



Autorità di Sistema Portuale
del Mar Ionio

Sustainability Report 2021

Executive summary

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Introduction

The Port Network Authority of the Ionian Sea (PNAIS) publishes its **first Sustainability Report** for the year 2021, with the aim of consolidating and formalising the approach already adopted by the Authority in order to foster the sustainable development of the Port of Taranto. In addition, the document contributes to fulfil the institutional objective relating to the “*Preparation of the Authority’s Sustainability Reporting Model*” in compliance with Directive no. 166 of 21/04/2021 issued by the Minister of Sustainable Infrastructure and Mobility (MIMS).

The Document is structured as follows:

 <p>Methodology</p>	<p>It explains the objectives of the report, the drafting process put in place, the reference <i>standards</i> used, the scope and the reporting period.</p>
 <p>Chapter 1. Port Network Authority of the Ionian Sea</p>	<p>It describes the Authority’s identity and activities, as well as the Port’s location and infrastructural features.</p>
 <p>Chapter 2. The strategy of the PNAIS</p>	<p>It explains the context in which the organisation operates, the framework of European and national resources, and also strategic planning.</p>
 <p>Chapter 3. Sustainability in PNAIS' strategy</p>	<p>It describes the sustainability strategy pursued by PNAIS, its commitment to the Sustainable Development Goals, the process of identifying relevant stakeholders and the construction of the Materiality Matrix.</p>
 <p>Chapter 4. Governance</p>	<p>It draws attention to the governance model adopted by the Authority with reference to sustainability <i>governance</i>, the policies implemented in the areas of anti-corruption and transparency, the traffic diversification strategy, as well as technological development and innovation activities.</p>
 <p>Chapter 5. Environment</p>	<p>It describes the Authority’s commitment to the Port’s transition into a <i>Smart Green Port</i> through actions to improve energy efficiency, reduce emissions and implement better waste management.</p>
 <p>Chapter 6. Social</p>	<p>It outlines policies on personnel management and development, as well as health and safety. It also describes local community activities and initiatives carried out by the Authority.</p>



Concluding remarks by the Working Group

The concluding remarks by the Working Group that contributed to the creation of the document are presented.



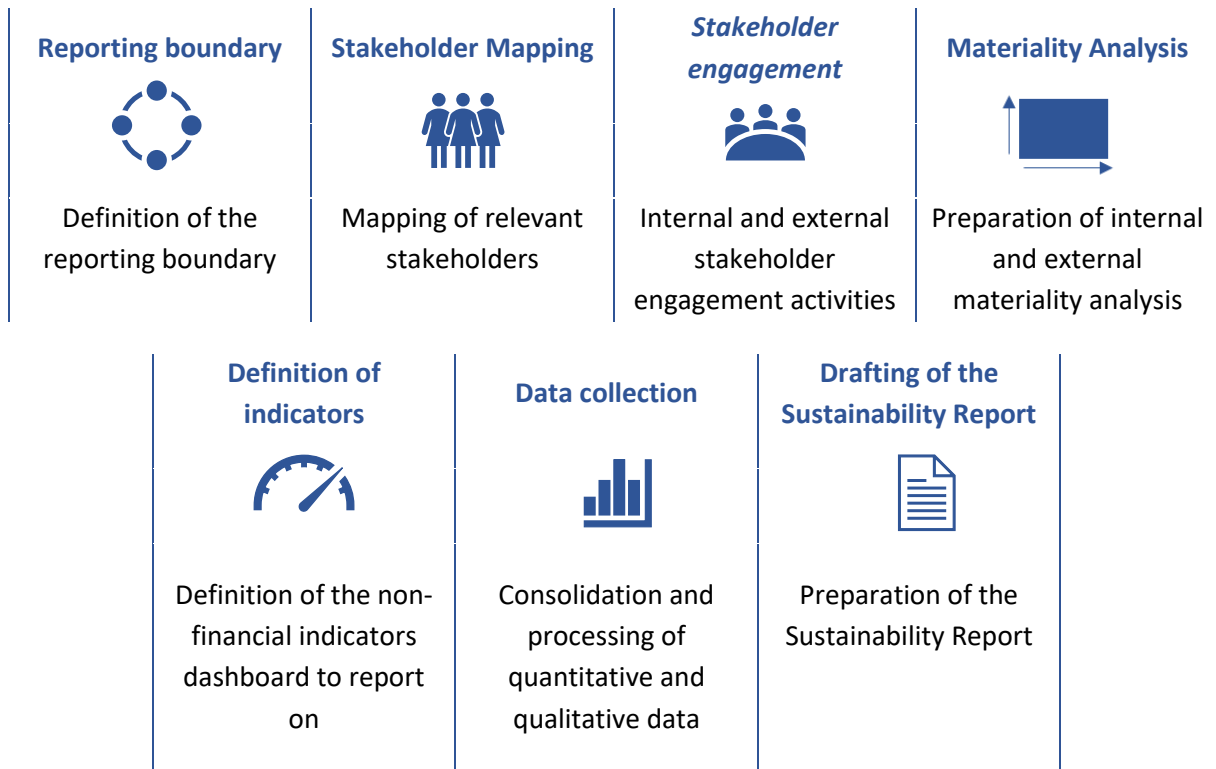
Methodological approach

The Document presents the **main social, environmental and governance effects achieved** and the future objectives supporting the sustainable growth of the Port of Taranto, through the methodologies and principles provided by the most widely used "GRI Sustainability Reporting Standards" defined by the *Global Reporting Initiative*. The Report also includes additional *frameworks*, such as the UN *Sustainable Development Goals* and the Sustainable Development Goals of the port sector defined in the Agenda 2030 of the *Association Internationale Villes et Ports (AIVP)*.

The data and information contained in the Sustainability Report refer to the Port Network Authority of the Ionian Sea, even though in certain cases - considering the Authority's responsibilities and its role in guiding and coordinating certain issues for the entire port ecosystem - elements and projects pertaining to the entire port ecosystem of Taranto have been reported.

Furthermore, all data and information refer to **the 2021 reporting period** (1 January 2021 - 31 December 2021) and to the previous year 2020, in order to compare information over the two-year period and describe any resultant trends.

The drafting of the document was carried out with the **full involvement and participation of the Authority's Senior Management and Directorate**, as well as **of its stakeholders** more generally. The main activities implemented are summarised below:



Highlights



71 concessions in force **EUR 15,231,582 economic value generated**

11 authorisations for port operations

16 concessions issued



17,529,183 tonnes of goods

80,309 cruise passengers

Zero cases of corruption

over 5,000 entries into the port

24 tenders launched



1,155 tonnes of waste managed

Renewal of ISO 14001:2015 certification



53 employees **43% female employees**

98% permanent contracts

Chapter 1. Port Network Authority of the Ionian Sea

The first chapter provides an overview of the Authority's identity and the entire port structure with particular reference to the infrastructural characteristics of the Port as well as its intermodal development. It also describes the economic value that the PNAIS generated during the two-year reporting period.

The Authority, established by Legislative Decree No. 169 of 4 August 2016, which amended the pre-existing Law No. 84 of 28 January 1994, is the **main player in the regeneration of the port system and logistics** in the Ionian province. By launching a series of actions aimed at innovation, digitisation, sustainability and coordination of interventions, it aims to boost economic development within the *shipping* sector.

The Authority operates from its headquarters located in the Port of Taranto. Its territorial district covers **4,000,000 square metres**, divided into 550,000 square metres of operational areas and 2,200,000 square metres of concession areas. The primary and secondary infrastructure works carried out in recent years now allow the port of Taranto to offer different types of *terminals*, as well as free commercial docks for handling all types of goods.

As far as infrastructure planning is concerned, the PNAIS aims to make the **intermodal development** of the port a primary objective since - in addition to geo-dimensional elements and features - it is focused on constantly updating and implementing its network of connections so that port accessibility can always be guaranteed, along with its function as a gate for international traffic serving the productive areas of southern Italy.

In carrying out its activities and operations, the PNAIS aims to **generate sustainable value for the community**. Despite the pandemic, in the year 2021 the Authority confirmed the achievement of concrete, measurable and shared results by investing EUR 15,231,582 (+35% compared to the previous year) in favour of the community, as well as achieving an economic value generated of EUR 27,842,756 and distributed of EUR 15,231,582.



Chapter 2. The strategy of the PNAIS

The strategic development of the Authority is certainly impacted not only by internal dynamics, but also by contingencies arising from the external context. The reference context is indeed presented within Chapter 2, also acknowledging the framework of European and national resources before describing the Authority's strategic planning (with a focus on the Three-Year Operational Plan and on the Performance Plan).

In 2020-21, the COVID-19 health emergency directly impacted the maritime and transport sectors worldwide. The implemented containment measures led to a sharp reduction in consumptions and international trade.

Despite the general context, the Authority continued to pursue its strategic actions following its distinguishing spirit of proactivity and resilience, while also receiving access to various European and national funds in order to improve the competitiveness and potential of the port infrastructures.

The strategic planning phase does not result in a single *output*, but rather in the development of several complementary and coordinated documents, as part of a broader strategic and regulatory planning process.

<p>1</p>	<p>Three-Year Operational Plan and its revisions</p>	<p>Document identifying the development strategies for port and logistics activities outlined by the Authority in a three-year framework.</p>
<p>2</p>	<p>Port Regulatory Plan</p>	<p>Planning tool for port and dry port areas. This tool designates the scope and the layout of these areas and their characteristics and functional use.</p>
<p>3</p>	<p>Annual directive on the identification of the objectives for determining the variables of the Presidents' emoluments.</p>	<p>The MIMS identifies the general institutional objectives of all national Authorities and particular strategic objectives established separately for each PNA on an annual basis.</p>
<p>4</p>	<p>Preliminary Budget</p>	<p>Document in which the use of human and financial resources to pursue organisational performance objectives is regulated in compliance with the principles of efficiency, cost-effectiveness and quality of services.</p>

5

Performance Plan

A three-year policy document that identifies the strategic and operational guidelines and objectives and defines the indicators for measuring and evaluating the performance of the Authority, managers and all employees.

6

Three-Year Prevention of Corruption and Transparency Plan

A strategic tool for the prevention of corruption and unlawfulness expressed through the adoption of a series of organisational measures aimed at limiting the risk of biased decisions or conduct.

Chapter 3. Sustainability in the strategy of the Authority

Sustainability is playing an increasingly central role within the Authority. To this end, Chapter 3 focuses on the strategies introduced by the Authority, the way its action contributes to the pursuit of the Sustainable Development Goals, the stakeholders with whom it interacts and collaborates, and the constructing process of the Materiality Matrix.

In recent years, the Authority has embarked **on an important journey towards sustainability**, with the conviction that orienting its work along ESG (Environment, Social, Governance) guidelines is the most effective strategy to evolve and foster growth and development. As a demonstration of the Authority's commitment to the issue, sustainability has been identified as one of the five reference objectives of the Authority's development strategy within the Three-Year Operational Plan 2020-2022.

The Authority's strategy is inspired by the following *frameworks*:

UN 2030 Agenda which defines 17 goals known as the *Sustainable Development Goals*.
Below are the SDGs identified by the Authority:



2030 Agenda of the Association Internationale Villes et Ports - AIVP which defines 10 goals.
Below are the SDGs identified by the Authority:

- 01 - Adaptation to climate change
- 02- Energy transition and circular economy
- 04 - A new governance model
- 05 - Investing in human capital
- 06 - Port culture and identity
- 08 - The city-port interface

More generally, the topic of sustainability has encompassed some of the internal processes of the Authority relating to institutional governance dynamics. With this in mind, the PNAIS has implemented a real *upgrading of policy making processes*, enhancing the concept of "open policy" through the

introduction of methodologies based on the principle of participation and inclusion, seen as effective and dynamic tools that need to be standardised and integrated to further increase the values of transparency and good governance within the Authority.

Always committed to maintaining a relationship and an open dialogue with its stakeholders in order to foster transparent communication and sharing of mutual expectations, the Authority has also used a **participatory approach** in drafting its first Sustainability Report.

Below are the 12 stakeholder categories identified and prioritised by the Senior Management according to the *AA1000 Stakeholder Engagement Standard*.

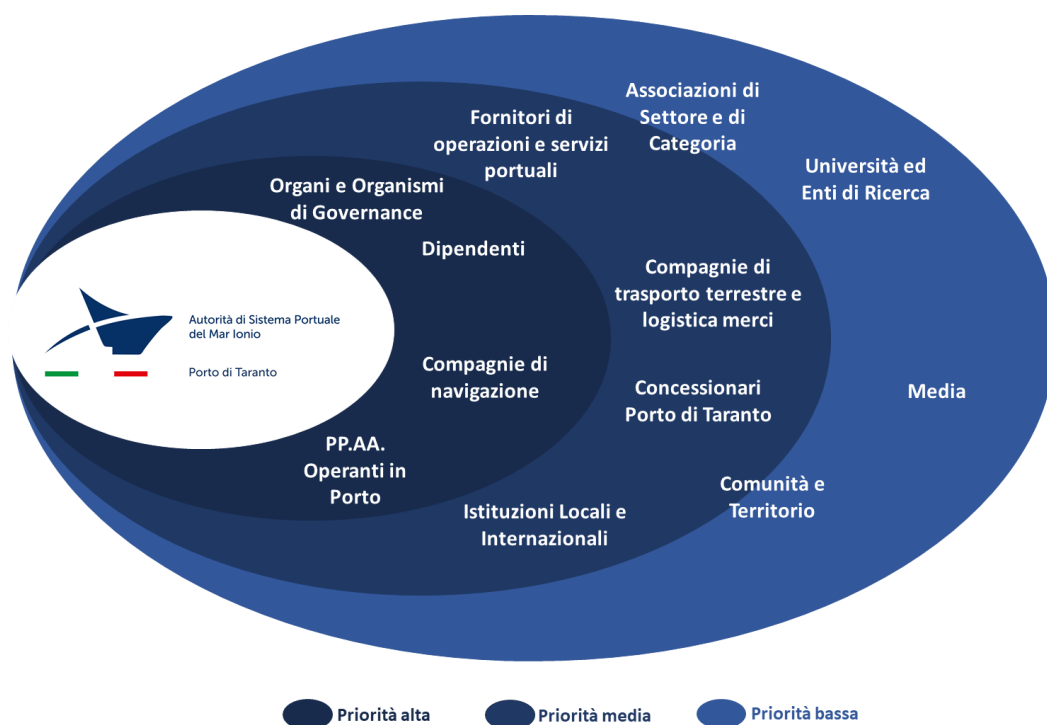


Figure 1. Mapping of the Authority's stakeholders according to their degree of relevance

With the aim of identifying the highest priority sustainability issues for the Authority, a **stakeholder engagement activity was launched among some of the stakeholder categories** represented in the figure above, through the organisation of **two workshop sessions** and the administration of **online surveys**, leading to the definition of Authority's first Materiality Matrix. Based on the issues identified as most relevant by the stakeholders, governance, environmental and social indicators were subsequently identified, which defined the structure of the Report itself.

Below is the Materiality Matrix with the 9 material themes identified in the upper right quadrant:

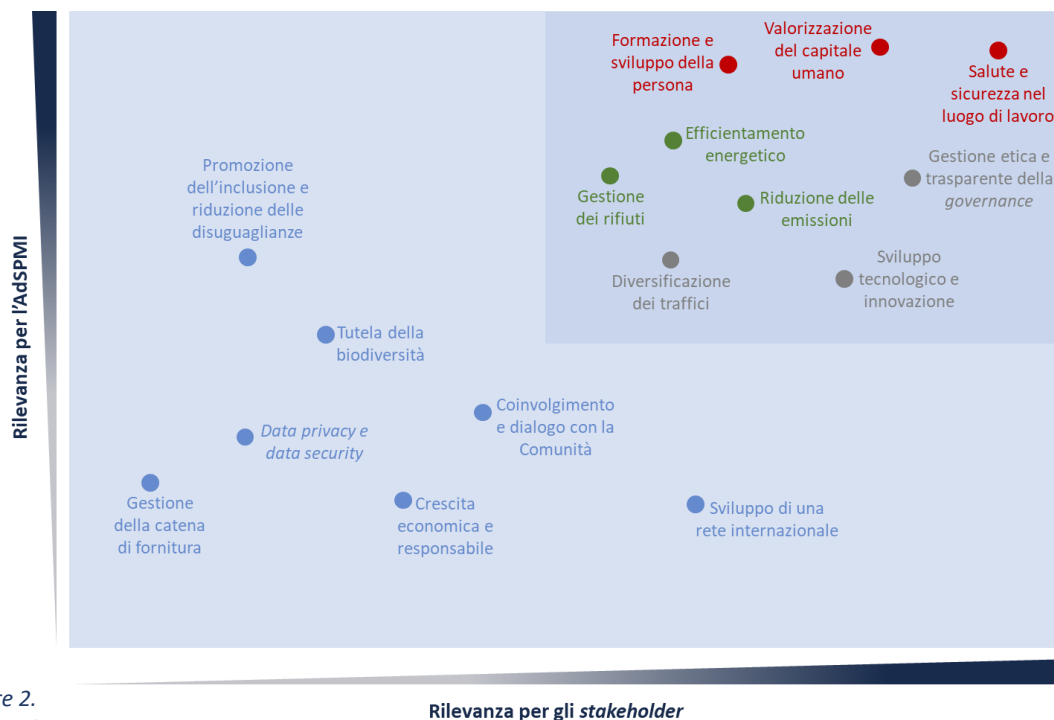


Figure 2.
Materiality Matrix

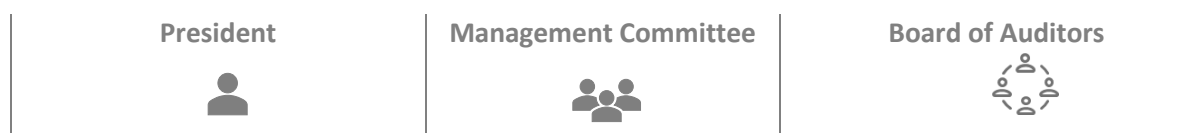


Chapter 4. Governance

In the following chapter, among the governance aspects that the Authority has always prioritised, particular attention was paid to its governance model, to the management of corruption prevention issues, to traffic diversification policies, as well as to the technological development actions and initiatives carried out and implemented by the PNAIS.

The Authority's awareness of being an Administration playing a **strong role in building policies** with a direct impact on the port ecosystem *cluster*, on the territory's economic system and on citizens has led, over time, to the enhancement and prioritisation of activities related to good governance of the territory.

The **governance system**, structured according to Law No. 84 of 1994, is composed of the following Bodies:



Together with these Bodies, the Secretary General, the Sea Resource Partnership Body, the Management Committee, the Independent Evaluation Body and the Head of Corruption Prevention and Transparency also operate jointly.

With their work, not only do these Bodies and Organisations ensure proper and transparent management of the Authority's overall governance, but they also facilitate the achievement and monitoring of strategic objectives in the areas of sustainability and institutional accountability.

In addition to the above, following the identification of a **Sustainability Working Group** consisting of a representative from each of the Authority's Departments for the purpose of preparing the Sustainability Report 2021, it is important to emphasise that the Authority is currently considering the organic systematisation of the aforementioned Working Group, recognising its role as an operational guideline and its function of transmitting these guidelines to the Authority's internal and external bodies.

Furthermore, solely in the field of corruption, the new **Three-Year Corruption Prevention and Transparency Plan 2021-2023** was published, in which the mapping of processes was implemented in the light of the indications provided in the 2019 National Anti-Corruption Plan. In addition, 100% of the employees have received appropriate anti-corruption training.

No cases of
corruption occurred
during the two-year
period

The subsequent sections in the chapter introduced two equally fundamental aspects for governance: the description of the traffic diversification strategies and activities implemented by the Authority and the technological and innovative development.

Despite the ongoing impacts of the COVID-19 emergency, the Authority has made the Port of Taranto a **multipurpose port** in recent years, introducing a cruise *terminal* that **handled 80,309 passengers** in

2021 alone, in addition to transporting **17,529,183 tons of goods** in the same year. It has also paid more and more attention to developing new operational dynamics strongly characterised by innovation and technology-related factors through the development of projects such as “*Faros*” and “*Digital Port*”.

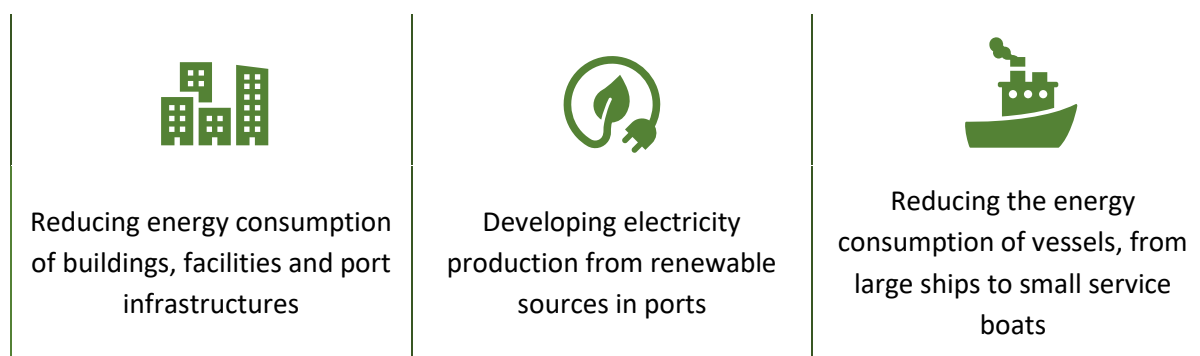
Chapter 5. Environment

The main environmental impacts dealt with in the chapter concerned energy efficiency, emission reduction as well as the Authority’s waste management system. In addition, the policies and procedures implemented by the Authority on environmental matters have been described more generally.

Knowing its **role in raising awareness of and collaborating to safeguard its territory’s natural environment** and the health and safety of the Port’s citizens, users and operators, in 2021 the PNAIS adopted an **Environmental Policy** that defines the Authority’s concrete environmental commitments and the renewal of the ISO 14001:2015 certification for the **Environmental Management System**.

The Authority has also intensified its efforts to reduce the energy consumptions of the port infrastructures, to produce electricity from renewable sources and to reduce the energy consumptions of vessels. In this context, the “**Cold ironing**” project was launched. Financed by NRRP funds, it aims to electrify the docks to reduce their dependence on oil and thus decrease the transport sector’s environmental impact.

These activities carried out by the Authority are grouped below into **three different strategies**:



In 2021, the total electricity consumption for the headquarters, structures and communal areas remained almost unchanged from the previous year, despite the increased operational activity of the Port and the gradual return of employees to the offices. In terms of emissions, the Authority produced a total of 664.9 tonnes CO₂eq in 2021.

Finally, **awareness-raising initiatives** regarding energy efficiency but also waste management continued in 2021. With regards to this last point, **1,155 tonnes of waste** were produced in 2021 (-28% compared to 2020).

Chapter 6. Social

The last chapter describes the Authority's personnel management and development activities and policies, with particular reference to staffing, promotion of inclusion, performance appraisal and health and safety. It also offers an overview of the initiatives organised and carried out in the community.

The Authority's workforce as at December 31, 2021 consists of **53 employees**¹, almost all under permanent, full-time contract. The staff consists of 30 men and 23 women.

In a traditionally male-dominated environment, the Authority's female presence reaches 43%. As evidence of the commitment to reducing inequalities, the **Gender Equality Pact** was signed by the Authority in 2021. Specifically, this Pact aims to improve women's working conditions, to enhance the activities carried out by them and to define company policies involving all levels of the organisation.

43% of female employees

In accordance with its own guidelines, the PNAIS has adopted a series of measures aimed at supporting the growth of its employees both in terms of consolidation of the role covered and in terms of personal and professional growth, focusing on strengthening the skills necessary to achieve the strategic objectives set by the Authority. During the year 2021, a total of **525 hours of training** were provided.

In order to improve work performance and create new incentives for employees, the Authority periodically carries out performance measurements and evaluations on its staff in order to boost productivity as well as to create a form of guarantee regarding the effectiveness of activities. In the same year a **95.5% overall performance** achievement was reached.

Zero cases of discrimination in the two-year period

Acknowledging its responsibility for the economic and social development of the territory, in 2021 the PNAIS reinforced the **port-city binomial**, identifying the Port of Taranto as a place where cultural, commercial, industrial, social and human relations take place and are renewed. The strong link with the local area and communities made it possible to launch an impact assessment of some of the Authority's

flagship projects, such as Open Port and Waterfront. Among the initiatives aimed at bringing the Ionian citizens closer to the port, **Taranto Port Days 2021** is an event promoted by the Authority with the goal of bringing the port even closer to the city of Taranto, enhancing the 'sea resource', as well as the port and logistics system.

The PNAIS will continue to monitor and evaluate its sustainability performance through structured processes, activities and through the Sustainability Report as a tool for dialogue and stakeholder engagement, as well as being a starting point for improving its impacts.

¹It should be noted that the total also covers the Secretary General, who is included in the male executive category.