CORPORATE SOCIAL RESPONSIBILITY

REPORT

2021

NEXTGEO

NEXT GEOSOLUTIONS EUROPE Spa
Business Register NA752588

Corporate Social Responsibility report

2021

GOING DEEPER
SAILING FURTHER
COMMITTING TO SUSTAINABILITY

NEXTGEO

Letter to Stakeholders

We are pleased to present the new edition of the CSR 2021 of NEXT Geosolutions Europe S.p.a. (renamed NEXTGEO), the corporate social responsibility document summarising the organisation's objectives, activities, impacts and results towards its stakeholders.

By 2021, the pandemic, the climate crisis and inflation were high on the agendas of governments and businesses around the world. To tackle the crisis and identify economic potential for recovery, institutions have launched initiatives and plans to stimulate and support recovery. The voluntary decision to emphasise the non-financial aspects of management, monitoring and publicising the company's social and environmental performance and so-called 'intangible' factors, was the result of a far-sighted outlook and an awareness of the importance of corporate social responsibility and sustainable development. An insight capable of grasping the value of such concepts as guiding principles, and the potential spin-offs of these concepts on corporate governance and strategic direction.

NEXTGEO has achieved excellent results in this area, further strategically strengthening its distinctive identity, the excellence of its supply system, its know-how, its sustainability strategy, and continues to develop initiatives to support the environment, people and culture.

NEXTGEO's business activity is inspired by the principles of social and environmental responsibility and takes account of ethical implications in its strategic business vision that places the well-being of individuals and the community among the priority interests, both current and prospective, of management.

Socio-environmental commitment at NEXTGEO has already seen the adoption of best practices with the implementation of ISO QHSE (Quality, Health, Safety, and Environment) standards adopted since 2015 in its production system to protect the health of employees and collaborators, safety in the workplace, and environmental protection.

The Corporate Social Responsibility (CSR) for 2021, enriched by the GRI indexes, represents for NEXTGEO the best accounting of its commitment to the pursuit of social and environmental objectives and the strategies, management policies and control methods that the company has implemented and intends to continue to implement on an ongoing basis in the future.

Giovanni Ranieri
Managing director

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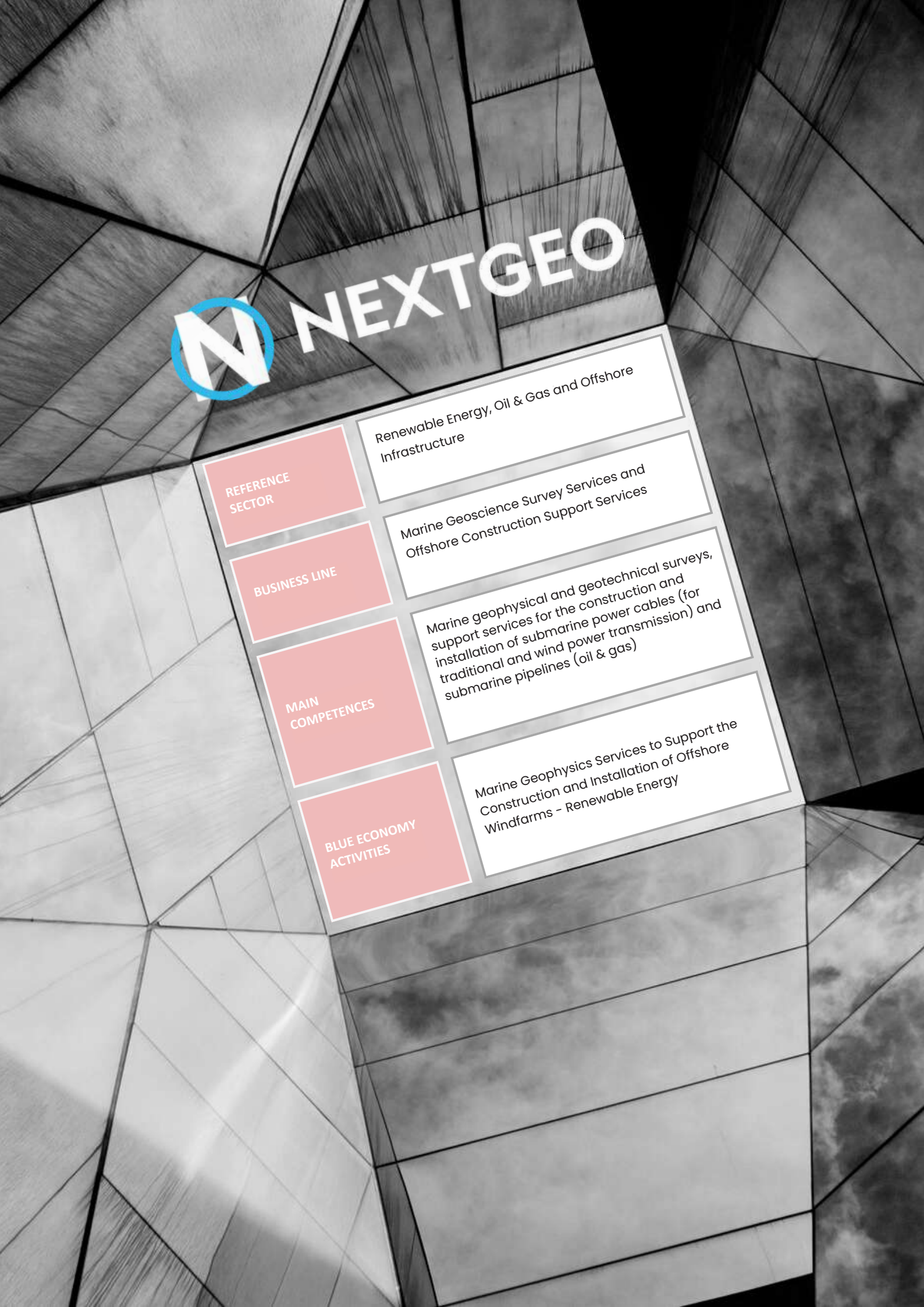
NEXTGEO

NEXTGEO is a leading international provider of offshore construction support and marine geoscience services operating mainly in the energy sector, with a focus on renewable energy, oil & gas and offshore infrastructure.

Founded at the end of 2014, NEXTGEO offers high-quality solutions that support the entire lifecycle of clients' assets and projects, from their initial conception to the design phase, through engineering, installation, inspection and maintenance, to decommissioning.

Member of the Marnavi Group - Italy's largest ship owner operating globally in the offshore sector - NEXTGEO, with a fleet of **15 vessels equipped with class 1 and 2 D.P** . (highly innovative dynamic positioning system) and more than **200 qualified and skilled professionals** from different parts of the world, offers a wide variety of services: from specialised consultancy in marine geophysics, to geotechnical, environmental and archaeological surveys, to survey, removal and relocation of contaminated unexploded ordnance (UXO) sites, and support services for offshore platforms.


NEXTGEO
REFERENCE SECTOR
Renewable Energy, Oil & Gas and Offshore Infrastructure
BUSINESS LINE
Marine Geoscience Survey Services and Offshore Construction Support Services
MAIN COMPETENCES
Marine geophysical and geotechnical surveys, support services for the construction and installation of submarine power cables (for traditional and wind power transmission) and submarine pipelines (oil & gas)
BLUE ECONOMY ACTIVITIES
Marine Geophysics Services to Support the Construction and Installation of Offshore Windfarms - Renewable Energy

Social responsibility for NEXTGEO

NEXTGEO believes in the philosophy of ethical, social and environmental corporate responsibility, which combines the well-being of the individual, the community, future generations and the environment with the interests traditionally pursued by companies, such as maximising profit and gaining a competitive advantage.
NEXTGEO's commitment is expressed not only in the **value system** and sustainability **best practices assumed**, but also in the process of critical reflection on what has been done so far and what still needs to be done in the future for the community and the environment. The GRI Indexes used in CSR 2021 confirm the best current reporting of social and environmental performance in the direction of transparency and shared global rules.

Guidelines

NEXTGEO's **Corporate Social Responsibility (CSR)** takes its cue from the guidelines defined by the 1998 **Study Group on Social Reporting (GBS)** , is inspired by the criteria for the preparation of the **Non-Financial Statement (DNF)** mandatory for companies listed on regulated markets since 2016 and by the parameters for the preparation of ethical-social responsibility reporting of the **Global Reporting Initiative** (GRI, 2016).

Drafting principles

- Define the governance system of the company and all members of the organisational structure
- Indicate vision, mission, strategic goals and operational practices
- Identify the different categories of stakeholders included in the economic value creation and distribution system extended to the social one
- Express coherence between the statements made about the company's reality and the managerial policies and choices adopted
- Ensure the neutrality of the disclosure to all categories of stakeholders
- Provide comprehensibility, clarity and intelligibility and usefulness of social report information
- Identify the significance and relevance of economic and non-economic events in the description of business reality
- Ensure the verifiability, reliability and faithful representation of the social report information
- Ensure the autonomy of the parties involved in the drafting of the social report
- Undertake a commitment to periodic reporting on ethical, social and environmental responsibility

Areas of sustainability

In the drafting of **CSR 2021** for NEXTGEO, the three main areas of sustainability **E.S.G . have taken prominence. (Environment, Social, and Governance)**, which are now the focus of the domestic, European and international economic and financial system.

ENVIRONMENT	SOCIAL	GOVERNANCE
• Risks related to climate change • CO2 emissions • Air/water pollution • Deforestation waste	• Gender policies • Protection of Human Rights • Working standards • Relations with the civil community	• Corporate governance practices • Remuneration policies for managers • Composition of the Board of Directors • Respect for the law and ethics

The SDGs goals

NEXTGEO has set itself the goal of relating its practices to the Goals of the **Global Agenda for Sustainable Development 2030 (Agenda 2030)** , which the governments of the UN countries have drawn up in order for the member states to direct their efforts to put the world on a sustainable path for the benefit of people, the planet, prosperity, peace and partnership.

The basic idea in this process is that the production of economic value cannot be separated from the production of social value, and that corporate performance in terms of sustainability must now be measured on new ***intangibles***, such as stakeholder trust, the reputation of corporate identity, attention to respect for the environment, staff welfare, improving work-life balance, and enhancing the environment and the reference territory.

The Programme encompasses the **17 Sustainable Development Goals** (SDGs), which in turn are broken down into 169 'targets' to be achieved by the year 2030 by all active parts of society and, among them, by companies that can make a fundamental contribution to the initiative with their own resources and expertise.

NEXTGEO cornerstones

The macro objectives of sustainable development of **Agenda 2030** and those **E.S.G.** mentioned above have become part of the cultural transformation that NEXTGEO has put in place to pursue the direction of corporate social value creation.

All this is implemented in NEXTGEO's choice to represent in the CSR Report 2021**,** as in the Report 2020, the following four **Areas of Reference** of the corporate policies adopted in the direction of sustainability:

Governance

Cultivate an ethically oriented governance and management model to excel in the market and thus gain a competitive advantage in not only economic but also reputational terms, and aim at maximising the operational efficiency levels of the supply and customer satisfaction systems.

Value chain

Maintain an orientation towards innovation in the processes and services offered by paying the utmost attention to quality systems in the supply chain, safety in the workplace and assessment of the environmental impacts of the services provided.

People

Supporting the well-being of employees and management, enhancing merit, promoting work balance and gender equality for the benefit of current and future generations.

Planet

Maintain a sharp focus on the protection of the ecosystem with a view to the creation of economic value extended to social value and, more incisively, promote to this end, the use of renewable energy sources, the containment of waste, the adoption of differentiated management of urban, assimilated and special waste, as well as enhancing the territorial context of reference for the protection of the existing natural and cultural heritage.

Added value

CSR 2021 concludes with the measurement of the **Gross Global Added Value** created in the financial year and its internal allocation.

Indeed, the reclassification of accounting data represents the point of contact of this Report with the **Financial Statement** and makes it possible to grasp the economic effect that the company's activities have produced on the various stakeholders and, among them, on those who have contributed most directly to the process of wealth generation and who therefore participate in its distribution.

GRI standards

In principle, companies may rely on their own reporting methodology when drafting their sustainability report or, alternatively, they may use nationally or internationally recognised standards. These provide companies with a more structured model for communicating sustainability issues to ensure comparability, reliability and verifiability of information.

Among the main sustainability standards, the most relevant are the **GRI Sustainability Reporting Standards (GRI Standards),** defined by the Global Reporting Initiative (GRI). These are indicators that guide companies and organisations in the timely reporting of their social and environmental performance, allowing them to be extremely transparent, according to shared global rules.

The CSR of NEXTGEO 2021, in the last chapter, illustrates the GRI STANDARDS that guided this report.

Sustainability highlights

NEXTGEO in the world

more than 70
REALISED
PROJECTS

more than 200
SPECIALISED
OPERATORS

more than 15
SHIPS
MODERN
CLASSES 1 and 2

NEXTGEO in 2021

TURNOVER

+37,3%

GLOBAL
NET ADDED
VALUE

+429%

NEXTGEO Agenda 2030


Vision
Mission
team
roles
GOVERNANCE
Policies
market
MANAGEMENT
nonprofit
Staff
practices

Governance
strive for excellence

NEXTGEO currently plays a leading role in international marine geo-science and offshore construction support services, thanks to the intuition of the specialised group of professionals that founded it, for bringing together research, technology transfer and managerial organisation in providing integrated services to support the operational cycle of projects for its international clientele with ad hoc (turnkey) solutions, through its Quality, Environment and Safety (Q.H.S.E) Management System

Mission

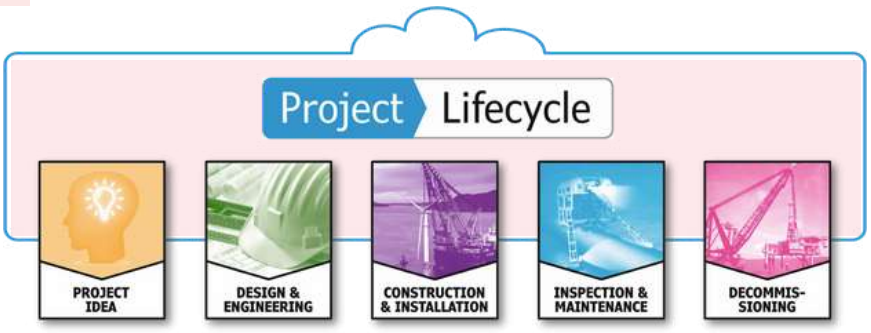
NEXTGEO's mission is to provide customers with all the data, information and support they need to support the entire lifecycle of projects and resources in the knowledge that it can provide the highest quality and total safety in the workplace, from conception to completion and eventual final decommissioning of the work.

TURNING **DATA**
INTO REAL **PROJECTS**

Vision

NEXTGEO intends to achieve levels of excellence in its safe, efficient, cost-effective and sustainable supply services by aiming to become one of the best international maritime reconnaissance companies in marine geophysical and geotechnical surveys and installation of pipelines, fibre optic cables and wind power plants.

Project model



COVERING THE **ENTIRE LIFE-CYCLE** OF **PROJECTS**

Concept

From the initial project idea, Next Geo provides a wide range of integrated studies and survey services to assist clients in the planning and execution of subsequent phases, ensuring all the data and support they need to implement their projects safely and effectively

- Desktop Studies
- Feasibility Studies
- UXO/Archaeological Studies
- Environmental Studies
- GIS & Mapping Services

Into action

Combining state-of-the-art technology and many years of experience, NextGeo offers customers the highest quality solutions possible during the design and engineering process with a series of pre-engineering surveys.

- Marine Geophysical & Geotechnical Surveys
- Cable & Pipeline Route Surveys
- Seabed & Site Surveys
- UXO & Archaeological Surveys
- Environmental Surveys
- Hydrography & Oceanography
- GIS-based Data Processing, Charting & Reporting

On site

With extensive experience in construction and installation support, in full quality and safety, NextGeo's specialists provide assistance in all phases of construction, from positioning and preliminary surveys, to route/site preparation, landing monitoring, as-laid/as-built surveys and more, helping customers optimise costs and reduce risks.

- Surface & Subsea Positioning
- Pre-Lay, As-Laid, As-Installed & As-Built Surveys
- Route/Site Preparation & Clearance, PLGR & Mattressing
- UXO Identification & Clearance
- Touch-Down Monitoring
- Underwater Mining Assistance & Monitoring

On going

Comprehensive inspection, repair and maintenance services ensure that customers' projects suffer minimal downtime by guaranteeing monitoring, inspection, intervention even for minor repair work. NextGeo supports the longevity of each asset and thus the success of its customers' projects.

- Pipeline & Cable Inspections
- Surface & Subsea Structure Inspections
- Light Intervention Works
- Cable Repair Support Services

BY YOUR SIDE FROM START TO FINISH

Shut down

Providing turnkey solutions throughout the entire lifecycle of a project, NextGeo assists projects until the completion of the decommissioning phase, ensuring the compliance of its services with QHSE policies and environmental responsibilities.

- Pre & Post Decommissioning Surveys
- Seabed Mapping & Debris Clearance
- Environmental Monitoring
- Offshore Vessel Support

Locations

NEXTGEO's headquarters are in Naples, in the city centre.

Further offices are in Milan and London (UK), as well as Next Geosolutions UKCS Ltd (Norwich, UK) and Next Geosolutions BV (IJmuiden, NL).

There are currently construction sites in Italy, Greece and the Netherlands. Legal representation is also present in Greece.

NEXT GEOSOLUTIONS EUROPE SpA
/ia S.Brigida, 39
80133 Napoli (Italy)

NEXT GEOSOLUTIONS UKCS Ltd
Harbour House, 126 - Thorpe Road, Norwich
NR1 1RJ (United Kingdom)

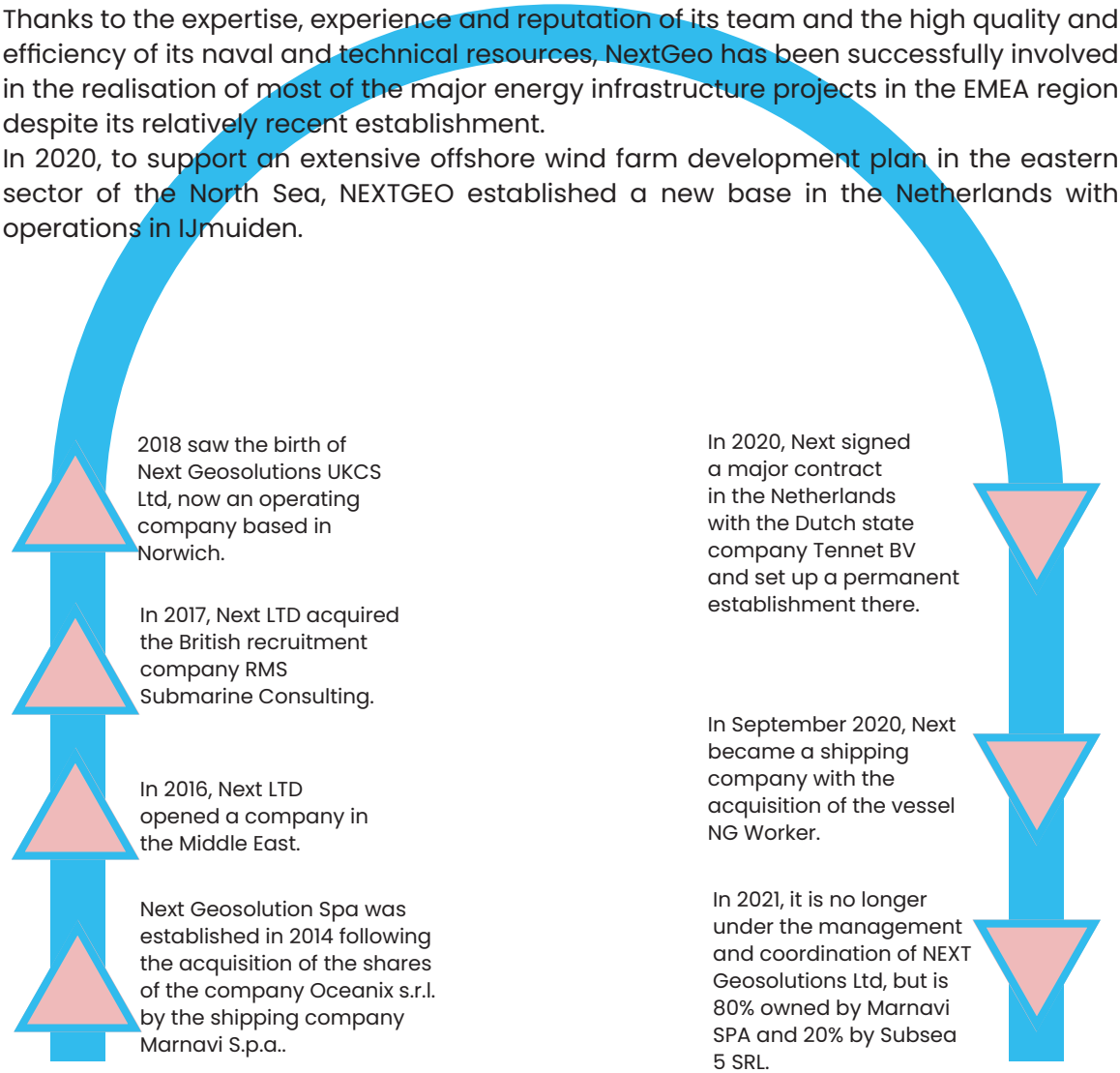
NEXT GEOSOLUTIONS BV
Sluisplein, 47
1975 AG IJmuiden P.O. Box 367
1970 AJ IJmuiden (The Netherlands)

History

Next Geosolutions (now NEXTGEO) was founded from a joint venture between successful Italian entrepreneurs and a close-knit group of experienced executives.
The shareholders are the Marnavi Group, a major Italian shipowner operating globally in the offshore oil and gas sector, and the management team leading the company.
From the beginning, the company's operational headquarters were located in Naples, Italy, where it still remains today.

To enhance the group's growth, footprint and capabilities, a second large operational base was established in Norwich, UK. NEXTGEO has since become one of the fastest growing international maritime survey contractors and support service provider for offshore construction, occupying a leading position in the industry.

Thanks to the expertise, experience and reputation of its team and the high quality and efficiency of its naval and technical resources, NextGeo has been successfully involved in the realisation of most of the major energy infrastructure projects in the EMEA region despite its relatively recent establishment.
In 2020, to support an extensive offshore wind farm development plan in the eastern sector of the North Sea, NEXTGEO established a new base in the Netherlands with operations in IJmuiden.



2018 saw the birth of Next Geosolutions UKCS Ltd, now an operating company based in Norwich.

In 2017, Next LTD acquired the British recruitment company RMS Submarine Consulting.

In 2016, Next LTD opened a company in the Middle East.

Next Geosolution Spa was established in 2014 following the acquisition of the shares of the company Oceanix s.r.l. by the shipping company Marnavi S.p.a..

In 2020, Next signed a major contract in the Netherlands with the Dutch state company Tennet BV and set up a permanent establishment there.

In September 2020, Next became a shipping company with the acquisition of the vessel NG Worker.

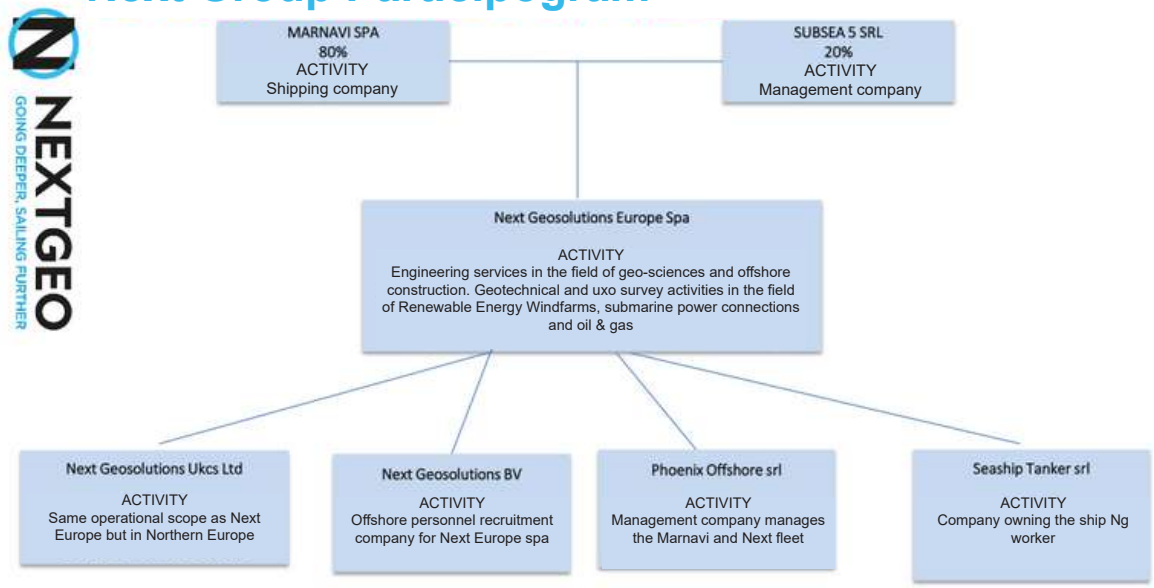
In 2021, it is no longer under the management and coordination of NEXT Geosolutions Ltd, but is 80% owned by Marnavi SPA and 20% by Subsea 5 SRL.

Corporate Governance

NEXT GEOSOLUTION EUROPE S.P.A. (NEXTGEO), as of December 2021, is no longer under the direction and coordination of NEXT Geosolutions Ltd, and is 80% owned by Marnavi SPA and 20% by Subsea 5 SRL.

NEXT GEOSOLUTION EUROPE S.P.A. holds control of Phoenix Offshore srl, Next Geosolutions Ukcs Ltd, Seaship Tanker srl, Next Geosolutions BV.

Next Group Participogram



NEXTGEO has adopted a traditional governance model, with the administrative body composed of 3 directors, including a chairman and two managing directors; the supervisory body, including the board of auditors, is entrusted with the audit board. The Chairman of the Board of Directors is **Maurizio Vetere**, and the Managing Directors are **Giovanni Ranieri** and **Giuseppe Maffia**.

Maurizio Vetere graduated in Economics of International Trade and Currency Markets in 1999, and is a chartered accountant and auditor.

Giovanni Ranieri holds a degree in Marine Geophysics. Previously, he was Business Development Director of UTEC SURVEY and Manging Director of Geolab S.r.l., before becoming CEO of Next Europe. Within the company, he handles the commercial management of tenders and manages relations with customers and staff.

Giuseppe Maffia holds a degree in economics. He was previously Co-Director of White Ocean Shipping Lda Norway and Director of Marigest s.r.l. before becoming CFO of Next Europe and Marnavi Spa. Within the company, he is responsible for managing relations with financial intermediaries.

The organisation

NEXTGEO perfected the organisational and functional structure implemented in previous years, researching and training new professionals, and then placing them in the main online functions.

Sales, Commercial, Marketing & Contract Director

Operations Director

Project Support Mgr Assets & Resourcing

Financial Director

Two staff members are dedicated exclusively to quality management and research & development:

- **QHSE Manager:** He monitors day-to-day operations, monitors processes, results and checks that compliance with applicable regulations is observed, as well as the application of the quality criterion at each stage of projects.
- **R&D Manager:** In charge of analysing customer needs, elaborating possible innovative techniques and projects aimed at the company's development, he is mainly dedicated to the coordination and supervision of work in the field of research and development

The management, control and mitigation of risks in NEXTGEO is a highly sensitive issue, and therefore two professionals have been established exclusively dedicated to data and document protection.

- **DPO, Data Protection Officer:** technical and legal advisor with a dual role, because he not only advises and supervises the data, but also acts as an intermediary between the organisation and the authority.
- **Risk & Document Coordinator:** Coordinator of risks and underlying documents

NEXTGEO's **multinational** team of over 200 skilled professionals is certainly the company's most important and valued resource.
The organisation chart consists of a core group of highly qualified permanent specialists from all over the world.

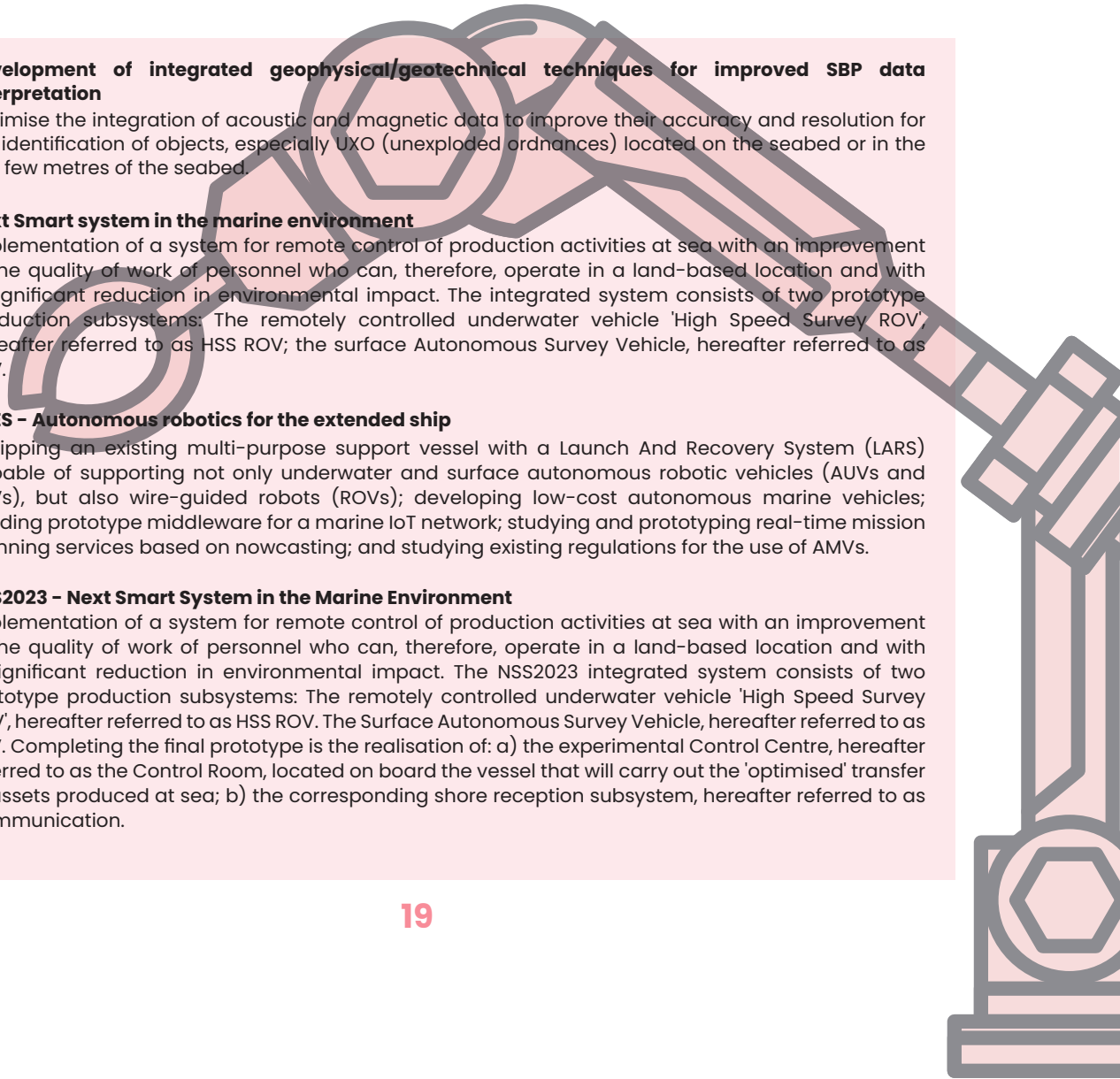
Research and technology transfer

The implementation of programmes in research and technology transfer are key activities of NEXTGEO's core business.

NEXTGEO is a member of the **MIT** Regional Entrepreneurship Acceleration Program (Massachusetts Institute of Technology), which supports companies in accelerating economic growth and promoting social progress through innovation-driven entrepreneurship. The partners are international operators who form multidisciplinary teams engaged in a learning journey that lasts, on average, two years during which MIT researchers are engaged in building and implementing a *customised* growth strategy to improve the ecosystems in which the different partners operate.

NEXTGEO holds a share of the **Italian and European patent for the 'Acoustic Wave Detection System at Sea'** for both civil and military applications, developed in collaboration with other Italian companies.

NEXTGEO has developed, and has ongoing, numerous research & development projects with prestigious scientific research institutions. These include the following projects and objectives:

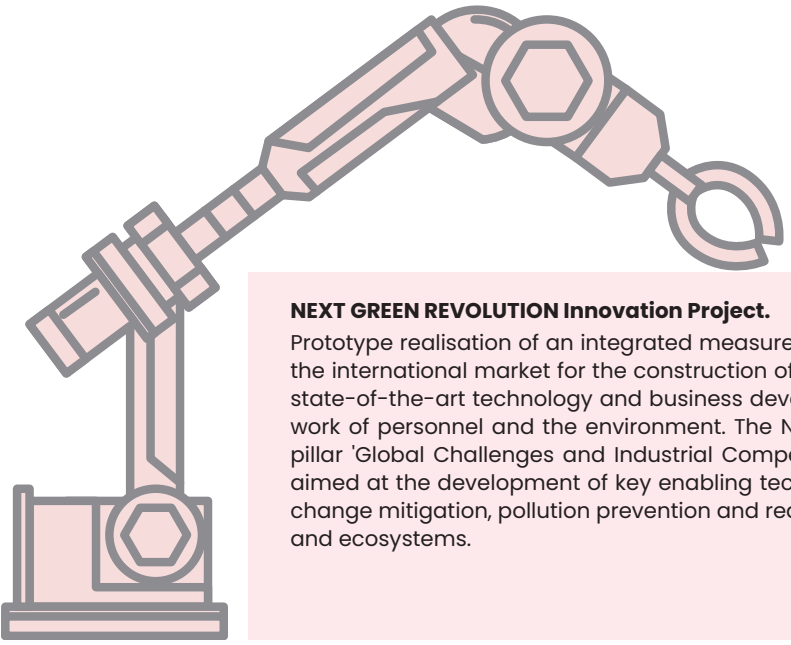


Development of integrated geophysical/geotechnical techniques for improved SBP data interpretation
Optimise the integration of acoustic and magnetic data to improve their accuracy and resolution for the identification of objects, especially UXO (unexploded ordnances) located on the seabed or in the first few metres of the seabed.

Next Smart system in the marine environment
Implementation of a system for remote control of production activities at sea with an improvement in the quality of work of personnel who can, therefore, operate in a land-based location and with a significant reduction in environmental impact. The integrated system consists of two prototype production subsystems: The remotely controlled underwater vehicle 'High Speed Survey ROV', hereafter referred to as HSS ROV; the surface Autonomous Survey Vehicle, hereafter referred to as ASV.

ARES - Autonomous robotics for the extended ship
Equipping an existing multi-purpose support vessel with a Launch And Recovery System (LARS) capable of supporting not only underwater and surface autonomous robotic vehicles (AUVs and ASVs), but also wire-guided robots (ROVs); developing low-cost autonomous marine vehicles; building prototype middleware for a marine IoT network; studying and prototyping real-time mission planning services based on nowcasting; and studying existing regulations for the use of AMVs.

NSS2023 - Next Smart System in the Marine Environment
Implementation of a system for remote control of production activities at sea with an improvement in the quality of work of personnel who can, therefore, operate in a land-based location and with a significant reduction in environmental impact. The NSS2023 integrated system consists of two prototype production subsystems: The remotely controlled underwater vehicle 'High Speed Survey ROV', hereafter referred to as HSS ROV. The Surface Autonomous Survey Vehicle, hereafter referred to as ASV. Completing the final prototype is the realisation of: a) the experimental Control Centre, hereafter referred to as the Control Room, located on board the vessel that will carry out the 'optimised' transfer of assets produced at sea; b) the corresponding shore reception subsystem, hereafter referred to as Communication.



NEXT GREEN REVOLUTION Innovation Project.

Prototype realisation of an integrated measurement system to enable NextGeo to establish itself on the international market for the construction of marine renewable energy production facilities using state-of-the-art technology and business development to reduce costs and improve the quality of work of personnel and the environment. The NEXT GREEN REVOLUTION project is part of the second pillar 'Global Challenges and Industrial Competitiveness' of the Horizon Europe Programme and is aimed at the development of key enabling technologies: Advanced Production Systems for climate change mitigation, pollution prevention and reduction, and protection and restoration of biodiversity and ecosystems.

Innovations applied to executive projects

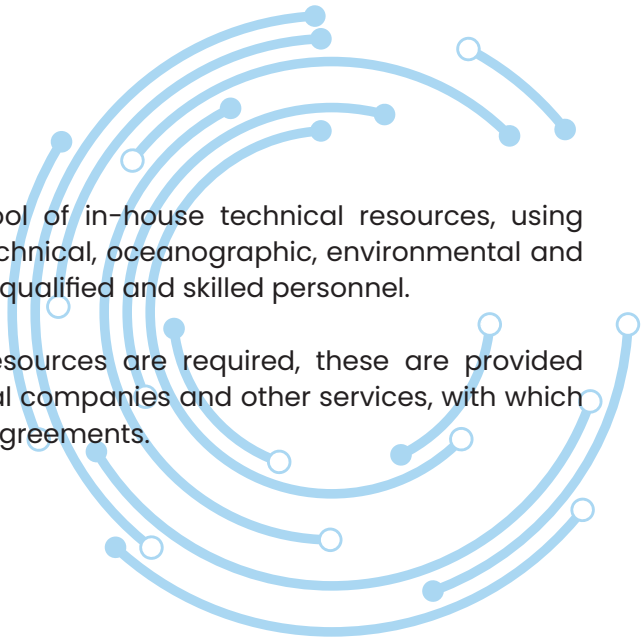
All our process innovations enter the execution phases of projects .

In the Oil & Gas sector , executive projects mainly concerned submarine gas pipelines, which represent the most important European submarine gas transport infrastructure, namely: TMPC, TAP, NORDSTREAM and BALTIC PIPE, an issue today at the centre of international policies on energy sustainability.

In the submarine power cable sector, NEXTGEO has contributed to the construction of the most important submarine power interconnection infrastructures in Europe, such as: Monlta (Italy-Montenegro), Crete-Attica, Crete-Peloponnese, Tyrrhenian Link (Campania-Sicily-Sardinia), IFA2 (France-England), Viking Link (Denmark-England), North-Sea-Link (NSL England-Norway), Eastern Link (Scotland-England), NorNed (Norway-Holland), Skagerrak (Norway-Denmark), Hansa Powerbridge (Germany-Sweden), Bay of Biscay (France-Spain), Celtic Interconnector (France-Ireland), Cobra (Denmark-Holland), SACOI (Sardinia-Corsica-Italy), CAPSOR (Capri-Sorrento), Dardanelles Strait.

In the field of renewable energy in the marine environment, all supported projects involved the design and construction of offshore windfarms and related onshore cables. NEXTGEO has worked on numerous projects mainly in the North Sea, Baltic Sea and East Atlantic Ocean. Recently, major offshore windfarm projects have also started in the Mediterranean, mainly with floating turbines.

Technology



NEXTGEO owns and operates a large pool of in-house technical resources, using innovative positioning, geophysical, geotechnical, oceanographic, environmental and UXO survey equipment operated by highly qualified and skilled personnel.

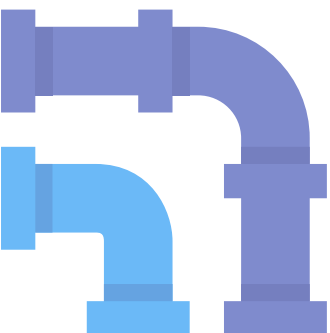
When and where additional technical resources are required, these are provided through selected primary equipment rental companies and other services, with which NEXTGEO has long-standing cooperation agreements.

Investments

- Innovation Project NSS2023 - Next System Smart in the marine environment :on the innovation of some production processes carried out by NEXTGEO in the marine environment with the use of technologies aimed at reducing costs and improving the quality of work of personnel and the environment - realised with a non-repayable grant and tax credit for the year 2021 - expenses reported : 760,813 Euro

- Project Ares - industrial research and experimental development projects. ARES for the development of a new paradigm in the field of marine technologies: a complex system - the ship with all its subsystems (control, measurement, etc.) - integrated with new marine robotic technologies for emergency interventions for environmental disasters, support to the Defence system, installation and maintenance of structures for the extraction of energy from the sea, off-shore platforms - realised with a non-repayable grant and tax credit for the year 2021 - expenses accounted for : 312,281 Euro

- Investment project for development in the Mezzogiorno and Investments 4.0 worth EUR 1.5 ml.

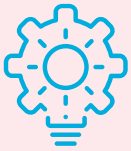


Values

Responsibilities
Constant commitment to achieving concrete results, without delegating to the hierarchy the problems that can be solved within one's own area of competence.

Innovation
Develop and promote innovative solutions for the improvement of existing processes and systems.

Customer focus
Consider customers as key players in the value creation process and be willing to listen in order to anticipate needs and promptly meet expectations.



Proactivity
Anticipating and influencing future events. Seize and develop theopportunities that arise from time to time and formulate useful proposals and initiatives to achieve the objectives.

Integration
Working in a 'team' spirit minimising conflicts and maximising the effectiveness of information exchange with a view to achieving a shared result.

Transparency
Ensure proper business conduct; maintain fair and transparent internal and external relations to foster the circulation of information.

Expertise
Developing and continuously updating know-how, aiming at the empowerment of all those working in and for the company also to foster professional growth.

Risk management and business ethics

Governance's commitment to excellence requires not being unprepared for the uncertainties and risks associated with the dynamic and critical environment that is the market. Risk is an integral part of business life and may depend on any uncertain future event that may jeopardise the achievement of strategic business objectives and/or the value of tangible and intangible assets. But sometimes risk, if well managed, can turn into an opportunity.

Building a sustainable business model in a dynamic and emergency context can make all the difference. This is why NEXTGEO implements integrated risk management to perform a comprehensive analysis of business risks to create, preserve and realise value, through a monitoring and control process, integrated with the organisation's strategic planning and performance.

As a rule, business risks are all those events that can negatively impact the safety and well-being of employees, consumers and stakeholders, lead to breaking laws, damage the environment and have a negative impact on corporate reputation. The identification and knowledge of business risks supports management decision-making in processes where they could hinder the achievement of objectives.

To this end, NEXTGEO has equipped itself with internal systems dedicated to measuring, managing and monitoring the significant risks that impact on the achievement of the company's strategic objectives and ethical programmes (Code of Ethics and Model 231/2201) that impact on the prevention and detection of possible criminal behaviour, reinforcing the compliance of actions with the law and internal procedures.

Code of Ethics

Since 2019, NEXTGEO has chosen to adopt a **code of ethics** for human resources management with the primary objective of creating a system of self-control. Over the years, it has maintained its commitment to ensuring that the value of business ethics is perceived not as the result of conduct imposed by top management, but as the result of a voluntary process aimed at sharing, understanding and applying the principles and values that management implements and pursues on a daily basis.

The Code is inspired by the principles and issues of legality, fairness and professional ethics, honesty, transparency of business conduct, combating conflicts of interest, anti-corruption policies, trust, impartiality and equality, combating unlawful competition, hierarchical organisation, data protection, quality, environmental protection and safety.

In compliance with the laws on the protection of the physical and moral integrity of workers, NEXTGEO ensures decent working conditions for its staff, in safe and healthy working environments. According to the adopted code, conflicts of interest involving employees and collaborators, whether 'effective', i.e. current, or 'potential', i.e. possible, but not current, must be notified to the management in a declaration signed by any employee or collaborator at the time they become aware of them.

In interpersonal relations between employees and/or external collaborators, NEXTGEO requires the adoption of a behaviour characterised by loyalty, respect, trust and mutual cooperation. NEXTGEO is committed to sharing with its personnel the difficulties associated with the peculiarities of production processes, and to fostering forms of collaboration and assistance between newly recruited personnel and more experienced employees.

The code of ethics shows that one of the main objectives is to respond to the needs of customers (public and private) and enhance their satisfaction with the services offered, by providing preventive, comprehensive and wide-ranging information. These relationships are managed according to the principles of maximum cooperation, helpfulness, professionalism and transparency, respecting and protecting confidentiality in order to lay the foundations for a solid and lasting relationship based on mutual trust.

NEXTGEO selects its suppliers according to principles of transparency and free competition, in compliance with applicable laws and in-house procedures, and according to the best value for money. Any exception to this principle must be authorised and specifically justified.

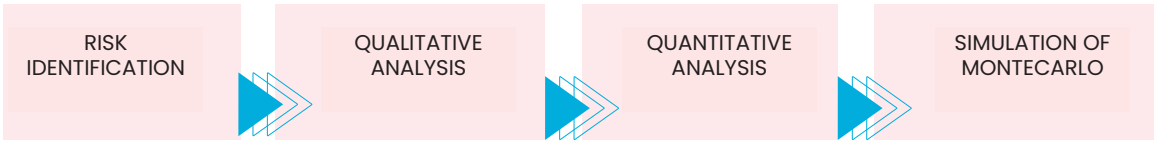
The 231/2001 model

NEXTGEO recognises the legal relevance and binding character of the ethical principles of the behavioural standards described in the code of ethics also for preventing corporate offences, with particular regard to those that determine the Company's administrative liability under Legislative Decree no. 231/2001.

Violation of the principles of the Code of Ethics undermines the relationship of trust between the Company and the offender and, if committed, is promptly punished by appropriate and proportionate disciplinary measures, irrespective of any criminal charges imposed. In particular, compliance with the Code of Ethics forms an integral part of the mandate given to the corporate bodies - which may be subject to disciplinary sanctions depending on the seriousness of the breach - and of the contractual obligations undertaken by employees.

The last general training on risk control policies took place on 19 October 2021.

The risk management system



The risk management process aims to eliminate or reduce business risks to the ALARP (As Low As Reasonably Practicable) level, a risk matrix combining five levels of severity and five levels of probability. The model is based on an evaluation criterion that focuses not only on possible environmental incidents, but also on economic, reputation and time management aspects. The scope of the model covers the entire life cycle of the company, not just the economic/operational part of an individual project.

Risk mitigation actions can influence the severity and probability of occurrence, according to the classical hierarchy of actions, and are recorded in a risk and action register.

The economic impact is verified in specific brainstorming sessions conducted by the risk manager and the relevant risk owner/project manager, if necessary.

In practice, an attempt is made to assess the negative economic consequences when certain risks occur in order to estimate reasonably accurate values for each of the three possible reference scenarios (best case, best effort and - most likely - worst case). This leads to the calculation of the so-called 'expected values of risk', i.e. the value of the economic impact (loss) 'expected' should the identified risk occur.

The 'Monte Carlo method' is the application of a series of probabilistic statistical formulae (and related graphical representations) to risk, usually performed on a set of big data, to determine the 'trend' in the 'behaviour' of the data.
This means using specific calculation software that examines any range of 'possible' values and 'models' any combination of 'interactions' between these and the overall data.

In summary

NEXTGEO's governance, administration and control model is inspired by the pursuit of objectives of excellence and the continuous search for a balance of interests of all those directly and indirectly involved in management.

Area	ESG Topics	Agenda 2030 SDGs
Pursuit of excellence	• The Corporate Governance Model and the Internal Control System • Corporate culture and business ethics	

Goals for the future

Improving risk management according to the 231/2001 model


QUALITY
Supplier
VALUE
CHAIN
Distribution

Value chain
creating sustainable value

NEXTGEO adopts an innovation-oriented approach to ensure 'tailor-made solutions' for its customers.

NEXTGEO's goal of securing a leading role in the markets where it is present in offering innovative solutions for marine geophysical and geotechnical investigations and support services for the construction and installation of submarine power cables and pipelines and Offshore Windfarms, has been a strong driving force for the refinement of processes and operating systems to ensure an effective model of sustainable value generation.

NEXTGEO prepared the '**Integrated Management System**' operating manual in 2018 to ensure that the services provided are carried out, in total safety, so that the customers' specifications are met professionally and efficiently.

The integrated management system (IMS), aimed at continuous performance improvement, is developed from the following identified primary processes.

To support the integrated management system for the benefit of all employees, the necessary documents were prepared to ensure the effective operation and control of processes.

Corporate documentation is structured on several levels, as follows.

Primary processes

OFFER FOR THE PROJECT		PROJECT PLANNING					MOBILISATION OF THE PROJECT			PROJECT EXECUTION			
Definition of service requirements (8.2.2), Definition of risks and opportunities (6.1)	Customer focus (5.1.2) and communication (8.2.1)	Service Delivery Planning (8.1)	Planning of actions to address risks and opportunities (6.1.4)	Design and development planning (8 3 2)	Design and development inputs (8.3.3)	Design and development changes (8.3.6)	Design and development controls (8.3.4)	Design and development outputs (8.3.5)	Monitoring and measuring resources (7.1.5)	Production and service provision (8.5)	Release of services (8.6)	Control of nonconforming outputs (8.7) Incident, non-conformity and corrective action (10.2)	Preservation of service (8.5.4) Customer satisfaction (9.1.2) Analysis and evaluation (9.1.3)

Level 0: Policies (PLC);
Level 1: Manuals (MNL);
Level 2: Provisions and reports (PRP);
Level 3: System procedures and process maps (PMP);
Level 4: Sub-processing procedures (SPP);
Level 5: Standard Working Practices (SWP);
Level 6: Specific Work Directives (SWD);
Level 7: Forms and models (FRM).

Integrated Quality Management System Q.H.S.E.

To ensure the proper functioning of the Integrated Management System, NEXTGEO adopted the standards **ISO Q.H.S.E. (Quality, Health & Safety and Environment)**, which includes the Quality Assurance, Competence Monitoring and Risk Assessment phases, as well as the management of Health, Safety and Environment issues.

The IMS system requires the Board of Directors to establish the **Safety, Health and Welfare and Quality** objectives described below and to adapt its governance, management and control model to continuously strike a balance between the pursuit of excellence and the interests of all those directly or indirectly involved in management.

The CEO is responsible for assigning, documenting and communicating at all levels the responsibilities and authorities of the organisation's functions relating to aspects of the IMS.

The QHSE Manager is, among the organisation's functions, designated and entrusted with the responsibility and authority to ensure that the IMS complies with ISO requirements, that the integrity of the IMS is maintained when a change is applied, and to report on IMS performance and opportunities for improvement.

Quality

NEXTGEO adopts an Integrated Management System (IMS) that, as far as Quality Assurance and Quality Control aspects are concerned, falls within the scope of application of the **ISO 9001:2015 standard** and is inspired by the following principles of entrepreneurial commitment:

- pay close attention to any needs, requirements and expectations of the customer, as well as to applicable legal requirements;

- focus on PDCA cycle-based approaches used for continuous process and product control and improvement, adopting a risk-based approach;

- establish, document, monitor, review, update measurable objectives necessary to ensure continuous improvement of the IMS;

- inform, motivate, encourage and involve all personnel in quality matters, to ensure that policies, objectives and responsibilities and all useful/needed knowledge to be shared are communicated and understood within the organisation, at all levels;

- promote and maintain a friendly and stimulating working environment, encourage cooperation and team spirit taking into account all staff inclinations, skills and aspirations, consistent with the organisation's structure, procedures and objectives;

- to ensure the continuous improvement of the organisation by promoting Research & Development programmes, partnerships, agreements and joint ventures aimed at the execution of complex and multidisciplinary projects, innovation, and technological upgrading;

- collaborating with external partners and suppliers by agreeing on requirements and programmes to improve quality and customer satisfaction and developing a collaborative relationship on this basis;

- organise and implement an adequate and effective internal audit programme, both in offices and, as far as possible, on construction sites;

- maintain ISO 9001:2015 certification.

Health & Safety

NEXTGEO implements an integrated management system that, with regard to health and safety aspects, falls within the scope of the ISO 45001:2018 standard and all relevant and applicable laws and regulations, and is guided by the following business principles employed:

- pay close attention to the needs, requirements and expectations of all customers and stakeholders, as well as to the applicable legal requirements, taking responsibility for the prevention of accidents at work and poor health, as well as for the management of safe and
- healthy workplaces;
- focus on the PDCA approach by establishing an H&S culture and adopting a principle based on risks and opportunities, to be addressed using 'evidence-based' decision-making;
- establish, document, monitor, review and update measurable objectives
- necessary to ensure and demonstrate that appropriate controls are established to conduct business management in a professional and competent manner and to guide the continuous improvement of the IMS;
- strictly adhere to the obligations of existing and future applicable H&S legislation - where it is deemed appropriate to implement even stricter limits than those prescribed by law. In addition, minimise any kind of negative health and safety impact on the communities concerned. On the contrary, facilitate sustainable 'local purchase and development' opportunities,
- convenient and advantageous;
- define and implement methodologies for the identification and elimination of hazards, and for the assessment and reduction of health and safety risks through appropriate prevention, protection, control, emergency preparedness and response measures;

- inform, motivate, encourage and directly involve all personnel in relevant HSE matters, ensuring that HSE policies, objectives, responsibilities and all necessary HSE knowledge to be shared are well communicated and understood within the group at all levels, both 'top-down' and 'down-top', ensuring the participation of workers and their representatives where they exist, also through specific programmes;

- work with external partners and suppliers who, in their intentions and business conduct, agree with the mentioned requirements and programmes for safeguarding people's H&S and develop a collaborative relationship on this basis;

- organise and implement an adequate and effective internal audit programme, both in offices and, as far as possible, on construction sites;

- maintain ISO 45001:2018 certification.

Environmental

NEXTGEO implements an Integrated Management System that, as far as environmental aspects are concerned, falls within the scope of ISO 14001:2015 and all relevant and applicable laws and regulations, and is guided by the following business principles:

- taking responsibility for the protection of the environment, the preservation of biodiversity, the prevention of all potential sources of pollution and misuse of natural resources, the adoption of an appropriate '4Rs' process throughout the service life cycle and the support of sustainable activities;

- focus on the PDCA approach, establishing an environmental culture and adopting risk-based thinking within the group, with risks and opportunities to be addressed using 'evidence-based' decision-making;

- establish, document, monitor, review and update the objectives and measurable targets necessary to ensure and demonstrate that the necessary and appropriate controls are in place to conduct company management in a professional and competent manner and to drive continuous improvement of the IMS;

- strictly comply with the obligations arising from existing and future environmental legislation - where deemed appropriate, operating with even stricter limits than those provided for by law;

- minimise any kind of negative environmental impact on affected communities. On the contrary, facilitate sustainable 'local purchase and development' opportunities that are convenient and advantageous;

- define and implement methodologies for the identification and management of environmental aspects and for the assessment and reduction of their impacts through appropriate prevention, protection, control, emergency preparedness and response measures;

- inform, motivate, encourage and involve all staff in relevant environmental issues, ensuring that environmental policies, objectives, responsibilities and all environmental knowledge to be shared are well communicated and understood within the group at all levels by both 'top-down' transfer and 'down-top' consultation, and participation of workers and their representatives where they exist, also through specific programmes;

- work with external partners and suppliers who, in their intentions and business conduct, are communicated and agree with the mentioned environmental protection requirements and programmes and develop a cooperative relationship on this basis;

- organise and implement an adequate and effective internal audit programme, both in offices and, as far as possible, on construction sites;

- maintain ISO 14001:2015 certification.

Certifications

NEXTGEO has obtained and aims to maintain the following certifications, issued by DNV-GL (Det Norske Veritas - Germanischer Lloyd)**:**

ISO 9001 certification is an international standard attesting to a company's quality. It is an essential tool for companies that want to improve their productivity and become aggressive in the market.
Plan, implement, monitor and improve both operational and support processes, designing and implementing the quality management system as a means of achieving objectives by determining the maximum customer satisfaction

Accredited **ISO 14001** certification safeguards confidence in an organisation's ability to fulfil its environmental policy and comply with applicable laws to limit pollution and to continuously improve its performance ISO 14001 is explicitly inspired by the Plan- Do-Check-Act model (the so-called Deming cycle)

The UNI **ISO 45001** standard 'Occupational health and safety management systems - Requirements with guidance for use' defines minimum standards of good practice for the protection of workers worldwide.
It provides guidance for its use to enable organisations to provide safe and healthy workplaces by preventing occupational accidents and health problems and proactively improving OSH.

International network

Achilles is a community that has been active in the oil and gas industry since 1990, enabling procurement to be managed with less risk, lower costs and fewer compliance problems.

Sellihca is a qualification system for suppliers of utilities operating in the production, transmission and distribution of electricity, district heating/cooling, water supply and related services.

FPAL is a community set up in 1996 in the UK at the initiative of companies in the oil and gas sector, which is helping many operators to win major contracts and improve their performance. FPAL operates throughout the European oil and gas market, though it remains rooted in the North Sea.

Power-Tech draws on its 40 years of experience in multidisciplinary technical services, providing expertise in selecting, recruiting and managing personnel for international plant management in the early stages of design, construction, commissioning, operation and maintenance, in sectors such as Energy, Oil & Gas, Petrochemicals and Infrastructure.

IMCA is the International Marine Contractor Association whose mission is to improve performance in the marine contracting industry.
IMCA is strongly committed to the energy transition towards a sustainable, low-carbon future. It plays an important role in working with members and third parties interested in addressing the challenges of climate change and ensuring environmental sustainability, particularly in the context of ocean resources and action with other Italian companies.

In summary

The management of NEXTGEO's Quality System is definitely geared towards the creation of sustainable value and is based on innovation, high quality of services rendered on production processes implemented in compliance with ESG principles and in accordance with the goals of the 2030 SDGs.

Areas	ESG Topics	Agenda 2030 SDGs
Sustainable value creation	• The quality and innovation of the services offered • Process innovation • Production efficiency	

Goals for the future

Continue to manage and promote the quality and innovation of services and processes


social
employees
office
organization
assistant
society
commerce
corporate
suggestion
optimize
organizing
personal
theoretical
opportunity
function
assessment
design
skills
competence
professional
think
management
head
public
diversity
concept
guidelines
integration
level
human capi
success
worker
train
modern
performance
meeting
duties
organizations
boss
manager
resource
manage

People
promote collective well-being

NEXTGEO has implemented several company policies to directly protect its employees in order to enhance merit and ensure their safety and well-being in the workplace.

Health and safety policy

The **health and safety policy**, which came into force in March 2019, is based on ISO 45001:2018 standards and the relevant industry regulations.

The principles on which the policy is based are those of:

- avoiding accidents in the workplace, and ensuring a healthy and safe environment;
- establishing and monitoring quantifiable targets that can be consistent with the achievement of continuous improvement;
- strict compliance with the relevant regulations;
- employing methods necessary to reduce employees' exposure to risks/accidents;
- involving staff in workplace safety management issues;
- sharing workplace safety objectives with corporate partners;
- developing internal audit processes.

Right to refuse/stop the job policy

The **right to refuse/stop the job policy**, which came into force in February 2018, stipulates that employees have the right not to perform, or to stop performing, a specific activity that may expose each employee or others to a
potential risk.

Weather working policy

The **cold weather working policy** and the **hot weather working policy** (2018), are put in place to protect workers when work has to be carried out in areas where the weather is severe by providing operational instructions to:

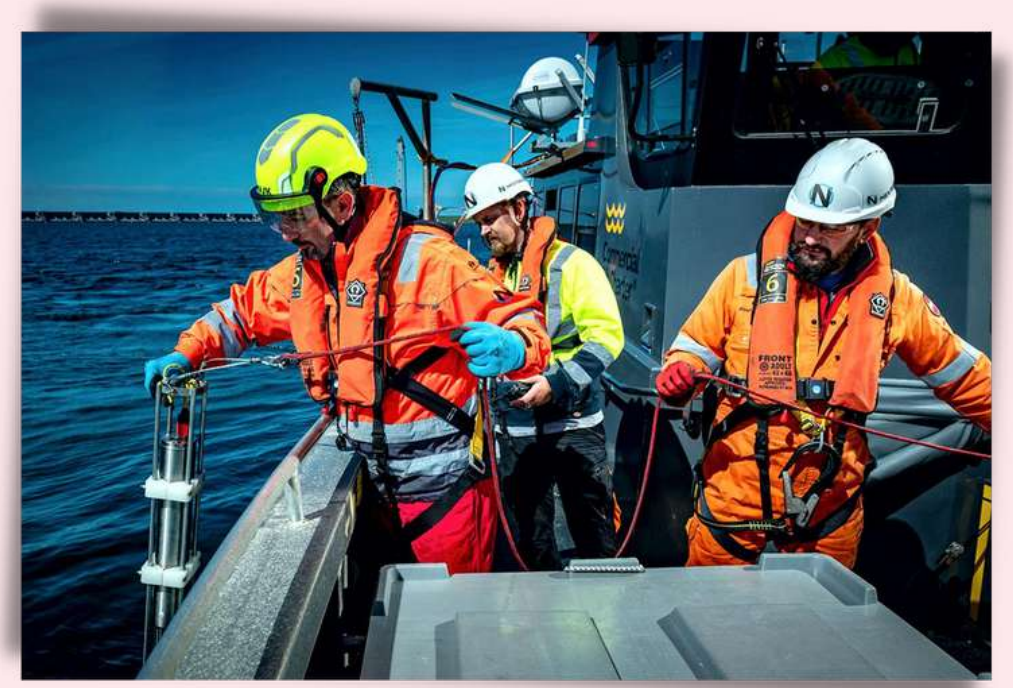
- wait for better weather to arrive before starting a particular activity;
- ensure that personnel are properly equipped to work in cold/hot climate areas;
- ensure that staff can use appropriate structures and can drink hot/cool drinks during working hours;
- increase the frequency of employees' breaks;
- sensitise employees in recognising the symptoms of overexposure to cold/heat.

Safety culture ladder

Thanks to the encouragement of one of its most prestigious customers, NextGeo decided to take a step forward in its global approach to safety at work by accepting - and winning - the challenge of the Safety Culture Ladder evaluation process.

The Safety Culture Ladder (SCL) is an assessment method for measuring safety awareness and safe action (culture and behaviour) awareness in companies. The emphasis is on safety culture. The SCL is intended as a measure to encourage companies and their suppliers to work consciously in safety. The greater the safety awareness in an organisation, the higher the step assigned. The SCL forms the basis of a certification system for several sectors where physical safety is a major risk, such as construction, energy and the chemical industry.

Following a thorough and meticulous evaluation procedure, NextGeo was proudly awarded the coveted certification in February 2022 by LRQA (formerly Lloyd's Register).



Human Capital

NEXTGEO has more than 70 direct employees, 70% of whom are employed in the service sector and 30% in the maritime sector.

For executive projects at construction sites NEXTGEO uses on-site freelancers through framework contracts with temporary employment agencies.

In 2021, four men and five women were recruited.

Two trainees were hired on a permanent basis.

In addition, 15 employees received a pay increase.

The rate of occupational illness was around 2% and all employees returned to work after the period of illness.

Mainly, technical employees cover the following profiles:

- Geophysicists
- Geologists
- Geotechnical engineers
- Environmental engineers
- Cartographers
- Cad engineers
- Surveyors

Maritime

Age groups	M
Less than 30 years	3
Between 31 and 40 years	4
Over 40	13

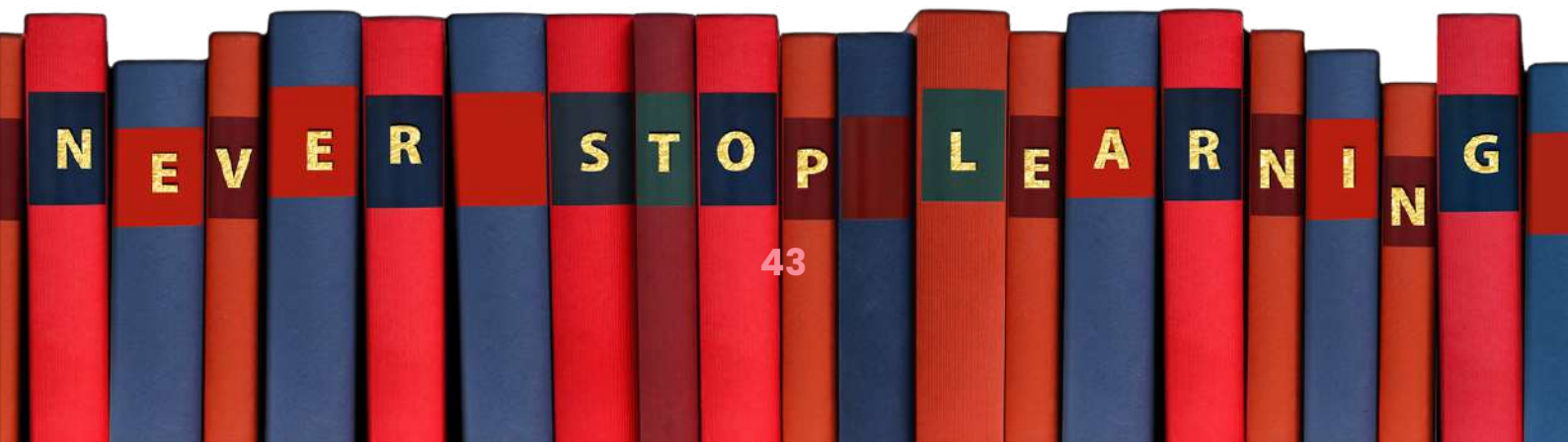
Training

NEXTGEO continuously conducts training programmes on specific technical/ technological/IT, health and safety topics, and provides advanced training on ISO standards.

Below is the table summarising the type of QHSE-related training, hours and recipients:

QHSE/2021 training	M (Hours)	F (Hours)
81/08, art. 37, Safety Manager	22	
81/08, art. 37, Safety Supervisor Training	6	
81/08, art. 37, First Aid	24	6
81/08, art. 37, Fire Fighting	25	
81/08, art. 37, General/Specific Training	54	30
81/08, art. 37, Training	56	48
81/08, art. 37, WSR training	4	-
81/08, art. 32, OH&S Training	10	-
231/01, General Training	25	25
Total (335)	226 (67.5%)	109 (32.5%)

NEXTGEO is a founding member of the ITS Foundation, Technical College for Sustainable Mobility Maritime Transport, with which it has set up a training activity in industrial **oceanography** applied to marine infrastructure, with a focus on sustainable mobility/ production and maintenance of means of transport and/or related infrastructure.



Pandemic Resilience and Smart Working

During 2021, NEXTGEO continued to adopt the plan for the protection (prevention - protection - emergency) of Workers against the **SARS-CoV-2 virus** in offices/ warehouses (revised on 17 May 2021).

The purpose of the plan was to establish the current prevention and protection procedures for the safe return of its workers to their workplaces and offices/warehouses.

The main measures taken focused on the adoption of an information campaign to ensure:

- hand hygiene;
- the social safety distance;
- the hygiene of workstations;
- room ventilation;
- internal space management - social distancing.

A protocol for the management of **Remote Working** with periodic staff rotation has been implemented, leading to a 30% reduction in the number of workers in attendance.

The protocols, the costs of which were borne by the company, were also activated for personnel on board the ships, ensuring that all employees (and third parties) were swabbed and quarantined before embarking.

Safety measures have also been taken to guarantee travel, logistics, access/exit from premises/vessels also for persons outside the company, and the emergency procedure for dealing with a symptomatic person in the company has been regulated.

In summary

NEXTGEO's interest in its target community is based on the conviction that corporate well-being is also achieved in the broader vision of collective well-being, respecting ESG issues and touching on some of the goals of the 2030 SDGs Agenda.

Areas	ESG Topics	Agenda 2030 SDGs
Promoting collective well-being	• Enhancing human capital • Enhancing intellectual capital • Health and safety for workers • Well-being for the community	

Goals for the future

To continue along the path of enhancing human and intellectual capital, favouring meritocratic growth paths and of interest to the reference territorial community.


CLIMAT
CHANG

Planet
protecting the environment

NEXTGEO, in its capacity as a shipowner and charter operator, attaches great importance to environmental protection. All pollutant emissions into the atmosphere or water are in fact continuously monitored. The environmental analysis is updated annually.

NEXTGEO's activities include the measurement of the environmental impacts of the NG WORKER owned vessel, regarding fuel, water consumption and waste discharge according to **IMO regulations.**

To contribute to climate change mitigation, NEXTGEO adopts:
- the ***sustainability policy***, which came into force on 19 February 2018
- and ***the environment policy***, which came into force on 8 March 2019, the latter updated on 19 November 2021.

Both provide for the development of environmental policies in accordance with relevant legislation, international standards and ISO, in order to reduce environmental risk issues.

REDUCING POLLUTION

All of NEXTGEO's ships burn fuel oil with a sulphur content of 0.1% below the limits set by the current Marpol regulations.
No OZONE DEPLETING SUBSTANCES are produced on NEXTGEO vessels that can deplete ozone in the atmosphere.

WASTE DISPOSAL

On board every NEXTGEO ship, the sorting system for municipal and special waste is practised (registration according to national and international maritime regulations.

WELL-BEING ON BOARD

A satellite system is installed on NEXTGEO's vessels, WIFI connection is available and the gym can be used for maximum benefit and comfort on board.
NEXTGEO has introduced company policies to regulate the operations of its employees to ensure the safety and well-being of seafarers.

The environmental policy and the entire organisation strive for minimum use/ consumption of environmental resources and minimum emissions into the atmosphere.

With regard to **resource use** and the **circular economy**, the **five cornerstones** are:

- **sustainable resources**;
- **product as a service**;
- **sharing platforms**,

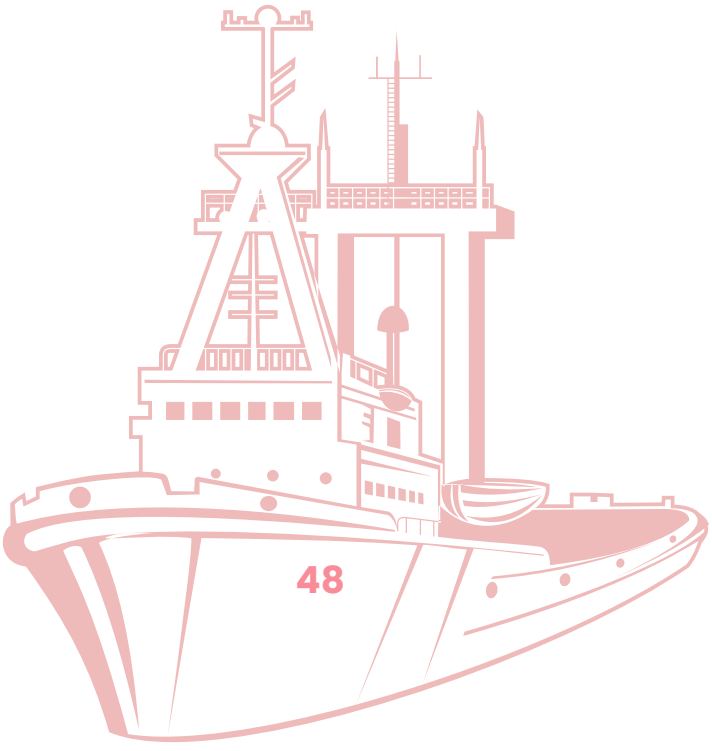
to involve stakeholders in zero emission and positive environmental impact policies;

- **life cycle extension**

inspection services and support interventions by NEXTGEO on customers' assets (e.g. power cables, pipelines, platforms, etc.) to enable the extension of their useful life; studies prior to the engineering and installation of new assets to contribute to the diversification of natural resources supply (e.g. construction of new pipelines such as the Baltic Pipe or TAP); harmonisation and balancing of networks
cross-border electricity between neighbouring countries and between more disadvantaged territories (e.g. islands) within individual countries;

- **recovery and recycling**

(compliance with legal requirements for proper waste collection on board vessels, aimed at increasing the recovery/recycling rate).



All vessels used by NEXTGEO comply with applicable environmental legislation against all forms of unlawful pollution, emissions, discharges and energy efficiency.

The ballast water treatment system as prescribed by the international convention was installed on the following ships:

- VERVECE
- IEVOLI SHUTTL IEVOLI BLACK
- IEVOLI BLUE
- IEVOLI IVORY IEVOLI CORAL
- COBALT ELEVOLES

New installations are planned in the financial years 2022 and 2023 on the ships:

- AMBER ELEVOLES: planned installation in the financial year 2022
- NG WORKER: planned installation in the 2023 financial year
- IEVOLI GREY: planned installation in the 2023 financial year

NEXTGEO monitors climate change on the basis of **statistical studies of weather conditions** in the areas covered by the field activities in order to prevent its vessels, equipment and personnel from being exposed to adverse conditions. Statistical studies are aimed at capturing acceptable weather trends in order to enable effective planning of activities.

Further policies to protect the environment are the **prohibited substances** and **smoking policy** to ensure safe and sustainable working environments and for employees.

The prohibited substances policy, which came into force on 19 February 2018, was developed on the assumption that NEXTGEO should promote a healthy and safe working environment for all employees and collaborators.
To this end, the policy stipulates that employees:

- must not work with prohibited substances;
- must not use, possess, conceal, transport, promote or sell prohibited substances;
- must not drink alcohol in the office or at worksites, except in exceptional cases approved by the CEO;
- must inform the Company of any potential side effects of medicines they may be taking that may affect performance, or expose themselves and/or the organisation to potential risks.

The smoking policy, which came into force on 19 February 2018, prohibits the smoking of cigarettes, e-cigarettes and cigars in workplaces. Smoking is permitted, only during reasonable intervals, in specifically designated areas.

In summary

NEXTGEO aims to achieve a positive contamination effect on the entire corporate community, in the belief that the actions of individuals contribute to the achievement of goals related to environmental protection issues, both ESGs and AGENDA2030 SDGs

Areas	ESG Topics	Agenda 2030 SDGs
Promoting collective well-being	• Enhancing human capital • Enhancing intellectual capital • Health and safety for workers • Well-being for the community	

Goals for the future

Finish the process of innovative installations on ships.
Further implement environmental protection issues in an innovative way both on board ships and in the shipyards.

ADDED VALUE

ADDED VALUE

ADDED VALUE
Determining Gross Added Value

NEXTGEO's policies have an immediate impact on the 2021 financial year.

In order to provide adequate communication on the efforts made and to ensure comparability of economic values, NEXTGEO reclassifies the statutory income statement by adopting **the added-value criterion.**

Added value represents the part of wealth that a company generates with the contribution of production factors and that it distributes to stakeholders, internal and external to the company; it is given by the difference between the value of production and intermediate consumption and determines the performance of the period from the perspective of sustainability.

Added Value is represented in two separate statements:

- The **Added Value** Statement, where revenues and intermediate costs are contrasted;
- The **Added Value Distribution** Statement shows how the added value generated is distributed, in the form of remuneration, to stakeholders inside and outside the company.

The configuration chosen in this NEXTGEO CSR 2021 report is **Global Added Value before depreciation.**

This is a socially informative quantity that measures the (economic-financial) wealth produced in 2021 with reference to the various parties involved in its distribution.

NEXTGEO's Global Added Value in 2021 was determined by subtracting the intermediate costs of production (for services and consumption of materials, provisions and other operating expenses) from the value of production, including revenues from sales and other additional revenues:

- Consumption of raw materials, goods, etc.
- Costs for services
- Costs for leased goods
- Provisions for risks
- Various operating charges

Extraordinary and incidental components were imputed to the characteristic added value thus obtained, resulting in the overall gross added value in the terms and values shown in the following table.

MEASUREMENT OF GLOBAL GROSS ADDED VALUE

	2021	2020
Production revenue	**78,389,571**	**37,797,218**
Revenues from sales and services	59,582,947	20,044,077
Changes in contract work in progress	17,798,606	17,705,179
Other revenues and income	1,008,018	47,962
Intermediate costs of production	**46,649,380**	**27,295,451**
Consumption of raw materials, goods, etc.	3,895,774	815,289
Costs for services	14,547,013	14,954,373
Costs for leased goods	28,169,053	11,508,030
Various operating charges	37,540	17,759
GROSS CHARACTERISTIC ADDED VALUE	**31,740,191**	**10,501,767**
+/-Accessory management	199,885	- 10,192
Ancillary revenues	396,552	49,572
Ancillary costs	196,667	59,764
+/-Extraordinary components		
Extraordinary income		
Extraordinary costs		
GLOBAL GROSS ADDED VALUE	**31,940,076**	**10,491,574**

Turnover Details

Revenues from sales and services are divided into the business categories below:

- 51% for geophysical-geotechnical-prelay survey activities
- 25% in construction support
- 23% for uxo activities
- 1% in reporting activities.

Revenues from sales and services may be broken down into the following geographical areas:

- 10% in Italy;
- 65% in the European Union;
- 25% in the rest of the world.

NEXTGEO's main customers are Tennet, Terna, Saipem, Prysmian.

Whereas, the main suppliers are Marnavi, Deep, Jifmar (ship suppliers), Rovop, Bourbon, Ashted, Str (equipment suppliers), UTM, Precise, CMS, Atlas, Elevate Offshore (suppliers of specialised freelance personnel).

The **Gross Global Added Value** was then distributed among the different stakeholders inside and outside thecompany to arrive at the **Net Added Value**, as depicted in the following table.

STATEMENT OF ALLOCATION OF GROSS GLOBAL ADDED VALUE

	2021	2020
Remuneration of Human Resources	**24,826,279**	**9,088,991**
Non-employee staff	20,018,063	5,993,863
Employees	4,808,216	3,095,128
(a) direct remuneration	3,924,714	2,342,535
(b) indirect remuneration	883,502	752,593
Public Administration Remuneration	**- 132,072**	**- 618,599**
Direct Taxes	1,121,116	314,634
Indirect Taxes	14,714	16,380
- operating subsidies	- 1,267,901	- 949,613
Remuneration of Credit Capital	**550,302**	**213,938**
Remuneration of Risk Capital	**-**	**.**
Dividends (profits distributed to ownership)		
Remuneration of the Company	**678,149**	**671,263**
Change in equity reserves	36,945	
Depreciation	641,204	671,263
Donations	**10,000**	**-**
GLOBAL NET ADDED VALUE	**6,007,418**	**1,135,982**

In line with the strategic orientation of recent years, the largest share, over 78.0% of the **Global Added Value in NEXTGEO**, is allocated to Human Resources. The item "Remuneration of Human Resources" includes the portion of value allocated to **all forms of salary and remuneration paid for work performed by employees**, both fixed-term and open-ended, including external collaborators, consultants and trainees,utility expenses incurred, as well as expenses incurred for consultants and members of governance bodies.

Part of the remuneration also goes **to the governance bodies**, consultants, trainees and temporary workers who, in various capacities, contribute to the creation of shared value.
Additional resources were allocated to support professional development and increase the active participation of employees in strategic decisions.

The **company's remuneration of approximately 2%**, consisting mainly of the remuneration of the company's infrastructure, represents the share of the overall value permanently allocated to reserves and infrastructure remuneration. In particular, depreciation, a typical non-monetary cost, represents the portion of added value retained to ensure the restoration of fixed assets at the time of their natural and/or necessary replacement.

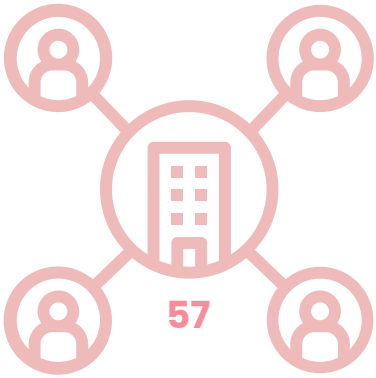
The item **"Remuneration of Credit Capital"**, amounting to approximately 2% of Global Added Value, includes the portion of value allocated to the payment of interest and related bank charges, while the item **"Remuneration of Risk Capital",** amounting to approximately 2% of Global Added Value, represents the portion of global value allocated to shareholders in the form of dividends, which, for 2021, is zero, as NEXTGEO did not distribute them.

The **"Remuneration of the Public Administration"** represents the portion of value used for income tax, and other taxes directly attributable to the company's assets, net of various contributions received from the Public Administration. It should be clarified that **NEXTGEO** obtained government grants in excess of the taxes accrued for having enjoyed **tax credits** in the amount of Euro 494,562.98 and **INPS** and **IPRPEF** reliefs in the amount of Euro 457,371.88 and Euro 315,966.37, respectively.

The item **'donations'** includes the part of the value allocated to donations and membership fees.

The **'Net Global Added Value',** equal to the difference between the economic value generated and the economic value distributed according to the previous accounting aggregates, constitutes the part of the Global Value 'retained' by **NEXTGEO** that is not allocated to other remuneration.

The Net Global Added Value retained in the company is about 19% of the Gross Global Added Value, thus ensuring NEXTGEO's ability to effectively continue on the path of extended value creation along the lines of sustainability.



NEXTGEO is committed to corporate social responsibility and the development of sustainability according to the main pillars - economic, environmental and social - by defining Sustainable Development Goals (SDGs) applicable in line with the goals set by the United Nations (UN) in the 2030 Agenda defined as 'a blueprint for achieving a better and more sustainable future for all'.

Economic: business continuity in NextGeo is analysed, established, reported, monitored and ensured. In terms of service provision, ISO 9001 certified quality standards are fundamental to the organisation in terms of efficiency, innovation and customer satisfaction.

Environmental: NextGeo takes responsibility for protecting the environment, preserving biodiversity, and preventing all potential sources of pollution and misuse of natural resources.

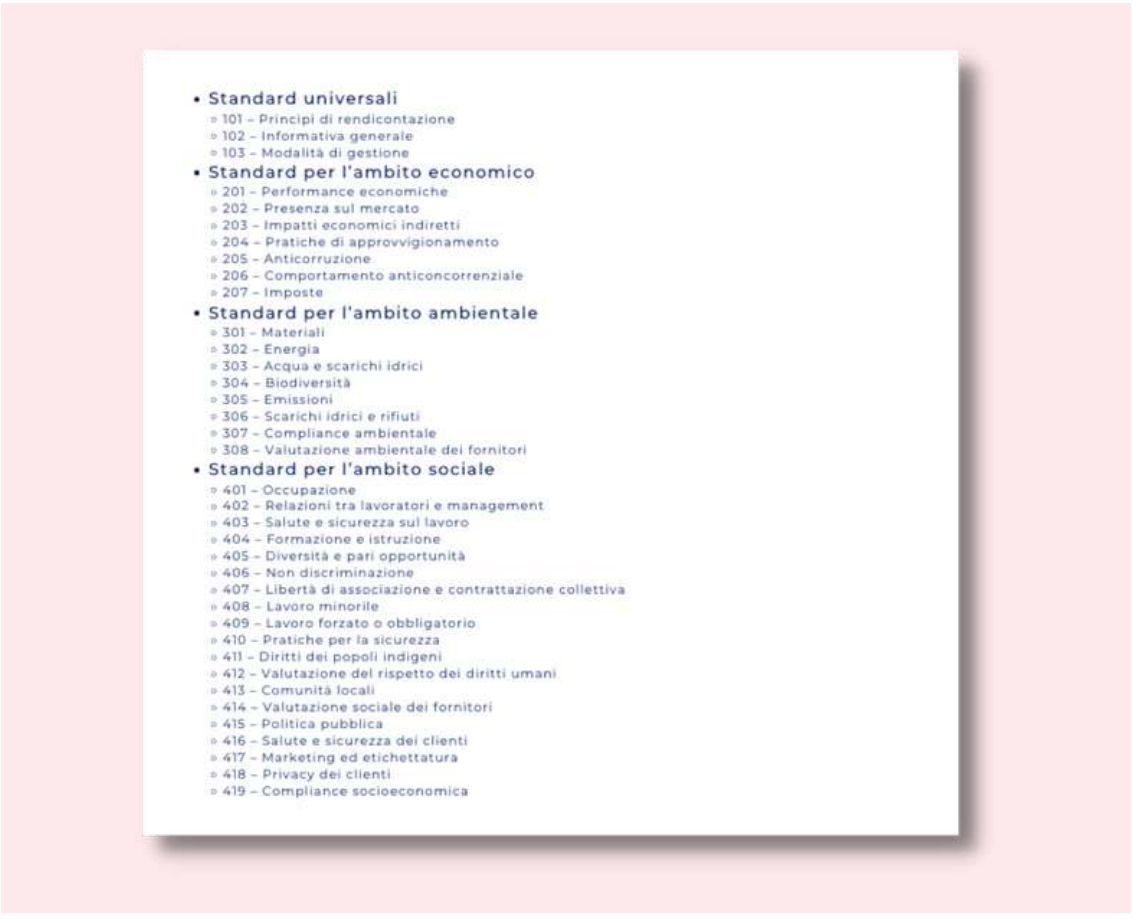
Social: mutual respect is a core value of NextGeo. Employees are given clear guidelines of rights and responsibilities. Discrimination or harassment of any kind is prohibited. Best practices are used to improve occupational health and safety, including mental health.

GRI standards
Global Reporting Initiative

To facilitate the assessment of its standards, the Global Reporting Initiative (GRI), an international non-profit body, was established with the mission of helping organisations and companies around the world to be transparent and aware of their environmental impact and ethics.

GRI standards guide companies and organisations for timely reporting of their social and environmental performance, allowing them to be extremely transparent, according to shared global rules for measuring the economic, social and environmental impact generated.

GRI STANDARDS have a modular structure and are interdependent. There are four groups of standards, three specific and one universal.



- **Standard universali**
  - 101 – Principi di rendicontazione
  - 102 – Informativa generale
  - 103 – Modalità di gestione
- **Standard per l'ambito economico**
  - 201 – Performance economiche
  - 202 – Presenza sul mercato
  - 203 – Impatti economici indiretti
  - 204 – Pratiche di approvvigionamento
  - 205 – Anticorruzione
  - 206 – Comportamento anticoncorrenziale
  - 207 – Imposte
- **Standard per l'ambito ambientale**
  - 301 – Materiali
  - 302 – Energia
  - 303 – Acqua e scarichi idrici
  - 304 – Biodiversità
  - 305 – Emissioni
  - 306 – Scarichi idrici e rifiuti
  - 307 – Compliance ambientale
  - 308 – Valutazione ambientale dei fornitori
- **Standard per l'ambito sociale**
  - 401 – Occupazione
  - 402 – Relazioni tra lavoratori e management
  - 403 – Salute e sicurezza sul lavoro
  - 404 – Formazione e istruzione
  - 405 – Diversità e pari opportunità
  - 406 – Non discriminazione
  - 407 – Libertà di associazione e contrattazione collettiva
  - 408 – Lavoro minorile
  - 409 – Lavoro forzato o obbligatorio
  - 410 – Pratiche per la sicurezza
  - 411 – Diritti dei popoli indigeni
  - 412 – Valutazione del rispetto dei diritti umani
  - 413 – Comunità locali
  - 414 – Valutazione sociale dei fornitori
  - 415 – Politica pubblica
  - 416 – Salute e sicurezza dei clienti
  - 417 – Marketing ed etichettatura
  - 418 – Privacy dei clienti
  - 419 – Compliance socioeconomica

The tables below show the pages where reference is made to GRI STANDARDS.

GRI Standard	Principi	Rif. n. pag.
102	**Informativa generale**	
	Profilo dell'organizzazione	
102-1	Nome dell'organizzazione	p. 1
102-2	Attività, marchi, prodotti e servizi	pp. 7, 8, 21
102-3	Luogo della sede principale	p.17
102-4	Luogo delle attività	p.17
102-7	Dimensione dell'organizzazione	p.20
	Strategia	
102-14	Dichiarazione di un alto dirigente	p.4
102-15	Impatti chiave, rischi e opportunità	p.25
	Etica e integrità	
102-16	Valori, principi, standard e norme di comportamento	pp. 24, 25 26
	Governance	
102-18	Struttura della governance	p.19
	Coinvolgimento degli stakeholder	
102-40	Elenco dei gruppi di stakeholder	p. 38
102-42	Individuazione e selezione degli stakeholder	p.38
	Pratiche di rendicontazione	
102-46	Definizione del contenuto del report e perimetri dei temi	pp.9, 10, 11, 12
102-51	Data del report più recente	p.1
102-54	Dichiarazione sulla rendicontazione in conformità ai GRI Standards	pp.9 e 12
102-55	Indice dei contenuti GRI	pp. 61, 62
103	**Modalità di gestione**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 15 e 16

GRI Standard	Principi	Rif. n. pag.
200	**Economici**	
	Performance economiche	
103-1	**Spiegazione del tema materiale e del relativo perimetro**	pp. 55,56,57,58,59,60
201-1	**Valore economico direttamente generato e distribuito**	pp. 58, 59,60
203	**Impatti economici indiretti**	
203-1	**Investimenti infrastrutturali e servizi finanziati**	pp. 22 e 23
205	**Anticorruzione**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 25,26,27,28
205-1	Operazioni valutate per i rischi legati alla corruzione	pp. 25,26,27,28

GRI Standard	Principi	Rif. n. pag.
300	**Ambientali**	
301	**Materiali**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 49, 50, 51, 52
103-2	La modalità di gestione e le sue componenti	pp. 49, 50, 51
302	**Energia**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 49, 50, 51, 52
103-2	La modalità di gestione e le sue componenti	pp. 49, 50, 51
303	**Acqua**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 49, 50, 51, 52
103-2	La modalità di gestione e le sue componenti	pp. 49, 50, 51
305	**Emissioni**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 49, 50, 51, 52
103-2	La modalità di gestione e le sue componenti	pp. 49, 51
306	**Rifiuti**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 49, 50, 51, 52
103-2	La modalità di gestione e le sue componenti	p. 49

GRI Standard	Principi	Rif. n. pag.
400	**Sociali**	
401	**Occupazione**	
103-1	Spiegazione del tema materiale e del relativo perimetro	p. 44
401-1	Nuove assunzioni e tasso di turnover	p.44
401-2	Benefit previsti per i dipendenti a tempo pieno, ma non per i dipendenti part-time o con contratto a tempo determinato	p.44
403	**Salute e sicurezza sul lavoro**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp.25, 27, 32
403-1	Sistema di gestione della salute e sicurezza sul lavoro	pp. 25, 26, 27, 28, 34, 35, 41, 42, 43
403-8	Lavoratori coperti da un sistema di gestione della salute e sicurezza sul lavoro	pp. 25, 26, 27, 28, 34, 35, 41,42,43
403-10	Malattie professionali	p.44
404	**Formazione e istruzione**	
103-1	Spiegazione del tema materiale e del relativo perimetro	p.45
404-1	Ore medie di formazione annua per dipendente	p. 45
410	**Pratiche per la sicurezza**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 41,42, 43, 46
103-2	La modalità di gestione e le sue componenti	pp. 41,42, 43, 46
413	**Comunità locali**	
413-1	Attività che prevedono il coinvolgimento delle comunità locali, valutazioni d'impatto e programmi di sviluppo	pp.21, 22, 23
414	**Pratiche per la sicurezza**	
103-1	Spiegazione del tema materiale e del relativo perimetro	pp. 26, 34, 35, 36, 43
414-1	Nuovi fornitori che sono stati sottoposti a valutazione attraverso l'utilizzo di criteri sociali	pp. 26, 34, 35, 36, 43

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- The researchers of the Studio Coppola Social Report Working Group

2021

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NEXTGEO

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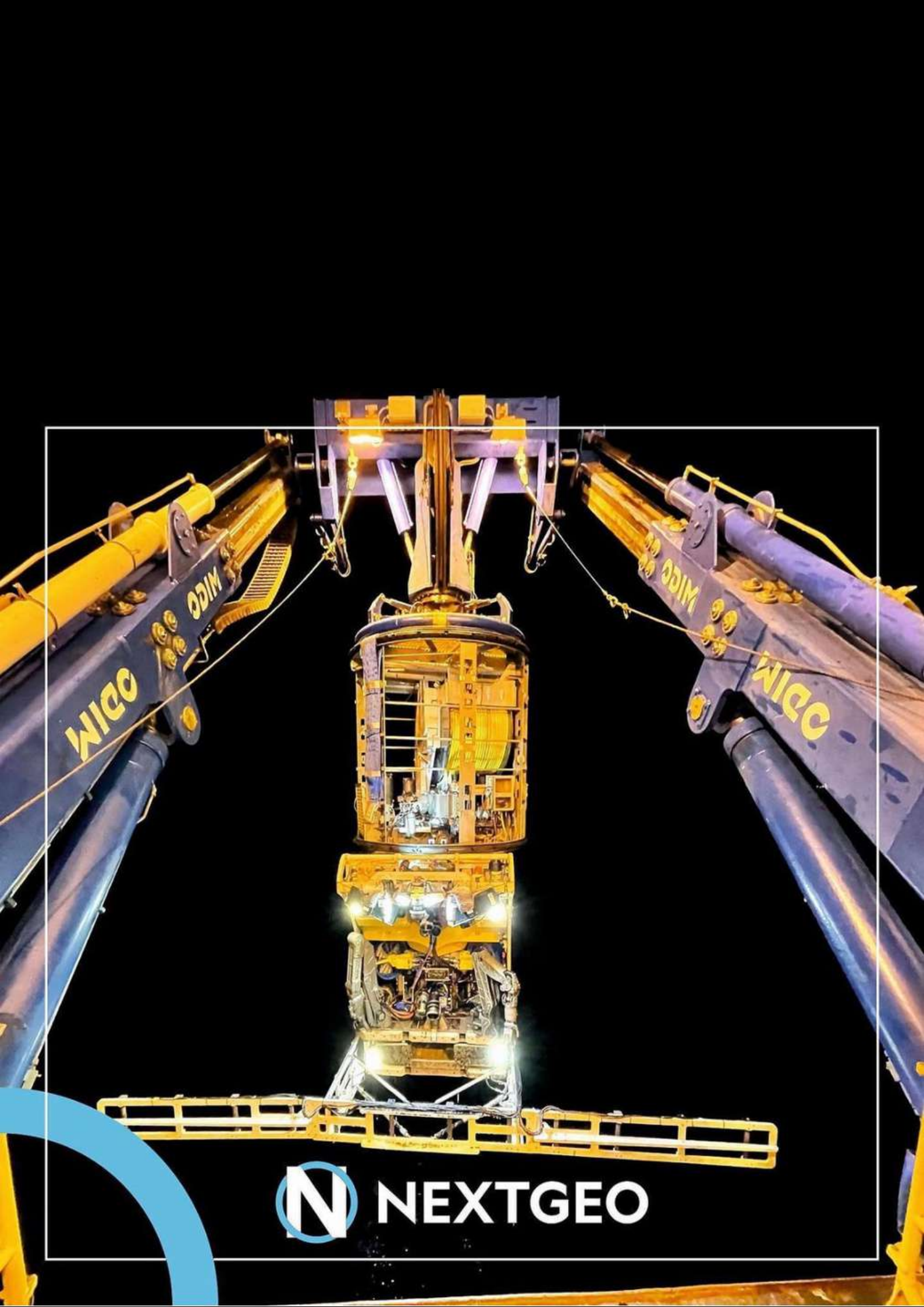
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