

ARSENALIA GROUP CORPORATE SOCIAL RESPONSIBILITY REPORT 2021

Updated version published on September 15th 2022

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INTRODUCTION

PREFACE

GRI 2021 reporting disclosure 2-22 Statement on sustainable development strategy

With every passing year, ARSENALIA has grown exponentially to a size where our actions start to have a substantial impact on our society, economy, and environment.

It is therefore important to assess this impact and to transparently report the related key performance indicators.

To this end, we decided to publish a yearly environmental social governance report, based on the guidelines of the Global Reporting Initiative core standards, tracking our improvements with respect to the 17 sustainable development goals set by the United Nations Agenda 2030 for sustainable development.

For the first period, this report will cover the most relevant indicators for our business. The report will be updated and expanded regularly until all of the relevant indicators are covered.

We will highlight the actions we want to put forward to make our impact on the world more sustainable. ARSENALIA's employees, with their work ethics and responsible practices, will be the key to execute such actions.

SCOPE

GRI 2021 reporting disclosure 2-3 Reporting period, frequency and contact point, 2-4 Restatements of information, 2-5 External assurance, 2-14 Role of the highest governance body in sustainability reporting, 2-15 Conflicts of interest, 2-27 Compliance with laws and regulations

The corporate social responsibility reporting organization is the ARSENALIA group.

The group holding company is ARSENALIA GmbH, incorporated in Austria with company number 346590t of the Vienna companies' registry.

All the companies consolidated in the balance sheet of ARSENALIA GmbH are considered in scope of this report:

Company name	Incorporated in	Ownership at end of period	Reporting since
ARSENALIA GmbH	Austria	Holding	
alpenite s.r.l.	Italy	60%	2011
cclera s.r.l.	Italy	60%	2017
alpenite Ltd	United Kingdom	70%	2017
Altitude s.r.l.	Italy	60%	2019
Vulcano s.r.l.	Italy	60%	2019
Anda Plus GmbH	Switzerland	60%	2019
amplize s.r.l.	Italy	100%	2021
ACTABASE s.r.l.	Italy	100%	2021
ARSENALIA Real Estate s.r.l.	Italy	100%	2021
Pallino & Co. s.r.l.	Italy	100%	2021

The ARSENALIA group corporate social responsibility reporting follows the consolidated balance sheet publication practice: the period is a full financial year, that matches the solar year, and it is published by September 30th of

the year following the reporting period. The contact point for any issues concerning corporate social responsibility and the related report is: esg@arsenalia.group

Most of the key performance indicators are compared to the previous period. Where possible, the scope of the key performance indicator will be such as to make the two periods comparable. Should this not be possible, or should any changes be made in measurement methods and scopes, these will be highlighted within the single reported key performance indicator. The reporting period for this report is 2021, with reference to data from past years.

The GRI standards for the 2021 reporting disclosure not included in this report contain information that is not currently relevant for the ARSENALIA group and could be included in subsequent releases of the report.

GRI 2021 general disclosures not currently included in this report:

- 2-8 Workers who are not employees
- 2-12 Role of the highest governance body in overseeing the management of impacts
- 2-13 Delegation of responsibility for managing impacts
- 2-15 Conflicts of interest
- 2-16 Communication of critical concerns
- 2-17 Collective knowledge of the highest governance body
- 2-18 Evaluation of the performance of the highest governance body
- 2-19 Remuneration policies
- 2-20 Process to determine remuneration
- 2-21 Annual total compensation ratio
- 2-23 Policy commitments
- 2-24 Embedding policy commitments
- 2-25 Processes to remediate negative impacts
- 2-26 Mechanisms for seeking advice and raising concerns
- 2-28 Membership associations
- 2-29 Approach to stakeholder engagement

GENERAL NOTES

GRI 2021 reporting disclosure 2-5 External assurance, 2-15 Conflicts of interest , 2-27 Compliance with laws and regulations

This report has not been audited nor reviewed by any independent third party. The ARSENALIA group and the group companies do not have any corporate social responsibility reporting legal obligation. The ARSENALIA group has established a sustainability reporting committee to review and approve process.

During the reporting period, no conflicts of interest were brought to the attention of the ARSENALIA group.

There were no significant instances of non-compliance with laws and regulations, and no fines were paid during the reporting period.

GENERAL DISCLOSURES

GROUP PROFILE

GRI 2021 reporting disclosure: 2-1 Organizational details, 2-6 Activities, value chain and other business relationships, 2-7 Employees

The ARSENALIA group is based on a partnership model:

- the group shareholders/partners are involved in the day-by-day life of the group companies;
- the value of the shares has been fixed both for partners making a succession and for new partners joining in.

This model allows the group to be scalable, resilient and ready for new initiatives, technological innovations and new markets. Most of the participated companies share this model with partners operating at the participated company level.

The core business of the group is performing high-quality professional services for digital enablement and offering value-added services to help companies rise in the ever-expanding digital age, serving more than five hundred large businesses within the European market. Most of the activities of the companies within the group belong to the group of information technology consulting, classified in the international standard industrial classification ("ISIC") with code 6202 "Computer Consultancy and Computer Facilities Management Activities" and in the statistical classification of economic activities in the European Community ("NACE") with code 62.02 "Computer consultancy activities". We do not develop our own software solutions, but we scout the best solutions available in the market and offer integrations services for these solutions to our customers. Over the years we built strong relationships with independent software vendors and in particular with SAP, Salesforce, Microsoft and Adobe.

The group reached 51M€ consolidated revenues in 2021, with a growth of +30% compared to 2020, with a workforce of 574 employees (including temporary workers) of which 164 women and 410 men.

The group has legal entities in Austria, France, Italy, Switzerland and the United Kingdom, with offices in Vienna, Salzburg, Paris, Milan, Rome, Venice, Padua, Zug and London.

ACTIVITIES, PRODUCTS AND MARKETS SERVICED

GRI 2021 reporting disclosure 2-6b Activities, value chain and other business relationships

The group has several brands, most of them corresponding to a specific legal entity, and each one of them addresses a specific market with a specific set of solutions, segmented either by an independent software vendor or a specific business process.

We represent here the activities performed by five companies selected for significance as they represent more than 90% of the group revenues and employees:

alpenite

A fully experienced consultancy company focused on meaningful end-to-end customer experiences. We support your business with excellence and a worldwide vision to anticipate the future.

Main partnerships:



altitudo

A company devoted to designing and implementing future oriented solutions for the real. We enable business processes through the Microsoft platform to turn vision into concrete results.

Main partnerships:



cclera

A consulting company enabling enterprises to unleash their potential.

Main partnerships:



pallino.

A company that is an integrated communication agency both for B2C and B2B, creating web design solutions, advertising campaigns, corporate identity, social media marketing, digital advertising, and content management.

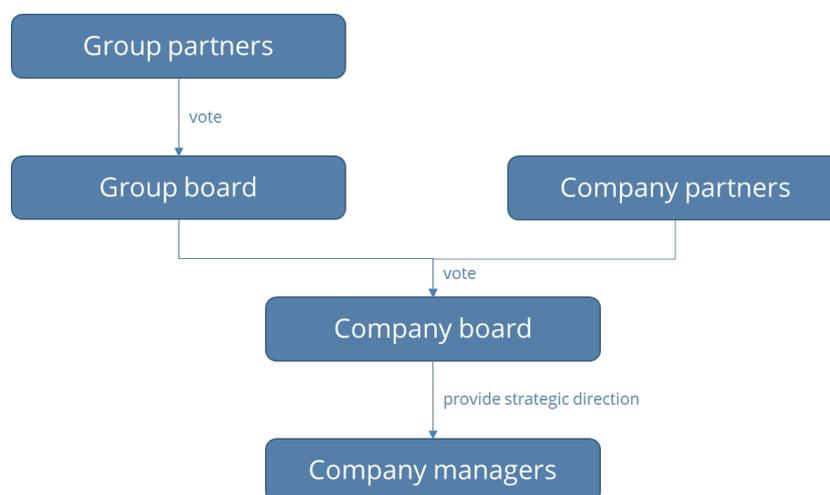


A creative agency that mixes contemporary art approaches and transmedia masterships to produce disruptive experiences for brand communication, specializing in creativity, innovative communication, and digital marketing.

GOVERNANCE

GRI 2021 reporting disclosure 2-2 Entities included in the organization's sustainability reporting, 2-9 Governance structure and composition, 2-10 Nomination and selection of the highest governance body, 2-11 Chair of the highest governance body

ARSENALIAS' governance structure is as follows:



The group partners have a vote each in the group shareholders' meeting. Ordinary decisions require only 51% of the votes while strategic decisions require 75% of the votes (examples of strategic decisions at a group level are: the creation of start-ups, acquisitions, and new partners). The group partners nominate the board of the group holding company.

The group manifests its strategic directions to the board of the participated companies through a single vote, that corresponds to a majority vote for the consolidated companies. Each of the participated companies has at least a group partner within its board to guarantee fine-grained control of the company.

The board of the participated company responds to the group board and to the participated company partners, that are all managing partners within the participated company itself. The board of the participated company provide strategic direction to the managers of the company.

The managers of a participated company, together with the company board and external advisors, hold a monthly business review to analyze key performance indicators in sales, marketing, people, operations, and financials, and to discuss the strategic direction of the company.

The board members of each participating company for the reported period are shown below, with the president of the board underlined. The group board is chaired by Giulio Marcon.

Company name	Board members
ARSENALIA GmbH	<u>Giulio Marcon</u>
alpenite s.r.l.	<u>Giulio Marcon</u> Gianluigi Alberici Marco Dalla Libera
ccelera s.r.l.	<u>Giulio Marcon</u>
alpenite Ltd	<u>Giulio Marcon</u> Marco Dalla Libera
Altitudo s.r.l.	<u>Federico Favero</u> Valentino Girardi Giovanni Marta Fabio Serraglio
Vulcano s.r.l.	<u>Giovanni Marta</u> Federico Favero Valentino Girardi
Anda Plus GmbH	<u>Giulio Marcon</u> Laura Fantin Giovanni Marta
amplize s.r.l.	Gianluigi Alberici

ACTABASE s.r.l.	Giovanni Marta
ARSENALIA Real Estate s.r.l.	Valentino Girardi
Pallino & Co. s.r.l.	<u>Valentino Girardi</u> Federica Breda Franco Scarpa

SOCIAL RESPONSIBILITY

EMPLOYMENT

Employees are the main stakeholders, as well as the main asset, of the ARSENALIA group.

The main goal of the group is to let its employees thrive, and to find and nurture new employees: ARSENALIA invests in researching the best professional profiles, selecting and training inexperienced personnel, selecting and re-training personnel with different experiences, and consolidating and developing the skills of its personnel.

Although the several companies within the group have their own identity, all companies share the same principles. ARSENALIA stands out for its interest and respect for individuals and the value they can bring once they are included in a trained and motivated team since these invisible assets play an increasingly central role in business development. The people in ARSENALIA, with their knowledge, skills and experience, are the backbone of the group, a key element in increasing its competitiveness and development at all levels

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

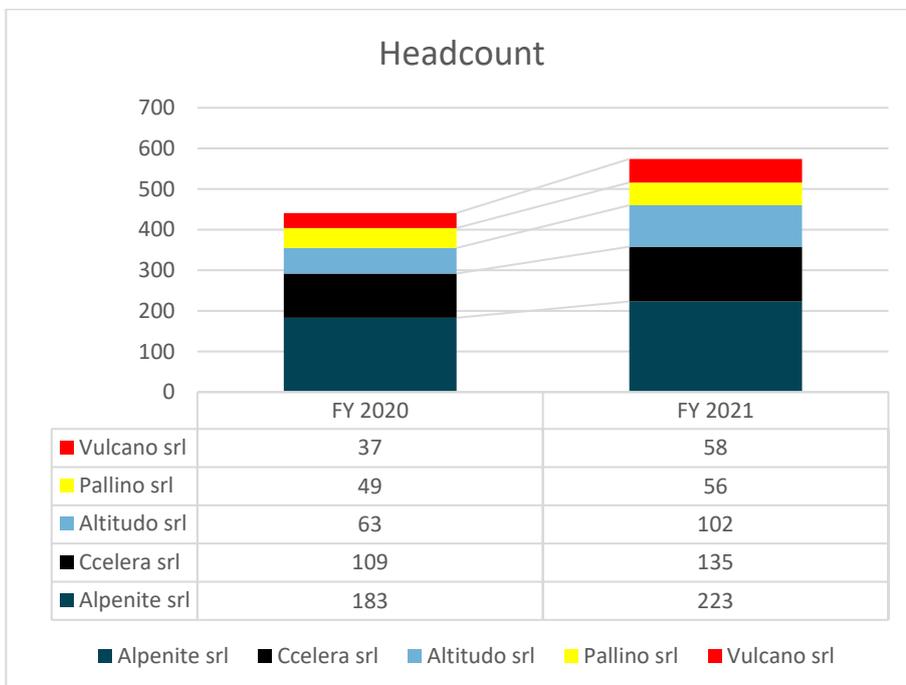
GRI 2021 reporting disclosure 2-7 Employees; GRI 401 Employment 2016: 401-1 New employee hires and employee turnover

The following description includes ARSENALIA's approach to employment or job creation, hiring, recruiting, retaining and related practices, as well as the working conditions provided.

Scope of the measurements that apply to this section:

- Only companies with more than 30 employees are reported.
- Employees include full-time, part-time and temporary workers.

In 2021, ARSENALIA group reached a total of 574 employees at the end of the period.



Scope of the measurements:

- See general notes for section

What is measured:

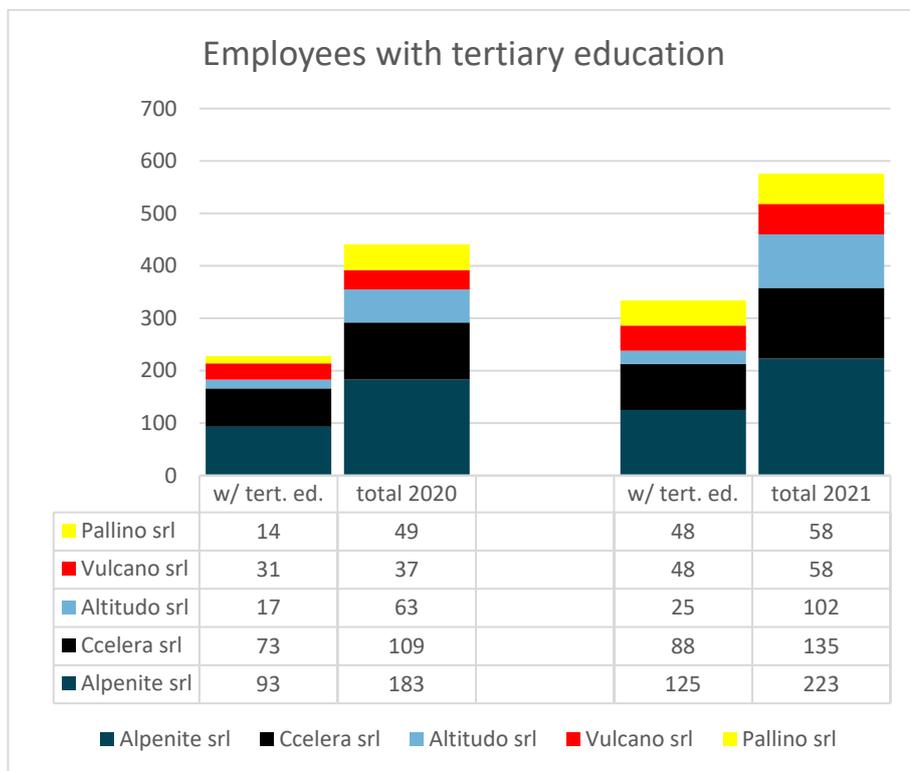
- Number of employees at the end of the period.

Main key performance indicators:

- +23% points compared to the previous period, within the goal of +20%.

ARSENALIA is committed to eliminating the gender gap that plagues the IT sector. Between 2020 and 2021 we can precisely see this trend that has led to **29% of women in the group**.

ARSENALIA aims to consider generational inclusiveness and education level as founding values to always remain innovative. The average age of the people who worked in ARSENALIA in 2021 is around 35 years, and of these, 53% completed a tertiary education and 47% completed a secondary education.



Scope of the measurements:

- See general notes for section

What is measured:

- Number of employees with a tertiary education at the end of the period in relation to the total number of employees.

Main key performance indicators:

- 53% employees with a completed tertiary education in 2021
- +3% points compared to the previous period

TALENT ACQUISITION

The identification of the best talents to be included in the company takes place primarily by creating relationships in the social fabric of the territories of the various locations by structuring collaborations and partnerships with high schools, universities, training institutions and employment centers. ARSENALIA participates every year in numerous career days, events and meetings precisely to introduce itself and intercept the best profiles.

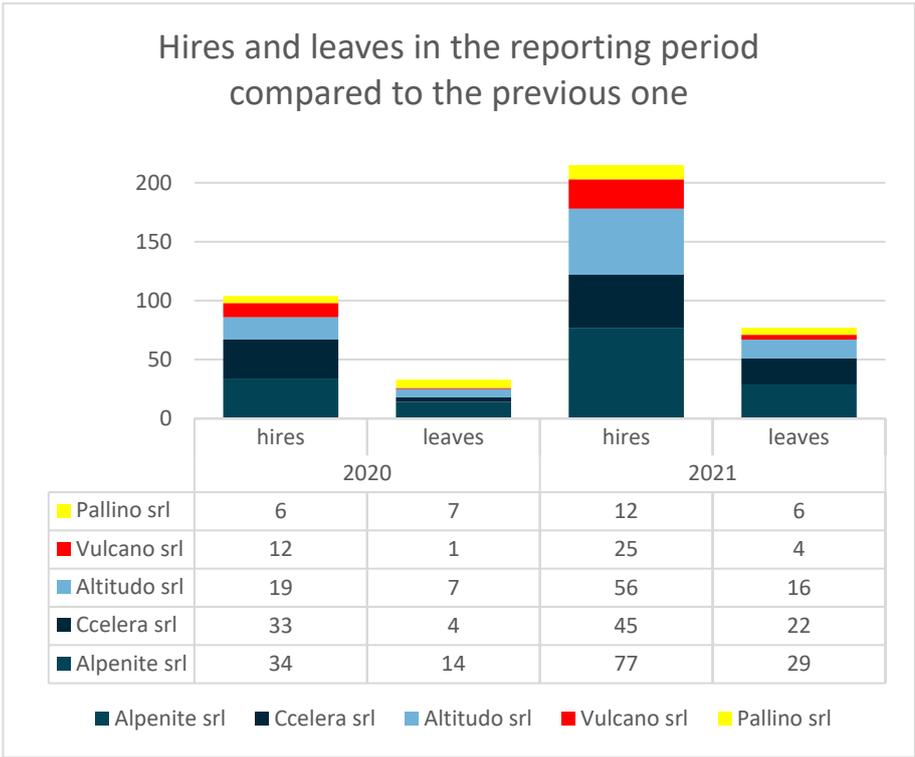
The process of identifying talents is structured through four phases that focus on listening, understanding the aspirations and inclinations of the individual and how these can blend in a collective context.

- Phase 1: online cognitive meeting to frame the candidate's training and career path. ARSENALIA provides full disclosure on its context and on the expectations for the position to be filled as well as illustrating the activities aimed at promoting the internal growth path.
- Phase 2: online meeting with a senior technical representative, to deepen specific experience and skills.
- Phase 3: final interview at one of the company offices, a phase in which doubts, curiosities, timing and expectations are shared.
- Phase 4: on boarding of the candidate, who is welcomed thanks to various side activities.

With a view to which talent acquisition aims to meet the development needs of staff over a long-term period, the process must be a continuous cycle that aims to attract, hire, retain and enhance. For this reason, on boarding continues throughout the first year of the company's life; all new resources are guaranteed quarterly moments of alignment and exchange of feedback.

Over the course of 2021, ARSENALIA showed a **30% increase in staff**, with a **positive turnover rate of 35%**. In the reporting period, **2,990 job interviews** were conducted.

Despite an increase in resignations in 2021, evidence of an IT market which faces strong turmoil, ARSENALIA has been able to respond strongly through attraction policies for young talents and senior profiles.



Scope of the measurements:

- See general notes for section

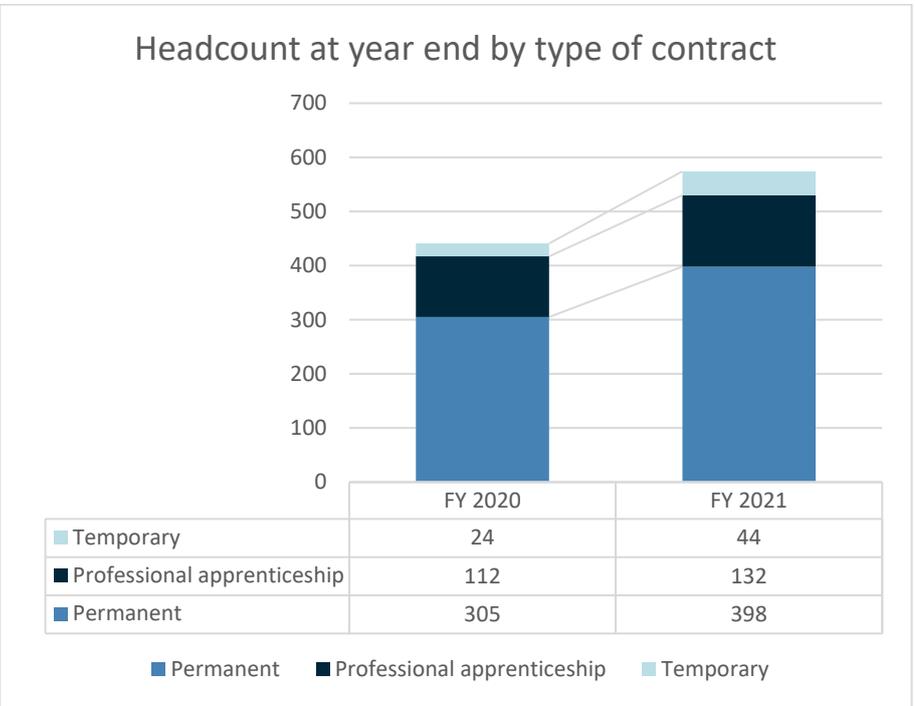
What is measured:

- Number of employees that were hired and that left in the reporting period compared to the previous reporting period

Main key performance indicators:

- +36% points in the compensation rate demonstrating the ability to cope with resignations through a higher number of hires compared to the previous period

ARSENALIA, as a strategic and functional aspect for the development of skills, aims to ensure stability within the group. For this reason, most of the people are hired with permanent contracts and, to date, 100% of the apprentices have qualified at the end of the training period.



Scope of the measurements:

- See general notes for section

What is measured:

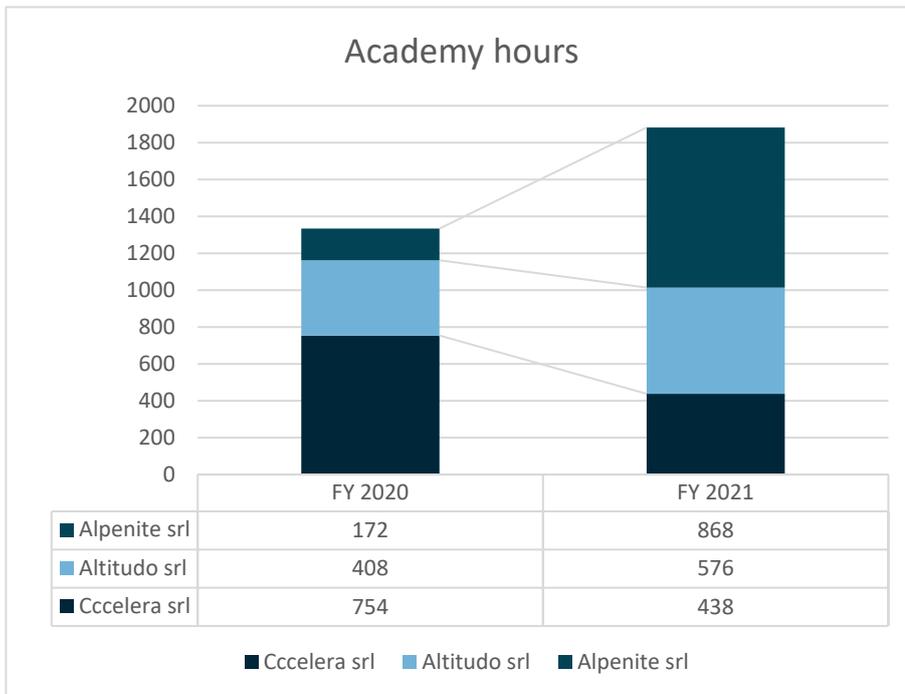
- Number of contracts with a break down by contract type

Main key performance indicators:

- 70% of permanent contracts on total contracts at the end of the period reported

THE ARSENALIA ACADEMY

The ARSENALIA Academy is one of the tools that is used to hire new talents, those who stand out in the training courses that ARSENALIA carries out in different ways and forms. Through partnerships with highly qualified temporary work agencies, which report a shortlist of unemployed and ready-to-hire profiles, the companies organize from 3 to 5 weeks of training on preparatory topics for insertion, providing their own specialized resources who hold masterclasses and courses for 8-10 people who receive comprehensive training. Of these, at least 50% will be employed in the company for the first months with an administration contract and 98% will subsequently remain with a permanent contract. During the year, Academies are organized monthly in the various companies. In order to overcome the gender gap, ARSENALIA organized a women-only academy in 2021.



Scope of the measurements:

- See general notes for section
- Pallino srl and Vulcano srl did not run academies in the reported period

What is measured:

- Number of training hours provided during the academy

Main key performance indicators:

- +41% points training hours performed compared to the previous period

EMPLOYEE BENEFITS

GRI 401 Employment 2016: 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

Embracing new ways of working is a fundamental aspect in guiding the evolution of labor towards a model based on objectives and a road map of the company benefits envisaged for both full-time and part-time permanent employees is drawn up at ARSENALIA.

The objectives can be summarized in these fundamental points:

- People at the center, enhanced by technology, is the focus of ARSENALIA, which for years has been promoting a flexible and digital work environment thanks to smart working, a fundamental tool from which to develop increasingly agile modus that put people first.
- A hybrid and flexible work model that allows an ideal work-life balance that varies according to personal, team and corporate needs, designed to create a healthy balance between free time, family, health and work activity. To analyze the well-being of resources, ARSENALIA annually submits a climate survey whose results are useful for the conception and organization of new initiatives with a view to employer branding.
- Evolution towards a goal-oriented model: that is, quality before quantity. The idea is to enhance people and their potential, leaving them free to manage projects independently, empowering them, reasoning by objectives that are achieved thanks to teamwork and mental and organizational flexibility and always

ready to face all challenges and changes that await us. For all resources, an annual review is provided for the performance and the identification of future goals on their growth path.

- Regardless of the company, all the people who work in ARSENALIA can choose the geographically most convenient location to see their colleagues involved in the same project. These are functional spaces designed to meet the needs of individuals and teamwork and created specifically to give a place where you can carry out activities in the best way. To encourage teamwork, each location is made up of open spaces with no fixed workstations, but also an entertainment area where you can relax with colleagues and a kitchen where you can take a break or have a coffee.
- To guarantee employees to travel to the clients' locations, ARSENALIA offers company cars promoting hybrid or electric cars.
- To support the peace of mind of our employees, the group offers healthcare insurance, that cover the employee and its family, life insurance and accidents insurance (inside and outside of the workplace).

COLLECTIVE BARGAINING AGREEMENTS

GRI 2-30 Collective bargaining agreements

Each company complies with the legal requirements of collective bargaining agreements for the country it operates in.

FUTURE ACTIONS

Foreseeing further growth in terms of people who will start their careers in the group, ARSENALIA intends to guarantee stability with permanent contracts and to protect and enhance the role of women from a pay equity and a work-life balance point of view.

It is the intention of the group to continue, even after the end of the Covid 19 emergency, to propose flexible hours and the return of staff with a mixed configuration of colleagues present in the offices and in smart working. To facilitate communication and involvement between people and teams and increase the sense of belonging, a group corporate portal will be implemented by 2022 where news and documents of general interest will be published.

In order to improve and reduce the initiatives according to the real needs of the people, the survey will be proposed again in 2022 to all the people of the group to map the climate of our companies and coherently address the group's initiatives.

In 2022 ARSENALIA wants to participate in an even more widespread manner in recruiting events, consolidate partnerships with high school institutes, universities and training institutions to bring together talented young people and collaborate with agencies to increase the number of academies (to date, 18 academies are planned on budget).

By supporting the equation between corporate performance and the well-being of people in the companies, ARSENALIA will provide employees with a welfare credit that can be used for pilot cultural activities and will guarantee the use of meal vouchers also during smart working.

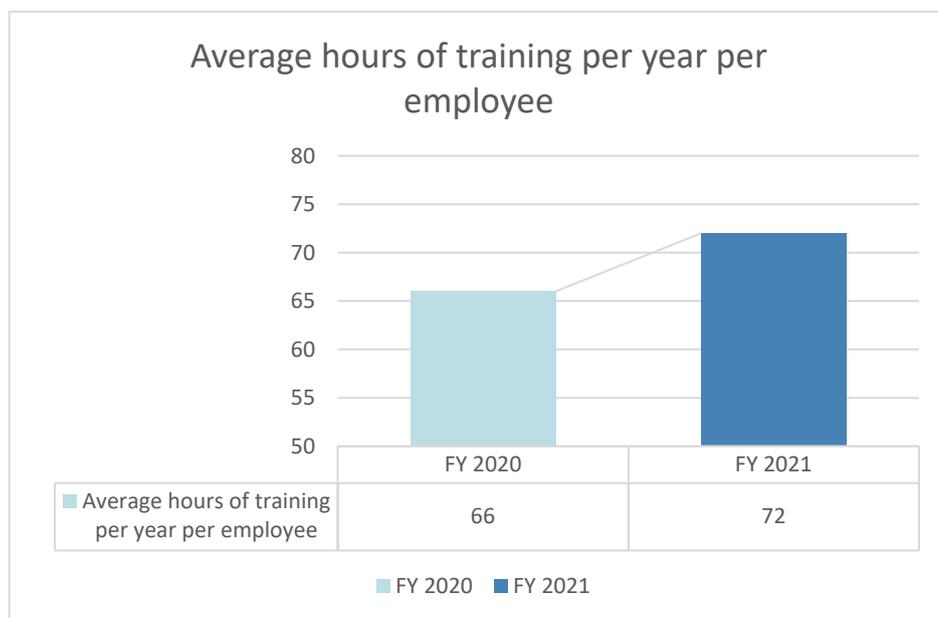
TRAINING AND EDUCATION

GRI 404 Training and Education 2016 disclosure: 404-1 Average hours of training per year per employee, 404-2 Programs for upgrading employee skills and transition assistance programs

In 2021, **the average hours of training per employee was 72**, or 9 working days. ARSENALIA invests in training with the following main objectives: developing skills, encouraging transformation and innovation, fulfilling legal obligations, promoting talent attraction, and endorsing “people care” of its employees. Each year the specific ARSENALIA companies allocate an internal budget dedicated to training.

Most of the training initiatives in 2021 were activated thanks interprofessional funds. It is worth mentioning that throughout the years ARSENALIA has used a variety of other accessible funds for example the project financed by The European Social Fund (ESF) and promoted by the Veneto region called "Veneto per le Donne". Its aim was to encourage and enhance women’s professional experience in the company, paying particular attention to female empowerment, through the combination of traditional or innovative training interventions.

The HR team collects training needs by considering both the needs of employees through annual interviews and “people care” activities. The needs of the various companies are also met by interactions with HR Business Partners and Sales teams.



Scope of the measurements:

- See general notes for section
- Employees of Pallino were not included as data is not currently available

What is measured:

- Average hours of training per year per employee

Main key performance indicators:

- A +9% increase in average employee training hours was attained in comparison to the previous period.

COURSES AND CERTIFICATIONS

Both technical and soft skill training was a key part of ARSENALIA's success in 2021. Technical training was provided through either e-learning, on-site tutoring and on-the-job tuition to adequately prepare the employee before taking the exam to obtain a certification. In 2021, the employees in ARSENALIA were able to achieve **120 certifications** in the following major systems: SALESFORCE, SAP, Microsoft, Adobe/Magento and Hootsuite. In total, ARSENALIA's employees completed 545 certifications throughout the years.

Furthermore, several courses aiming to improve employee soft skills such as public speaking, team building, business English, problem solving and coaching were activated. These useful activities are intended to form professionals capable of expertly dealing with client and business interactions by improving management and communication abilities.

A Project Manager School taught by experienced employees is always active in ARSENALIA. The school has the objective to provide internal resources with the opportunity to further develop their professional career path, learn and implement new skills and undergo a horizontal or vertical career change relative to their role in the organization, under the tutelage of a senior colleague.

CAREER DEVELOPMENT REVIEWS

GRI 404: Training and Education 2016; disclosure 404-3 Percentage of employees receiving regular performance and career development reviews

Every year, ARSENALIA conducts **performance and career reviews for 100%** of its employees. Even though career development reviews may vary depending on the company interviewing, periodic annual reviews are always present. The evaluation derives from both quantitative, such as productive days spent on the task, and qualitative assessments.

Reviews are conducted three times a year for new hires during the first twelve months after employment. An **onboarding process** is active during this period to facilitate continued feedbacks and monitoring concerning the expectations of both the new employee and ARSENALIA. The objectives of the onboarding process are to give the new employee all the instruments to become completely integrated and operational, to transfer technical skills alongside a full social and cultural incorporation and to create a long-lasting tool to receive and give periodic feedback to all employees.

Afterwards, reviews are conducted once a year in which a people operation (PO) and a human resource member focus on the specific individual objectives of both the employee and ARSENALIA.

The objectives of the annual interview are:

- Give and receive useful feedback and reflections on the past year,
- Listen the employee's expectations,
- Define areas of improvement,
- Identify the employee's desired career path or its potential continuation in the coming year.

Employees have the opportunity to receive a varying bonus based on the outcome of the annual review and the targets and results reached throughout the year.