



The European House
Ambrosetti

THINK TANK | MANAGEMENT CONSULTING | LEADERS' EDUCATION | SUMMIT

Leveraging EU Taxonomy

*Challenges and opportunities of
applying the European Taxonomy
for Sustainable Finance to the
irrigation industry*

Milan, 1 March 2023

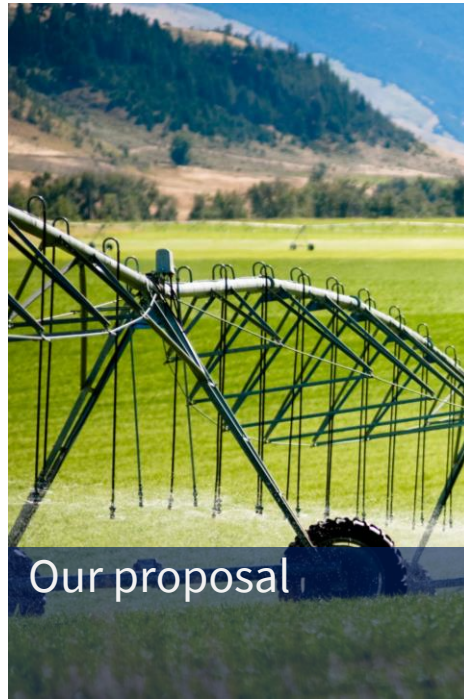


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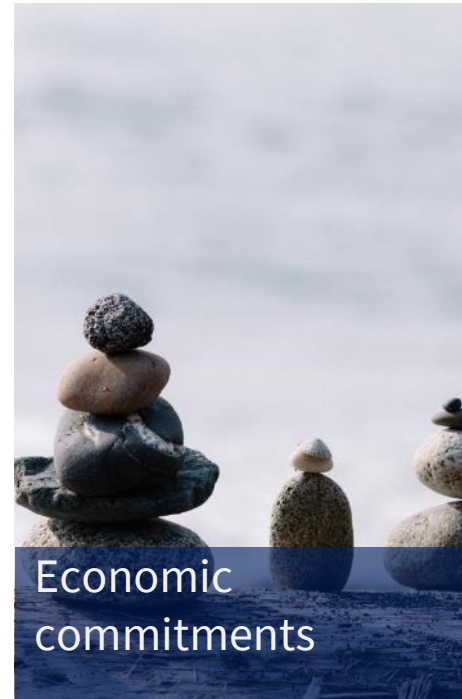
Background

The disclosure requirements of the EU Taxonomy Regulation



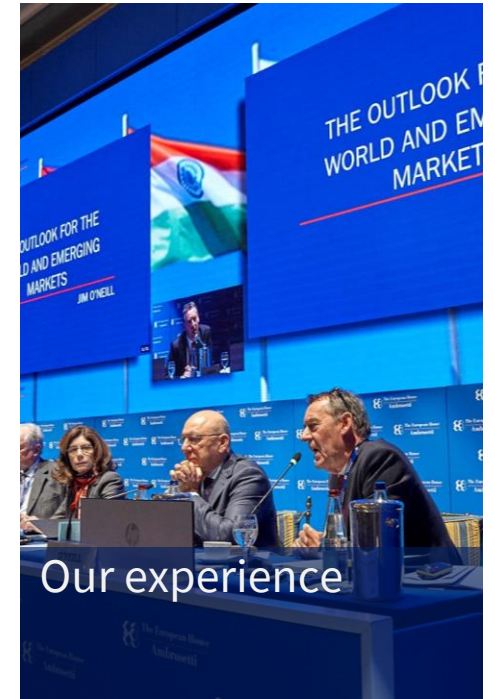
Our proposal

Challenges and opportunities in applying the EU Taxonomy to the Irrigation Industry



Economic commitments

Estimate of the economic commitments for the proposed activities



Our experience

A unique mix of competences, abilities and know-how

Background

*The disclosure requirements of the EU
Taxonomy Regulation*



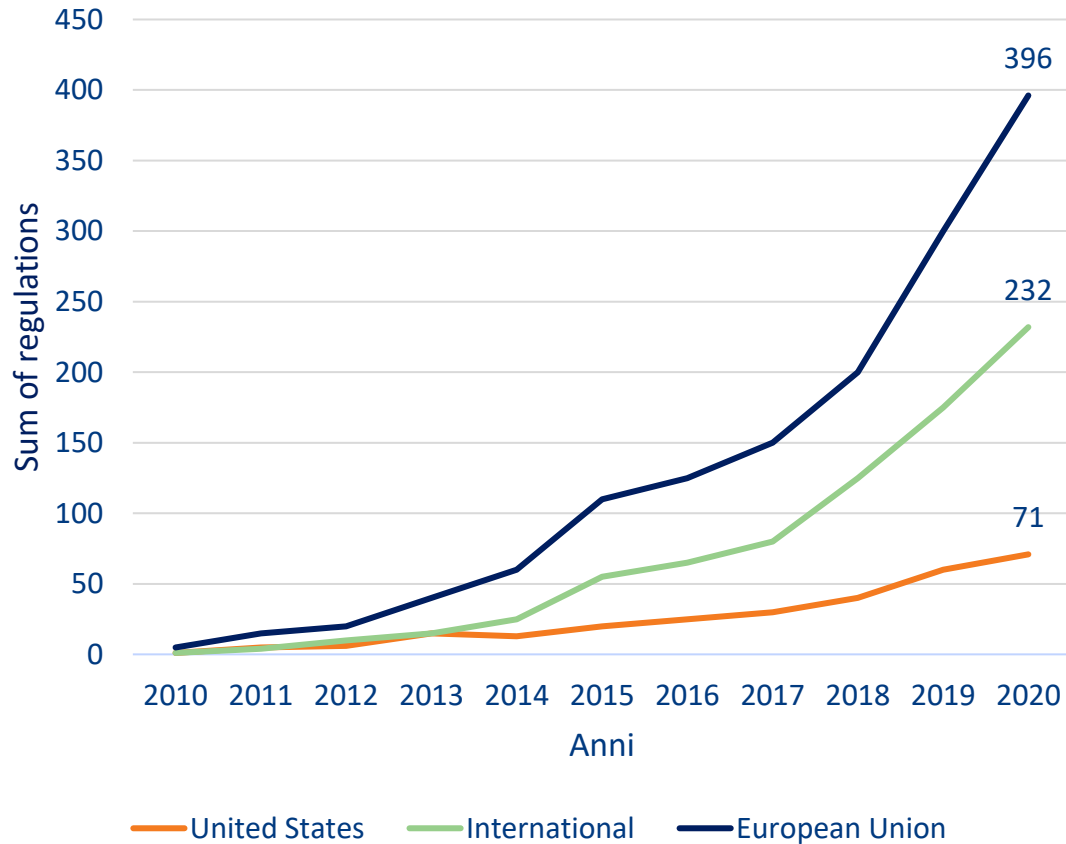
The Paris Agreement gives finance the role of *game changer*

“This Agreement, in enhancing the implementation of the Convention, including its objective, aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:

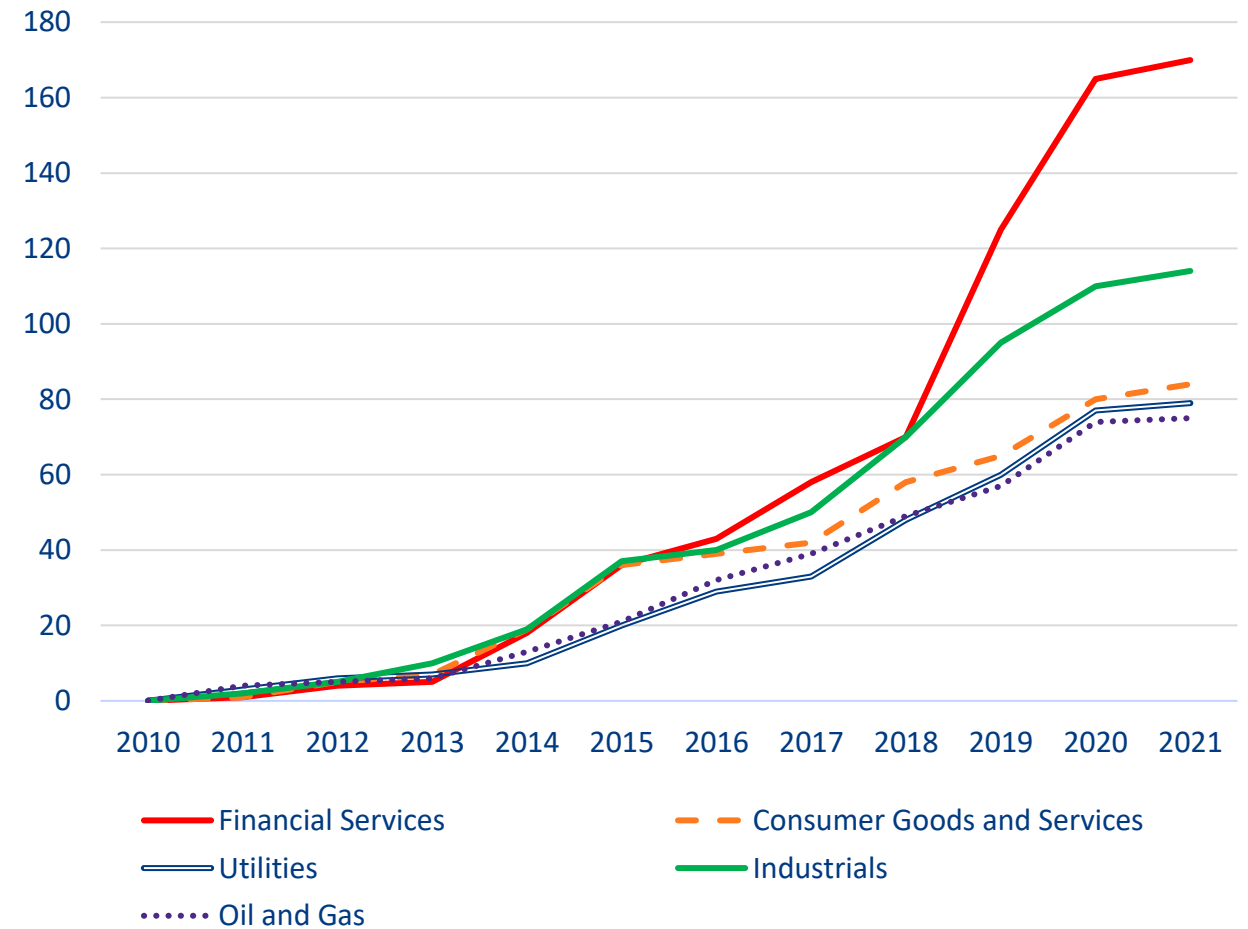
- (a) Holding the increase in the global average temperature to well below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;
- (b) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and
- (c) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development”

Institutions are pushing finance to lead the transition

The increase in regulatory activity on climate change by region



Distribution of regulation on climate change by sector



\$125 trillions needed to avoid the most dramatic impacts of climate change, \$32 trillions in the next 10 years

\$32 trillions in the next 10 years **by sector**

| | | | |
|-------------|------------|--------------------|--------------------------|
| Electricity | Transports | | Buildings |
| \$16,00T | \$5,40T | | \$5,20T |
| | Industry | Low emission fuels | Agriculture and forestry |
| | \$2,20T | \$1,50T | \$1,50T |

\$32 trillions in the next 10 years **by region**

| | | | | |
|--------------|---------|---------------------------|---------------|---------|
| Asia-Pacific | Europe | | North America | |
| \$13,60T | \$6,60T | | \$5,90T | |
| | Africa | Central and South America | Middle East | Eurasia |
| | \$1,70T | \$1,50T | \$1,20T | \$0,90T |
| | | | | \$0,60T |

Scrambled ESG: how was sustainability measured before?

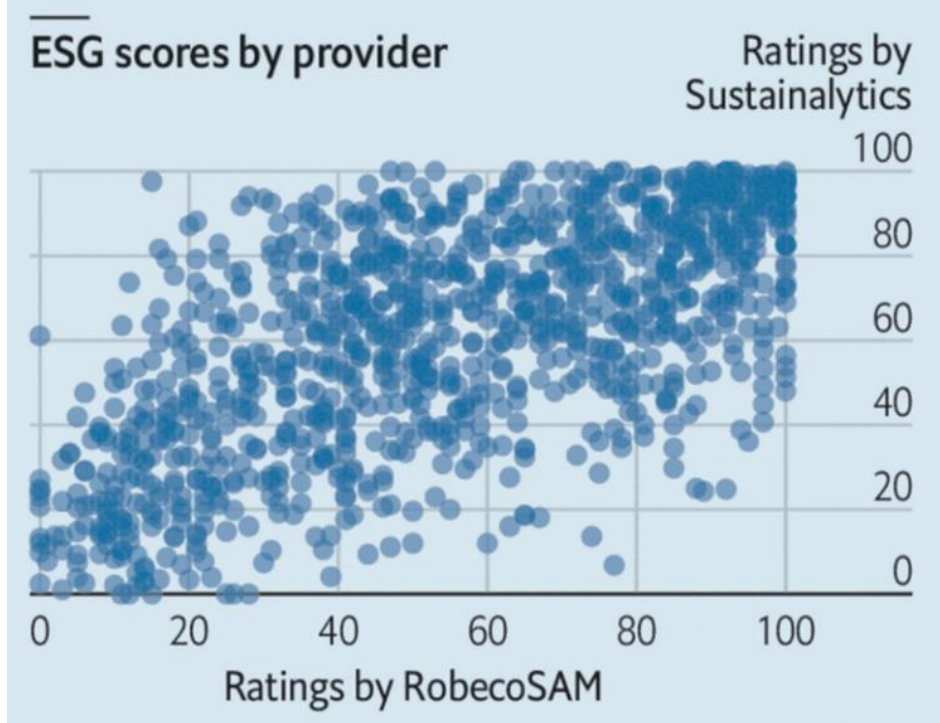
About \$3 trillion of institutional assets are rated based on ESG Ratings¹. Often, however, companies from controversial industries manage to rank high in sustainability rankings because these are mostly based on analyses of their organizational models rather than their business.

The methodologies behind these ratings vary widely and can result in the same company receiving largely divergent ratings.

In Europe and the US, a process of monitoring and regulating ESG ratings has begun. The European Securities and Markets Authority has started mapping rating agencies, while the US Securities and Exchange Commission investigates ESG⁴ score methodologies.

Correlation between different ESG Ratings

S&P 1200 index of global companies
100=best ESG* scores, December 2019



EU Strategy: 3 levers to finance the sustainable transition

EUROPEAN TAXONOMY

First international classification system that delineates which activities can be defined as sustainable. By defining technical thresholds, it allows to identify which activities are already environmentally sustainable, contributing both to the growth of low-carbon sectors and to the decarbonization process of the most emissive ones.

DISCLOSURE

Disclosure requirements addressed to companies and financial institutions to increase market transparency and enable investors to make sustainable investment choices. Above all:

- EU Taxonomy Regulation
- Sustainable Finance Disclosure Regulation
- Corporate Sustainability Reporting Directive

INSTRUMENTS

Set of investment instruments aimed at promoting the alignment of market strategies with EU environmental objectives.

These include the EU Green Bond Standard, a new European standard to support Green Bond issuance, and the EU Ecolabel for financial products, both linked to the Taxonomy.

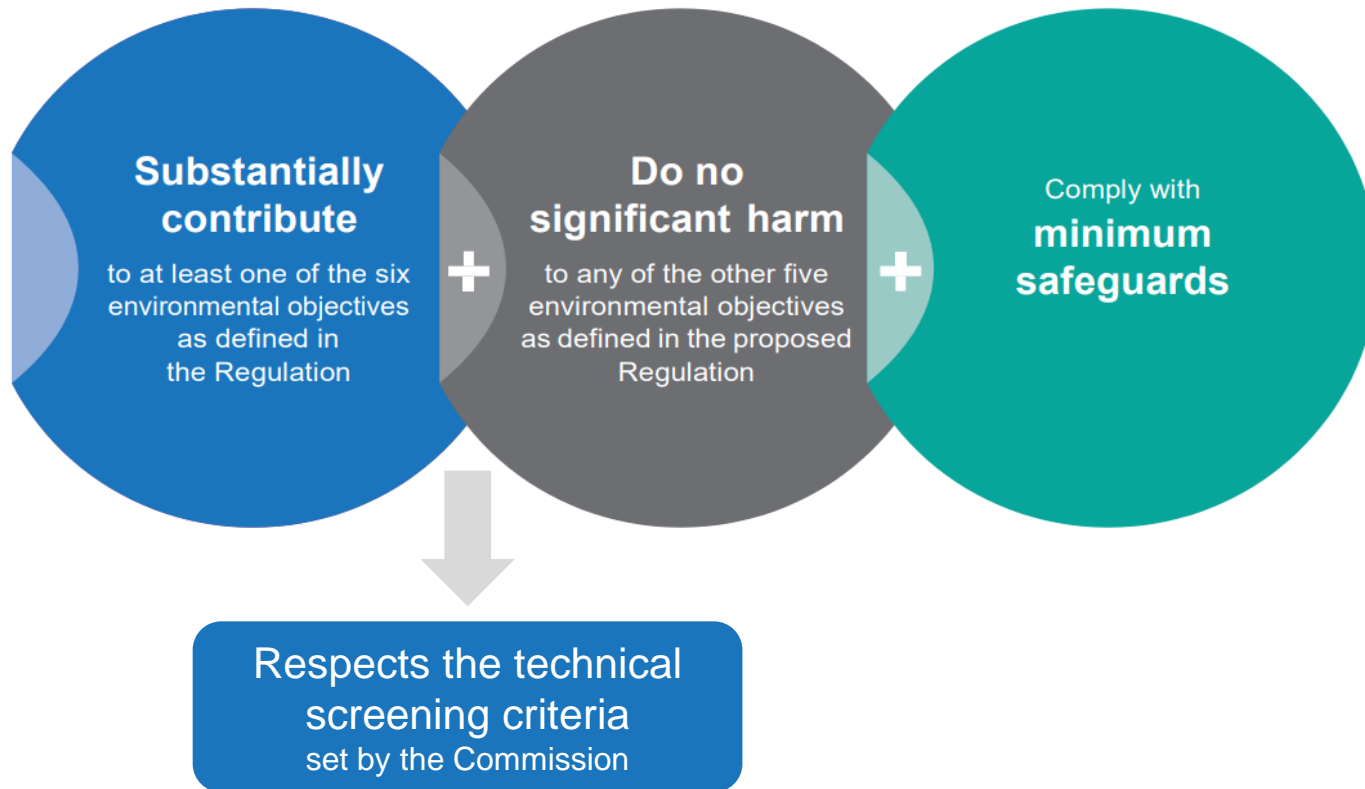
Non financial disclosure: the EU is rising the bar for companies

CSRD, **Taxonomy** and SFDR are the three fundamentals for the new EU mandatory disclosure regime that aims to give investors the necessary information for making effective decisions with regards to sustainable investments.

| | Corporate Sustainability Reporting Directive - CSRD | European Taxonomy Regulation 2020/852 | Sustainable Finance Disclosure Regulation - SFDR |
|-----------------------------|---|--|--|
| Scope of application | From 2025 (FY24) to companies already subject to the NFRD* and large enterprises (FY25) that meet at least 2 of these criteria: <ul style="list-style-type: none"> – Net revenues: >€40 million – Balance sheet: >€20 million – Employees: >250 | All companies that already fall (>11k) – and will fall (>50k from FY24) – under the scope of the NFRD , together with financial institutions declaring that they adopt sustainability strategies, and EU Member States. | Financial Market Participants and Financial Advisers |
| Type of disclosure | Communication of sustainability performances that is compliant with regulations and subject to external assurance | Revenue, CapEx e OpEx aligned to the Taxonomy activities and that contribute to at least one of the six environmental objectives | Entity level mandatory disclosure standards for the assessment of the sustainability of financial products |
| When | January 1 st 2025 (FY24) | January 1 st 2022 | March 10 2021 |

Source:
Elaboration by
The European
House-Ambrosetti
from EC (2021).

EU Taxonomy: Regulation's objectives and structure



To date, only the activities that can contribute to the first two objectives have been identified.



Climate change mitigation



Climate change adaptation



Sustainable use and protection of water and marine resources



Transition to a circular economy



Pollution prevention and reduction



Protection and restoration of biodiversity and ecosystems

Alignment: 4 steps to define an activity as “sustainable”



First 2 goals: 13 sectors, 103 activities, agroindustry out (for now)



1. Forestry

Examples of activities: Afforestation, Conservation forestry.



2. Environmental protection and restoration activities

Examples of activities: Restoration of wetlands.



3. Manufacturing

Examples of activities: Manufacture of nitric acid, Manufacture of plastics in primary form.



4. Energy

Examples of activities: Electricity generation from wind power, Production of heat/cool from bioenergy.

In July 2022 **Gas and Nuclear Energy** enter the Taxonomy as transitional activities.



5. Water supply, sewerage, waste management and remediation

Examples of activities: Construction, extension and operation of wastewater collection and treatment, Anaerobic digestion of bio-waste.



6. Transport

Examples of activities: Freight rail transport, Infrastructure for personal mobility, cycle logistics.



7. Construction and real estate activities

Examples of activities: Renovation of new buildings, Acquisition and ownership of buildings.



8. Information and communication

Examples of activities: Data processing, hosting and related activities, Data-driven solutions for GHG emissions reductions.



9. Professional, scientific and technical activities

Examples of activities: Close to market research, development and innovation, Professional services related to energy performance of buildings.



10. Financial and insurance activities

Examples of activities: Non-life insurance: underwriting of climate-related perils, Reinsurance.



11. Education

Examples of activities: Education



12. Human health and social work activities

Examples of activities: Residential care activities.



13. Arts, entertainment and recreation

Examples of activities: Creative, arts and entertainment activities, Libraries, archives, museums and cultural activities.

Taxonomy for the remaining 4 objectives

In October 2022, the Platform on Sustainable Finance published a supplement to the recommendations published in March 2022 on the proposed activities and criteria for the remaining four objectives of the Taxonomy, updating the work undertaken.

From the previous report, which only considered 20 activities per target based on their high environmental impact, the update includes refined TSC and some entirely new activities.

The Environmental Delegated Act was expected to be published by 2022, defining sectors, activities and criteria for the remaining four objectives, with application by January 1st 2023.

However, the approval has been extended beyond the end of 2022 and, as a result, the entry into force and implementation should take place from January 1st 2024.



Remaining 4 objectives: 11 sectors (draft)



Agriculture, Forestry and Fishing

Examples of activities: Animal production, Crop production.



Buildings

Examples of activities: Construction of new buildings; Renovation of existing buildings.



Water supply

Examples of activities: Water supply, covers the abstraction, treatment and the distribution to the population and water consumers in food business operators. This requires constructions, operational activities and maintenance, including the upgrading of equipment and methods. Water supply is based on the abstraction of natural resources of water from surface or ground water sources. Water for irrigation and the abstraction of from desalination of marine or brackish water is excluded from this activity.



Manufacturing

Examples of activities: Manufacture of chemicals, Manufacture of plastic packaging goods, Repair, refurbishment and remanufacturing, and sale of spare parts.



Disaster risk management

Examples of activities: Disaster response coordination; Flood risk prevention and protection infrastructure; Nature based solutions (Nbs) for flood and drought risk prevention and protection.



Energy

Examples of activities: Environmental refurbishment of facilities that produce electricity from hydropower.



Transport

Examples of activities: Urban and suburban passenger land public transport; Manufacturing of aircraft.



Sewerage

Examples of activities: Urban Wastewater Treatment; Production of alternative water resources; Sustainable urban drainage systems.



Civil engineering

Examples of activities: Maintenance of roads and motorways.



Restoration, Remediation

Examples of activities: Conservation of habitats and ecosystems; Restoration of ecosystems; Remediation activities.

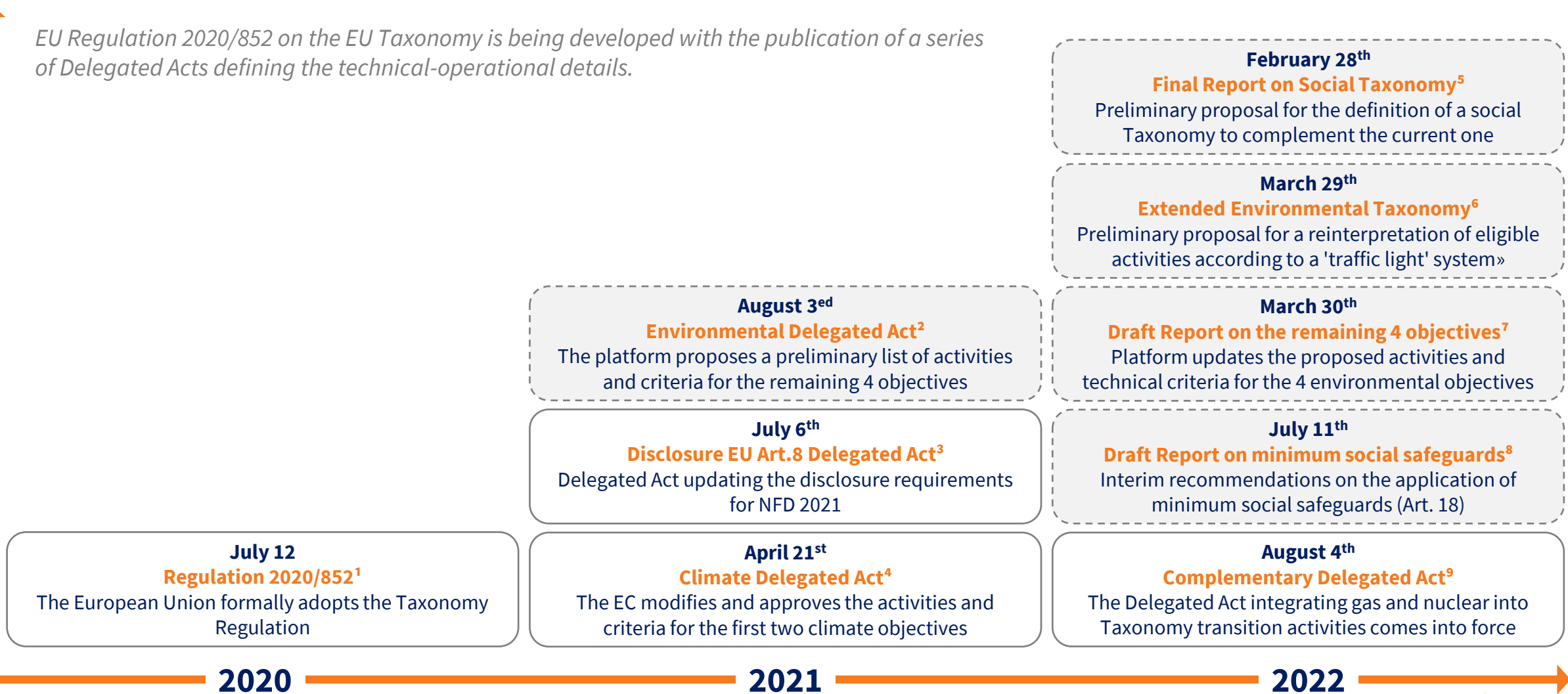


Waste management

Examples of activities: Collection and transport of non-hazardous and hazardous waste as a means for material recovery; Recovery of bio-waste by anaerobic digestion and/or composting; Sorting and material recovery of non-hazardous waste.

A Regulation in continuous evolution

EU Regulation 2020/852 on the EU Taxonomy is being developed with the publication of a series of Delegated Acts defining the technical-operational details.



Our proposal

*Challenges and opportunities in applying the
EU Taxonomy to the Irrigation Industry*



Irrigation & Taxonomy: the challenge

The irrigation industry plays a central role in the sustainable transition of the global agribusiness sector and in safeguarding the water resource. Thanks to proper water management in fields, efficient recycling equipment, and models to calculate resource savings, precision irrigation can safeguard yields while significantly reducing the environmental impact of production.

Despite this, today the irrigation industry is only partially included in the European Taxonomy for Sustainable Finance. This marginal and unrepresentative inclusion of the irrigation industry and of its actual sustainability performance in the EU Taxonomy may constitute a relevant limitation for companies in competing on the market and, above all, in accessing capital made available by Sustainable Finance today and in the coming years.

Irrigation & Taxonomy: project concept and objective

The project aims to promote a greater representation of the irrigation industry in the EU Taxonomy – Regulation 2020/852 – so that companies in the sector, voluntarily or otherwise, can seize the opportunities coming from the financial sector to meet the challenge of the sustainable transition.

The project, designed to have both a technical and a strategic dimension for the future development of the irrigation sector, will allow EIA and its member companies to develop a future-proof process guideline for the EU Taxonomy application – to the benefit of all EIA's member companies that, beyond regulatory requirements, will be interested in measuring themselves against the Regulation – and to identify the key messages for a structured communication and advocacy held by the Association towards Institutions and other stakeholder categories.

Before starting: 2 premises

The irrigation industry is only partially covered by the current EU Taxonomy

From a preliminary analysis conducted with the EIA on the coverage of the irrigation industry in the Delegated Act for the first 2 climate objectives and the Draft Report on the remaining 4 environmental objectives, we found a narrow coverage of the sector, paving the way for promoting a greater representation the irrigation industry within the EU Taxonomy.

Today, timings for the development of the EU Taxonomy are not defined but only indicative, the effectiveness of this project will also depend on its execution timeline

Considering the nature of the 4 remaining objectives, the irrigation industry will probably have greater opportunities of being better represented in the future Environmental Delegate Act, today still in draft. To date, there are no formal or informal indications as to when the activities for the remaining 4 objectives and their criteria will be approved. Moving in advance will allow the EIA to anticipate future public consultations opened by the EC. Should the Delegated Act on the environmental objectives be adopted during our activities, the work plan may need revision.

Work Plan: project objectives

1. Preliminary analysis

Measure to what extent the economic activities of EIA's companies are **eligible** to the current EU Taxonomy and how challenging meeting the relative technical screening criteria is.

 3-4 weeks

2. Position Paper and Advocacy

Elaborate a Position Paper synthesizing the key aspects of the relation between the EU Taxonomy and the industry in terms of risks and opportunities, and that, for its distinctive and strategic characteristics, will serve EIA a long-term use both:

- **internally**, as a **guideline** for member companies interested in applying the Taxonomy; and
- **externally**, providing key messages for communication and **advocacy** towards different stakeholders such as Institutions, industry associations, media, experts and opinion leaders.

 1-2 months


3. Application of the Taxonomy

Apply the EU Taxonomy to a group of EIA member companies, to highlight the key elements of its application and to get prepared for the disclosure obligations and to seize derived opportunities.

- 3.1 **Set-up and onboarding**,
- 3.2 **Alignment criteria analysis**,
- 3.3 **Alignment and disclosure**.

This work phase could be functional to the quality of the project's final result "Position Paper and Advocacy" but is not mandatory in itself.

The companies' participation in this phase will depend on the individual initiative. The practical application of the Taxonomy is a process that companies have to follow individually but, of course, it will be possible to exploit economies of scale at the EIA level.

 3-4 months - *The timing will depend on the number of companies involved.*

1. Preliminary Analysis



GOAL

Measure to what extent the economic activities of EIA's companies are eligible to the current EU Taxonomy and how challenging meeting the relative technical screening criteria is.



DELIVERABLE

- Work Plan (.xls)
- Preliminary Analysis result (.ppt)
- Project Team presentation (.ppt)



TIMING 3-4 weeks



ACTIVITIES

- **Kick-off**: meeting with the Project Team to define activities, timing, scope, and project governance.
- **Sampling**: selection of a sample of companies (real or hypothetical) that are representative of all business activities, core and non-core, carried out within the EIA.
- **Working Group (WG)**: set up a WG consisting of technical figures from the EIA and member companies to support the preliminary analysis, selected on the basis of sampling.
- **Benchmarking**: analysis of the application of the Taxonomy both in the irrigation sector and in others, with a specific focus on eligible activities, alignment, KPIs, and accounting principles.
- **Eligibility**: desk identification of potentially eligible activities for the sample.
- **Workshop**: plenary meeting with the WG to present the results of the analysis, identify eligible activities and formulate supporting rationales.
- **Criteria analysis**: in-depth analysis of the contents of the technical screening criteria (TSC), "do no significant harm" (DNSH) and minimum safeguards (MSS) criteria of eligible activities.
- **Presentation**: plenary meeting with the EIA and all the member companies to share the results of the criteria analysis and fine-tune, if necessary, the work plan in light of the degree of eligibility and criteria's complexity.

1. Preliminary Analysis: before starting

A tool to map EIA's member companies that fall or will fall under the obligation of the EU sustainability reporting directive and thus of the European Taxonomy Regulation.

EIA | Overview of non financial reporting requirements for member companies

Guidelines

- **Column C:** write the company names.
- **Column D:** Indicate whether the company already publishes a Sustainability Report, voluntarily or under regulatory requirement, or if not (answer using the drop-down list).
- **Column E-F-G:** report the company net turnover in 2021 (or most recent available), the total assets and the total number of employees.

Column H will display "Yes/No" whether the company falls or will fall (by 2025) in the scope of application of the directive on non-financial reporting (current NFRD, future Corporate Sustainability Reporting Directive) and, thus, under the disclosure requirements introduced by the EU Taxonomy - EU Regulation 2020/852, depending on whether the company fulfills at least 2 out of 3 criteria :

1. Net turnover > 40.000.000,00 €
2. Total assets > 20.000.000,00 €
3. Employees > 250

| N° | Company name | Publishing a Sustainability Report? | Reporting on the EU Taxonomy Regulation? | Net turnover 2021 | Total assets 2021 | Employees 2021 | Taxonomy 2025 |
|----|--------------|--|--|-------------------|-------------------|----------------|---------------|
| 0 | Company A | Select from the drop-down list between: (i) Yes by law; (ii) Yes, voluntary; (iii) No. | Select from the drop-down list between : (i) Yes by law; (ii) Yes, voluntary; (iii) No; (iv) Planning to report. | 40.000.000,00 € | 20.000.000,00 € | 250 | Yes |
| 1 | | | | | | | No |
| 2 | | | | | | | No |
| 3 | | | | | | | No |
| 4 | | | | | | | No |
| 5 | | | | | | | No |
| 6 | | | | | | | No |
| 7 | | | | | | | No |
| 8 | | | | | | | No |
| 9 | | | | | | | No |
| 10 | | | | | | | No |

2.1 Position Paper drafting

GOAL

Elaborate a Position Paper synthesizing the key aspects of the relation between the EU Taxonomy and the irrigation industry in terms of risks and opportunities, and that, for its distinctive and strategic characteristics, will serve EIA a potential long-term use both internally and externally.

DELIVERABLE

- AB onboarding (.ppt)
- Workshop presentation (.ppt)
- Position Paper (.doc)

TIMING 8-10 weeks

ACTIVITIES

- **Advisory Board (AB):** activation of an AB that can strategically direct the initiative and support EIA by guiding the definition of the Position Paper's. The AB may be composed by 2-3 external experts and by top figures from the EIA and its member companies and will be defined with the Project Team.
- **Onboarding:** kick-off meeting with the Advisory Board to present the EU Taxonomy, introduce the results emerged from previous project activities and share the content and the timing of the project's next steps.
- **Drafting:** first draft of the Position Paper, which, for instance, will provide a view of:
 - the relationship between irrigation and sustainability;
 - a summary of the objectives and structure of the Regulation;
 - an in-depth analysis of the key elements of its application in the industry; and
 - a set of recommendations to support the irrigation industry in addressing the risks and seizing the opportunities offered by the EU Taxonomy for Sustainable Finance.
- **Workshop:** meeting with the AB to share the structure of the Position Paper and define together the recommendations that will close the document.
- **Review:** sharing and review of the document with the Project Team.
- **Position Paper:** sharing and fine-tuning of the document.

2.2 Advocacy set-up



GOAL

Elaborate a Position Paper synthesizing the key aspects of the relation between the EU Taxonomy and the irrigation industry in terms of risks and opportunities, and that, for its distinctive and strategic characteristics, will serve EIA a potential long-term use both internally and externally.



DELIVERABLE

- Institution mapping (.ppt)
- Public Consultation response (.doc)



TIMING 2-3 weeks - *this estimate does not include the Flagship event*



ACTIVITIES

- **Institution mapping:**
 - study of the structure (e.g., areas, working groups) and governance composition of the team leading the development of the Taxonomy;
 - mapping of institutional stakeholders, both at the technical level (Platform on Sustainable Finance) and EU Commission and Parliament;
 - scouting all official communication channels to interact with the Institutions, also with the support of The European House-Ambrosetti office located in Brussels.
- **Public Consultations:** technical support in preparing the content necessary to respond to 1-2 public consultations opened by the EC to gather instances and recommendations from the industry for the development of the Taxonomy.
- *Flagship event (to be considered at the end of the project): guided by 45+ years of experience in organising Workshops, Forums and stakeholder events, planning of an event, supported by a solid communication strategy, as an opportunity to communicate the results of the Position Paper and strengthen the dialogue and relationship between the EIA, institutions, and other relevant stakeholder categories. Preliminarily, we imagine an event of around 3 hours, involving a keynote speaker, a panel discussion with 3-4 qualified speakers, and a moderator. This activity will be the subject of design and valorisation at the end of the work and is not the object of this work proposal.*

3.1 Set-up and onboarding



GOAL

Apply the Regulation to a sample of companies within the EIA, from technical criteria verification to the estimate of economic KPIs (revenues, CapEx, OpEx), to highlight the key elements of the EU Taxonomy application to the irrigation industry.



DELIVERABLE

- Project governance (.xls)
- Onboarding presentation (.ppt)
- Eligible activities (.xls)



TIMING 2-3 weeks



ACTIVITIES

- **Sampling:** identification of 3-5 EIA's member companies with which to apply the Taxonomy and selected, not only based on their representativeness of the economic activities carried out within the association, but also because they fall, today or in perspective, under the scope of the Regulation. *The number of companies participating in this work phase will depend on the voluntary action of each member interested in measuring themselves against the Taxonomy.*
- **Taxonomy Groups (TG):** establishment in each company of a TG composed of Sustainability, Operations e Finance figures, which will be coordinated and guided by The European House-Ambrosetti.
- **Onboarding:** meeting with the Top Management of the EIA, of the companies involved and with the TG for an alignment on the regulatory evolution and to present the results of the preliminary analysis, activities, and timing of the project.
- **Eligibility:** meeting with the TGs to fine-tune the eligibility analysis for each of the companies in scope.

3.2 Alignment criteria analysis



GOAL

Apply the Regulation to a sample of companies within the EIA, from technical criteria verification to the estimate of economic KPIs (revenues, CapEx, OpEx), to highlight the key elements of the EU Taxonomy application to the irrigation industry.



DELIVERABLE

- Taxonomy Tool (.xls)
- FAQs on technical criteria (.ppt) - *if relevant*
- TG presentation (.ppt)



TIMING 4-6 weeks



ACTIVITIES

- **Taxonomy Tool:** development of a Taxonomy Tool for each company containing the TSC, DNSH and MSS of each eligible activity, and tables for calculating the KPIs (revenues, CapEx and OpEx).
- **Checkpoint:** meetings with the TGs to share any doubts about the analysis of the criteria (TSC, DNSH and MSS) that will be collected in a Frequently Asked Questions (FAQ) document.
- **Data collection:** collection, systematization and analysis of the data provided by the TGs to which contacts with the companies will follow in order to clear doubts and gather elements useful to define potential lines of action.
- **Plenary meeting:** meeting with the TG to share the results of the verification of the technical criteria (TSC, DNSH e MSS) of the eligible activities.

3.3 Alignment and disclosure



GOAL

Apply the Regulation to a sample of companies within the EIA, from technical criteria verification to the estimate of economic KPIs (revenues, CapEx, OpEx), to highlight the key elements of the EU Taxonomy application to the irrigation industry.



DELIVERABLE

- Finance guidelines (.ppt)
- FAQs on KPI (.ppt) - *if relevant*
- KPI and accounting principles (.xls)
- EU Taxonomy disclosure (.doc)
- Taxonomy Groups presentation (.ppt)



TIMING 6-8 weeks



ACTIVITIES

- **Finance:** meeting with the TG's Finance members to start the estimation of the KPIs on data as of 31.12.2023, in terms of revenues, CapEx, and OpEx.
- **Checkpoint:** meeting with TG's Finance members to share any doubts about the KPI estimation, that, if useful, will be gathered in a Frequently Asked Questions (FAQ) document.
- **Data collection:** collection and systematization of data (KPIs and accounting principles) to be followed, where necessary, by targeted checkpoints with the TG referees to clear any doubts.
- **Disclosure:** drafting of the disclosure for each company in compliance with the Regulation to be communicated or integrated into the Sustainability Reports.
- **Gap analysis:** between eligibility and alignment and development of an improvement plan, if necessary.
- **Plenary meeting:** meeting with the TG to share the project's results, key aspects of the application of the Taxonomy to the irrigation industry, possible improvement areas and next steps.

Project timing

1. Preliminary analysis + 2. Position Paper and Advocacy

| Work phases | 2023 | | | | | | | |
|-----------------------------|-------|--|-------|--|-----|--|------|--|
| | March | | April | | May | | June | |
| 1. Preliminary Analysis | | | | | | | | |
| 2.1 Position Paper drafting | | | | | | | | |
| 2.2 Advocacy set-up | | | | | | | | |

3. Application of the Taxonomy

| Work phases | 2023 | | | | | | | |
|---------------------------------|---------|--|---------|--|---------|--|---------|--|
| | Month 1 | | Month 2 | | Month 3 | | Month 3 | |
| 3.1 Set-up and onboarding | | | | | | | | |
| 3.2 Alignment criteria analysis | | | | | | | | |
| 3.3 Alignment and disclosure | | | | | | | | |

The timing will depend on the number of companies involved.

Economic commitments

Estimate of the economic commitments for the proposed activities



Economic commitment

For the activities described we estimate a professional commitment to which, applying conditions dedicated to you and lower than the standards, correspond net fees of:

1. **Preliminary Analysis**, €20.000;
2. **Position Paper and Advocacy**, €60.000;

As an action designed to benefit both the association and its member companies, the execution of these first two work phases can reasonably foresee the support of a sub-group of companies willing to contribute to the project's objective. Furthermore, the cost of the Position Paper depends on depth of the topics covered, which are currently estimated on the basis of the contents proposed in the preceding pages.

3. **Application of the Taxonomy**, €15.000-€35.000 per company.

The estimated cost for each company will depend on the size of the company itself and on the total number of participations to this work phase, which, if relevant, will allow to apply economies of scale.

This amount does not include VAT, any out of the pocket expenses (travel, accommodation, etc.) incurred by the The European House-Ambrosetti team for the execution of the project and optional activities (all activities may be carried out in digital mode). Invoicing conditions will be defined in detail during the contract finalization, since it will depend on the total number of EIA's member companies that will decide to take part in the second phase of the project.

Our experience



The European House - Ambrosetti

- The European House - Ambrosetti is a leading Italian management consulting firm. **Established in 1965**, it is headquartered in Italy and with a network of foreign offices around the world
- 15 years after the management buy-out, which settled the founder, The European House - Ambrosetti strengthened its international leadership and confirmed itself - in the “Best Private Think Tanks” category - **the No. 1 Think Tank in Italy, No. 4 in the European Union and among the most respected and independent out of 11,175 Think Tanks globally**, in the latest edition of the “Global Go To Think Tank Index Report”.
The European House – Ambrosetti was recognized by Top Employers Institute as **one of the 131 Top Employers 2022 in Italy**.
- The European House - Ambrosetti provides:
 - **Strategic and managerial consulting services**
 - **Creation of strategic scenarios** and policy-making and advocacy activities (over 200 a year)
 - **Local development programs** for regional governments and major local players (over 50 initiatives in the last 3 years)
 - High-level training programs and **political and entrepreneurial leadership forums** (over 500 meetings a year involving over 3,000 experts from around the globe)



The European House - Ambrosetti

Our Figures, our Successes

More than
550
Events

Organized in 2022, of which 61% digital, 7% physical and 32% phigital

1
Proprietary platform for creating phigital experiences

Proprietary technology and know-how for workshops, seminars and complex digital events

3,000
Experts

National and international engaged each year

17,000
Managers
1,300
Clients

Managers accompanied in their professional growth and consulting clients served each year

42,000
Participants

National and international that attended our events and meetings

More than
250
strategic studies and scenarios

Designed each year for national and international institutions and corporations

#1
Think Tank

Private in Italy, #4 in the European Union and among the most respected and independent – since 2013 – out of 11,175 globally, based on a survey of 73,000 leaders from government and institutions, business and media, in more than 100 countries worldwide (*)

48
Years

of the Cernobbio Forum: those attending the last edition represented managed assets of €50 trillion; 12 governments represented

TOP EMPLOYER
2023

For the third consecutive year, The European House – Ambrosetti has been recognized as a Top Employer. One of the 141 Top Employers 2023 in Italy, based on the analysis of 6 specific areas of HR policy and over 400 best practices monitored

250
People
54%
Women

Who share the same passion and drive. 42 people abroad (China and the Middle East)

10
Years

For the last ten years, key player in the Italian innovation ecosystem: Corporate Venture Capital, Open Innovation and Startup Accelerator

30
Years

The experience of our sustainability team in made-to-measure solutions and projects to accelerate company transition towards a sustainable future. In the last year alone, more than thirty companies chose us.

120
Family - Owned Businesses

Assisted over the last year through consulting in Family Agreements and Governance Systems

7
International Think Tanks

Represented as an international best-practice by the ASEAN Community (7 countries/areas: ASEAN, China, France, Middle East, South Africa, USA, European Union – Brussels).
Mentioned as a case of excellence in the treaty between the Italian Republic and the French Republic for enhanced bilateral cooperation, co-signed by the President of the Italian Council of Ministers and the President of the French Republic

18
Countries

With direct presence or in partnerships. In 2020, we provided support to Italy's presidency of the G20 through the formulation of eight policy recommendations involving the priority areas for action of the Italian presidency (the "3Ps": People, Planet, Prosperity)

We are one of the most renowned Think Tanks globally

The European House - Ambrosetti is named in the category “Best Private Think Tanks” the **no. 1 Think Tank in Italy, the no. 4 in the European Union and among the most respected independents in the world** out of 11,175 since 2013*

200

strategic studies and scenarios

Designed each year for national and international institutions and corporations

3,000

Top-notch experts

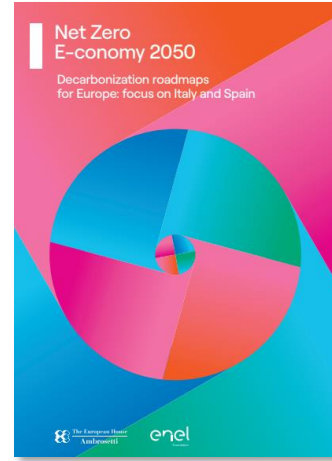
National and international engaged each year

Yearly base



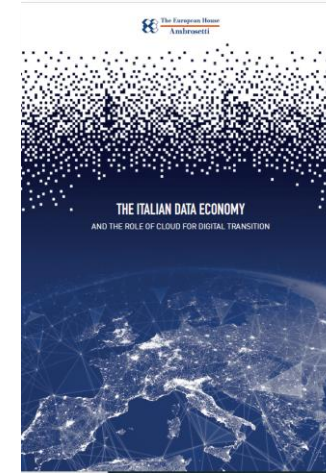
The Think Tank activities address several strategic issues (1/2)

As a leading international Think Tank The European House – Ambrosetti advises **public institutions** (national and local Governments, International institutions, etc.) and **private players** (companies, associations, etc.) on **strategic and development issues**



Net Zero E-economy 2050

Decarbonization roadmaps for Europe: focus on Italy and Spain



Data economy and the role of cloud for digital transition

Presented to Italian Government and Minister of Digitalisation



Observatory on Women's Empowerment

Support to G20 Governments to contribute to the topics agenda



Headway 2023

Support to Italian, Spanish and Polish Governments in defining healthcare policies for mental health



Observatory NRRP: one year after launching

Monitor the progressive implementation of the national recovery and resilience plan

SOME OF THE LATEST

The Think Tank activities address several strategic issues (2/2)

SOME OF THE LATEST



Food&Beverage roadmap for the future

Presented to Italian Institutions and European Commissioner for Agriculture and Rural Development



La contribution de la restauration collective au bien-être et à la durabilité des générations futures (EXTRAIT)

elior | The European House Ambrosetti



The Future of Europe: The Role of the European Business Community

Contribution on the future of Europe developed at the request of the president of the European Parliament and presented to the 27 member Countries

Position Paper developed for the Italian French Dialogue for Europe

High-level platform for dialogue designed for French and Italian leaders launched in 2018 with two main Universities (**French Sciences Po** and **Italian Luiss Guido Carli**)



Dozens of evaluation of impacts around the **4Capitals model** developed for a number of multinational companies including PMI, Merck, Novartis

The European House – Ambrosetti **Sustainability** is the practice that guides and supports companies and organisations in their transition towards a business model which is both integrated with sustainability and capable of creating value in the long term.

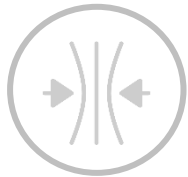
Our distinctive elements for sustainable success



We integrate **sustainability** into business by anticipating changes in society that affect the market.



We provide **proprietary models** developed over thirty years of experience with international guidelines and methodologies



We **adapt our solutions** according to the Company's level of maturity in integrating sustainability into the business.



We **transfer knowledge**, skills and culture to all levels of organisations



We pursue **competitive transition** in a pragmatic way

Reading the change

Major changes occur in society and then reverberate in the market.

Generally, companies **monitor the market** more and more sophisticatedly and do not look as closely at society.

This slows down the timeliness of their reactions. For sustainability to be a business lever, it is necessary to **anticipate the transformation** of society and the market.

Grounding this definition reorients the way we implement all sustainability tools, from strategies to reporting and engagement.

A Sustainable Future through 8 integrable solutions

○ Solutions developed with proprietary metrics

to **integrate** sustainability and business management



to **anticipate changes** that occur in society and that are then reflected in the market

to **enhance** efforts and results in a rigorous and transparent manner

to **listen** to expectations and **strengthen** the relationship with stakeholders in an authentic and significant way

to **bring together** everyone's efforts in a single direction

Our distinctive factors

30 YEARS OF EXPERIENCE

We have a **strong and consolidated experience** on the subject thanks to hundreds of strategy and reporting projects with companies of all sectors and sizes. We **tailor** our projects according to the level of maturity, the context and the goals to be achieved.

BEYOND TACTICS

In this era of acceleration, global competition and discontinuity, we are questioning the tools we have used so far, and we are **seeking and experimenting with new solutions** to guide and support companies on their path to sustainability and competitiveness..

WE KNOW THE REPORTING

Our team, throughout its professional path, has contributed to the creation of **more than 100 sustainability reports**. We were the **first official trainers of the Global Reporting Initiative** in Italy and, thanks to our experience in auditing companies, we have an in-depth knowledge of auditing processes.

WE THINK ABOUT IMPACT

We **adapt sustainability methodologies and tools** to support our clients in achieving their strategic goals. We try to look beyond performance and standards, thinking about impact.

WE MAKE THE DIFFERENCE

We are the first private think tank in Italy, we can integrate the elaboration of **distinctive content** with the organisation of high-level presentation events, we have a **vast network of multidisciplinary skills** to put at the service of our clients.

Sustainability team: selected references (1/3)



ABC CAPITAL PARTNERS



AcegasApsAmga
Società del Gruppo Hera

Acque Bresciane
Servizio Idrico Integrato



Allianz Bank
Private



AMBIENTA



BANCA PROSSIMA
per le IMPRESE SOCIALI e la COMUNITÀ

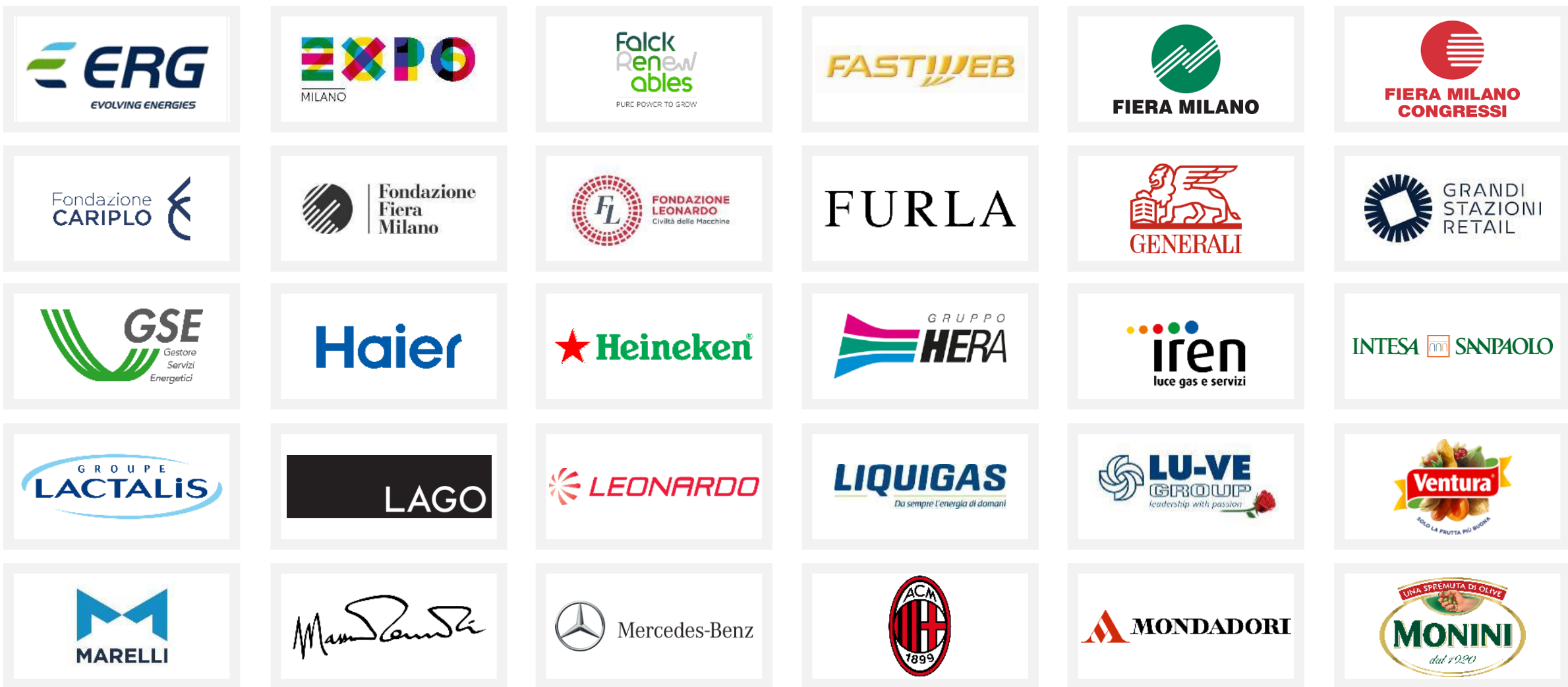


DAMIANI
HANDMADE IN ITALY SINCE 1924



EP
PRODUZIONE

Sustainability team: selected references (2/3)



Sustainability team: selected references (3/3)



GDPR (General Data Protection Regulation) UE n. 2016/679

The European House - Ambrosetti S.p.A., in its capacity as Data Controller, processes the data for the purpose of the execution of the contract. The duration of the data processing is closely linked to the object of the contract; the data will be processed exclusively for the purposes related to the contract, in line with the correct performance of the object of the contract and the legal obligations, in compliance with the privacy policy information published on the website www.ambrosetti.eu. The data processing is carried out in compliance with current rules and regulations regarding privacy, with particular reference to the requirements of the General Data Protection Regulation.

The methods and conditions for the processing of the personal data supplied by the Customer in connection with the provision of the Services are detailed in the Appointment as Processor that The European House – Ambrosetti S.p.A may receive from the Customer.

The European House – Ambrosetti S.p.A. guarantees that all the personal data provided by the customer as part of the delivery of Services, are allocated within data centers located within Italy, or namely, within the European Economic Area.

Where applicable, based on the contract, should any events occur that lead to a breach of the personal data processed by The European House – Ambrosetti S.p.A. in the delivery of Services, The European House – Ambrosetti S.p.A. will, without undue delay, inform the customer of the breach, after it has become aware of it. Such notification (i) shall describe the nature of the data breach, including where possible the categories and approximate number of data subjects concerned and the categories and approximate number of personal data records concerned (ii) shall describe the likely consequences of the data breach (iii) where possible, shall set out the proposed measures in response to the incident, including any measures to stem the occurrence of a new data breach of the same type as the one that has occurred; in this regard also making use of the services of authorized subcontractors pursuant to and for the purposes of this contract.

The customer hereby authorizes The European House - Ambrosetti S.p.A. to make use of any subcontractor for the execution of this contract. In case the above-mentioned subcontractors have to process the personal data of the customer, they will have to comply with the obligations for the processing of personal data.

Confidentiality

The Parties undertake to maintain the utmost privacy, confidentiality and secrecy about any Confidential Information concerning the other Party of which they become aware during the performance of the contract.

The Parties undertake not to use, for purposes other than those identified in the contract, the Confidential Information and not to disclose them to its own employees and/or collaborators, other than for exclusively fulfilling the purposes associated with the performance of the contract.

Each Party can disclose and communicate the Confidential Information of the other Party to third parties where said fulfillment is prescribed by virtue of an order from a judicial or any other public authority or due to legal or regulatory constraints, within the limits and for the purposes indicated in the order or in the legal and regulatory provisions.

The Party that is obliged to disclose and communicate the Confidential Information, must give written and timely notice to the other Party of the request received and/or the legal and regulatory provisions from which the obligation of disclosure derives, in order to allow the latter to object, or to agree on the methods of communication and the relative contents.

All Confidential Information, in whatever form, is, and remains, the exclusive property of the Party that provided it, without prejudice to the right of the other Party to use it for the purposes set out in this contract.

Each Party will be liable, also pursuant to art. 1381 of the Italian Civil Code, for behavior by its collaborators, consultants or employees that is in breach of what is envisaged by this article.

The Parties take note that the aforementioned privacy obligations will be valid and binding up to the date of the termination of the contract, for whatever reason, and for an additional period of 24 months.

The customer takes note that The European House - Ambrosetti prepares and distributes for reference purposes lists of its main customers and agrees hereby that the name of the customer is included in such lists and disclosed.

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*The European House - Ambrosetti was nominated in the "**Best Private Think Tanks**" category - 1st Think Tank in Italy, 4th in the European Union, and among the most respected independent think tanks in the world out of 11,175 globally in the latest edition of the University of Pennsylvania "Global Go To Think Tanks Report."*

*The European House - Ambrosetti was recognized by Top Employers Institute as one of 131 **Top Employer 2022** companies in Italy.*

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