	1
	Total members		**number of employees**	**1**	**1**	**1**
	TOTAL		**number of employees**	**1**	**1**	**3**

GRI 405-1a: Diversity of governance bodies and employees

Board of Statutory Auditors by gender and age group	Gender	Age	unit	2020	2021	2022
Members of the Board of Statutory Auditors at December 31, by gender and age	Female	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	0	0	0
		> 50	number of employees	0	0	0
	Total members		number of employees	**0**	**0**	**0**
	Male	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	1	0	0
		> 50	number of employees	2	3	3
	Total members		number of employees	**3**	**3**	**3**
	TOTAL		**number of employees**	**3**	**3**	**3**

GRI 405-1a: Diversity of governance bodies and employees

Related Party Transactions Committee by gender and age	Gender	Age	unit	2020	2021	2022
RPT Committee members at 31 December, by gender and age	Female	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	0	0	0
		> 50	number of employees	0	1	1
	Total members		number of employees	**0**	**1**	**1**
	Male	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	0	0	0
		> 50	number of employees	0	2	2
	Total members		number of employees	**0**	**2**	**2**
	TOTAL		**number of employees**	**0**	**3**	**3**

GRI 405-1a: Diversity of governance bodies and employees

Sustainability Committee by gender and age group	Gender	Age	unit	2020	2021	2022
Sustainability Committee members at 31 December, by age	Female	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	0	0	1
		> 50	number of employees	0	0	0
	Total members		number of employees	**0**	**0**	**1**
	Male	< 30	number of employees	0	0	0
		Between 30 and 50	number of employees	0	0	0
		> 50	number of employees	0	0	2
	Total members		number of employees	**0**	**0**	**2**
	TOTAL		**number of employees**	**0**	**0**	**3**

6.4.1

Corporate governance

GRI 205-2a: Total number of governance body members that the organization's anticorruption policies and procedures have been communicated to

Total number of governance body members that the organization's anticorruption policies and procedures have been communicated to	Unit	2020	2021	2022
		Total	Total	Total
BoD members	No.		9	9
TOTAL		0	**9**	**9**

GRI 205-2c: Total number of business partners that the organization's anticorruption policies and procedures have been communicated to

Total number of business partners that the organization's anticorruption policies and procedures have been communicated to by type	Unit	2020	2021	2022
		Total	Total	Total
Suppliers	No.	31	38	53
TOTAL		**31**	**38**	**53**

Total number of business partners that the organization's anticorruption policies and procedures have been communicated to by geography	Unit	2020	2021	2022
		Total	Total	Total
Italy	No.	31	38	53
TOTAL		**31**	**38**	**53**

GRI 205-2e: Total number of employees that have received training on anti-corruption

Total number of employees that have received training on anti-corruption by professional category	Unit	2020	2021	2022
		Total	Total	Total
Executives	No.	5	6	12
Managers	No.	21	17	42
White-collar	No.	55	31	132
Blue-collar	No.	0	0	0
TOTAL		**81**	**54**	**186**

Total number of employees that have received training on anti-corruption by geography	Unit	2020	2021	2022
		Total	Total	Total
Italy	No.	81	54	186
TOTAL		**81**	**54**	**186**

RI 205-3: Confirmed incidents of corruption and actions taken

cidences of declared corruption	Unit	2020	2021	2022
tal number and nature of confirmed incidents of rruption	no.	0	0	0
tal number of confirmed incidents in which nployees were dismissed or disciplined for rruption	no.	0	0	0
tal number of confirmed incidents when ntracts with business partners were terminated not renewed due to violations related to rruption	no.	0	0	0

RI 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

gal actions for anti-competitive behavior, anti-ust, and monopoly practices	Unit	2020	2021	2022
umber of pending lawsuits concerning anti-mpetitive behavior and violations on anti-trust or onopoly laws	no.	0	0	0
umber of completed lawsuits concerning anti-mpetitive behavior and violations on anti-trust or onopoly laws	no.	0	0	0

6.4.1

Corporate governance

KPI: Business continuity

Performance issues in software and IT services provided to customers	Unit	2020	2021	2022	Trend
Performance issues are defined as any planned or unplanned downtime that causes an interruption in the provision of cloud-based services to customers of more than 10 minutes but less than or equal to 30 minutes	no.	8	9	9	0%
Performance problems include, but are not limited to, those caused by technical failures, programming errors, cyber attacks, weather events, or natural disasters at hosting facilities		47	20	23	15%

Service interruptions in software and IT services provided to customers	Unit	2020	2021	2022	Trend
Service interruptions are defined as any planned or unplanned disruption that causes an interruption of more than 30 minutes in the provision of cloud-based services to customers	no.	5	7	6	-14%
Service interruptions include, but are not limited to, those caused by technical failures, programming errors, cyber attacks, weather events, or natural disasters at hosting facilities		39	17	12	-29%

Total customer downtime related to performance issues and service interruptions in software and IT services provided to customers.	Unit	2020	2021	2022	Trend
Total customer downtime is defined as the duration of each service interruption multiplied by the number of affected software licenses and IT services, reported in license days.	min	780	650	600	-8%

Non-GRI KPIs: Research and development costs

	Unit	Total expenditure 2018-2021	Total expenditure 2022
Total research and development expenditure	Euro millions	13	4.2

6.4.2 Responsible digital transition

GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

Complaints	Unit	2020	2021	2022
Total number of substantiated complaints received concerning breaches of customer privacy	no.	0	0	0
of which received from external parties	no.	0	0	0
of which from supervisory bodies	no.	0	0	0
Theft or loss	**Unit**	**2020**	**2021**	**2022**
Total number of customer data thefts or losses identified	no.	0	0	0

6.4.3

People

GRI 2-7 Information on employees by contract type and gender
Total (Italy & Brazil)

Worker category	Type of contract	Gender	Unit	2020	2021	2022
Employees with employment contracts at December 31, 2022	permanent	female	number of employees	59	78	106
		male	number of employees	143	184	267
		Total	number of employees	**202**	**262**	**373**
	fixed-term	female	number of employees	3	1	2
		male	number of employees	1	3	4
		Total	number of employees	**4**	**4**	**6**
	employees with zero-hours contracts	female	number of employees	**0**	**0**	**0**
		male	number of employees	**0**	**0**	**0**
		Total	number of employees	**0**	**0**	**0**
	Total employees		number of employees	**206**	**266**	**379**

GRI 2-7 Information on employees by contract type and country

Worker category	Type of contract	Geographical area	Unit	2020	2021	2022
Employees with employment contracts at December 31, 2022	permanent	Italy	number of employees	167	211	314
		Brazil	number of employees	35	51	59
		Total permanent	number of employees	**202**	**262**	**373**
	fixed-term	Italy	number of employees	4	4	6
		Brazil	number of employees	0	0	0
		Total fixed-term	number of employees	**4**	**4**	**6**
	employees with zero-hours contracts	Italy	number of employees	0	0	0
		Brazil	number of employees	**0**	**0**	**0**
		Total employees with zero-hours contracts	number of employees	**0**	**0**	**0**
	Total Workforce		number of employees	**206**	**266**	**379**

GRI 2-7 Information on employees (Part-time Full-time Italy)

Worker category	Type of contract	Geographical area	Gender	Unit	2020	2021	2022
Employees with employment contracts at December 31, 2022	full-time	Italy	female	number of employees	53	63	81
			male	number of employees	115	149	227
			Total	number of employees	168	212	308
	part-time	Italy	female	number of employees	2	2	8
			male	number of employees	1	1	4
			Total	number of employees	3	3	12
	employees with zero-hours contracts	Italy	female	number of employees	0	0	0
			male	number of employees	0	0	0
			Total	number of employees	0	0	0
	Total employees Italy			number of employees	**171**	**215**	**320**

GRI 2-7 Information on employees (Part-time Full-time Brazil)

Worker category	Type of contract	Geographical area	Gender	Unit	2020	2021	2022
Employees with employment contracts at December 31, 2022	full-time	Brazil	female	number of employees	6	14	19
			male	number of employees	29	37	40
			Total	number of employees	35	51	59
	part-time	Brazil	female	number of employees	0	0	0
			male	number of employees	0	0	0
			Total	number of employees	0	0	0
	employees with zero-hours contracts	Brazil	female	number of employees	0	0	0
			male	number of employees	0	0	0
			Total	number of employees	0	0	0
	Total employees Brazil			number of employees	**35**	**51**	**59**

GRI 2-8 Information on workers who are not employees by country

Worker category		Geographical area	Unit	2020	2021	2022
Temporary		Italy	number of employees	11	20	37
		Brazil	number of employees	0	0	0
	Total temporary		number of employees	**11**	**20**	**37**

GRI 2-30: Collective bargaining agreements

Total Almawave Group

	Unit	2020	2021	2022
Number of employees covered by collective bargaining agreements	No.	190	259	379
Percentage of employees covered by collective bargaining agreements	%	92.23%	97.37%	100%

6.4.3

People

GRI 401-1: New employee hires and employee turnover (Italy, excluding Sis.Ter and The Data Appeal)

Employees	Country	Gender	Age	unit	2020	2021	2022	Positive turnover 2022
new employees hired from January 1 to December 31, 2022	Italy	Female	< 30	number of employees	9	4	6	46%
			Between 30 and 50	number of employees	0	12	10	22%
			> 50	number of employees	0	0	1	14%
		Total women hired		number of employees	**9**	**16**	**17**	**26%**
		Male	< 30	number of employees	9	8	20	105%
			Between 30 and 50	number of employees	10	31	33	34%
			> 50	number of employees	4	7	6	18%
		Total men hired		number of employees	**23**	**46**	**59**	**39%**
		Total hires Italy		number of employees	**32**	**62**	**76**	**35%**

GRI 401-1: Employee departures and turnover (Italy, excluding Sis.Ter and The Data Appeal)

Employees	Country	Gender	Age	unit	2020	2021	2022	Negative turnover 2022
employees leaving employment from January 1 to December 31, 2022	Italy	Female	< 30	number of employees	0	2	4	31%
			Between 30 and 50	number of employees	7	5	11	24%
			> 50	number of employees	0	0	2	29%
		Total women		number of employees	**7**	**7**	**17**	**26%**
		Male	< 30	number of employees	0	1	7	37%
			Between 30 and 50	number of employees	13	9	19	20%
			> 50	number of employees	2	4	5	15%
		Total men		number of employees	**15**	**14**	**31**	**21%**
		Total departures		number of employees	**22**	**21**	**48**	**22%**

GRI 401-1: New hires and new hire rate (Brazil)

Employees	Country	Gender	Age	unit	2020	2021	2022	Positive turnover 2022
new employees hired from January 1 to December 31, 2022	Brazil	Female	< 30	number of employees	3	7	5	50%
			Between 30 and 50	number of employees	2	6	5	125%
			> 50	number of employees	0	0	0	0%
		Total women hired		number of employees	**5**	**13**	**10**	**71%**
		Male	< 30	number of employees	1	9	7	32%
			Between 30 and 50	number of employees	8	13	6	46%
			> 50	number of employees	2	0	0	0%
		Total men hired		number of employees	**11**	**22**	**13**	**35%**
		Total hires		number of employees	**16**	**35**	**23**	**45%**

GRI 401-1: Departures and turnover (Brazil)

Employees	Country	Gender	Age	unit	2020	2021	2022	Negative turnover 2022
employees leaving employment from January 1 to December 31, 2022	Brazil	Female	< 30	number of employees	5	2	3	30%
			Between 30 and 50	number of employees	3	3	2	50%
			> 50	number of employees	0	0	0	0%
		Total women		number of employees	**8**	**5**	**5**	**36%**
		Male	< 30	number of employees	7	0	2	9%
			Between 30 and 50	number of employees	14	13	8	62%
			> 50	number of employees	1	1	0	0%
		Total men		number of employees	**22**	**14**	**10**	**27%**
		Total departures Brazil		number of employees	**30**	**19**	**15**	**29%**

6.4.3

People

GRI 401-1: New hires Sis.Ter & The Data Appeal (2022)

Employees	Company	Gender	Age	unit	2022
new employees hired from January 1 to December 31, 2022	Sis.Ter & The Data Appeal	Female	< 30	number of employees	3
			Between 30 and 50	number of employees	4
			> 50	number of employees	0
		Total women hired		number of employees	**7**
		Male	< 30	number of employees	4
			Between 30 and 50	number of employees	11
			> 50	number of employees	1
		Total men hired		number of employees	**16**
		Total hires Sis.Ter & The Data Appeal		number of employees	**23**

GRI 401-1: Departures Sis.Ter & The Data Appeal (2022)

Employees	Company	Gender	Age	unit	2022
employees leaving employment from January 1 to December 31, 2022	Sis.Ter & The Data Appeal	Female	< 30	number of employees	0
			Between 30 and 50	number of employees	0
			> 50	number of employees	0
		Total women		number of employees	**0**
		Male	< 30	number of employees	1
			Between 30 and 50	number of employees	2
			> 50	number of employees	0
		Total men		number of employees	**3**
		Total departures Sis.Ter & The Data Appeal		number of employees	**3**

1. For Sis.Ter and The Data Appeal, companies acquired during 2022, the turnover rate was not calculated as data at December 31, 2021 (the year in which the two companies were not part of the Group) was not available.

GRI 405-1 (b): Diversity of governance bodies and employees

EMPLOYEES BY JOB CATEGORY AND GENDER		2020		2021		2022	
		Female	Male	Female	Male	Female	Male
Employees with employment contracts at December 31	Executives	5	17	7	22	7	27
	Managers	6	38	8	55	13	66
	White-collar	54	86	64	110	88	178
	Blue-collar	0	0	0	0	0	0
	Total	**65**	**141**	**79**	**187**	**108**	**271**

GRI 405-1: Diversity of governance bodies and employees

EMPLOYEES BY JOB CATEGORY AND AGE GROUP		Unit	2020			2021			2022		
			< 30	between 30 and 50	> 50	< 30	between 30 and 50	> 50	< 30	between 30 and 50	> 50
Employees with employment contracts at December 31	Executives	number of employees	0	12	10	0	18	11	0	15	19
	Managers	number of employees	0	25	19	0	40	23	0	49	30
	White-collar	number of employees	46	86	8	64	101	9	73	169	24
	Blue-collar	number of employees	0	0	0	0	0	0	0	0	0
	Total	number of employees	**46**	**123**	**37**	**64**	**159**	**43**	**73**	**233**	**73**

405-2 Ratio of basic salary and remuneration of women to men (headquarters: Almawave Italia)

Employee category	Unit	2020	2021	2022
Executives	Average female salary / average male salary	1.27	1.12	1.09
Managers		1.05	0.99	1.04
White-collar		0.94	0.86	0.92
Blue-collar		-	-	-
Average		**1.13**	**1.03**	**1.04**

6.4.3

People

404-1: Average hours of training per year per employee

TOTAL TRAINING HOURS BY EMPLOYMENT CATEGORY	Unit	2020			2021			2022		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
Hours of training provided to executives	h	84	18	102	74	38	112	147	33	180
Hours of training provided to managers	h	728	137	865	254	39	293	420	120	540
Hours of training provided to white-collar workers	h	1,950	732	2,682	879	190	1,069	2,139	840	2,979
Hours of training provided to blue-collar workers	h	0	0	0	0	0	0	0	0	0
Total hours of training provided to employees	h	**2,762**	**888**	**3,650**	**1,207**	**267**	**1,474**	**2,706**	**993**	**3,699**

404-1: Average hours of training per year per employee

AVERAGE TRAINING HOURS BY PROFESSIONAL CATEGORY	Unit	2020			2021			2022		
		per capita male	per capita female	per capita total	per capita male	per capita female	per capita total	per capita male	per capita female	per capita total
Hours of training provided to executives	h	4.97	3.60	**4.66**	3.36	5.43	**3.86**	5.45	4.70	**5.30**
Hours of training provided to managers	h	19.15	22.91	**19.66**	4.62	4.88	**4.65**	6.36	9.26	**6.84**
Hours of training provided to white-collar workers	h	22.67	13.56	**19.16**	7.99	2.97	**6.14**	12.02	9.54	**11.20**
Hours of training provided to blue-collar workers	h	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Average hours of training provided to employees	h	19.59	13.66	**17.72**	6.45	3.38	**5.54**	9.99	9.19	**9.76**

GRI 403-9: Work-related injuries

EMPLOYEES	Unit	2020	2021	2022
Hours worked	no.	341,345.19	405,469.60	602,828.23
Total number of recordable work-related injuries, including deaths	no.	0	0	0
of which injuries during commute (only if transportation was arranged by the Company and travel occurred during working hours)	no.	0	0	0
of which work-related injuries leading to an absence of 1 to 3 days	no.	0	0	0
of which work-related injuries leading to an absence longer than 3 days	no.	0	0	0
Total number of work-related injuries with serious consequences (> 6 months' absence), excluding deaths	no.	0	0	0
Total number of deaths as a result of work-related injury	no.	0	0	0
Work-related injury rate	-	0	0	0
Rate of work-related injuries with serious consequences	-	0	0	0
Death rate	-	0	0	0
Days lost due to injury	no.	0	0	0

GRI 406-1 Incidents of discrimination and corrective actions taken

Incidents of discrimination	Unit	2020	2021	2022
Total number of incidents of discrimination during the reporting period	No.	0	0	0
Incidents examined by the organization		0	0	0
Action plans enacted		0	0	0
Action plans that have been enacted, with results verified through routine internal management review processes		0	0	0
Incidents no longer subject to action		0	0	0

6.4.3

People

GRI 308-1 New suppliers that were screened using environmental criteria[1]

Suppliers	Unit	2020	2021	2022
Total number of new suppliers	no.	50	95	17
Number of new suppliers assessed according to environmental criteria	no.	31	38	14
Percentage of new suppliers assessed according to environmental criteria	**%**	**62%**	**40%**	**82%**

GRI 414-1: New suppliers that were screened using social criteria

Type	Unit	2020	2021	2022
Total number of new suppliers	no.	50	95	17
Number of new suppliers screened using social criteria	no.	31	38	14
percentage of new suppliers screened using social criteria	**%**	**62%**	**40%**	**82%**

1. For 2022, only significant suppliers (with an order total of more than Euro 20,000) were considered when evaluating suppliers screened according using environmental and social criteria.

6.4.4

Environment

GRI 302-1: Energy consumption within the organization[1]

Direct consumption within the organization from renewable and non-renewable energy sources	unit	2020	2021	2022
Diesel	GJ	5	0	0
Methane	GJ	148	224	363
Diesel (vehicle fleet)	GJ	167	491	481
Gasoline (vehicle fleet)	GJ	29	126	310
LPG (vehicle fleet)	GJ	10	0	17
Methane (vehicle fleet)	GJ	0	0	0
Electricity (vehicle fleet)	GJ	1	24	53
Indirect electricity consumption		2020	2021	2022
Electricity purchased	GJ	599.7	430	1,101
Total energy consumption	**GJ**	**959**	**1.295**	**2.325**

305-1: Direct (Scope 1) GHG emissions

Direct emissions - scope 1	unit	2020	2021	2022
Diesel	tCO_2eq	0.3	0.0	0.0
Methane	tCO_2eq	8.4	11.46	18.6
Diesel (vehicle fleet)	tCO_2eq	11.7	34.6	42.1
Gasoline (vehicle fleet)	tCO_2eq	1.9	8.4	33.7
Methane (vehicle fleet)	tCO_2eq	0	0	23
LPG (vehicle fleet)	tCO_2eq	0.58	0,0	2.0
Total scope 1	**tCO2eq**	**22.98**	**54.48**	**98.8**

305-2: Energy indirect (Scope 2) GHG emissions

Indirect emissions - Scope 2	unit	2020	2021	2022
Emissions from electricity consumption (location-based method)	tCO_2eq	38.4	27.2	75.2
Total Scope 1 + Scope 2 - Location-based	**tCO2eq**	**61.4**	**81.7**	**174**
Emissions from electricity consumption - Market-based	tCO_2eq	61.8	43.7	130.7
Total Scope 1 + Scope 2 - Market-based	**tCO2eq**	**84.8**	**98.2**	**229.4**

1. For consumption related to the vehicle fleet, a 50% share of total consumption was considered since cars, as corporate benefits, are conventionally considered to be 50% for corporate use and 50% for personal use.

6.5

GRI Content Index

Declaration of use	Almawave has published this report in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022
GRI 1 used	GRI 1: Foundation - 2021
GRI Sector Standard(s) applicable	Not available

GRI Standard/other source	Disclosure	Document and section reference	Omissions	Note
GRI 2: General Disclosures 2021	2-1 Organizational details	Highlights 1.2 The Almawave Group: a global dimension, pp. 14-19 Front page, pp. 3-5		
	2-2 Entities included in the organization's sustainability reporting	6.1.1 Reporting principles and criteria, pp. 164-165		
	2-3 Reporting period, frequency and contact point	6.1.1 Reporting principles and criteria, pp. 164-165		
	2-4 Restatements of information	4.4 A responsible supply chain, pp. 150-151 5.2.1 Electricity consumption and emissions, pp. 156-157 6.1.2 Calculation methodology, 166-167		
	2-5 External assurance	Independent Auditors' Report, pp. 202-204		
	2-6 Activities, value chain and other business relationships	1.2 The Almawave Group: a global dimension, pp. 14-19 1.3 The technological sectors in which Almawave operates, pp. 20-23 1.4 Technological and sustainable leadership: Almawave's integrated business model, pp. 28-29 4.4 A responsible supply chain, pp. 150-151		
	2-7 Employees	4.1.1 Workforce breakdown, pp. 124-125 6.4 Performance tables (Personnel), pp. 182-183		
	2-8 Workers who are not employees	4.1.1 Workforce breakdown, pp. 124-125 6.4 Performance tables (Personnel), pp. 182-183		
	2-9 Governance structure and composition	2.2.1 The corporate governance model, pp. 56-59 6.4 Performance tables (Governance), pp. 176-179		
	2-10 Nomination and selection of the highest governance body	2.2.1 The corporate governance model, pp. 56-59		
	2-11 Chair of the highest governance body	2.2.1 The corporate governance model, pp. 56		
	2-12 Role of the highest governance body in overseeing the management of impacts	2.2.1 The corporate governance model, pp. 56-59		
	2-13 Delegation of responsibility for managing impacts	2.2.1 The corporate governance model, pp. 56-59		
	2-14 Role of the highest governance body in sustainability reporting	2.2.1 The corporate governance model, pp. 56-59 6.1.1 Reporting principles and criteria, pp. 164-165		
	2-15 Conflicts of interest	2.2.1 The corporate governance model, pp. 56-59		
	2-16 Communication of critical concerns	2.2.1 The corporate governance model, pp. 56-59		
	2-17 Collective knowledge of the highest governance body			The Sustainability Committee has planned to conduct specific induction sessions
	2-18 Evaluation of the performance of the highest governance body			The Company does not have a procedure for evaluating the performance of the highest governance body
	2-19 Remuneration policies	2.2.1 The corporate governance model, pp. 56-59		
	2-20 Process to determine remuneration	2.2.1 The corporate governance model, pp. 56-59		The Company does not have a process to determine remuneration
	2-21 Annual total compensation ratio			Data not given for reasons of confidentiality
	2-22 Statement on sustainable development strategy	Letter to the Stakeholders, pp. 8-9		
	2-23 Policy commitments	2.3 Responsible Business, pp. 62-63		
	2-24 Embedding policy commitments	2.3 Responsible Business, pp. 62-63 4.2.2 Training for professional development, pp. 136-139		

6.5 GRI Content Index

GRI Standard/other source	Disclosure	Document and section reference	Omissions	Note
		4.4 A responsible supply chain, pp. 150-151		
	2-25 Processes to remediate negative impacts	2.4 Business continuity and cybersecurity, pp. 68-71 4.1 The value of our staff, pp. 120-123 4.3 Diversity and inclusion, pp. 144-149 6.3 Definition of material topics and impacts, pp. 170-173		
	2-26 Mechanisms for seeking advice and raising concerns	4.1 The value of our staff, pp. 120-123 4.3 Diversity and inclusion, pp. 144-149		
	2-27 Compliance with laws and regulations			No significant cases of non-conformity with laws or regulations were identified during the reporting period.
	2-28 Membership associations	1.5.3 Sustainability strategy: Almawave's commitments, pp. 46-47		
	2-29 Approach to stakeholder engagement	1.5.4 Almawave stakeholder engagement, pp. 48-49		
	2-30 Collective bargaining agreements	6.4 Performance tables (Personnel), p. 183		
Material topics				
GRI 3: Material topics 2021	3-1 Process to determine material topics	1.5.2 The materiality analysis process on sustainability topics, pp. 44-45		
	3-2 List of material topics	1.5.2 The materiality analysis process on sustainability topics, p. 45		
Creating shared value				
GRI 3: Material topics 2021	3-3 Management of material topics	2.1 Creating shared value, pp. 52-53		
GRI 201: 2016	201-1 Direct economic value generated and distributed	2.1 Creating shared value, pp. 52-53 6.4 Performance tables (Governance), p. 174		
Energy consumption and combating climate change				
GRI 3-3: Material topics 2021	3-3 Management of material topics	5.1 Almawave's Commitment to the Environment, pp. 154-155		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.2 Almawave's role in combating climate change, pp. 156-159		
		6.4 Performance tables (Environment), p. 191		
GRI 305: Emissions 2016	305-1 - Direct (Scope 1) GHG emissions	5.2 Almawave's role in combating climate change, pp. 156-159 6.4 Performance tables (Environment), p. 191		
	305-2 - Energy indirect (Scope 2) GHG emissions	5.2 Almawave's role in combating climate change, pp. 156-159 6.4 Performance tables (Environment), p. 191		
Valuing human capital, attracting talent				
GRI 3-3: Material topics 2021	3-3 Management of material topics	4.2 Almawave's people strategy, pp. 128-129		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	4.1.2 Hires and departures, pp. 126-127 6.4 Performance tables (Personnel), pp. 184-186		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	4.2.2 Training for professional development, pp. 136-139 6.4 Performance tables (Personnel), p. 188		
	404-2 Programs for updating employee skills and providing assistance in reassignment	4.2.2 Training for professional development, pp. 136-139		
Well-being, occupational health and safety				
GRI 3: Material topics 2021	3-3 Management of material topics	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		
GRI 401: Employment 2016	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		
GRI 403: Occupational Health and Safety 2016	403-1 Occupational health and safety management system	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		
	403-2 Hazard identification, risk assessment, and incident investigation	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		
	403-3 Occupational health services	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		
	403-4 Worker participation, consultation, and	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		

6.5 GRI Content Index

GRI Standard/other source	Disclosure	Document and section reference	Omissions	Note
	communication on occupational health and safety			
	403-5 Worker training on occupational health and safety	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		
	403-6 Promotion of worker health	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135		
	403-9 Work-related injuries	4.2.1 The pursuit of the well-being of Almawave's people, pp. 130-135 6.4 Performance tables (Personnel), p. 189		
Diversity and inclusion				
GRI 3: Material topics	3-3 Management of material topics	4.3 Diversity and inclusion, pp. 144-149		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	2.2.1 The corporate governance Model, pp. 56-59 6.4 Performance tables (Governance), pp. 174-175 4.3 Diversity and inclusion, pp. 144-149 6.4 Performance tables (Personnel), p. 187		
	405-2 Ratio of basic salary and remuneration of women to men	4.3 Diversity and inclusion, pp. 144-149 6.4 Performance tables (Personnel), p. 187		
Human rights				
GRI 3-3 Material topics	3-3 Management of material topics	4.3 Diversity and inclusion, pp. 144-149		
GRI 406: Non-Discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.4 Performance tables, p. 189		
Responsible supply chain				
GRI 3: Material topics 2021	3-3 Management of material topics	4.4 A responsible supply chain, pp. 150-151		
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	4.4 A responsible supply chain, pp. 150-151		
	414-1 New suppliers that were screened using social criteria	4.4 A responsible supply chain, pp. 150-151 6.4 Performance tables (Personnel), p. 190		
GRI 414: Supplier social assessment 2016				
Customer privacy				
GRI 3: Material topics 2021	3-3 Management of material topics	3.3.2 Data privacy: reliability and security, pp. 116-117		
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3.2 Data privacy: reliability and security, pp. 116-117 6.4 Performance tables (Responsible digital transition), p. 180		
Material topics not directly related to GRI disclosure				
Business continuity and cybersecurity				
GRI 3: Material topics 2021	3-3 Management of material topics	2.4 Business continuity and cybersecurity, pp. 68-71 6.4 Performance tables (Governance), p. 178		
Protecting intellectual property				
GRI 3: Material topics 2021	3-3 Management of material topics	2.5 Protecting intellectual property, pp. 72-73		
Customer satisfaction and product and service quality				
GRI 3: Material topics 2021	3-3 Management of material topics	3.3.1 Customer satisfaction and product and service quality, pp. 114-115		
Technology for humans - People-centered				
GRI 3: Material topics 2021	3-3 Management of material topics	3.1.2 Technological solutions for a responsible digital transition, pp. 80-97		
Digital solutions for the community and inclusion				
GRI 3: Material topics 2021	3-3 Management of material topics	3.1.2 Technological solutions for a responsible digital transition, pp. 80-97		
Green solutions for customers				
GRI 3: Material topics 2021	3-3 Management of material topics	5.1 Almawave's Commitment to the Environment, pp. 154-155		

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GRI Standard/other source	Disclosure	Document and section reference	Omissions	Note
Digitalization and business process efficiency				
GRI 3: Material topics 2021	3-3 Management of material topics	3.1.2 Technological solutions for a responsible digital transition, pp. 80-97		
Innovation				
GRI 3: Material topics 2021	3-3 Management of material topics	3.2 Innovation, research and development, pp. 98-99 6.4 Performance tables (Responsible digital transition), p. 180		

Audit Report

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Independent auditors' report on the Sustainability Report 2022

(Translation from the original Italian text)

To the Board of Directors of
Almawave S.p.A.

We have been appointed to perform a limited assurance engagement on the Sustainability Report 2022 of Almawave Group (hereinafter "the Group") for the year ended on December 31, 2022.

Responsibilities of the Directors for the Sustainability Report

The Directors of Almawave S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the section "06. Annexes" of the Sustainability Report 2022.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a GRI Disclosure of the Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of the Group regarding the sustainability performance as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality, and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the GRI Disclosure of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Sustainability Report is free from material misstatements.

EY S.p.A.
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Sede Secondaria: Via Lombardia, 31 – 00187 Roma
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Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with the personnel of Almawave S.p.A. responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

- analysis of the process relating to the definition of material aspects included in the Sustainability Report, with reference to the criteria applied to identify priorities for the different stakeholders' categories and to the internal validation of the process outcomes;
- comparison of economic and financial data and information included in the paragraph "2.1 Creating shared value" and in the paragraph "6.4.1 Corporate Governance" of the Sustainability Report with those included in the Group's consolidated financial statement for the year ended on December 31, 2022;
- understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report.

  In particular, we have conducted in person interviews at the administrative headquarter of Almawave S.p.A. and discussions with the management of Almawave S.p.A. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level,
  a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for Almawave S.p.A., that we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Almawave Group and its subsidiaries for the year ended on December 31, 2022 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "06. Annexes" of the Sustainability Report 2022.

Audit Report

Building a better working world

Other aspects

The Sustainability Report for the year ended on December 31, 2021, whose figures are presented for comparative purposes, was subjected to a limited review by another auditor, who expressed an unqualified conclusion on that Report on September 14, 2022.

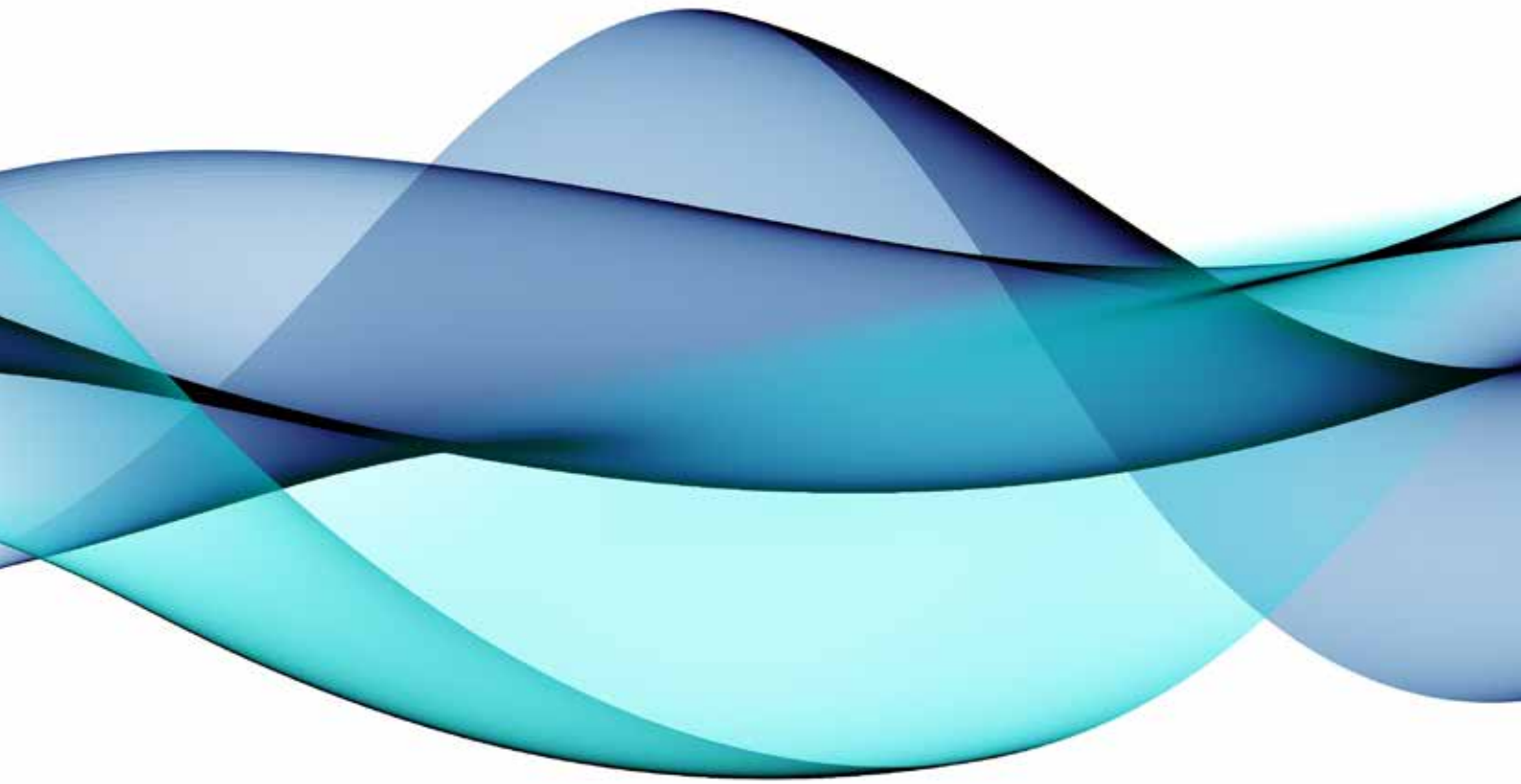
The comparative figures presented in the Sustainability Report related to the year ended on December 31, 2020, have not been audited.

Rome, July 31, 2023

EY S.p.A.

Signed by:
Paolo Pambuffetti, Statutory Auditor

This report has been translated into the English language solely for the convenience of international readers



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