

SUSTAINABILITY AT THE **20**
CORE **20**



OUR
SHARED
VALUE

Falck
Renew
ables

PURE POWER TO GROW

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LETTER FROM THE CHAIRMAN AND THE CEO

One year after the last edition of our Sustainability Report, we are faced with a profoundly changed world. The COVID-19 pandemic set the beginning of a new era, marked by a global health crisis that also became economic and social. Many habits have been upended and, with them, everyday practices.

In this context, the ability to evolve - the essence of our DNA - has proven to be our best ally. Resilience and rapid adaptation have been crucial levers for today's challenges: they allowed us to ensure the continuity of all our activities and to do it safely in all the geographies where we operate. The pandemic has fast-tracked a change in work mode - known as smart or remote working. We had already been experimenting with telecommuting for two years and promptly and successfully extended it to over 90% of our employees. For those whose jobs required on site presence, in both offices and facilities, we adopted strict, new safety protocols. For everyone, we updated insurance coverage to the needs of the current situation.

Despite the unpredictable and adverse economic situation, our activities have not stopped. On the contrary, we have grown in megawatts installed, in energy generated and, bucking current trends, even in number of employees. Continuing to focus on digital business innovation is paying off for our multiple transformation efforts.

However, the effects of the crisis have not distracted us from the mission to generate value in a sustainable way, and to share it with all our stakeholders: from shareholders to customers, from colleagues to the local communities that host us. In particular, these same communities represent a strategic partner for our sustainable and inclusive business model. Even in this complicated year, we continued the work of extending community engagement programs into more geographies.

Faced with the exceptional nature of the emergency, we wanted to offer additional support to the communities in which we operate, by means of an international program intended to alleviate the many difficulties caused by the pandemic and, in Italy, to support COVID-19 medical research.

Our mission remains committed to doing business by a modern, responsible and integrated approach to the transformation of those capitals (*economic & productive,*

social & relational, environmental & climate, as well as human) that are at the core of our shared value. In this way, we best pursue the sustainability targets of the Roadmap 2025, our industrial strategy. To do so, we have introduced a few new features. First, with the establishment of the Sustainable Strategy Committee, we elevated the value of sustainability in corporate governance, welding ESG principles to the core of the decision-making process. Consistently, in a year where many perspectives were overturned, we felt it was essential to involve our stakeholders in a participatory listening process, which concluded with the update of our materiality analysis, also useful for gathering new ideas for our sustainable business. Finally, with the presence in international and national networks - such as the Coalition for Action of the International Renewable Energy Agency, WindEurope, the Global Reporting Initiative, as well as with our participation in the Symbola Foundation (I) - we sought to strengthen our contribution to the debate on sustainable issues and practices.

The challenge of the pandemic has brought with it changes to every way of life. Along these changes, the indispensability of the transition towards energy sustainability has now become part of a global shared heritage. This is a path that Falck Renewables has been traveling for many years, first as pioneers, later as enablers. Today, before us, we see the first signs of recovery from the crisis, an unrepeatable opportunity for our economic sector and for a business ethic. More than ever, we are called to act. We enable all our stakeholders to grow and take action.



Enrico Falck
Chairman



Toni Volpe
CEO

2020 HIGHLIGHTS

€ 384.4 M
value of revenues

1.9 GW
managed capacity
of third-party
installations

+73 MW
of new installed
capacity of which
33 MW solar
40 MW wind power

+
New business
line dedicated to
**ELECTRICAL
STORAGE**

45%
of plants with a
significant
**community
engagement
program******

+
**GREEN
HYDROGEN**
partnership
in Spain

553
employees
(+10.8% compared
to 2019)

€ 170.2 M
added value
distributed to all
stakeholders*

2.6 GW***
pipeline of projects
under development

+
**INTEGRATED
AGRIVOLTAIC**
project development
adopted in Italy

€ 1.5 M
the total value of
**community benefit
funds** (United
Kingdom, Sweden,
Norway and Spain)
for a total of **168
supported projects**

2
new **community
benefit schemes**
started in **Norway
and Spain**

OVER
90%
of colleagues
worked remotely,
for a total of
708,840 hours

1,158.8 MW**
total installed capacity
(+6.7% compared to
2019)

7
PPAs signed
(of which 3 with a
ten-year duration)

2,519 GWh
solar and wind energy
production equivalent to
**569.8
THOUSAND
tCO₂eq******
emissions avoided

+
Adoption of
**SUSTAINABLE
CONSTRUCTION
GUIDELINES**
to minimize the impact
of our activities on the
environment

€ 783 M
funds for the
international
COVID-19
program for **local
communities** and
medical research

42%
**women in the Board
of Directors**

€ 200 M
the value of the
green bond issued
with maturity in 2025

62 MW
**wind and solar in
operation,** a dedicated
development and asset
management team and
a pipeline of projects
up to 190 MW
(of which 30
ready-to-build) for the
US joint venture with
ENI **Novis Renewables**

€ 843
THOUSAND
in **interest** paid in the
United Kingdom
to **3,622 subscribers**
of **7 cooperatives**
and a **community
ownership program**

+
Adoption of
**SUSTAINABLE
PROCUREMENT
GUIDELINES**
in **suppliers**
qualification

16,729
total training
hours equivalent
to **individually
30.3
hours** per year

* To stakeholders such as employees, shareholders, providers of loan capital, central and local government and local communities.

** According to IFRS reclassification.

*** Excludes 175 MW of projects currently under construction.

**** References of the emission factors applied in this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2020); EU: "Fattori di emissione atmosferica di gas a effetto serra nel settore elettrico nazionale e nei principali Paesi Europei" [Atmospheric emission factors of greenhouse gases and other pollutants from the power sector] (ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, 2020 update). These factors are updated with respect to those applied in previous reporting. Performances and targets have been re-calculated accordingly.

***** To be understood as the involvement of local communities through cooperative, ownership and benefit programs, as well as crowdfunding initiatives, or with the local enabling of sustainable energy consumption services (i.e., community energy PPA, access to net metering credit programs, etc.) for the benefit of communities or entities/institutions of public utility.



THE FALCK RENEWABLES GROUP

We are an international pure play company working in the field of renewable energies. We create shared value, both tangible and intangible, for all of our stakeholders.



A MODEL OF SUSTAINABLE AND INCLUSIVE BUSINESS

We develop, design, build and operate clean energy production plants. Our multidisciplinary competence and digital attitude allow us to offer top notch technical and administrative management service to third-party facilities as well. We also provide highly specialized energy management services to both producers and consumers.

Our business model hinges upon our commitment to create shared value both for our shareholders and for all the other stakeholders, with a particular focus on enabling sustainable opportunities for the territories and the local communities that host our assets.

Our approach is aimed at seizing the opportunities generated by the energy transition, at the intersection of renewable generation, electrification, reduction and flexibility of consumption. These are all necessary features in the task of achieving carbon and climate neutrality. In this sense, we see ourselves as enablers of sustainable energy solutions.

Our business is mainly about the production and sale of green electricity through wind, photovoltaic and, to a lesser extent, waste-to-energy and biomass plants, with a total installed capacity of 1,158.8 MW as of December 31, 2020 (+6.7% compared to 2019). Through Vector Renewables, a wholly owned Spanish group since 2014, we provide technical and administrative asset management services and we deploy NUO, our virtual asset management platform. With Falck Next S.r.l., Falck Next Energy S.r.l. and Energy Team S.p.A, we offer energy management and energy efficiency services, also with innovative solutions for online monitoring of commercial & industrial energy performance and consumption.

At the end of 2020, there were 553 people working in our Group. Our generation plants are located in Europe (Italy, the United Kingdom, France, Spain, Sweden, Norway) and in the United States, where Novis Renewables LLC (the asset development joint venture set up with ENI) and Novis Renewables Holdings LLC (owner of the US assets and 51% held by our Group) operate. Through Vector Renewables, we operate worldwide, including (but not limited to) Mexico, Japan and Australia.

OUR BUSINESS MODEL



OUR BUSINESS AREAS



ACTIVITIES IN NUMBERS AND OUR GEOGRAPHICAL PRESENCE

GROUP-OWNED POWER PLANTS AND DEVELOPMENT PIPELINES

1,158.8 MW*

Total installed capacity of which:
 963.6 MW onshore wind
 160.2 MW solar photovoltaic
 20 MW waste-to-energy
 15 MW biomass

2,712 GWH

Produced power

2.6 GW

Pipeline of projects under development**

ASSET MANAGEMENT AND TECHNICAL ADVISORY

3 GW

Assets managed:
 SPVs management and optimization of plant performance (of which 1.9 GW from third parties)

70 GW

Technical advisory:
 engineering consultancy on all technical aspects during project development and commissioning

4.6 GW

Transaction advisory on renewable projects:
 investment and technical financial model analysis, legal support and due diligence

ENERGY MANAGEMENT AND ENERGY EFFICIENCY

1.3 TWH

Energy management:
 dispatch of energy produced by renewable assets for energy aggregators

1,561

Customers smart metering demand-response clients:
 metering services, management of demand response services



* consolidated with equity method



OUR STRATEGIC PLAN: THE ROADMAP 2025

The Roadmap 2025 strategic plan aims to increase and diversify the project portfolio, strengthening the presence in mature markets and focusing on:

- a new growth path based on sustainable investments, aimed at increasing renewable generation capacity from on-shore wind and solar photovoltaic energy;
- strengthening of the development, design, engineering, construction and management of new plants, including through new partnerships and joint ventures;
- the development of electrical storage, in its various configurations (utility scale, stand-alone, and integrated into generation plants);
- a strong push towards the digitalization of processes and services, with software platforms for the management of renewable plants (NUO), as well as for energy monitoring for industrial and commercial customers (CIoE);
- strengthening of energy management and energy efficiency activities, with innovative technological solutions to reduce the carbon footprint of energy consumers;
- a focus on creating shared value for all our stakeholders.

SHAREHOLDERS AND INVESTOR RELATIONS

We are listed in the STAR segment of the Italian Stock Exchange and included in the FTSE Italia Mid Cap Index. We are committed to maintaining a high degree of credibility with our investors, the market and the financial community by consolidating existing relationships and by establishing new relationships based on utmost transparency.

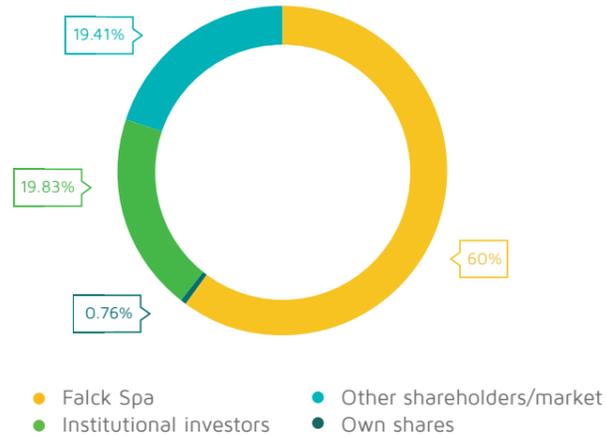
Through our Investor Relations function, we are in constant dialogue with institutional investors, shareholders and other financial operators, contexts in which the sustainability aspects of our business are increasingly important.

In 2020, we held 22 meetings with the financial community and 356 with potential investors, a number that rises to 371 (+59% compared to 2019) if we include meetings with analysts and brokers. On a quarterly basis, we publish our interim management reports on the dedicated page of our corporate website.

STOCK TREND PERIOD 01.02.2018 - 12.30.2020



SHAREHOLDERS AS AT 12.31.2020



TOTAL NUMBER OF SHARES (UNCHANGED)

269,050,149

MARKET CAP

€1,920.4M

RATIO BETWEEN NUMBER OF SHARES TRADED IN THE YEAR AND TOTAL NUMBER OF SHARES

92%

Analysts and international ESG rating agencies regularly assess our performance with respect to *environmental*, *social* and *governance* issues, along with the transparency with which we disclose such information, thus supporting investor choices.

During 2020, we engaged with several leading ESG rating agencies - such as Sustainalytics, Morgan Stanley Capital International (MSCI), and Institutional Shareholder Services (ISS) - with dedicated meetings and providing materials to support their assessments. We also endeavored to join the Bloomberg Gender-Equality Index (GEI). Our joining the Index, announced in January 2021, was an important milestone for one of the main goals of our sustainability strategy: promoting gender diversity and inclusion.

In 2021, we want to consolidate both our relationships with current agencies and expand our interaction with new rating companies, in order to have a broader spectrum of ratings.

The main equity research companies that follow our stock

Banca Akros; Equita; Fidentiis; Intermonte; Kepler Cheuvreux

Financial events we attended in 2020

These are the main events (largely online) we took part in this year:

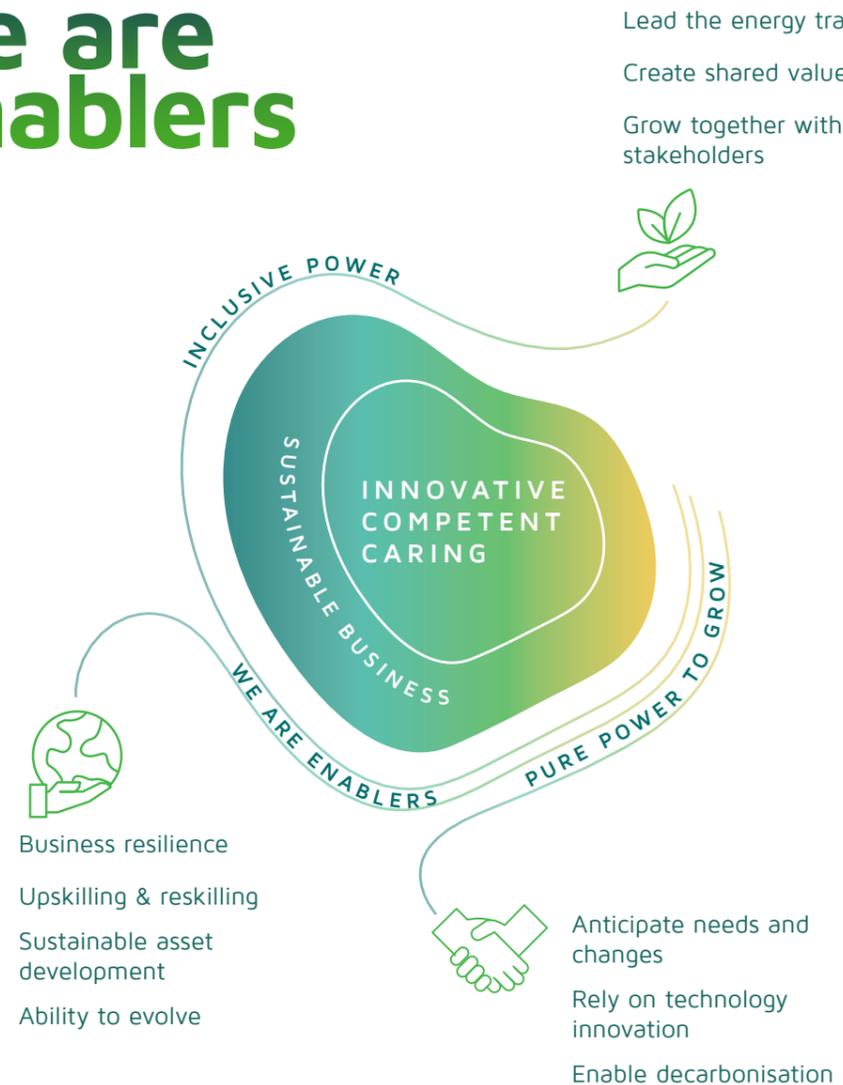
- Quarterly conference calls with analysts
- On-site conferences in January (Mediobanca and Equita)
- Virtual Conference of financial brokers, including Jeffries, JP Morgan, ODDO BHF, Intermonte, Kepler Cheuvreux and Mediobanca
- 2 Virtual STAR Conference, Borsa Italiana
- Virtual Italian Infrastructure Day, Borsa Italiana
- Virtual Italian Sustainability Day, Borsa Italiana

Enabler of energy sustainability: the basis of the new brand identity

In 2020, we adopted a new brand identity to better describe our positioning in the challenges of today and tomorrow. Being an *enabler* is the concept that most defines us, understood as being able to generate - and transmit - the power to achieve the goals that we have set. In our case, it is about the power to innovate and grow sustainably, by sharing our expertise, spreading our knowledge, and putting our best foot forward. Enabling all of our stakeholders to do so as well.

Innovative, competent and caring: this is the role we want to play in the decarbonization economy. A positioning created by the entire Company, by those who lead it and those who participate in its growth every day. Staging 25 interviews and 5 internal focus groups allowed us to take a snapshot of *what we are today*, but more importantly, *what we would like to be tomorrow*: leading enablers of the energy transition.

we are enablers



EVOLUTION IN THE GOVERNANCE SYSTEM

We believe that one of the fundamental components for sustainable growth is the ethical management of corporate activity. The integrity of the corporate governance system is the cornerstone for the proper and profitable conduct of our business, in line with the strategic guidelines, as reported by the Corporate Governance Regulation available on the website www.falckrenewables.com.

The governance system is structured according to the traditional model - characterized by the presence of a management body, the Board of Directors, the Supervisory Body, and the Board of Statutory Auditors - and is based on the provisions of the law and of the Articles of Association, supplemented by the principles of good practice contained in the Code of Conduct for Listed Companies¹.

In 2020, we renewed the Board of Directors (BoD) of Falck Renewables S.p.A., following the approval vote of the Shareholders' Meeting. The BoD is vested with the broadest powers for ordinary and extraordinary management of the Company, and is currently made up of 12 members, 58%

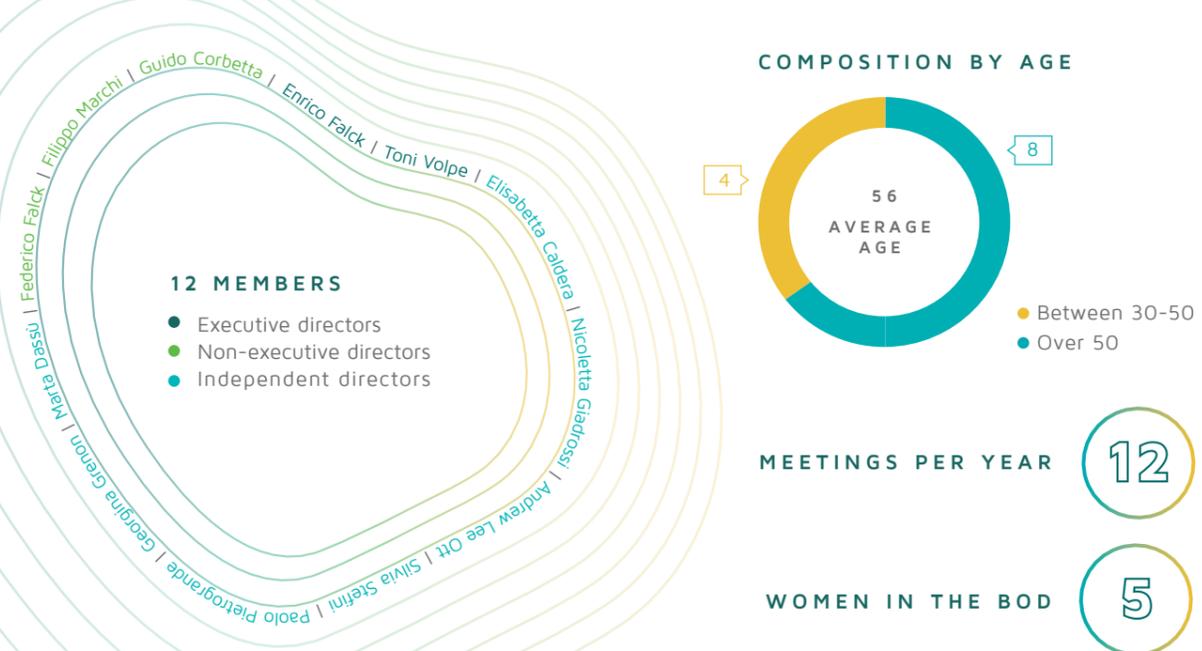
of whom are independent. The BoD, which will remain in office until approval of the Financial Statements for the year ending on December 31, 2022, brings together the diversified expertise of its members in managerial and professional terms, as well as by gender diversity (7 men and 5 women), age and length of service.

In 2020, we set up a Sustainable Strategy Committee comprising 6 internal members (4 independent directors with expertise in the sector, plus the Chairman and the CEO), whose task is to support the BoD in matters of sustainability, energy markets and technological innovation, in order to define the Group's strategic objectives.

Other advisory functions are referred to the Control and Risks Committee and the Compensation Committee, comprising independent members with specific expertise.

The governance system is completed by the Board of Statutory Auditors, made up of 5 members (3 standing auditors and 2 alternates), and the Supervisory Body. Both perform functions as required by law.

DATA ON THE BOD



DIRECTORS' EXPERTISE



INDEPENDENT DIRECTORS



EXECUTIVE DIRECTORS



NON-EXECUTIVE DIRECTORS



¹ Approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana SpA, ABI, Ania, Assogestioni, Assonime and Confindustria. By resolution dated December 3, 2020, the Board of Directors revised its Corporate Governance Regulations to align them with the new contents of the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana SpA in January 2020, and which will come into force in the first financial year after December 31, 2020.

THE PRINCIPLES OF THE FALCK RENEWABLES CODE OF ETHICS

FOCUS ON PEOPLE

respect for fundamental rights, protection of moral integrity and guarantee of equal opportunities, both within and outside the Group.

OPEN DIALOG

with all local stakeholders (population, institutions and entities).

MAXIMUM MARKET COMPETITIVENESS

with investment in research aimed at developing safe, reliable and effective technologies.

COMPLIANCE WITH CURRENT REGULATIONS

an absolute imperative of the way we do business and of those who want to do it with us.

PROTECTION OF ENVIRONMENTAL HERITAGE

as the underlying principle of the Group's mission.

Our ethical culture and strategic thinking are formalized in the Code of Ethics, which sets out the principles, obligations and responsibilities that must be complied with by employees and collaborators, and, as such, is disseminated among all Group companies. In addition, the Italian companies follow the Organization and Management Model, while foreign companies adhere to the provisions of the Compliance Program. With regard to anti-corruption legislation and respect for human rights, the Group companies operating in the UK adhere to the provisions of the *UK Bribery Act* and the *UK Modern Slavery Act*, while those operating in Spain refer to the *Ley Orgánica*.

Supervision and checks on the functioning of the system - and, more generally, on the correctness of corporate management - are entrusted to the bodies responsible for control: the Board of Statutory Auditors, the Supervisory Board and the corporate Internal Audit² department.

² The head of the Internal Audit Department is appointed and dismissed by the BoD upon recommendation of the Chairman of the BoD, in consultation with the Audit and Risk Committee. This approach was taken in order to reinforce the independence required by the role.

³ Audits aimed at verifying the effectiveness and efficiency of corporate operations. They may relate to strategic processes, business processes, or processes that support business operations.

⁴ Audits aimed at verifying the reliability of accounting and financial information, and situations used for internal purposes (management reporting) or disclosed to the market (external reporting).

⁵ Audits whose main objective is to verify the adherence of corporate processes and activities to external laws and regulations, as well as to internal procedures or policies.

HUMAN RESOURCES DEVELOPMENT

through the development of every employee's skills, abilities and talents, according to a merit-based policy and equal opportunities, in an environment that fosters communication and cooperation at all levels.

INTEGRITY, HONESTY, FAIRNESS, TRANSPARENCY

in order to consolidate, with all stakeholders, the Group's reputation as a serious, reliable and professional partner.

EFFICIENT AND EFFECTIVE MANAGEMENT

also pursued through adequate control processes, through certification of companies, assurance and maintenance of environmental parameters and reliable performance over time.

PERMANENT INNOVATION

to be key players in energy transition.

The Internal Audit department operates both on the basis of a plan approved by the BoD - subject to the favorable opinion of the Control and Risk Committee and upon consultation with the Board of Statutory Auditors - and according to specific needs. The department is responsible for handling reports of violations of laws, regulations, internal procedures, principles and ethical standards. During 2020, 10 audits were carried out under the supervision of the team of internal auditors, which produced 16 audit reports divided into three areas: operational³, financial⁴ and compliance⁵.

Reports are collected through the email boxes of the Supervisory Bodies, or, also in anonymous form, through the Whistleblowing Portal, active since 2017. In 2020 only one report was received, in non-anonymous form, for alleged unethical conduct which, following the checks carried out, was not confirmed.

04

SUSTAINABILITY AND BUSINESS RESILIENCE

The ability to evolve and innovate are in our DNA, sustainability is the space in which our strategic directions and our activities are drawn.



SUSTAINABILITY AND BUSINESS RESILIENCE

In the face of the dramatic impact of COVID-19 on global societies and economies, the renewable energy sector has shown great resilience to the crisis. Disruption of global supply chains and social distancing measures have overall slowed plant construction projects and reduced global energy demand. However, the International Energy Agency (IEA) has estimated a 7% increase in renewable energy use in 2020, and a 4% growth in the corresponding net installed capacity. The trend of sustainable evolution of the energy sector, therefore, has not stopped. The constant process of technology innovation is framing renewable generation as a more efficient model both economically and environmentally, with plans to become the world's leading source of electricity by 2025⁶.

In this scenario, our ambition is to continue the strategic path defined in the Roadmap 2025, contributing to the global transition towards energy sustainability, leveraging business innovation and taking advantage of technological development.

Our growth is intrinsically linked to sustainability, an approach that permeates every decision and every business process, representing an identity factor in the actions of our people.

OUR MOST IMPORTANT SUSTAINABILITY TOPICS

To maintain full awareness of the priority areas on which to focus our sustainability strategies and actions - and on which to report transparently - we update the materiality matrix annually.

in an individual interview, to deepen the answers provided online and to collect their opinions on the macro-trends taking place in the world of energy sustainability.

Our approach frames stakeholders as key players in business development.

FALCK RENEWABLES STAKEHOLDERS

In a year in which individual and community needs have been overstated, we wanted to open the dialog to a wider pool of stakeholders, to engage with them on how realities have changed and on how perceived needs have evolved. Starting with the topics of the 2019 materiality matrix, we initially involved the corporate management, with the objectives of updating the list and taxonomy of relevant topics, their description and of building the map of the stakeholders with which the Company engages.



According to the five dimensions of the AccountAbility AA1000⁷ international standard, each stakeholder was given a weight, which influenced the value of the importance attributed to topics by each of them.

The stakeholder engagement activity was conducted by means of an online survey sent to over 400 individuals and covering all categories of the Company's stakeholders. The stakeholders were asked to provide an assessment on relevant topics and/or to add new ones. Subsequently, some stakeholders, considered particularly significant for the nature of the relationship they have with us, were involved

⁶ <https://www.iea.org/reports/renewables-2020>.
⁷ <https://www.accountability.org/standards/>.

THE MATERIALITY MATRIX

The 2020 materiality matrix is the result of what emerged through the involvement of external stakeholders, integrated with those findings collected within the company. The 12 identified material topics are all positioned in the highest relevance sector of the matrix.



HUMAN

Health, safety and well-being:

Ensuring the safety and health of workers and the communities in which we operate is essential to us. The pandemic has changed the concept of "safety", demanding immediate reactions to protect our people, for the safety of our facilities and to enable business continuity.

Business and governance integrity and transparency:

These are absolute principles that permeate our system of governance and professional conduct, and guide our activities in all the contexts in which we operate.

Diversity enhancement and equal opportunities:

We are committed to providing colleagues with an inspiring work environment where diversity is both an ethical and business value, and where individual well-being and inclusion are key drivers of business success.

Specialization and excellence of human resources:

Our ability to achieve strategic goals and create lasting, shared value is a direct expression of our people, the heart of the company.

ENVIRONMENTAL AND CLIMATE

Fighting climate change:

It is the engine that guides us along the path of energy transition and that engages institutions and companies in the common challenge of industry decarbonization.

Environmental management and protection:

We pay strong attention to the protection of the environment and biodiversity throughout the life cycle of our plants: from design to construction, management and decommissioning, and in any operational activity.

ECONOMIC AND PRODUCTIVE

Long-term economic value generation (and sharing):

It is the primary objective that holds corporate and stakeholder interests together. The creation of long-term economic value enables the development of the company and the territories with which it is shared.

Business innovation:

Our business is based on a proposal of innovative models of value creation. Alongside these elements, there is the process of digitalization, which, on the one hand, enables the development of new services and, on the other, the evolution of business processes, ensuring continuity, resilience and business expansion.

Integration of ESG aspects into risk management:

Our model integrates the achievement of strategic business objectives with the management of environmental, social and governance risks.

Relationships with Authorities and Institutions:

This dialogue is fundamental for us in order to promote innovative proposals for the development of the debate - including regulatory - on energy sustainability.

SOCIAL AND RELATIONAL

Relationships (integration) with local communities and local development:

We want to create shared paths with the local communities that host us, ensuring that we return part of the value generated and adopting best practices to minimize our environmental impact.

Responsible supply chain:

We maintain a strong oversight of responsibility and sustainability throughout the supply chain, including promoting the local workforce and short-chain purchasing, to maximize the distribution of value generated in a given geographical area.

Contribution to the sustainable development debate

We want to be enablers and promoters of energy sustainability. In order to pursue this path, it is essential to network and become part of a system of relationships that aspires to a "fair" development of the sector. For this reason, we are proactively present in several national and international roundtables, to contribute to the dissemination of cutting-edge models and policies.

- As of 2019, we have been part of the International Renewable Energy Agency's (IRENA) Coalition for Action, an advisory network of private sector actors, trade associations, intergovernmental organizations, civil society, and research institutions, and in which we are actively engaged in discussing and rethinking models, practices, and sharing experiences, and, in particular, our model of sustainable and inclusive local value creation.
- Since 2019, we have been supporting the Global Reporting Initiative and we belong to its community.
- We are part of WindEurope, a non-for-profit association of international wind industry stakeholders and operators. In 2020, the Board of WindEurope opened

its doors to our CEO, Toni Volpe, making us even more prominent in helping to strengthen the role of wind energy and its value chain in European sustainable policies and practices.

- Over 25 years ago, we began our journey alongside companies that, together with Assolombarda*, created Soliditas Foundation, committed to affirming the leadership of business in achieving sustainable development. Today, we are proud to continue this journey with our Chairman, Enrico Falck, at the head of the Foundation.
- In 2020, we became a member of the Symbola Foundation, which brings together Italian companies and organizations oriented to the themes of green economy, culture and social cohesion.
- We are among the first 110 signatories of the Manifesto entitled "Defeat the Pandemic with a new Green Deal for Italy", with the conviction that, to start moving forward again, Italy must leverage its best potential in a sustainable way, including decarbonization through energy efficiency and renewable sources.

* The industrial association of the Metropolitan City of Milan and the Provinces of Lodi, Monza and Brianza, and Pavia (Lombardy, I).

OUR RESPONSE TO THE COVID-19 EMERGENCY

Even in the health emergency, following the three principles of innovation, competence and care, we wanted to be of support for our stakeholders. We implemented strategies and continuity plans to better manage the effects of the pandemic on business, as well as to reduce the risk of contagion in work settings. Since the beginning of the pandemic, a **Crisis Team** has been activated in order to coordinate our operational response; it includes: CEO, Human Resources Director, QHSE Director, IT Director and Group Risk Manager. On a daily basis during periods of major emergency, the **Team** disseminated a bulletin to the Group workforce on epidemic trends and safety practices to be adopted. Here is a list of some of the initiatives implemented to support different stakeholders:

Staff

- As of February 24, 2020, remote working was extended for over 90% of workers
- Dedicated insurance packages for employees and family members
- Online training programs and welfare services
- Personal protective equipment and digital tools for workplace distancing

Customers

- Ensured continuity of energy production, energy management and asset management services, with maximum use of remote solutions,

and delivery of our smart energy technology solutions on a regular basis

- Customers reached through alternative channels, such as professional social media platforms, live streaming events & webinars

Local communities

- Additional financial support to local communities to address the consequences of the pandemic

Suppliers

- Alternative work methods and new HSE procedures, ensuring safety and health of the supplier workforce

Institutions

- Donations to hospitals, organizations and medical research institutions to support the fight against the pandemic

Financial community

- CEO's letter to the financial community to reassure it about business continuity
- Since the Q1 conference call with financial analysts, we produced updates on expected business impacts

SUSTAINABILITY INTEGRATED INTO BUSINESS DEVELOPMENT

The complete vision of our activities allows us not to confine sustainability to a mere aspect of the business, making it instead a distinguishing element of every process. This link is expressed in the *Sustainability Framework* (SUF), which is the tool developed to create a direct thread between material issues and sustainability goals.

The SUF, which is updated annually, delimits the scope within which strategic business decisions are taken. SUF circumscribes the space where business risks are tolerated and where the industrial plan is defined.

Thanks to the SUF, we have identified sustainability objectives for each material theme, which, in turn, are translated into concrete actions through the *Sustainability Yearly Plan* (SYP), implemented on a daily basis. The SUF also represents the link between our sustainability results and the *Sustainable Development Goals* of the United Nations 2030 Agenda. Indeed, we are directly committed to contributing to 9 of the 17 challenges launched by the UN, which gives us a useful framework to picture our work on a global scale.



The SUF is also instrumental in informing risk analysis and management processes: indeed, it is integrated with the *Risk Appetite Framework* (RAF), the tool that identifies the risk thresholds that can be assumed for each type of business activity, providing a combined framework of strategy and sustainability with a higher and more innovative holistic and resilient value.

Since last year, through the SUF, we have identified 4 strategic sustainability goals, one for each of the 4 capitals, and adopted them as a proxy for our sustainable performance in the Roadmap 2025.

The SDGs we contribute to

Through our sustainability strategy, we contribute to the achievement of the Sustainable Development Goals of the United Nations 2030 Agenda. We are most active in 9 of the 17 UN goals:

3 GOOD HEALTH AND WELL-BEING a topic that has upended individual and collective priorities in 2020. We have made it a top priority to take the necessary steps to protect the health of our colleagues and those who relate to them from the impacts of the pandemic

7 AFFORDABLE AND CLEAN ENERGY we are a pure play in the renewable energy industry. We are active in the international debate for the promotion of innovative models of dissemination and accessibility of green energy

12 RESPONSIBLE CONSUMPTION AND PRODUCTION we pursue an all-encompassing model of energy sustainability from the supply chain, through energy generation, to end uses. Therefore, we are constantly striving to develop innovative solutions for a responsible use of energy along the entire value chain

4 QUALITY EDUCATION the energy transition is an ongoing process. Innovation and specialization are key factors to govern the process and to disseminate the culture of energy sustainability as a driver of development. In addition to upskilling and reskilling colleagues, we make our know-how available to the local communities where we operate, or even setting up training opportunities, with a view to creating new professionals capable of taking part in the energy transition process

8 DECENT WORK AND ECONOMIC GROWTH our business model is developed around sharing value with our stakeholders. We encourage local employment and prefer a short supply chain that gives room for local economies in the development of our plants

13 CLIMATE ACTION it is the primary meaning of our business. We are enablers of the energy decarbonization process, both through our activities and services, but also by promoting dedicated initiatives for local communities

5 GENDER EQUALITY in our activities, we come into contact with different cultures around the world. We promote an inclusive work environment, including at our suppliers, that ensures everyone has the same opportunities for growth, without gender bias and based on respect and fairness. Our Diversity and Inclusion Policy formalizes the equality and equal rights of every individual

11 SUSTAINABLE CITIES AND COMMUNITIES sharing the value generated with local communities makes us part of the development of the territory. We want, with our presence, to build opportunities for the sustainability of the places and societies that host us, also through the support of initiatives - on wide-ranging issues, such as social, cultural, environmental, infrastructural - conceived by the citizens themselves

15 LIFE ON LAND we are committed to minimizing the environmental footprint of all our activities. In addition to production that is by definition green, we adopt best practices to ensure the compatibility of our activities with the surrounding environment, safeguarding its biodiversity

Capital	Target	2019	2020	2021	2025	Cumulative 2020-2025
ECONOMIC AND PRODUCTIVE	Distributed added value ⁸	€174 M	€170.2 M 96% of target achieved ⁹	€180 M	€255 M	€1,300 M
SOCIAL AND RELATIONAL	Share of projects with a significant community engagement program ¹⁰	41%	45% target achieved	41%	55%	
ENVIRONMENTAL AND CLIMATE	CO ₂ emissions avoided ¹¹	0.55 MtCO ₂ eq	0.57 MtCO ₂ eq 95% target achieved	0.712 MtCO ₂ eq	1.22 MtCO ₂ eq	5.42 MtCO ₂ eq
HUMAN	Annual individual upskilling/reskilling training	21 HRS	30.3 HRS target exceeded (+17%)	32 HRS	40 HRS	

As depicted in the table, the incidence of the pandemic has not substantially distracted us from achieving the annual goals we set for ourselves. With that accomplishment, we will continue firmly on the progression established to 2025. More specifically, for 2021 we aim to achieve the following goals:

- reach the threshold of € 180 million in distributed added value;

- a share of projects with a significant community engagement program of 41% (as a result of the acquisition, at the end of 2020, of a number of plants lacking such a feature);
- avoidance of 0.712 MtCO₂eq emissions into the atmosphere;
- an average number of individual training hours of 32.

⁸ To stakeholders such as employees, shareholders, providers of loan capital, central and local government and local communities.

⁹ As shown in the Distributed Added Value table, in the Appendix, the difference from 2019 is due to a decrease in DAV for *credit capital providers, peripheral PA, and shareholders*, in part due to a lower overall Added Value generated. On the other hand, the *collaborators, central PA, and local community* (due to additional support from the COVID-19 program) components increased.

¹⁰ To be understood as the involvement of local communities through cooperative, ownership and benefit programs, as well as crowdfunding initiatives, or with the local enabling of sustainable energy consumption services (i.e., community energy PPA, access to net metering credit programs, etc.) for the benefit of communities or entities/institutions of public utility.

¹¹ References of the emission factors applied in this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2020); EU: "Fattori di emissione atmosferica di gas a effetto serra nel settore elettrico nazionale e nei principali Paesi Europei" [Atmospheric emission factors of greenhouse gases and other pollutants from the power sector] (ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, 2020 update). These factors are updated with respect to those applied in previous reporting. Performances and targets have been re-calculated accordingly.

ECONOMIC AND PRODUCTIVE CAPITAL

We adopt a distinctive business model that combines economic sustainability with the generation of social and environmental value, and we are always on the lookout for innovation in our industry.



VALUE GENERATED AND SHARED

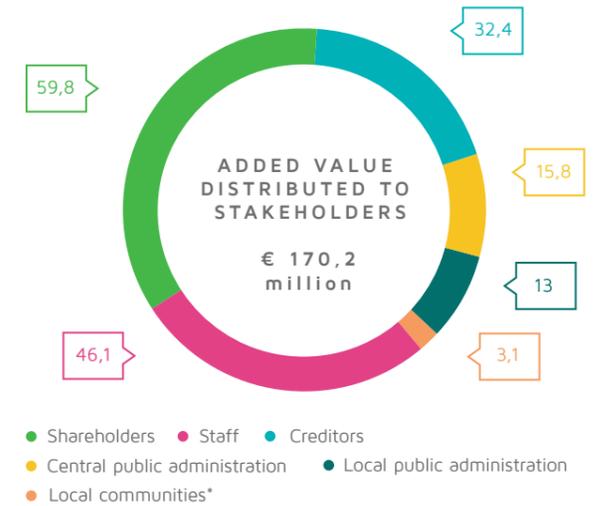
For Falck Renewables, renewable energy expresses a strong value for the community and represents an important opportunity for the sustainable development of the areas in which the Company operates.

For this reason, we implement an innovative business model, which combines economic and environmental sustainability with the generation of social value. By this model, we are committed to accompanying the trends of sustainable evolution of the energy sector.

The distributed added value measures the wealth shared with our main stakeholders: shareholders, employees, central and peripheral public administrations, financial institutions, and the local communities in which we operate. In 2020, despite the impact of the pandemic, the added value we distributed amounted to € 170.2 million, a minor contraction (-3.8%) with respect to the commitment taken for 2020.

Over time, we have solidified partnerships with institutions and regulatory authorities, and are members of the Boards of the main Italian associations in the electricity sector: Elettricità Futura, ANIE (Federazione Nazionale Imprese Elettrotecniche ed Elettroniche [National Federation of Electrotechnical and Electronic Companies]), ANEV (Associazione Nazionale Energia del Vento [National Association of Wind Energy]), EBS (Energia da Biomasse Solide [Solid Biomass Energy]), Assolombarda Gruppo Energia, and Italia Solare. In 2020, we became a member of the Associazione Italiana Idrogeno e Celle a Combustibile (H2IT, Italian Association of Hydrogen and Fuel Cells). We actively participate in a number of roundtables, including: Self-consumption & Energy Efficiency, BESS Market Design, both promoted by Elemens and Public Affairs Advisors; Energy Communities, promoted by the Energy & Strategy Group of the Politecnico di Milano. With respect to the latter, we have established research partnerships in the three Monitoring Centers (*osservatori annuali*): Renewable Energy, Digital Energy Efficiency, and Electricity Market. On a European scale, we are board members of the WindEurope association. In the UK, we participate in the trade association RenewableUK. In Spain, through Vector Renewables, we are part of the Executive Board of Union Española Fotovoltaica (UNEF), the main national voice of the sector.

At present, the challenge is to find long-term buyers who are willing to purchase energy at fixed prices, which, in turn, allows plant owners to repay their investments and generate a fair return on invested capital. In this regard, the improvement of technology, an increase of its dissemination and the simultaneous decrease of industrial costs, can generate in the long-term a benefit transferable to consumers and the community¹². In this respect, 2020 saw us grow in the PPA (power purchase agreement) market, with new contracts signed in Spain, the United Kingdom, Sweden and Norway, 3 of which are ten-year long. As part of our joint venture with ENI in the US, Novis Renewables, at the end of November we acquired BEHUS (Building Energy Holdings US), with its 62 MW of operating



*It includes sponsorships and donations, cooperative schemes and ownership schemes interests, and sums paid to local trusts.

wind and solar projects, a development and an asset management team, and a pipeline of wind projects up to 160 MW. Another agreement involved the acquisition of rights to a 30 MW ready-to-build PV project in Virginia, with commissioning expected by the end of 2021.

In 2020, we created a new business line dedicated to electric storage, which aims to achieve three goals. The first is to develop large-scale stand-alone storage systems (so-called utility scale), the second is to implement storage projects integrated into the solar/wind projects pipeline in Italy and Spain, and, finally, to add, where appropriate, storage systems to some of our operating renewable plants. Today, 2/3 of the development pipeline in Italy consists of integrated projects, whose authorization process covers both renewable generation and electrical storage. At the same time, we are submitting in Italy, applications for authorization for the first stand-alone storage plants.

The partnership for green hydrogen in Spain

Keen to seize the opportunities and innovations of the energy transition, we formed a partnership with an energy operator focusing on green hydrogen. Together, we are completing a feasibility study to use part of the energy from one of our wind farms in Spain in the production of hydrogen for the decarbonization of local industries. The study is also investigating the possibility of using a new small-scale photovoltaic system to optimize the operation of the electrolyzer. Finally, we are assessing the initiative's eligibility for public funding, including EU support.

¹² As it happens in the case of virtual systems of self-consumption, which help to reduce energy expenditure and per capita CO₂ emissions.

OUR GREEN FINANCE

In the second part of 2020, we placed a senior unsecured equity-linked green bond in the amount of € 200 million, the convertibility of which into shares was authorized by the Shareholders' Assembly. With this transaction, we confirmed the centrality of sustainability also in our financing strategy, thus contributing to the growth of the green finance market. The net proceeds of the green bond will be used to finance and/or refinance, in whole or in part, new or existing renewable energy assets.

The green bond of Falck Renewables

Our convertible green bond, which was subscribed by major institutional investors with a demand of more than 2.5 times greater than the offer, has a 5-year term (maturing September 23, 2025) and was issued at a price equal to 101.25% of the nominal value of the bond offered, with a zero-interest rate. The threshold that triggers the conversion of the loan into shares was set at the achievement of a stock market value for the Falck Renewables (FKR.MI) share of € 7.22, subject to adjustments pursuant to regulations, in line with the market practice in force for this type of financial instruments.

TERM: 5 YEARS

MATURING: 23/09/2025

SHARE: €7,22

New tools for the efficiency of managerial processes

In 2020, we wanted to equip ourselves with innovative management tools. We have completed the New Performance Model (NPM), a digital transformation project designed to increase the efficiency of processes and the organization of activities. It consists of a new budgeting & forecasting process built on a dedicated Enterprise Performance Management platform and new Enterprise Resource Planning (ERP) software that allows us to harmonize key processes globally. In the near future, the ERP will be integrated with further processes concerning: project management, a new purchasing procedure and the needs of the Administration, Tax Treasury and Control functions.

THE ROLE OF INNOVATION

In line with the Roadmap 2025, we continued to invest in digitization. The evolution of NUO, our innovative virtual asset management platform for wind and solar power plants, continues to move in this direction. The platform collects, processes and interprets in real time data of different nature (operational, administrative-financial, HSE and engineering), allowing the optimization of energy production, also thanks to predictive maintenance.

NUO has contributed to the business continuity of our facilities since the beginning of the pandemic crisis. In fact, thanks to diagnostic and predictive analysis the system allowed us to identify which maintenance operations could be postponed without affecting generation performance.

During 2020, we completed the migration to NUO of all plants managed by Vector Renewables, including those managed on behalf of third-parties, reaching a total of 3 GW of managed capacity. By integrating technical and economic data, NUO's functionality enables variance analysis to automatically process and provide immediate insight into the nature and cause of deviations between the forecast budget and current economic performance. Moving forward, the platform will integrate new reporting modules, with technical and financial dashboards and several static reporting books.

In 2020, NUO saw its first commercial subscription outside the Vector Renewables world, made with a Japanese asset owner.

The continued implementation of digital tools and services has required a strengthening of cybersecurity systems. As such, in 2020 we increased accounts' security through the activation of multi-factor authentication (MFA, also called strong authentication), the unique method of accessing enterprise software that involves the combined use of personal passwords and temporary codes, to minimize the risk of intrusion.

The digital transition path, matured over the years and accelerated by the pandemic, has been supported by the *Digital Transformation IT Survey*, designed to measure the perception and satisfaction of our colleagues about corporate IT services (digital & IT equipment, performance and dedicated support) and to identify possible areas of improvement.

During the year, we decided to embrace open innovation by participating in ELIS - Open Italy, the first Italian sales accelerator, which aims to promote a link between large companies and innovative Italian startups. To date, we have selected two startups, with which we are currently exploring the prospects for collaboration.

2020 FLASH DATA

€ 170.2 M

added value distributed to all stakeholders*

€ 384.4 M

value of revenues

€ 197.2 M

the EBITDA

€ 200 M

the value of the green bond

1,158.8 MW**

total installed capacity (+6.7% compared to 2019)

2,712 GHW

total energy production (+13% over 2019)

3 GW

total managed capacity (of which 1.9 GW of third parties)

8

new plants: 2 wind (Spain and USA) and 6 photovoltaic (Italy and USA) for a total of 73 MW (40 wind and 33 photovoltaic)

62 MW

wind and solar in operation, a dedicated development and asset management team and a pipeline of projects up to 190 MW (of which 30 ready-to-build) for the US joint venture with ENI Novis Renewables

2.6 GW***

pipeline of projects under development

7 PPAs signed (of which 3 with a ten-year duration)

Invested in the evolution of the NUO virtual asset manager

+

GREEN HYDROGEN partnership in Spain

€ 100 M

the social costs of blackouts avoided by the electricity system thanks to interruptibility services

29.3 MW

of electrical demand flexibility management (UVAM)

27

energy diagnoses**** performed by Energy Team have identified an energy saving potential of

+

Participated in the OPEN INNOVATION by ELIS Open Italy

5,000 TOE*****

* To stakeholders such as employees, shareholders, providers of loan capital, central and local government and local communities.

** According to IFRS reclassification.

*** Excludes 175 MW of projects currently under construction.

**** In 2020, energy audits were not mandatory for energy-intensive entities

***** Tonnes of Oil Equivalent.



OUR COMMITMENT FOR 2021

STRATEGIC GOAL

To reach an added value distribution of

€ 180 M

SPECIFIC COMMITMENTS



Long-term economic value generation (and sharing): promoting a distinctive sustainable business model, attracting ESG investors and capital



Relationships with Authorities and Institutions: to promote regulatory proposals on sustainable energy, also with the aim of overseeing risk legislation and contributing to the international debate on energy sustainability



Integration of ESG aspects in risk management: ensure full consistency between RAF and SUF, update and monitor the list of sustainability key risk indicators (KRI)



Business innovation: pursue innovative and sustainable customer-focused solutions and continue to invest in digitization

SOCIAL AND RELATIONAL CAPITAL

Local communities and on-the-ground partners are a key aspect of our business model. We share the value we generate with them, including through the many ESG initiatives we support in the contexts in which we operate.



LOCAL COMMUNITY INVOLVEMENT MODEL

Community engagement is a key piece of our sustainable and inclusive business idea. The local community enables the growth of our activities by providing resources and territories.

For this reason we strongly believe in the redistribution of the tangible and intangible value we generate, enabling a sustainable development of the communities that host us and establishing a virtuous circle with all our stakeholders.

To formally declare our commitments, we have drawn up the Sustainability Charter, a list outlining our way of doing business, aimed at inclusion and at the creation of opportunities for the territories where we operate.

Community development

We adopt a short supply chain model, giving priority, in plant-related activities, to those local companies that comply with our technical, quality and safety standards. When planning a new facility, we hold Contractors' Open Days to make local businesses familiar with our supply needs. In this way, we try to encourage local revenues, with a contextual virtuous effect on economic costs and on the environmental impact generated by the construction activity.

During this year of social distancing, in the construction of the Okla wind farm, Norway, we rethought the involvement of local businesses by directly contacting potential suppliers, using the local press and leveraging relationships already established in previous years while building the nearby Hennøy wind farm.

The *construction liaison group* and the *community manager*

From the initial stages, each of our projects is distinguished by the search for dialog with local stakeholders, based on the desire to minimize the impact on environment and territory, and on the transparency of operations. During the construction, we establish a permanent channel of communication with the local population through the activation of a *construction liaison group*, that is meant to keep the local community updated on project developments and to offer prompt responses to any issues raised by the populations. Once construction is complete, a *community manager* is assigned to the facility, with the task of maintaining constant contact with local inhabitants.

SUSTAINABILITY CHARTER



Community development

We promote the use of the local labor force and a short supply chain. We promote the economic participation of local communities in our plants, providing, where possible, the opportunity to finance them. We support social, educational, environmental, or infrastructure initiatives in local communities, through community benefit schemes, and encourage the sharing of best practices.



Training and education

We support the creation of skills, competence and knowledge-sharing in relation to energy sustainability, including through training projects.



Environmental protection

We minimize the impact on the environment of our activities, in order to protect the ecosystem value of the territories that host us, as well as enhance their customs and traditions.

Since 2004, our engagement with the local communities allowed us to hone valuable experiences, which we translated into the following models:

1

LOCAL COOPERATIVE SCHEME

In the UK, we have created a way of investing that allows the local community to join our business, financing part of the renewable plant through a cooperative participated by citizens. The cooperative - formally called *Benefit for the Community* (a.k.a. BenCom) - collects contributions from its members and transfers funding to us. In return, for the entire active life of the plant (20-25 years), the cooperative receives an annual interest on the loan made, which is also partially calculated on the productivity of the plant itself. Upon plant decommissioning, we return the initial capital to lenders. In this way, we generate tangible and lasting economic value for the citizens themselves. Since 2005, we established 7 cooperatives, with a total of more than 3,600 members, which, so far, have raised over € 12.3M and received interest of about € 7.3M.

Our cooperative scheme model in the World Economic Forum report

Our local cooperative scheme was selected by the *World Economic Forum* as one of the most disruptive energy sector innovations of the past decade. In fact, the cooperative scheme was included in the 2020 report entitled *"Global Innovations from the Energy Sector 2010-2020"* (page 11), that collects the most innovative and effective practice in accelerating the energy transition.

2

CO-OWNERSHIP SCHEME

To those who live near our plants, organized as a social enterprise, we offer the possibility of owning a share of the plant itself. This allows the community to participate in the economic results of the facility and reinvest them in local initiatives. Currently, we have a co-ownership scheme in place at the Earlsburn (UK) wind farm, where the Fintry village community has purchased a share equal to the capacity of one turbine, which we operate. Proceeds allow the community to fuel local energy sustainability projects. The Fintry community turbine was exemplified as a best practice in the report entitled *"Stimulating Investment in Community Energy"*, published in 2020 by IRENA Coalition for Action (page 22).



3

COMMUNITY BENEFIT SCHEME

Every year, in many of the countries in which we operate, we commit to donating a portion of the revenues generated from energy production to local-impact projects conceived by the communities that host our plants. The recipients of these sums are entities or non-for-profit associations and trusts (a.k.a. benefit trusts in the UK), independently managed by local communities. Funded projects range from cultural and recreational to social, infrastructure, environmental, educational or energy sustainability initiatives. During 2020, through the 23 benefit schemes we funded, we contributed to the implementation of 168 local-impact projects.

The success of our community engagement approach, first in the UK and, from 2019, also in Sweden, has led us to adopt it in other geographies. Indeed, in 2020, we launched our first community benefit schemes in Norway and Spain.

The first projects financed in Sweden

In year 2020, the first project activities of the benefit scheme arranged with the community of Trehörningsjö village (Västernorrland County), at the Åliden wind farm, took shape in Sweden. These are initiatives with a strong social connotation, aimed at the modernization of infrastructure and spaces of common use, to improve the quality of leisure and community life in light of the restrictions due to the health crisis.

The new benefit schemes in Norway and Spain

Two new geographical areas have been added to the network of benefit schemes we support. In Norway, part of the proceeds from the Hennøy wind farm (Vestland region) has been used to finance the activities of the independent, non-for-profit association *Hennøy VindForening*, which promotes community projects with social, environmental and cultural impact around the town of Svelgen. In Spain, through the independent, non-for-profit *Asociación Cultural Palenque - Medieval*, we devoted a portion of the revenues from the Carreastro wind farm (located in the Autonomous Community of Castilla y León) to support cultural, rural, educational and environmental projects benefiting the communities of Tordesillas and Velilla.

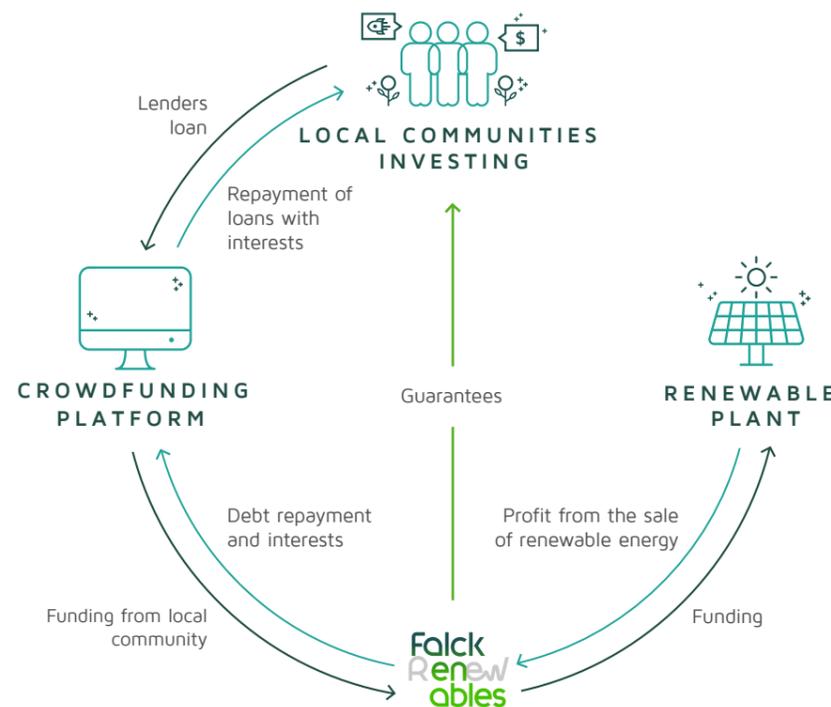
Falck Renewables Sustainable Community Network

A key element of our inclusive approach is **Falck Renewables Sustainable Community Network**, made up of the communities that live around our plants. Active in the UK since 2018, the Network communicates via a dedicated online portal (www.community.falckrenewables.eu), where visibility is given to initiatives promoted by benefit trusts, so as to stimulate comparison and disseminate best practices. Each year, we provide an additional, exclusive program of activities for this Network. In 2020 we organized the third *Falck Renewables Sustainable Community Forum*, an opportunity for practice sharing and discussion with about 70 delegates from the communities around our plants in the UK, Sweden and Norway. To comply with the restrictions imposed by the pandemic, the Forum was held entirely online. Finally, the event was an opportunity to celebrate the UK's winners of the 2020 Call for Project Proposals, focused on resilience to the COVID-19 pandemic:

- **"Independent Living Skills"**
Proposed by a social enterprise located near the Boyndie wind farm, the project aims to provide distance learning to teach adults with disabilities how to live healthy and independent lives
- **"External interactive game scheme COVID-19"**
This is a program to purchase outdoor play equipment for Golspie and Rogart elementary schools, (Kilbraur wind farm). It is intended to allow children to play outdoors while limiting the risk of infection; each class was provided with a self-contained recreational structure that was configured with the help and participation of the children themselves
- **"Village Nursery Woodland Play Development"**
This is a project spearheaded by the Cambusbarron Community Development Trust (Kingsburn wind farm) to build an *eco-friendly* kindergarten on local community woodlands. The new facility is designed to meet a wide range of educational and recreational needs of youngsters
- **"Sutherland Friends Call"**
Conceived by the community living near the Kilbraur wind farm, the initiative aims to provide telephone psychological support during the pandemic for anyone in the community who is experiencing isolation, loneliness or mental distress. Funds are used to train volunteers who join the project

A pilot activity of lending crowdfunding

Building on the same principle that inspires the cooperative scheme, we are developing an additional financing scheme for our PV project pipeline in Italy, so that local communities can benefit from a profitable, sustainable and safe investment. With this initiative citizens can finance the construction of the plant through an online lending crowdfunding platform. In return, for a number of years, they will receive an attractive interest on the loan made. At the end of the lending period they will recover the initial capital. A first lending crowdfunding pilot scheme is meant to take place in 2021.



Training, education, and environmental protection

The close link between knowledge and sustainable development guides us in extensively disseminating skills and awareness on energy sustainability. First and foremost, we are committed to sharing our vision and best practices with academia and research by participating in seminars and university courses. We also reach out to students and teachers in secondary schools and colleges - especially in Italy and the UK - with educational projects on clean energy. For children, however, we propose initiatives to raise awareness of sustainability in collaboration with elementary schools, as we have been doing together with the Scottish Council for Development and Industry (SCDI) during the last 2 years with the Little Lighthouse project, dedicated to elementary school pupils studying near our Scottish wind farms and to their teachers.

AWARENESS OF THE ENTREPRENEURIAL SYSTEM AROUND US

We are convinced that our supply chain, in addition to generating a positive impact on the territories in which we operate, must contribute to local and global sustainability. To that end, this year we developed the *Sustainable Procurement Guidelines*, designed to integrate clear sustainability criteria into the selection of our suppliers. These are some of the points that form part of the guidelines:

- we ask suppliers to disclose water consumption and air emissions (both climate and pollution) generated by their activity;
- we make sure that business models inspired by the 3R principles (recycle, reduce, reuse) are adopted throughout the life cycle of their products;
- we require information, possibly also at subcontractor

For a number of years, we have been awarding scholarships through the *Support Scheme for Renewable Energy Studies*, to support the creation of technical expertise in the renewable energy sector and help develop new professionals. This year, we supported five students from the Kilbraur, Boyndie, Earlsburn and Kingsburn wind farm areas (UK) and, for the first time, we launched similar programs in Sweden and Spain.

We are convinced that our sustainable and inclusive business model deserves to be spread and shared, in practices as well as in values. In order to achieve this goal, a couple of years ago we activated the online course "*Sustainable Business in the Renewable Energy Sector*", the result of a collaboration with Politecnico di Milano, and accessible within the *Polimi Open Knowledge* platform.

level, concerning the respect for human rights, worker safety, and the adoption of diversity and inclusion policies; • we promote to our suppliers and partners, also through dedicated contractual clauses, the principles expressed in the **Sustainability Charter**, so that they contribute with us to the objective of local sustainability and inclusion. By applying these guidelines, we select companies that, given the same technical and economic offerings, guarantee greater opportunities for the local community. Finally, we invite customers, suppliers and business partners to participate with us in community engagement programs, to multiply resources and impacts of the sustainable action on the territory.

COVID-19 Emergency: the international program in support of local communities

In April 2020, we launched, a €783,000 international program to alleviate the impact of the COVID-19 pandemic, for the benefit of local communities hosting our facilities. In the UK, we supported each one of the community benefit trusts linked to the 12 wind farms we have in Scotland, England and Wales. Initiatives include that of the Valley Renewables Group, (Earlsburn and Kingsburn plants) for economic support to individuals and families in need. Similar activities have been launched by the Glengarry Trust and Fort Augustus & Glenmoriston Community Company (Millennium wind farm). In Aberdeenshire, the support helped prevent the closure of several cultural organizations near the Boyndie wind farm. In Italy, we offered support to the 9 municipalities hosting our 8 plants in Sardinia, Puglia, Calabria and Sicily. Among other things, the funds contributed to the Food Bank's initiatives for families, the Civil Defense activities, to strengthen social services, and to help hospitals and emergency services. We also supported two medical/therapeutic researches on COVID-19 coordinated by the University of Milan. In France, we assisted the 15 municipalities around our 9 plants in Brittany, Centre-Val de Loire, Grand-Est, Hauts-de-France, Nouvelle-Aquitaine and Pays de la Loire. The funds contributed to a variety of municipal initiatives to contain the spread of the contagion and support the local economy. In the US, we have offered help to local communities in Massachusetts and North Carolina by funding a home food delivery service for seniors. This experience of solidarity has been described in the report "*Wind energy and economic recovery in Europe*" (page 60) published by WindEurope in 2020.



2020 FLASH DATA

€1.5 M

funds paid to community benefit programs in countries of presence (of which € 202 thousand for the international COVID-19 program)

2

new community benefit schemes in Norway and Spain raised to 45% the rate of plants with a significant community engagement program*

168

local projects supported through community benefit programs

+

Third edition of the **FALCK RENEWABLES SUSTAINABLE COMMUNITY FORUM** in the UK (this time online)

€843 THOUSAND

interest paid in 2020 in UK to 3622 subscribers of the 7 cooperatives and ownership program

€783 THOUSAND

funds for the international COVID-19 program for the benefit of local communities (of which € 250 thousand to medical research in Italy)

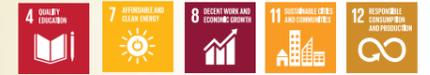
74%

of orders to local suppliers

+

We adopted **SUSTAINABLE PROCUREMENT GUIDELINES** in suppliers qualification

* To be understood as the involvement of local communities through cooperative, ownership and benefit programs, as well as crowdfunding initiatives, or with the local enabling of sustainable energy consumption services (i.e., community energy PPA, access to net metering credit programs, etc.) for the benefit of communities or entities/institutions of public utility.



OUR COMMITMENT FOR 2021

STRATEGIC GOAL

to bring the share of plants that fund a significant community engagement program* to

41%

SPECIFIC COMMITMENTS



Responsible supply chain: refine a responsible sourcing process that encourages a sustainable approach, short supply chain, and use of local labor



Relationships (integration) with local communities and local development: consolidate the activities promoted by the Sustainability Charter and extend them to new countries of presence; involve our clients/offtakers in community engagement programs; promote a pilot experience of lending crowdfunding in Italy

07

ENVIRONMENTAL AND CLIMATE CAPITAL

Fighting climate change and safeguarding the environments that host our operations are our main challenges. We want to be leaders in energy transition and sustainability. We want to produce sustainable energy, in a sustainable way, in sustainable territories.



THE ENVIRONMENTAL MANAGEMENT OF THE ACTIVITIES

Eco-efficiency is at the foundation of our way of operating in every phase of the business, from development to the decommissioning of the plants. We are clear about the goal of safeguarding the habitats in our areas of operation. We have stated this commitment in the Code of Ethics, **Sustainability Charter** and QHSE Policy, which, together with the continuous updating of our quality, environmental and safety management systems, ensure oversight in all our processes and activities. Through principles and actions, we give our contribution to the consolidation of the culture of respect for the environment both within the Group and among our stakeholders.

We develop our business in compliance with local laws and regulations, protecting the natural environment and land resources. Furthermore, by constantly updating our practices and tools, we strive to achieve the best environmental performance and, at the same time, to promote a sustainable approach throughout the entire value chain. With this in mind, in 2020 we introduced the Sustainable Construction Guidelines, a reference for the sustainable realization of our plants.

The guidelines are applied across three domains: engineering and design, supply chain, and construction site activities.

- **Engineering and design:** promote sustainable use of resources and materials, reduce waste generated, adopt low-carbon technologies, and use clean energy. The guidelines support the enhancement of local environments, including the use of a plant design that integrates biological diversity and traditional local uses, related to agriculture and farming. To be as effective as possible, we employ local environmental experts.

- **Supply chain:** define supply strategy and supplier selection according to requirements that include social and environmental aspects. Contractors' Open Day is a pivotal moment in the process with respect to the goal of fostering the spillover effects of our operations on the local socio-economy. We also believe it is essential that suppliers provide us with assurances that they will comply with local regulations, workers' rights, safety and welfare.

- **Construction site activities:** minimize the impact of operations on the environment, with the support of ecologists and environmental experts, using renewable and recyclable resources and materials, reducing energy consumption and waste, and restoring the habitat to its original characteristics. We also seek to maintain a direct and constant thread with local stakeholders during construction and operations, promoting on-site subcontracting and establishing open and constructive communication with the people in the area, thus treasuring the values they bring with them.

All projects for the construction of new plants are preceded by environmental impact studies and, if required by law, submitted to the Environmental Impact Assessment procedure. Plants already in operation, on the other hand, are covered by environmental, quality and safety management systems. The context analysis required by ISO 14001:2015 standards allows us to define what risks and opportunities affect the territories and communities in which the infrastructures are embedded and to monitor them over time.

Agri-voltaic practices: the integrated development of the agricultural territory

We have chosen to invest in the search of solutions that integrate photovoltaic generation with agricultural production uses, thus contributing to the strengthening of local employment and economy, the maintenance of traditions and the enhancement of ecosystem services, including the action of pollinating insects.

Thanks to partnerships with academies and agricultural institutes, we have conceived an agri-voltaic approach that can be modulated on the environmental and territorial context in which it is designed, with solutions that are attentive to the vocations of places and respectful of their ecosystems. In fact, it is a double investment for us, in energy and agricultural development, where the latter is put entirely at the service of the local community, always with the spirit of tangible creation of shared value.

SUPERINTENSIVE INTEGRATED GROVE

In the province of Foggia (I), we have come up with solutions to make photovoltaic panels and rows of olive trees coexist. The olive variety has been selected to resist the Xylella scourge. The management of the olive grove will be entrusted to local social enterprises or other specialized operators. This land hybridization allows retention of (or reinvestment in) agricultural land use, which will be entirely reconverted by us to olive groves when the solar plants are decommissioned.

INTEGRATION OF MEDICINAL PLANTS

In Sicily (I), agrivoltaic integration has also been designed for officinal crops, to be used in the pharmaceutical industry, in cosmetics or in the production of food derivatives. We are also finalizing a framework agreement with a university of the region for the implementation of experimental agricultural activities involving local businesses and communities in the establishment of startups.

AGRI-VOLTAIC AND ORGANIC FARMING

In the province of Taranto (I), we have purchased a farm of over 100 hectares to build a photovoltaic plant integrated with an organic sheep farm. The development foresees the integration of areas dedicated to grazing, organic forage crops, and aromatic and officinal plants. The project includes the recovery of an ancient farmhouse as a sheepfold, as well as the development of beekeeping, to enhance pollination and protect the biodiversity of a wider area.

In 2020, we have drawn up a plan to extend certification (ISO 14001, ISO 9001, ISO 45001) to a greater number of plants over a 4-year period, to guarantee high standards through constant and scrupulous monitoring of activities. The strategy also leverages the use of multi-site organization certifications, i.e. protocols that bring together the different business entities in each single country, including offices and energy plants.

TOWARDS A CARBON FREE BUSINESS

Our commitment to combating climate change goes hand in hand with a constant focus on protecting the environment.

Our renewable plants contribute to preventing the release of greenhouse gases to the atmosphere: in 2020, with solar and wind generation, we avoided the emission of around 570 thousand tCO₂eq (on average 226 kg of CO₂eq avoided per MWh produced). This parameter (also called "Scope 4 emissions") is approximated by default and obtained by multiplying the energy produced in each country of presence by the corresponding emission factor of the electricity mix of the same country. This is a conservative estimate, compared to the most commonly adopted one, which instead uses the emission factor of the corresponding thermal power plant, thus not appreciating the decarbonization underway in the most advanced countries¹³. It should also be noted that the value reported is affected by the application of updated emission factors¹⁴, which capture the change in average CO₂ intensity of the generation mixes in the countries where we produce electricity, compared to last year. With the coefficients applied in the 2019 edition of our Sustainability Report, the estimated avoided emissions would amount to approximately 644 thousand tCO₂eq (on average 255 kg of CO₂eq per MWh).

But it is not enough for us to produce clean energy. We want to do it in a sustainable way, by adopting practices that ensure a significant reduction in GHG emissions that are directly and indirectly related to our business. Hence, the goal of achieving carbon neutrality of our operations by 2025. In 2020, we focused on a strategy to progressively lower the carbon footprint of our operations. As a first step, we achieved a greater awareness of our CO₂ footprint by estimating emissions from direct energy consumption (Scope 1), indirect energy consumption (Scope 2) and going as far as to reconstruct how many emissions were related to our value chain (Scope 3).

To achieve this goal, taking as reference the Greenhouse Gas Protocol¹⁵, we have identified the key upstream and downstream impact areas related to our activities. This resulted in an overall carbon footprint of around 200

Two studies: the CO₂ footprint of the Hennøy wind farm and the OEF of thermal generation

During 2020, we completed two studies based on the life cycle assessment approach to better understand the impacts of our business and the value chain activities from which they are generated.

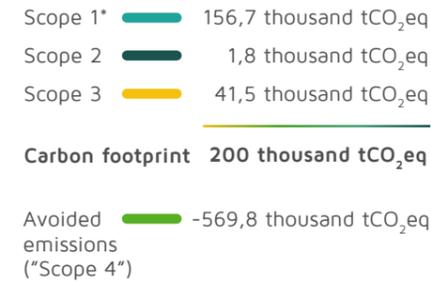
A first study reconstructed the CO₂ footprint of the Hennøy plant life cycle (N - 12 V-136 turbines totaling 50 MW) which is estimated to produce a total of 3,412 GWh over its 20-year life. The study calculated an amount of 9.81 gCO₂ per kWh generated, largely associated with the production of the plant components (extraction of raw materials and their transport and processing operations). The results from this life cycle assessment will help us establish more effective strategies to decarbonize our activities, starting from plant design, technology component selection, and process optimization along the turbine life cycle.

A second study concerned the measurement of the *Organization Environmental Footprint* (OEF) for the thermal plants of Rende and Trezzo (I), considering all the phases that characterize the activities of the thermal fleet, starting from the supply chain, the extraction of raw materials, the operation of the plants and their decommissioning. The outcomes of these studies will help evaluate actions to reduce carbon footprint and further lower other environmental impacts.

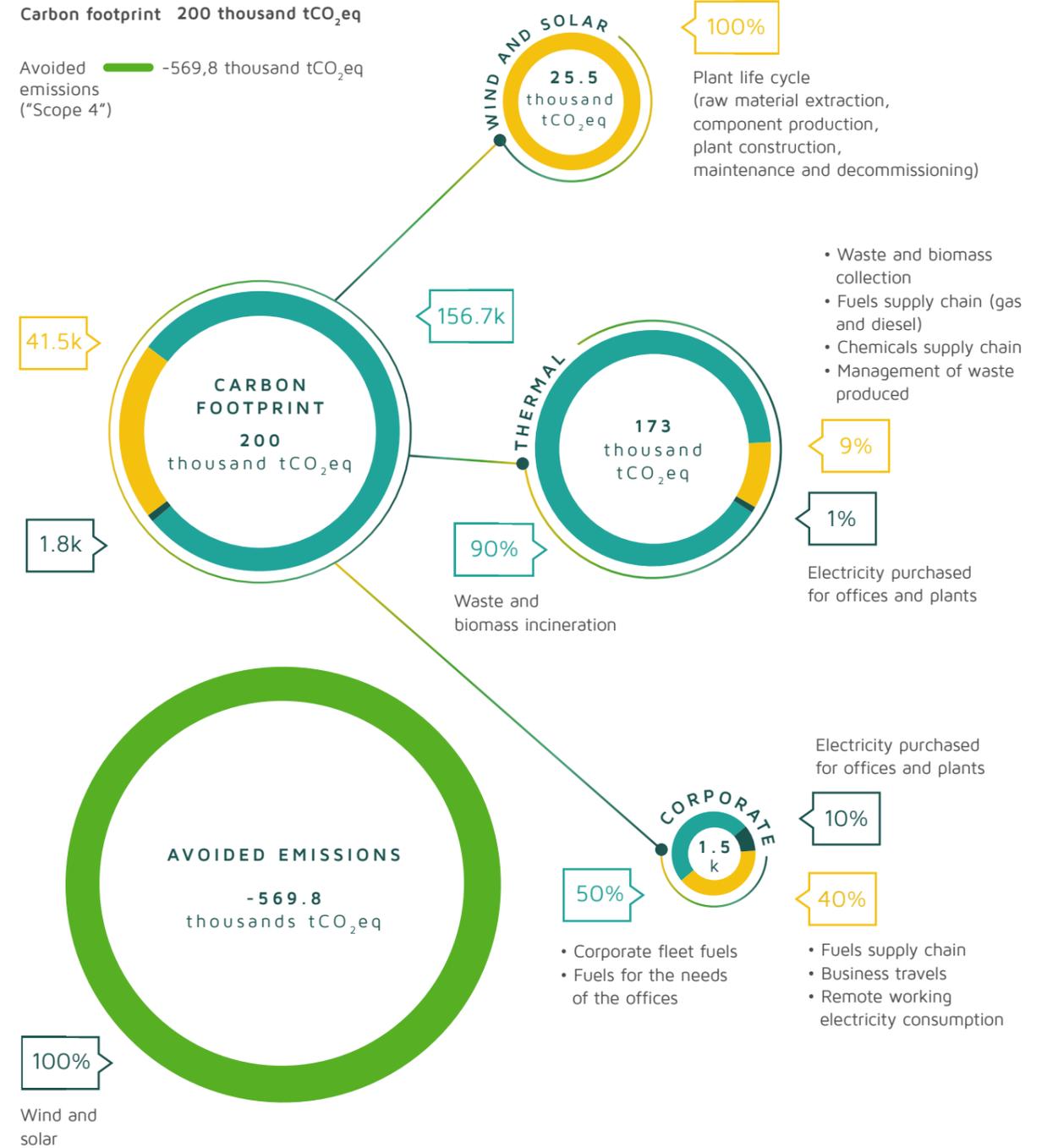
thousand tCO₂eq, of which around 156.7 thousand are attributable to Scope 1, around 1.8 thousand to Scope 2 and finally around 41.5 thousand to Scope 3. The breakdown between scopes and areas of activity is detailed in the following page.

Based on this data, we have defined a net-zero carbon footprint plan for 2025, combining emission reduction initiatives with offsetting actions. To bring Scope 2 emissions to zero as soon as possible, we are transitioning to using 100% renewable energy in all of the Group's offices and facilities.

THE CARBON FOOTPRINT MAP



CARBON FOOTPRINT BREAKDOWN BY BUSINESS ACTIVITY



¹³ As, for example, in the UK, which in a few years has halved the carbon footprint of electricity generation, or in Norway, where almost all the power on the market comes from renewable sources.

¹⁴ References for the emission factors applied: US: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2020); EU: "Fattori di emissione atmosferica di gas a effetto serra nel settore elettrico nazionale e nei principali Paesi Europei" (ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, update).

¹⁵ <https://ghgprotocol.org/>.

* For the calculation of emissions, the emission factors reported in the "National Standard Parameters Table" of the United Nations Framework Convention on Climate Change (UNFCCC), published annually by the Ministry of the Environment, were adopted. The increase in Scope 1 emissions with respect to 2019 is due to a significant change in the emission factor, which went from 0.733 tCO₂eq to 1.081 tCO₂eq emitted per ton of waste treated.



2020 FLASH DATA



569.8 THOUSAND
tCO₂eq

GHG emissions avoided* (Scope 4)
thanks to wind and solar energy

OUR COMMITMENT FOR 2021

STRATEGIC GOAL

With solar and wind power generation, contribute to avoiding the emission into the atmosphere of

0.712 M
tCO₂eq

SPECIFIC COMMITMENTS



Fighting climate change:
make progress towards the net-zero emission target by 2025 (focus on Scope 2 emissions)



Environmental management and protection:
ensure total compatibility between activities and the environment; protect ecosystems and enhance traditional uses in the territories in which we operate

+ Completion of the **LIFE CYCLE ASSESSMENT** pilot project in the construction of the Hennøy plant (Norway)

+ **ISO CERTIFICATION** extension strategy designed

€ 823 THOUSAND
value of TEE*** managed****

+ More accurate calculation of **SCOPE 3 GHG EMISSIONS**

+ Adoption of the **SUSTAINABLE CONSTRUCTION GUIDELINE**

+ **INTEGRATED AGRIVOLTAIC** project development adopted in Italy

Air pollution avoided thanks to total wind and photovoltaic power production*****

550.17 tNO_x 147.14 tSO_x
235.26 tCO 7.3 tPM10

* References of the emission factors applied in this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2020); EU: "Fattori di emissione atmosferica di gas a effetto serra nel settore elettrico nazionale e nei principali Paesi Europei" [Atmospheric emission factors of greenhouse gases and other pollutants from the power sector] (ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, 2020 update). These factors are updated with respect to those applied in previous reporting. Performances and targets have been re-calculated accordingly.
** One economy class round trip = 2.767 tCO₂eq, according to the emission coefficients used by the non-governmental organization Atmosfair, February 2021 (<https://www.atmosfair.de/en/offset/flight/>).
*** Titoli di Efficienza Energetica = Energy Efficiency Certificates.
**** Both Energy Team and customers on the Energy Efficiency Certificate market.
***** Emission factors for the production and consumption of electricity in Italy (updated to 2019 and preliminary estimates for 2020), published by ISPRA on TERNA data.



HUMAN CAPITAL

We believe in people and their potential, in their desire to improve themselves and to generate value for our Group and for the society in which we live. This is why we are committed to promoting continuous professional growth, while guaranteeing a stimulating and safe working environment that enhances everyone's diversity and allows them to achieve a fair balance between work and private life.



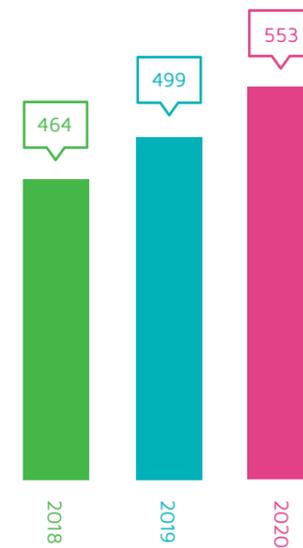
OUR PEOPLE MAKE A DIFFERENCE

We are convinced that the strength of a company does not depend only on the skills of its employees, but also on the ability to unleash such skills. Through our upskilling and reskilling programs, we prepare colleagues for the challenges ahead by bringing out their professional talents. We want the Group to be a place where everyone's differences are valued and where teamwork is promoted as the core asset for our success.

Shared ethical values and a sense of belonging keep us together and guide us every day.

For our employees, we implement a total rewarding approach that, through a combination of remuneration, training and wellbeing factors, creates a complete design to involve them and improve their performance, thus distributing their value within the Company.

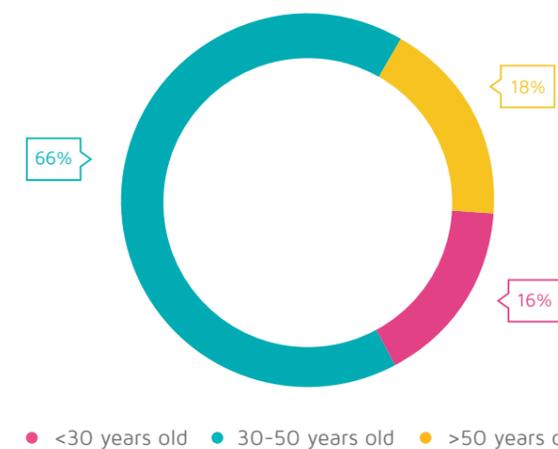
EMPLOYEES AS OF 31/12



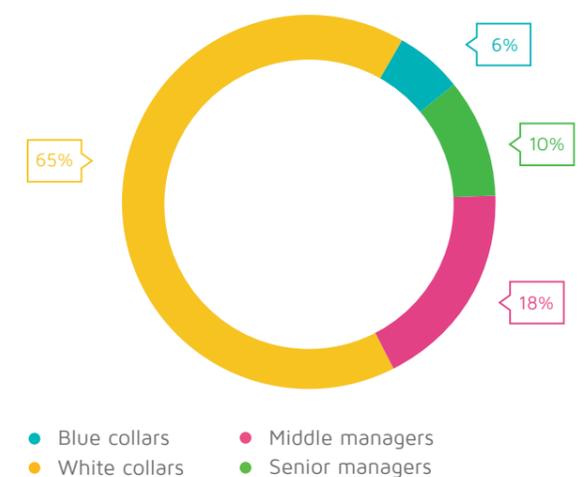
EMPLOYEES BY GEOGRAPHICAL AREA



EMPLOYEES BY AGE GROUP



EMPLOYEES BY CATEGORY



THE GROWTH OF PEOPLE

We promote continuous learning in a process of individual and collective growth, informed by the belief in the importance of nurturing each individual's talent. In 2020, in light of the pandemic, we made full use of distance learning, providing an average of about 30 hours of individual training. Through our e-learning Matrix platform, we delivered a variety of corporate training initiatives on topics that have covered the most relevant areas of business activity. The courses were tailored to the different roles and responsibilities held in the Company: from technical/managerial training, to digital skills training, organizational needs, and foreign languages.

Each year we evaluate the individual performance and business growth contribution of each colleague through salary reviews. Through *Feedback - Enable to Grow*, the annual evaluation process, we engage the entire corporate population in a conversation between managers and employees, exchanging feedback on various scopes: performance, goals, commitments and behaviors.

The results of this interaction are then considered in light of our compensation policy, in a process that values merit and the Enabler Behaviors.

The Enabler Behaviors: behaviors guiding our approach

Being an *enabler* means spreading our knowledge and vision of positive values in every professional interaction in order to build a common culture that is innovative, competent and caring. Therefore, our daily actions are informed by some motivating behaviors, accompanied by a series of questions to ponder, in order to help us reflect and remember our shared priorities.

CHALLENGE THE STATUS QUO

"Can we do it in a faster and better way?"

THINK BIG

"Is it challenging and ambitious enough?"

FIND A WAY TO MAKE IT HAPPEN

"How can we make this happen?"

GO OUT AND COME BACK WITH NEW IDEAS

"What would the external/internal customer say?"

HELP OTHERS TO BE SUCCESSFUL

"How can I help you to succeed?"
"How can you help me to succeed?"

SHARE WHAT WE HAVE; INVOLVE PEOPLE WHO KNOW WHAT WE ARE TALKING ABOUT

"Who needs to know?" "Who should be involved?"

PROTAGONISTS, NOT SPECTATORS

"What prevents me from taking action in person?"
"What will happen if I don't take action?"

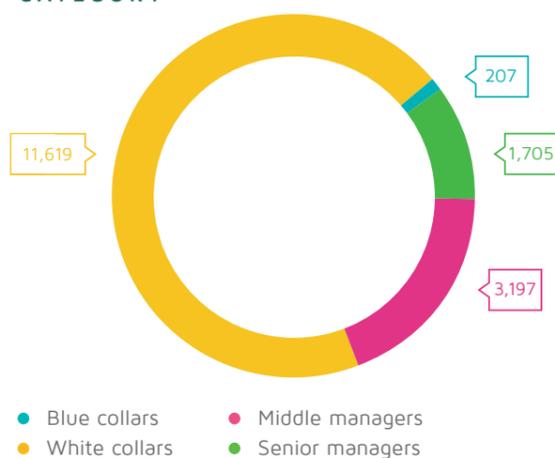
TAKE COMMITMENTS SERIOUSLY

"Have I kept my promises and commitments?"

AVERAGE HOURS OF TRAINING



HOURS OF TRAINING BY EMPLOYEE CATEGORY



Training programs

DIGITAL ENABLERS

Digital training course on the use of new business applications and on the themes of cyber security and data science

+3,000 HOURS
115 PARTICIPANTS

LEADERSHIP PIPELINE

Coaching program aimed at cultivating the best internal candidates for future management roles

40.5 HOURS
6 PARTICIPANTS

LANGUAGE TRAINING

Language training: offering courses in English, Spanish, Italian and French

233 HOURS
22 PARTICIPANTS

MANAGEMENT TRAINING

Covering the topics of leadership, communication, diversity management and negotiation

+1,500 HOURS
345 PARTICIPANTS

FRIDAY COFFEES

Internal company seminars for general use on various topics (e.g.: electricity market and internal audit processes)

1,096 HOURS
11 EVENTS
321 PARTICIPANTS

TECHNICAL TRAINING

With courses tailored upon the requests of colleagues. This program allowed for the development of skills related to performance analysis, performance improvement, and PPAs

+5,000 HOURS
395 PARTICIPANTS

LEADERSHIP LEARNING EVENT PROGRAM

Cycle of seminars for managers, mainly dedicated to cross-cutting issues relevant within companies, such as: wellness, neuroscience, diversity and inclusion, female leadership, negotiation

2 EVENTS
73 COLLEAGUES

WE, PLURAL PRONOUN

At Falck Renewables we are, first of all, people. The respect and the psychophysical integrity of each individual are essential elements for us. The COVID-19 pandemic has required the implementation of new safety parameters and, consequently, new tools to safeguard workers' health, thus redefining the concept of workplace itself. With the onset of the health emergency, we immediately enabled the majority of the Company's population to operate remotely and in total safety, keeping them updated, via email bulletins, on the evolution of the pandemic and the measures implemented by governments. Through the Matrix platform, we made available training modules dedicated to health and safety during remote working, and provided guidance on procedures to be adopted for a safe return to the workplace.

We were equally quick to adopt security measures within our premises, reducing access to a maximum of 50%

of total hosting capacity and adopting strict rules for sharing space. We also provided daily personal protective equipment to employees who are required to work on-site, installed sanitizing devices and modified the ventilation and air exchange systems in order to minimize the concentration of pathogens.

Re-entry into the workspaces was managed remotely, through the use of the My Enabler App (MEA) software, by which it is possible to reserve workstations in the offices, among other things.

Our commitment to minimizing risks to workers' health and safety is outlined in the QHSE Policy. Safety management systems (BS OHSAS 18001 and UNI EN ISO 45001) are an integral part of our sustainability approach and ensure optimal work management within our organization.

Our approach to the emergency in Italy

We made medical insurance available to colleagues in Italy, who represent the largest share of our corporate population, in order to cover any complications from COVID-19. In addition, coverage has been supplemented by a 24-hour medical service for COVID-19 and non-COVID-19 conditions, which is also available to family members. In case of need, the service accommodates in-home visits, which, in turn, help decreasing the access to the hospital's Emergency Rooms and the consequent overload of the National Health Service. Finally, we have entered into agreements with 2 private medical centers to give Italian colleagues and their families the opportunity to take advantage of health services at discounted rates. These initiatives have been added to the requirements of the Memorandum of Understanding between the Italian government and social parties, and to the dedicated agreements made with trade union on the matter of contagion containment. The remote working mode has been adopted for the staff of the offices in Lombardy since February 24, 2020, to be subsequently extended to all our offices, in Italy and abroad. Colleagues assigned to the operation facilities were physically present on site, and took appropriate safety measures. Where it could not be postponed, maintenance was performed following strict procedures agreed upon with contractors.

THE STRENGTH OF AN INCLUSIVE GROUP THAT KNOWS HOW TO COLLABORATE FROM A DISTANCE

Since we operate all over the world, we are in constant contact with people and communities of different cultures. This allows us to appreciate the distinctive value of each and the creative potential inherent in this diversity. We want to work in an inclusive environment, where employees can express themselves freely, feeling protected from discrimination and prejudice of any kind. Therefore, we have adopted a Diversity and Inclusion Policy to ensure that all of our colleagues are treated fairly and respectfully.

People's psychological wellbeing has a fundamental impact on their quality of life and job performance. In this regard, since 2018 we introduced remote working at all our locations, up to two days a week, with the aim of better balancing work and private life for all our employees. Today, this forward-looking experience has proven to be a formidable ally in ensuring business continuity. To address the transition to remote working together, we have provided various communication systems and operational tools. Hence *Growth Zone: learn and grow together*, a virtual platform that has made it possible to keep a communication channel open between people and the Company, counteracting the isolation caused by physical distance. *Growth zone* hosted several multimedia courses designed to involve people, to encourage a correct approach to remote work and to offer food for thought on how to manage work-life balance. Among the platform's initiatives, we have introduced an innovative mindfulness course, aimed at encouraging full awareness of one's psychological wellbeing, as well as online courses of physical/motor activities (postural stretching, total body workout and yoga), in a framework of complete attention to the health of our people.

The Diversity and Inclusion Policy

We believe that a dynamic environment in which to develop individual skills and integrate different cultures and points of view is essential to the success of our organization. We want each of our colleagues to be valued and feel free to express their identity.

For this reason, we adopt a strict anti-discrimination policy and oppose all forms of racism, sexism and homotransphobia. We are also committed to defining a recruitment strategy that, in line with legal requirements and our needs, can re-balance the gender composition of our staff and attract talent from less represented social groups.

We want to break down the discriminatory barriers that hinder the careers of our qualified staff, and to create an environment where employees feel free to talk about their family and belief.

2020 FLASH DATA



OUR COMMITMENT FOR 2021

STRATEGIC GOAL

to increase the number of yearly individual hours of training to

32

SPECIFIC COMMITMENTS



Specialization and excellence of human resources: expand internal training offerings and develop an employer branding plan



Health, safety, and wellbeing: consolidate health & safety protocols and tools, develop a seminar program on health, safety and wellbeing



Diversity enhancement and equal opportunities: balance gender ratio in recruitments



Business and governance integrity/transparency: consolidate a governance model that combines sustainability, risk and integrity

553

employees (+10.8% compared to 2019)

31%

of our workforce is made up by women

OVER 90%

of colleagues worked remotely, for an estimated total of 708,840 hours

5

women in the BoD (42%)

16,728

total training hours equivalent to

30.3

individual hours per year

9

women senior managers (of 58 members)

567*

employees attended at least one training course

4,517

hours of health and safety training

137

colleagues underwent performance evaluation

11

women involved in Value D training projects

OVER 2,000

audio/video meeting per day

9

corporate digital events with over 300 participants each

*This figure includes employees who left the Company throughout the year.

60 APPENDIX

SUSTAINABILITY FRAMEWORK (SUF)

Capital	Material topic	Objectives
ECONOMIC AND PRODUCTIVE  	Long-term economic value generation (and sharing)	<ul style="list-style-type: none"> Develop a competences-driven business Nurture (and leverage on) a distinctive business model Attract ESG capital
	Relationships with Authorities and Institutions	<ul style="list-style-type: none"> Foster sustainable energy regulatory proposals Contribute to the international energy/sustainability debate
	Integration of ESG aspects in risk management	<ul style="list-style-type: none"> Guarantee full coherence between RAF and SUF
	Business innovation	<ul style="list-style-type: none"> Pursue innovative customer-driven solutions Investing in digitalization to maximize assets' value
SOCIAL AND RELATIONAL     	Responsible supply chain	<ul style="list-style-type: none"> Adopt (responsible criteria for) sustainable procurement Foster local supply chain and local employment
	Relationships (integration) with local communities and local development	<ul style="list-style-type: none"> Through our presence, create new opportunities to generate local sustainable impact
ENVIRONMENTAL AND CLIMATE     	Fighting climate change	<ul style="list-style-type: none"> Reach net-zero emissions by 2025
	Environmental management and protection	<ul style="list-style-type: none"> Ensure the full environmental compatibility of our business Safeguard ecosystems and traditional uses in the territories where we operate
HUMAN   	Specialization and excellence of human resources	<ul style="list-style-type: none"> Attract and develop talents to sustain business goals
	Health, safety, and wellbeing	<ul style="list-style-type: none"> Create a healthy and resilient working environment and contribute to the safety of all our stakeholders
	Diversity enhancement and equal opportunities	<ul style="list-style-type: none"> Foster an inclusive working environment Oversee equal opportunities in the working environment
	Business and governance integrity/transparency	<ul style="list-style-type: none"> Integrated governance on sustainability, risk and integrity

PERFORMANCE AND IMPACT DATA AND INDICATORS

ADDED VALUE

ADDED VALUE	GRI	UM	2020	2019	2018
Sales revenue		k€	384,359	374,494	335,889
Other revenue		k€	17,473	10,747	13,258
Net margin from trading activities	201-1 a) i.	k€	31	-44	0
Net income / Expense from equity management		k€	-2,496	2,707	2,742
Economic value generated		k€	399,367	387,904	351,889
Operating costs (supply of goods and services)		k€	-149,429	-133,835	-114,835
Added value		k€	249,938	254,069	237,054
Amortization and depreciation		k€	-79,718	-80,500	-71,672
Added value distributed to stakeholders		k€	170,220	173,569	165,382
of which to staff (for salaries, social security contributions)	201-1 a) ii.	k€	46,123	41,222	34,504
of which to shareholders (profit / loss for the year)		k€	59,825	63,181	59,921
of which to creditors (banks and financial Institutions)		k€	32,354	37,973	39,386
of which to central public administration (current IRES+IRAP)		k€	15,762	14,782	16,693
of which to the local public administration (environmental compensation, IMU, other local taxes)		k€	13,050	13,786	11,969
of which to local communities*		k€	3,106	2,625	2,909
Dividends paid during the financial year by the Parent Company			19,377€	18,220€	15,365€

* It includes sponsorships and donations, cooperative schemes and ownership scheme interests, and sums paid to local trusts.

SUPPLIES

SUPPLIES ¹⁶	Rif. GRI	UM	2020	2019	2018
Total suppliers (estimate)¹⁷		no.	1,748	1,478	1,158
VALUE AND LOCATION OF SUPPLIES	204-1				
Total value of supplies		k€	190,352	192,234	197,101
Value of supplies from local suppliers	204-1 a	k€	140,145	143,392	105,975
% ordered from local suppliers		%	74	75	54
DISTRIBUTION OF THE VALUE OF SUPPLIES BY REGION AND BY LOCAL SUPPLIER					
Total value of supplies in Italy		k€	79,522	65,738	76,158
Value of supplies from local suppliers in Italy		k€	47,620	43,270	48,881
% ordered from local suppliers in Italy (regional scope)		%	60	66	64
Total value of supplies in the UK		k€	19,592	16,733	59,012
Value of supplies from local suppliers in UK		k€	8,543	7,179	11,165
% from local suppliers in UK (constituent country scope)		%	44	43	19

¹⁶ The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

¹⁷ The estimate is obtained by aggregating the data received from the single countries.

SUPPLIES	GRI	UM	2020	2019	2018
Total value of supplies in Spain		k€	3,924	12,599	1,707
Value of supplies from local suppliers in Spain		k€	1,493	842	756
% from local suppliers in Spain (autonomous community scope)		%	38	7	44
Total value of supplies in France		k€	4,813	2,658	2,217
Value of supplies from local suppliers in France		k€	3,654	1,967	1,361
% from local suppliers in France (regional scope)		%	76	74	61
Total value of supplies in the US		k€	4,117	2,963	16,264
Value of supplies from local suppliers in the US		k€	1,602	627	4,082
% from local suppliers in the US (federal state scope)		%	39	21	25
Total value of supplies in Sweden and Norway		k€	76,932	91,543	41,743
Value of supplies from local suppliers in Sweden and Norway		k€	76,043	89,507	39,731
% from local suppliers in Sweden and Norway (national scope)		%	99	98	95
Total value of supplies in other countries (Chile, Mexico, Australia, Japan)		k€	1,451	n.a.	n.a.
Total value of supplies from local offices in other countries (Chile, Mexico, Australia, Japan)		k€	1,191	n.a.	n.a.
% from local suppliers in other countries (Chile, Mexico, Australia, Japan)		%	82	n.a.	n.a.
NEW SUPPLIERS THAT HAVE BEEN EVALUATED USING ENVIRONMENTAL CRITERIA					
Number of new suppliers		no.	88	126	86
New suppliers that have been evaluated using environmental criteria	308-1	no.	40	16	0
% of new suppliers who were evaluated using environmental criteria		%	45	13	0
NEW SUPPLIERS WHO WERE EVALUATED USING SOCIAL CRITERIA					
Number of new suppliers		no.	88	126	86
New suppliers who were evaluated using social criteria	414-1	no.	40	16	0
% of new suppliers who were evaluated using social criteria		%	45	13	0

INSTALLED CAPACITY AND PRODUCTION

INSTALLED CAPACITY AND PRODUCTION	UM	2020	2019	2018
WIND				
Wind farms	n.	30	28	21
- of which in Italy	n.	4	4	4
- of which in the UK	n.	12	12	12
- of which in Spain	n.	2	1	1
- of which in France	n.	9	9	4
- of which in the US	n.	1	0	0

INSTALLED CAPACITY AND PRODUCTION	UM	2020	2019	2018
- of which in Sweden	no.	1	1	0
- of which in Norway	no.	1	1	0
Wind turbines	no.	456	442	394
Installed capacity	MW	962.7	922.7	769.9
- of which in Italy	MW	291.6	291.6	291.6
- of which in the UK	MW	413.0	413.0	413.0
- of which in Spain	MW	33.3	23.3	23.3
- of which in France	MW	98.0	98.0	42.0
- of which in the US	MW	30.0	0	0
- of which in Sweden	MW	46.8	46.8	0
- of which in Norway	MW	50.0	50.0	0
Average age of plants	years	9	9	8
Land occupied by wind farms ¹⁸ - average values	m ² conventional	3,877,000	3,758,000	3,350,000
Installed capacity per unit of land used	W/m ²	248	246	230
FOTOVOLTAIC				
Photovoltaic plants	no.	18	12	12
- of which in Italy	no.	8	7	7
- of which in the UK	no.	0	0	0
- of which in Spain	no.	0	0	0
- of which in France	no.	0	0	0
- of which in the US	no.	10	5	5
Installed capacity	MW	161.2	128.6	128.6
- of which in Italy	MW	17.1	16.1	16.1
- of which in the UK	MW	0	0	0
- of which in Spain	MW	0	0	0
- of which in France	MW	0	0	0
- of which in the US	MW	144.1	112.5	112.5
Average age of plants	years	4	3	2
Land occupied by PV plants ¹⁹	m ² conventional	4,077,390	3,379,225	3,379,225
Installed capacity per unit of land used	W/m ²	40	38	38
THERMAL*				
Thermal plants	no.	2	2	2
- of which biomass (Rende, I)	no.	1	1	1
- of which waste-to-energy (Trezzo, I)	no.	1	1	1
Installed capacity	MW	35.0	35.0	35.0
- of which biomass	MW	15.0	15.0	15.0
- of which waste-to-energy	MW	20.0	20.0	20.0

¹⁸ The calculation considers: 5m wide road, 1.5km distance between two WTGs, 1,000m² substation area and 1,000m² crane pad.

¹⁹ The calculation of the land occupied by PV plants was carried out following the methodology of the Technical Report NREL / TP-6A20-56290 document

INSTALLED CAPACITY AND PRODUCTION	UM	2020	2019	2018
Land occupied by thermal plants	m ² conventional	107,381	107,381	107,381
Installed capacity per unit of land used	W/m ²	326	326	326
* Thermal plants are all based in Italy.				
ELECTRICITY PRODUCED				
Total production	MWh	2,711,517	2,390,799	2,187,000
Total production from wind farms	MWh	2,336,774	1,994,440	1,812,000
- of which in Italy	MWh	567,064	640,083	598,000
- of which in the UK	MWh	1,168,901	1,075,137	1,088,000
- of which in Spain	MWh	69,008	51,448	50,000
- of which in France	MWh	208,450	177,661	76,000
- of which in the US	MWh	9,243	0	0
- of which in Sweden	MWh	160,901	42,990	0
- of which in Norway	MWh	153,206	7,122	0
Total production from photovoltaic plants	MWh	182,596	179,828	171,000
- of which in Italy	MWh	23,894	22,094	22,000
- of which in the UK	MWh	0	0	0
- of which in Spain	MWh	0	0	0
- of which in France	MWh	0	0	0
- of which in the US	MWh	158,702	157,734	149,000
Total production from thermal energy – biomass	MWh	92,152	109,328	103,000
Total production from thermal energy – waste-to-energy	MWh	99,995	107,203	101,000
PLANT AVAILABILITY ²⁰				
Availability factor of wind farms	%	96	96	95
Availability factor of photovoltaic plants	%	96	96	98
Availability factor of biomass plants	%	84	98	91
Availability factor of WtE plants	%	91	91	91
CO₂ avoided	tCO₂	569,783²¹	621,098	867,818

²⁰ The availability of wind and photovoltaic plants is calculated by referring to the value of the energy produced net of losses caused by force majeure events (for example, grid losses and dispatching orders).

²¹ References of the emission factors applied in this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2020); EU: "Fattori di emissione atmosferica di gas a effetto serra nel settore elettrico nazionale e nei principali Paesi Europei" [Atmospheric emission factors of greenhouse gases and other pollutants from the power sector] (ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, 2020 update). These factors are updated with respect to those applied in previous reporting. Performances have been re-calculated accordingly.

ENVIRONMENTAL DATA

MATERIAL CONSUMPTION	GRI	UM	2020	2019	2018
WtE waste ²² (Trezzo, I)	301-1	t	140,534	145,456	147,668
Chemicals (Rende, Trezzo, I)	301-1 a, i	t	6,535	6,643	5,434
ENERGY CONSUMPTION ²³					
Total energy consumption (B+C)		MWh	824,314	930,375	888,460
of which from renewable energy sources (A1+D)	302-1 e	MWh	524,280	623,401	592,236
BREAKDOWN OF DIRECT PRIMARY ENERGY CONSUMPTION BY SOURCE AND TYPE					
Direct consumption of primary energy from renewable sources (A1)		MWh	523,777	622,856	592,236
of which biomass (Rende, I)	302-1 b	MWh	341,262	434,005	409,000
of which waste (Trezzo, I) ²⁴		MWh	182,515	188,851	183,236
Direct consumption of primary energy from non-renewable sources (A2)		MWh	293,627	302,848	294,132
of which natural gas (Rende, I)		MWh	5,903	7,922	11,199
of which diesel (Trezzo, I)		MWh	9,721	12,215	8,628
of which waste (non-renewable component) (Trezzo, I) ²⁵	302-1 a	MWh	273,226	282,711	274,305
of which gas for heating offices		MWh	4,600	n.a.	n.a.
of which gasoline for automotive ²⁶		MWh	98	0	0
of which diesel fuel for automotive ²⁷		MWh	79	0	0
Total direct energy consumption (B=A1+A2)	302-1	MWh	817,404	925,704	886,368
PURCHASE OF ELECTRICITY					
Electricity purchase (C)		MWh	6,910	4,671	2,093
for powering wind farms		MWh	3,750	3,530	1,014
for operating the offices		MWh	736	646	609
for powering photovoltaic plants	302-1 c	MWh	1,143	252	253
for powering thermal plants		MWh	1,281	243	216
For automotive		MWh	n.a.	n.a.	n.a.
Share purchased from renewable (D)		MWh	503	545	n.a.
Self-produced energy consumption (E)		MWh	34,351	38,113	36,858
of which from renewable energy sources (F)	302-1	MWh	26,822	27,234	26,291

²² It corresponds to the waste components indicated as primary energy source.

²³ The 2020 data includes the energy consumption of the Group's plants, of all the offices in Italy and of the foreign offices with more than 9 employees. Furthermore, starting from 2020, the energy consumption relating to the company car fleet was tracked. Compared to 2019 data, the electricity consumption of photovoltaic plants in the USA was considered, with the exception of the BEHUS (USA) plants, which entered the Group's perimeter at the end of November 2020. For the calculation of the 2020 data of the energy consumption of biomass (Rende plant) and waste (Trezzo sull'Adda plant) a specific Lower Heating Value (LHV) was used, calculated indirectly on the basis of the productions relating to the reference calendar year. For the calculation of 2020 data of the energy consumption of natural gas (Rende plant) and diesel (Trezzo sull'Adda plant) the LHV reported in the "National Standard Parameters Table" published by the Ministry of the Environment of the year 2019 was used.

²⁴ 2018 and 2019 data relating to waste-to-energy at Trezzo sull'Adda plant have been modified according to the real allocation between the renewable and non-renewable fractions. Previously the values were reported according to an estimate of 50% for each fraction.

²⁵ 2018 and 2019 data relating to waste-to-energy at Trezzo sull'Adda plant have been modified according to the real allocation between the renewable and non-renewable fractions. Previously the values were reported according to an estimate of 50% for each fraction.

²⁶ The figure takes into consideration the mixed use of the company car fleet (70% of consumption is attributed to the company).

²⁷ The figure takes into consideration the mixed use of the company car fleet (70% of consumption is attributed to the company).

CARBON FOOTPRINT	GRI	UM	2020	2019	2018
Direct CO ₂ emissions - Scope I ²⁸	305-1 a	tCO ₂	156,665	111,450.5	112,781.4
Indirect CO ₂ emissions - Scope II ²⁹	305-2 a	tCO ₂	1,824.5	1,176.9	662.1
Indirect CO ₂ emissions - Scope III	305-3 a	tCO ₂	41,500 ³⁰	742.4 ³¹	n.a.
Total carbon footprint (Scope I+II+III)		tCO ₂	199,989.5	113,369.8	113,443.5

AIR POLLUTANTS ³²	GRI	UM	2020	2019	2018
NO _x (Trezzo, I)	305-7 a, i	t	76.3	79.8	78.1
NO _x (Rende, I)	305-7 a, i	t	148.0	159.5	149.2
SO _x (Trezzo, I)	305-7 a, ii	t	3.9	5.5	4.0
SO _x (Rende, I)	305-7 a, ii	t	0.070	0.050	0.031
CO (Trezzo, I)	305-7 a, vii	t	14.9	14.3	12.02
CO (Rende, I)	305-7 a, vii	t	62.6	76.04	71.4

WATER ³³	GRI	UM	2020	2019	2018
WATER WITHDRAWN					
Total water withdrawn (thermal plants)	303-3 a	m³	658,489	772,331	729,240
BREAKDOWN OF WATER WITHDRAWN BY SOURCE AND WATER QUALITY					
From surface water (lakes, rivers, etc.)	303-3 a, i	m ³	531,242	660,395	614,108
of which freshwater	303-3 c, i	m ³	531,242	660,395	614,108
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From groundwater	303-3 a, ii	m ³	88,685	74,460	81,328
of which freshwater	303-3 c, i	m ³	88,685	74,460	81,328
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From seawater	303-3 a, iii	m ³	0	0	0
of which freshwater	303-3 c, i	m ³	0	0	0
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From produced water	303-3 a, iv	m ³	0	0	0
of which freshwater	303-3 c, i	m ³	0	0	0
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From third-party water (from municipal water or other public or private water services)	303-3 a, v	m ³	38,562	37,476	33,804
of which freshwater	303-3 c, i	m ³	38,562	37,476	33,804

²⁸ For the calculation of emissions, the emission factors reported in the "National Standard Parameters Table" of the United Nations Framework Convention on Climate Change (UNFCCC), published annually by the Ministry of the Environment, were adopted. The increase in Scope 1 emissions is due to a significant change in the emission factor, which went from 0.733 tons to 1.081 tons of CO₂ emitted per ton of waste treated.

²⁹ This value is calculated according to a location-based approach. References of the emission factors applied for the 2020 calculation: EU and UK: "Atmospheric emission factors of greenhouse gases in the national electricity sector and in the main European countries" (ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, 2019); Mexico: "Factor de Emisión del Sistema Eléctrico Nacional 2019" (CRE, 2020); Japan: "Japan's current progress of GHG reduction" (UNFCCC, 2019); USA: "Emission Factors for Greenhouse Gas Inventories" (table 6), (US Environmental Protection Agency, 2020).

³⁰ Estimated value that includes the same scope as 2019, plus additional Scope III indirect emissions categories generated upstream and downstream in our value chain, related to: wind and photovoltaic plant lifecycle; inbound logistics of waste and waste-to-energy biomass; procurement of chemicals used in waste-to-energy; fuel and natural gas procurement; waste-to-energy disposal; Trezzo water discharge purification; energy consumption related to remote working.

³¹ The 2019 value of indirect Scope III emissions includes in the scope the business travels of colleagues based in Italy, Spain and Mexico.

³² In 2020 the value of atmospheric emissions generated by the use of the company car fleet was 0.104 t NO_x and 0.165 t CO. The average emission factors relating to road transport by ISPRA were adopted to calculate the emissions. The value of atmospheric emissions generated by natural gas for heating offices was 0.281t NO_x, 0.004 tSO_x and 0.331 tCO. The 2018 average emission factors for combustion sources in Italy by ISPRA were adopted to calculate the emissions.

³³ The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

WATER	GRI	UM	2020	2019	2018
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
WATER WITHDRAWALS FROM AREAS WITH WATER STRESS BY SOURCE AND WATER QUALITY					
Water withdrawals from areas with water stress	303-3 b	m³	0	0	0
From surface water (lakes, rivers, etc.)	303-3 b, i	m ³	0	0	0
of which freshwater	303-3 c, i	m ³	0	0	0
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From groundwater	303-3 b, ii	m ³	0	0	0
of which freshwater	303-3 c, i	m ³	0	0	0
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From seawater	303-3 b, iii	m ³	0	0	0
of which freshwater	303-3 c, i	m ³	0	0	0
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From produced water	303-3 b, iv	m ³	0	0	0
of which freshwater	303-3 c, i	m ³	0	0	0
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From third-party water (from municipal water or other public or private water services)	303-3 b, v	m ³	0	0	0
of which freshwater	303-3 c, i	m ³	0	0	0
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
From surface water		m ³	0	0	0
From groundwater	303-3 b, v	m ³	0	0	0
From seawater		m ³	0	0	0
From produced water		m ³	0	0	0
WATER DISCHARGE					
Total water discharge (thermal plants)	303-4 a	m³	253,197	313,178	370,227
in areas with water stress	303-4 c	m ³	0	0	0
BREAKDOWN OF WATER DISCHARGES BY DESTINATION					
of which into surface water (lakes, rivers, etc.)	303-4 a, i	m ³	252,819	312,826	368,728
into groundwater	303-4 a, ii	m ³	0	0	0
into seawater	303-4 a, iii	m ³	0	0	0
of which into municipal sewers or into other public or private water services	303-4 a, iv	m ³	378	352	1,499
into third-party water (from municipal water or other public or private water services)		m ³	0	0	0
A BREAKDOWN OF TOTAL WATER DISCHARGE TO ALL AREAS BY THE FOLLOWING CATEGORIES					
of which freshwater	303-4 b, i	m ³	253,197	313,178	370,277
of which other water (non-freshwater)	303-4 b, ii	m ³	0	0	0
BREAKDOWN OF TOTAL WATER DISCHARGE TO ALL AREAS WITH WATER STRESS BY CATEGORIES					
of which freshwater	303-4 c, i	m ³	0	0	0
of which other water (non-freshwater)	303-4 c, ii	m ³	0	0	0

ENVIRONMENTAL COMPLIANCE ³⁴	GRI	UM	2020	2019	2018
Sanctions received for non-compliance with environmental regulations	307-1 a	no.	0 ³⁵	1	1
Monetary value of sanctions	307-1 a, i	k€	0	6.5	6
Number of non-monetary sanctions	307-1 a, ii	no.	0	n.a.	n.a.
Cases handled with dispute resolution mechanisms	307-1 a, iii	no.	0	0	0

ENVIRONMENTAL AUDITS ³⁶		UM	2020	2019	2018
Internal audits ³⁷		no.	21	55	157
External audits carried out (third party, for recertification, etc.)		no.	13	13	6
Total audits		no.	34	68	163

EXTERNAL INSPECTIONS ³⁸		UM	2020	2019	2018
Inspections carried out by ASL, ARPA, the Municipality, the Province, the Region and other bodies within the scope of Falck Renewables		no.	8	2	3

EMPLOYMENT

EMPLOYMENT ³⁹	GRI	UM	2020	2019	2018
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INFORMATION ON EMPLOYEES AND OTHER WORKERS

Number of employees as at 01/01		no.	499	464	345
Total starters	102-8	no.	112	128	194
Total leavers		no.	58	93	75
Total number of employees as at 12/31		no.	553	499	464

BREAKDOWN OF EMPLOYEES BY GENDER

Men	102-8	no.	384	352	323
Women		no.	169	147	141

EMPLOYEES BY EMPLOYMENT CONTRACT AND BY GENDER

Permanent contract		no.	528	472	431
of which women		no.	164	143	130
Fixed-term contract	102-8 a	no.	25	27	33
of which women		no.	5	4	11
Other types of employment (internships, etc.)		no.	10	17	14
of which women		no.	3	10	1

BREAKDOWN OF EMPLOYEES BY EMPLOYMENT CONTRACT AND BY REGION

Permanent contract		no.	528	472	431
of which in Italy	102-8 b	no.	343	306	280
of which in the UK		no.	27	31	32
of which in Spain		no.	87	79	74

³⁴ The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

³⁵ Penalties and fines of less than € 5,000 are not included. In 2020 there were penalties for a total value of € 1,300.

³⁶ The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

³⁷ Refers to Falck Renewables staff visits for plant monitoring and O&M.

³⁸ The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

³⁹ The total number of employees as of 31/12/2019 has been adjusted with respect to the value published in the 2019 Sustainability Report. Consequently, all the 2019 data considering this figure have been restated.

EMPLOYMENT	GRI	UM	2020	2019	2018
of which in France		no.	7	4	7
of which in the US		no.	13	9	6
of which in Sweden and Norway		no.	7	6	4
of which in other geographical regions		no.	44	37	28
Fixed-term contract		no.	25	27	33
of which in Italy	102-8 b	no.	20	25	30
of which in the UK		no.	2	0	0
of which in Spain		no.	1	1	1
of which in France		no.	1	1	2
of which in the US		no.	0	0	0
of which in Sweden and Norway		no.	0	0	0
of which in other geographical regions		no.	1	0	0

BREAKDOWN OF EMPLOYEES BY EMPLOYMENT TYPE AND BY GENDER

Full time		no.	543	489	454
of which women		no.	162	141	133
Part time	102-8 c	no.	10	10	10
of which women		no.	7	6	8

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

PERCENTAGE OF INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES BY GENDER

Men		%	58	58	58
Women	405-1 a, i	%	42	42	42

PERCENTAGE OF INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES BY AGE GROUP

<30		%	0	0	0
Between 30 and 50	405-1 a, ii	%	33	50	50
>50		%	67	50	50

PERCENTAGE OF EMPLOYEES BY CATEGORY AND GENDER

Senior managers		%	10	11	12
of which women		%	16	16	15
Middle managers		%	18	16	15
of which women		%	25	29	31
White collars	405-1 b, i	%	65	67	64
of which women		%	37	34	38
Blue collars		%	6	6	10
of which women		%	0	0	0

PERCENTAGE OF EMPLOYEES BY CATEGORY AND BY AGE GROUP

Senior managers		%	10	11	12
of which <30		%	0	0	0
of which between 30 and 50	405-1 b, ii	%	60	60	62
of which >50		%	40	40	38

EMPLOYMENT	GRI	UM	2020	2019	2018
Middle managers		%	18	16	15
of which <30		%	2	1	1
of which between 30 and 50		%	80	85	82
of which >50		%	18	14	16
White collars		%	65	67	64
of which <30	405-1 b, ii	%	22	24	23
of which between 30 and 50		%	63	62	62
of which >50		%	15	14	15
Blue collars		%	6	6	10
of which <30		%	10	13	7
of which tra 30 e 50		%	65	65	63
of which >50		%	26	23	30
OTHER DIVERSITY INDICATORS					
Employees belonging to protected groups	405-1 b, iii	n.	11	11	8
COLLECTIVE BARGAINING AGREEMENTS					
Percentage of employees covered by collective bargaining agreements	102-41	%	83	67	67
Labor union membership		%	4	4	5
NEW STARTERS AND STARTER RATE					
	GRI	UM	2020	2019	2018
Total new starters	401-1 a	no.	112	128	194
New starters rate		%	20	26	42
NEW STARTERS AND STARTER RATE BY GENDER					
Men	401-1 a	no.	75	93	136
Women		no.	37	35	58
Male starter rate		%	20	26	42
Female starter rate		%	22	24	41
NEW STARTERS AND STARTER RATE BY AGE GROUP					
Starters aged <30	401-1 a	no.	32	41	53
Starters aged between 30 and 50		no.	68	81	118
Starters aged >50		no.	12	6	23
Starter rate aged <30		%	37	49	73
Starter rate aged between 30 and 50 years		%	19	25	39
Starter rate aged >50		%	12	7	26
NEW STARTERS AND TURNOVER BY GEOGRAPHICAL AREA					
Italy	401-1 a	no.	55	69	138
UK		no.	7	4	7
Spain		no.	20	33	25
France		no.	5	2	4
US		no.	9	3	3
Sweden and Norway		no.	1	2	2

NEW STARTERS AND STARTER RATE	GRI	UM	2020	2019	2018
other geographical regions		no.	15	15	15
Italy starter rate	401-1 a	%	15	21	44
UK starter rate		%	24	13	22
Spain starter rate		%	23	41	33
France starter rate		%	63	40	44
US starter rate		%	69	33	50
Sweden and Norway starter rate		%	14	33	50
Other geographical regions starter rate		%	33	41	56
LEAVERS AND STAFF TURNOVER					
Total number of leavers	401-1 b	no.	58	93	75
Employee turnover		%	10	19	16
LEAVERS AND TURNOVER BY GENDER					
Men	401-1 b	no.	43	63	52
Women		no.	15	30	23
Male turnover		%	11	18	16
Female turnover		%	9	20	16
LEAVERS AND TURNOVER BY AGE GROUP					
Leavers aged <30	401-1 b	no.	10	14	21
Leavers aged between 30 and 50		no.	39	62	46
Leavers aged >50		no.	9	17	8
Turnover aged <30		%	12	17	29
Turnover aged between 30 and 50		%	11	19	15
Turnover aged >50		%	9	20	9
LEAVERS AND TURNOVER BY GEOGRAPHICAL AREA					
Italy	401-1 b	no.	22	47	37
UK		no.	10	5	3
Spain		no.	13	29	26
France		no.	2	6	1
US		no.	5	0	1
Sweden and Norway		no.	0	0	0
Other geographical regions		no.	6	6	7
Italy turnover		%	6	14	12
UK turnover		%	34	16	9
Spain turnover		%	15	36	35
France turnover		%	25	120	11
US turnover	%	38	0	17	
Sweden and Norway turnover	%	0	0	0	
Other geographical regions turnover	%	13	16	26	
NON-DISCRIMINATION					
Reports received for cases of discrimination	406-1	no.	0	0	0

TRAINING

TRAINING DELIVERED ⁴⁰	GRI	UM	2020	2019	2018
Total hours		no.	16,728	10,349	1,941
Employees who participated in at least one training course⁴¹		no.	567	483	300
Average hours of training per trained employee		no.	29.5	21.4	6.5
Average hours of training per employee		no.	30.3	20.7	4.2
HOURS OF TRAINING BY GENDER					
Men	404-1 a, i	no.	11,130	7,565	485
Women		no.	5,599	2,784	1,456
AVERAGE HOURS OF TRAINING BY GENDER					
Men	404-1 a, i	no.	29.0	21.4	1.5
Women		no.	33.1	18.9	10.3
HOURS OF TRAINING BY EMPLOYEE CATEGORY					
Senior managers	404-1 a, ii	no.	1,705	1,419	429
Middle managers		no.	3,197	1,671	506
White collars		no.	11,619	6,650	1,006
Blue collars		no.	207	609	0
AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY					
Senior managers	404-1 a, ii	no.	29.4	25.8	7.8
Middle managers		no.	31.3	21.2	7.4
White collars		no.	32.1	19.9	3.4
Blue collars		no.	6.7	19.6	0.0
HOURS OF HEALTH AND SAFETY TRAINING					
Total hours	403-5	no.	4,517	3,359	746
PERFORMANCE EVALUATION					
Employees subject to performance evaluation	404-3	no.	137	140	118
BREAKDOWN OF EVALUATED EMPLOYEES BY GENDER					
Men	404-3	no.	98	102	87
Women		no.	39	38	31
PERCENTAGE OF EVALUATED EMPLOYEES BY GENDER					
Men	404-3	%	26	29	27
Women		%	23	26	22
BREAKDOWN OF EVALUATED EMPLOYEES BY POSITION					
Senior managers	404-3	no.	18	15	9
Middle managers		no.	29	27	15
White collars		no.	88	96	90
Blue collars		no.	2	2	4
% OF EVALUATED EMPLOYEES BY POSITION					
Senior managers	404-3	%	31	27	16

⁴⁰ The data does not include the staff of BEHUS (USA), who joined the Group at the end of November 2020.
⁴¹ This figure includes employees who left the Company during the year.

TRAINING DELIVERED	GRI	UM	2020	2019	2018
Middle managers		%	28	35	22
White collars	404-3	%	24	29	31
Blue collars		%	6	6	9

SOCIO-ECONOMIC COMPLIANCE ⁴²	GRI	UM	2020	2019	2018
Sanctions received for non-compliance in the socio-economic area		no.	0	3*	0
Monetary value of sanctions	419-1 a	k€	0	148.8	0
Cases handled with dispute resolution mechanisms		no.	0	0	0

* These penalties derive from the closure of tax and administrative assessments, 2 of which relate to facts dating back to previous years (€ 91,000 in 2014 and € 35,457.6 in 2011/2012).

INTERNAL AUDITS ⁴³	UM	2020	2019	2018
Number of internal audit reports carried out	no.	16	15	14
BREAKDOWN OF AUDIT REPORTS BY SCOPE				
Operational*	no.	3	4	5
Financial**	no.	9	7	6
Compliance***	no.	4	4	3

* Audits aimed at verifying the effectiveness and efficiency of corporate operations. They may relate to strategic processes, business processes, or processes that support business operations.
** Audits aimed at verifying the reliability of accounting and financial information, and situations used for internal purposes (management reporting) or disclosed to the market (external reporting).
*** Audits whose main objective is to verify the adherence of corporate processes and activities to external laws and regulations, as well as to internal procedures or policies.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION ⁴⁴	GRI	UM	2020	2019	2018
ANTI-CORRUPTION COMMUNICATION AT BOD LEVEL					
Total members of the BoD who have been notified of anti-corruption policies and procedures	205-2 a	no.	12	12	12
% of members of the BoD who have been notified of anti-corruption policies and procedures		%	100	100	100
Total members of the BoD who have received training on anti-corruption policies and procedures	205-2 d	no.	12	10	0
% of members of the BoD who have received training on anti-corruption policies and procedures		%	100	83	0
ANTI-CORRUPTION COMMUNICATION TO EMPLOYEES					
Total employees to whom anti-corruption policies and procedures have been communicated⁴⁵	205-2 b	no.	553	95	0
% employees to whom anti-corruption policies and procedures have been communicated		%	100	19	0
EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED BY REGION (NUMBER)					
Italy		no.	363	95	0
UK	205-2 b	no.	29	0	0
Spain		no.	88	0	0

⁴² The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

⁴³ The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

⁴⁴ The data does not include the staff of BEHUS (USA), who joined the Group at the end of November 2020.

⁴⁵ During 2020 a communication on the updating of the Group's Code of Ethics was sent by e-mail to the entire Company's population.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION					
	GRI	UM	2020	2019	2018
France		no.	8	0	0
US	205-2 b	no.	13	0	0
Sweden and Norway		no.	7	0	0
other Countries		no.	45	0	0
EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED BY REGION (PERCENTAGE)					
Italy		%	100	29	0
UK		%	100	0	0
Spain	205-2 b	%	100	0	0
France		%	100	0	0
USA		%	100	0	0
Sweden and Norway		%	100	0	0
other Countries		%	100	0	0
EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED BY POSITION (NUMBER)					
Senior managers		no.	58	26	0
Middle managers	205-2 b	no.	102	30	0
White collars		no.	362	39	0
Blue collars		no.	31	0	0
EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED BY POSITION (PERCENTAGE)					
Senior managers		%	100	47	0
Middle managers	205-2 b	%	100	38	0
White collars		%	100	12	0
Blue collars		%	100	0	0
ANTI-CORRUPTION TRAINING FOR EMPLOYEES					
Total employees who received training on anti-corruption policies and procedures	205-2 e	no.	154	104	89
% of employees who have received training on anti-corruption policies and procedures		%	28	21	19
BREAKDOWN OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY REGION (NUMBER)					
Italy		no.	154	104	89
UK		no.	0	0	0
Spain		no.	0	0	0
France	205-2 e	no.	0	0	0
USA		no.	0	0	0
Sweden and Norway		no.	0	0	0
other Countries		no.	0	0	0
% OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY REGION (PERCENTAGE)					
Italy		%	43	31	29
UK		%	0	0	0
Spain	205-2 e	%	0	0	0
France		%	0	0	0
USA		%	0	0	0

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION					
	GRI	UM	2020	2019	2018
Sweden and Norway		%	0	0	0
other Countries		%	0	0	0
BREAKDOWN OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY POSITION					
Senior managers		no.	12	8	18
Middle managers	205-2 e	no.	17	27	18
White collars		no.	124	65	53
Blue collars		no.	1	4	0
% OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY POSITION (PERCENTAGE)					
Senior managers		%	21	15	33
Middle managers	205-2 e	%	17	34	26
White collars		%	34	19	18
Blue collars		%	3	13	0
CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN					
Confirmed incidents of corruption	205-3 a	no.	0	0	0
Employees who received disciplinary action (including dismissal) for incidents of corruption	205-3 b	no.	0	0	0
Measures taken against business partners following confirmed incidents of corruption	205-3 c	no.	0	0	0
Proceedings against the organization or employees for incidents of corruption	205-3 d	no.	0	0	0
Reports collected through the whistleblowing system	205-3 e	no.	0	0	0
ANTI-COMPETITIVE BEHAVIOR AND ANTI-TRUST					
Pending or completed legal actions against the company relating to anti-competitive behaviour and breaches of anti-trust and monopolistic legislation	206-1	no.	0	0	0

HEALTH AND SAFETY

HEALTH AND SAFETY ⁴⁶					
	GRI	UM	2020	2019	2018
WORK-RELATED INJURIES SUFFERED BY FALCK RENEWABLES EMPLOYEES					
Total injuries⁴⁷	403-9 a, iii	no.	0	2	0
Fatal injuries	403-9 a, i	no.	0	0	0
Serious injuries (more than 180 days of absence)	403-9 a, ii	no.	0	0	0
Hours worked	403-9 a, v	no.	945,120	810,943	712,847
WORK-RELATED INJURIES SUFFERED BY CONTRACTORS					
Total injuries	403-9 b, iii	no.	2	n.a.	n.a.
Fatal injuries	403-9 b, i	no.	0	n.a.	n.a.
Serious injuries	403-9 b, ii	no.	1	n.a.	n.a.

⁴⁶ The data does not include the staff of BEHUS (USA), who joined the Group at the end of November 2020.

⁴⁷ Total injuries do not include accidents occurred during home-work journey and therefore not counted for reporting purposes in accordance with GRI Standard 403-9. In 2020, there has been only one injury occurred during home-work journey involving a Group employee.

HEALTH AND SAFETY		GRI	UM	2020	2019	2018
HEALTH AND SAFETY MANAGEMENT						
Employees covered by health and safety management policies or systems	403-8 a, i		no.	553	499	464
			%	100	100	100
Employees covered by internally certified health and safety management policies or systems	403-8 a, ii		no.	553	499	464
			%	100	100	100
Employees covered by externally certified health and safety management policies or systems	403-8 a, iii		no.	177	162	139
			%	32	32	30
SPONSORSHIPS AND INVESTMENT IN THE COMMUNITY ⁴⁸						
		GRI	UM	2020	2019	2018
SPONSORSHIPS AND INVESTMENT IN THE COMMUNITY						
Total investments	203-1		k€	3,106	2,631	2,916
TYPE OF INVESTMENT						
Sponsorships			k€	76	81	89
Donations (including funding to collective benefit schemes)			k€	1,404	1,384	1,313
International support program for the COVID-19 crisis	203-1 c		k€	783	n.a.	n.a.
Interest for cooperative schemes and ownership scheme			k€	843	1,166	1,514
DISTRIBUTION OF INVESTMENTS BY AREA OF INTERVENTION						
Social commitment			k€	2,745	2,533	2,813
Sustainable energy			k€	50	0	0
Environment			k€	59	2	0
Local culture and traditions			k€	0	14	12
Education			k€	32	82	78
Sport			k€	0	0	0
Health			k€	221	0	0
Other			k€	0	0	12
DISTRIBUTION OF INVESTMENT BY GEOGRAPHICAL AREA						
Italy			k€	483	131	102
UK			k€	2,385	2,489	2,807
Spain			k€	56	2	0
France			k€	88	0	0
USA			k€	79	0	0
Sweden and Norway			k€	13	9	7
Other countries (Mexico)			k€	2	0	0

OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS⁴⁹

	GRI	UM	2020	2019	2018
Number of operations (plants) with implemented local community engagement, impact assessments and/or development programs	413-1	no.	18	16	15
Total number of assets (plants)	413-1	no.	40	39	31
Percentage of operations (plants) with implemented local community engagement, impact assessments and/or development programs	413-1	%	45	41	48 ⁵⁰

OTHER DATA AND IMPACT INDICATORS

	UM	2020	2019
Meetings with the financial community	no.	22	21
Meetings with potential investors	no.	356 (+61%) 371 (+59%) including analysts and brokers	221 233 including analysts and brokers
Women presence on the BoD and management	no.	5 on the BoD – 9 senior executives	5 on the BoD – 9 senior executives
Dispatching plant production	GWh	1,331 (+38%) of which: 851.2 dispatching FKR plant production 479.8 dispatching third-party plants production	964 of which: 881 dispatching FKR plant production 83 dispatching third-party plants production
Electrical demand flexibility management: number and total installed capacity of mixed enabled virtual units (UVAM) managed by Falck Next Energy Srl	no. UVAM/ MW	15/29.3	11/21.2
Electrical demand flexibility management: mixed enabled virtual units (UVAM) auctions / tenders awarded during the year for the period 1/1-31/12	no. UVAM/ MW	15/29.3	15/29.3
Third-party plants' managed capacity	GW	1.9 (+15%)	1.57
Estimate of the social cost of blackouts avoided by the electricity system thanks to the interruptibility services provided by Energy Team	k€	100,040*	174,060
*the difference from 2019 is due to the change in the counting of base data (switched from number of business names to number of MW of power actually managed)			
Estimate of potential energy savings (per year) from the audits carried out in Italy by Energy Team	TEP	5,072*	70,000
*in 2020 energy audit for energy-intensive are not mandatory			
Value of the TEE Energy Efficiency Certificates managed in the Italian portfolio*	€	823,000	427,135
*both Energy Team clients and clients traded on the TEE market			

⁴⁹ The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

⁵⁰ The rate calculated on the 2018 values is higher if compared to the years 2019 and 2020 as the perimeter of the number of plants considered was lower.

	UM	2020	2019
PPA contracts signed (excluding intercompany)	no.	7 (in Spain, the UK, Sweden and Norway)	6 (in Spain, the UK, Sweden and Norway)
Electricity produced and sold through PPAs signed (excluding intercompany) <small>*compared to 2019, all the PPAs active during the year have been traced, as well as the perimeter extended to include new plants. The data does not include the BEHUS plants (US), which entered the Group's perimeter at the end of November 2020</small>	MWh	1,846,455.73*	201,024
End-consumers of energy who have opted into the Community Solar program with MELD and collectively consume generation from the Middleton plant (US)	no.	205	200
US plants participating in a net metering credit program	no.	3	3
Wind or PV plants that feed a community benefit scheme	no.	15 of which 12 in the UK, 1 in Sweden, 1 in Spain and 1 in Norway	13 of which 12 in the UK and 1 in Sweden
Local community entities benefiting from benefit schemes	no.	32 of which 28 in the UK, 1 in Sweden, 2 in Spain e 1 in Norway	24 of which 23 in the UK and 1 in Sweden
Value of contributions to community benefit schemes in the UK <small>*including contributions to the international COVID-19 program for local communities</small>	k€	1,521* (+16%)	1,307
Total number of community projects supported by community benefit schemes in the UK and Sweden	no.	168 (+8%)	155
Active cooperative schemes in the UK	no.	7 (on 8 plants)	7 (on 8 plants)
Total subscribers of the UK cooperatives	no.	3,622	3,634
Contributions made to university departments and research institutes in Italy <small>*comprehensive of granting to support medical research against COVID-19</small>	€	250,000*	17,200
Estimate of students benefiting from some sort of training activities	no.	805 (+61%)	500
Beneficiaries of renewable energy and energy sustainability training grants in the UK <small>*support directed to cover apprenticeships for a Scottish local business</small>	no.	5	17*
Elementary students and teachers participating in the STEM education programme developed in Scotland with SCDI (Little Lighthouse programme) <small>*thanks to the adoption of online mode</small>	no.	598 students, 33 teachers*	50 students, 9 teachers

	UM	2020	2019
Visitors to plants in Italy, the UK and Sweden	no.	n.a.	140
International events in which Falck Renewables has participated as a speaker <small>*for 2020 to be considered almost entirely in online mode</small>	no.	62* (+17%) (cumulated audience of 15,300 people)	53 (cumulated audience of 6,000 people)
Air emissions avoided thanks to total wind and PV power production* <small>*emission factors for the production and consumption of electricity in Italy (updated to 2019 and preliminary estimates for 2020), published by ISPRA on TERNA data</small>	tNO _x	550.17	474.82
	tSO _x	147.14	126.98
	tCO	235.26	203.03
	tPM10	7.3	6.33
Pages visited on the FKR Sustainable Community web portal during the year	no.	10,057 (+70%)	5,931
Events dedicated to the Sustainable Community network in the UK	no.	1 online event (around 70 participants)	1 2-day event (around 60 participants)
Estimated hours of remote working of Group's employees	h	708,840 (over 90% of employees involved)	-
Number of bikes in the company's bike sharing fleet	no.	15	15
Valore D: hours of training and women's participation	h/no.	70/11 women	184/13 women

METHODOLOGICAL NOTE

Falck Renewables Sustainability Report aims at providing a complete and exhaustive account of the Company's commitment and achievements in sustainable development and corporate social responsibility. The relevant topics at the basis of the reporting refer to the economic, environmental, social and governance issues and are identified in the materiality analysis, updated every year. In 2020, the process has seen the engagement of all the main corporate departments, that have identified and evaluated the topics as well as contributed with the mapping and weight of external stakeholders, following the five dimensions reported in the international standard AccountAbility AA1000⁵¹. Through the stakeholder engagement process, Falck Renewables has then collected their evaluation on the material topics.

Sustainability report applies, as a methodological reference, the "Consolidated set of GRI Sustainability Reporting Standards 2016" (GRI standards), with a self-declared "GRI in accordance-core" adherence level. The GRI Standard Correlation Table can be found at pag. 65-67. The presentation of the content of the Report also follows the "International Integrated Reporting Framework" approach to capitals

SCOPE OF CONSOLIDATION AND CRITERIA

This document contains data and information for the financial year ending December 31, 2020. The scope of consolidation corresponds with that of the Financial Report, except where otherwise indicated in the note.

REPORTING PROCESS AND METHODS

The process of collecting data and information and drafting this document is managed by the Falck Renewables Communication and Sustainability department, in collaboration with the various company departments and associated companies and the newly founded ESG Data Reporting department. The economic, financial, operational and governance data are taken directly from the Financial Report and from the Report on Corporate Governance and Ownership Structure. Environmental data, data on staff and data relating to other aspects covered in the document are collected directly from the relevant departments. The calculation methods used to determine the various indicators as well as any relevant update of data are shown in the relevant tables. In order to ensure comparability over time of the indicators considered most significant and to give readers a chance to compare the performance achieved, the current values were compared, through the use of charts and tables, with those of the two previous financial years.

Reporting period	Financial year from 1-1-2020 to 12-31-2020
Annual frequency	Yearly
Last published document	2019 Sustainability Report
Contacts	Alessandra Ruzzu, Alessandro Costa, Federica Inzoli and with the support of ESG Data reporting Falck Renewables - Via Alberto Falck, 4-16 Sesto San Giovanni (MI)
Accessibility	www.falckrenewables.com
E-mail	sustainability@falckrenewables.com

GRI STANDARD CORRELATION TABLE

GRI STANDARD	DISCLOSURE	PAGE	NOTES-OMISSIONS
GRI 102 – GENERAL DISCLOSURE			
102-1	Organisation name	Cover	
102-2	Brands, products and services	9	
102-3	Location of headquarters	Methodological note	
102-4	Location of operations	11	
102-5	Ownership structure	12	
102-6	Markets served	9 - 11	
102-7	Scale of the organisation	10, 11, 46 - 48	
102-8	Information about employees and other workers	39, 43, 52, 53	
102-9	Supply chain	30, 31, 45, 46	
102-10	Significant changes in the organisation and its supply chain	30, 31, 45, 46	
102-11	Precautionary approach or principle	17, 20, 21, 44	
102-12	Subscription to charters, principles or other external initiatives	15, Sustainability Charter	
102-13	Membership of associations	18, 23	
102-14	Statement from the Chairman	6	
102-16	Values, principles, standards and norms of behaviour	15, 27	
102-18	Governance structure	14	
102-26	Role of the highest governance body in setting the organisation's purpose, values and strategy	14	
102-40	List of stakeholders	17	
102-41	Collective agreement	54	
102-42	Identification and selection of stakeholders	17	
102-43	Approach to stakeholder engagement	17	
102-44	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded (stakeholder engagement)	18, 19	
102-45	Entities included in the consolidated financial statement	Methodological note	
102-46	Defining the report content and the aspect boundaries	18, 19, methodological note	
102-47	List of the material aspects	18, 19	
102-48	Restatements of information	Methodological note	
102-49	Changes in reporting	Methodological note	
102-50	Reporting period	Methodological note	
102-51	Date of most recent previous report	Methodological note	
102-52	Reporting cycle	Methodological note	
102-53	Contact point for questions regarding the report	Methodological note	
102-54	Statement of compliance with the GRI Standards	Methodological note	
102-55	GRI Content Index	65 - 67	
GRI 200 – ECONOMIC DISCLOSURE			
201 – Economic performance			
103-1;103-2;103-3	Management approach	23, 24	

GRI STANDARD	DISCLOSURE	PAGE	NOTES-OMISSIONS
201-1	Direct economic value generated and distributed	45	
203 – Indirect economic impacts			
103-1;103-2;103-3	Management approach	27 - 30	
203-1	Sponsorship and investment in the community	60	
204 – Procurement practices			
103-1;103-2;103-3	Management approach	30, 31	
204-1	Value and location of supplies	45, 46	
205 – Anti-corruption			
103-1;103-2;103-3	Management approach	15	
205-2	Communication and training on anti-corruption policies and procedures	57 - 59	
205-3	Confirmed incidents of corruption and actions taken	59	
206 – Anti-competitive behaviour and anti-trust			
103-1;103-2;103-3	Management approach	15	
206-1	Pending or completed legal actions against the company relating to anti-competitive behaviour, anti-trust and monopoly practices	59	
GRI 300 – ENVIRONMENT			
301 – Materials			
103-1;103-2;103-3	Management approach	33	
301-1	Material used by weight and volume	48	
302 – Energy			
103-1;103-2;103-3	Management approach	33, 34	
302-1	Energy consumption within the organisation	49	
303 – Water			
103-1;103-2;103-3	Management approach	33	
303-1	Interactions with water as a shared resource	Consult the NES at pag. 64, 65, 69	
303-2	Management of water discharge-related impacts	Consult the NES at pag. 64, 65, 69	
303-3	Water withdrawn by source	50, 51	
303-4	Water discharge	51	
305 – Emissions			
103-1;103-2;103-3	Management approach	33 - 35, 37	
305-1	GHG Direct Emissions (Scope 1)	50	
305-2	Indirect GHG emissions from energy consumption (Scope 2)	50	
305-7	Air emissions	50	
307 – Environmental compliance			
103-1;103-2;103-3	Management approach	33, 34	
307-1	Cases of non-compliance with environmental laws or regulations	52	
308 – Supplier environmental assessment			
103-1;103-2;103-3	Management approach	30, 31, 33	
308-1	New suppliers that were screened using environmental criteria	46	

GRI STANDARD	DISCLOSURE	PAGE	NOTES-OMISSIONS
GRI 400 – SOCIAL			
401 – Employment			
103-1;103-2;103-3	Management approach	39	
401-1	New employees hires and employee turnover	54 - 55	
403 – Occupational health and safety			
103-1;103-2;103-3	Management approach	41, 42	
403-1	Occupational health and safety management system	Consult the NES at pag. 50, 51	
403-2	Hazard identification, risk assessment, and incident investigation	Consult the NES at pag. 51	
403-3	Occupational health services	Consult the NES at pag. 52	
403-4	Worker participation, consultation, and communication on occupational health and safety	Consult the NES at pag. 55	
403-5	Worker training on occupational health and safety	Consult the NFD at pag. 55	
403-6	Promotion of worker health	Consult the NES at pag. 52	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	n.a.	
403-8	Workers covered by an occupational health and safety management system	60	
403-9	Work-related injuries	59	
404 – Training and education			
103-1;103-2;103-3	Management approach	40, 41	
404-1	Average annual training hours per worker	56	
404-3	Percentage of employees receiving regular performance and career development reviews	56	
405 – Diversity and equal opportunities			
103-1;103-2;103-3	Management approach	42	
405-1	Diversity of governance bodies and employees	53, 54	
406 – Non-discrimination			
103-1;103-2;103-3	Management approach	42	
406-1	Incidents of discrimination and corrective actions taken	55	
413 – Local communities			
103-1;103-2;103-3	Management approach	27 - 30	
413-1	Operations with local community engagement, impact assessments, and development programs	61	
414 – Supplier social assessment			
103-1;103-2;103-3	Management approach	30, 31	
414-1	New suppliers that were screened using social criteria	46	
419 – Socioeconomic Compliance			
103-1;103-2;103-3	Management approach	15	
419-1	Non-compliance with laws and regulations in the social and economic area	57	

ACRONYMS

ACRONYMS

AA1000: AccountAbility1000
 ABI: Associazione Bancaria Italiana
 a.k.a.: also known as
 ANEV: Associazione Nazionale Energia del Vento (National Wind Energy Association)
 ANIE: Federazione Nazionale Imprese Elettrotecniche ed Eletttroniche (National Federation of Electrotechnical and Electronic Companies)
 ARPA: Agenzia Regionale per la Protezione Ambientale
 ASL: Azienda Sanitaria Locale
 ATS: Agenzia di Tutela della Salute
 AVERT: Avoided Emissions and Generation Tool
 BEHUS: Building Energy Holdings US
 BESS: Battery Energy Storage System
 BoD: Board of Directors
 BS OHSAS: British Standard Occupational Health and Safety Assessment Series
 CEO: Chief Executive Officer
 CloE: Cloud of Efficiency
 CO: carbon monoxide
 CO₂: carbon dioxide
 COVID-19: Corona Virus Disease 2019
 EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization
 Etc.: etcetera
 EN: European standard
 EPA: Environmental Protection Agency
 ERP : Enterprise Resource Planning
 ESG: Environment, Social, Governance
 ET: Energy Team
 FKR: Falck Renewables
 FTSE: Financial Times Stock Exchange
 GEI: Bloomberg's Gender-Equality Index
 GHG: Greenhouse Gas
 GRI: Global Reporting Initiative
 HR: Human Resources
 HSE: Health, Safety, Environment
 H2IT: Associazione Italiana Idrogeno e Celle a Combustibile
 i.e.: Id est
 I: Italy
 IFRS: International Financial Reporting Standards
 IRENA: International Renewable Energy Agency
 ISO: International Organization for Standardization
 ISPRA: Istituto Superiore per la Protezione e la Ricerca Ambientale (Institute for Environmental Protection and Research)
 IIS: Institutional Shareholder Services
 IT: Information Technology
 JDA: Joint Development Agreement
 KPI: Key Performance Indicator
 LHV: Lower Heating Value
 MEA: My Enabler App
 MELD: Middleton Electric Light Department (MA, US)
 MFA: Multi-Factor Authentication
 MSCI: Morgan Stanley Capital International
 n.a.: not available / not applicable
 N: Norway
 NOx: Nitrogen oxides
 NPM: New Performance Model
 NVE: Direzione delle Risorse Idriche e dell'Energia della Norvegia (Norwegian Water Resources and Energy Directorate)
 OEF: Organization Environmental Footprint
 O&M: Operations and Maintenance

OHSAS: Occupational Health and Safety Assessment Series
 PM10: particulate matter
 PPA: power purchase agreement
 PV: fotovoltaic
 QHSE: Quality, Health, Safety and Environment
 R&D: Research and Development
 RAF: Risk Appetite Framework
 RME: Autorità di Regolamentazione dell'Energia della Norvegia (Energy Regulatory Authority of Norway)
 S.L.: Sociedad Limitada
 S.r.l. Società a Responsabilità Limitata (Limited Liability Company)
 S: Spain
 SCDI: Scottish Council for Development and Industry
 SDGs: Sustainable Development Goals
 SE: Sweden
 SO_x: sulfur oxides
 SpA: Società per Azioni (Joint Stock Company)
 SPV: Special Purpose Vehicle
 STAR: Segmento titoli con alti requisiti (High Requirements Securities Segment)
 STEM: Science, Technology, Engineering, Mathematics
 SUF: Sustainability Framework
 SYP: Sustainability Yearly Plan
 TEE: Titoli di Efficienza Energetica (Energy Efficiency Certificates)
 UE (EU): Unione Europea (European Union)
 UK: United Kingdom
 UN: United Nations
 UNI: Ente Nazionale Italiano di Unificazione (Italian National Unification Body)
 US/USA: United States of America
 UVAM: Unità Virtuali Abilitate Miste (Mixed Enabled Virtual Units)
 VVF: Vigili del Fuoco (fire brigades)

UNITS OF MEASUREMENT

%: percentage
 €: Euro
 gCO₂: grams of gCO₂
 gg (dd): days
 GW: gigawatts
 GWh: gigawatt hour
 h/hrs: hours
 Hrs/Y: hours per year
 kg: kilogram
 km: kilometer
 kW: kilowatt
 kWh: kilowatt hour
 M: millions
 M€: (million Euro)
 m²: square meter
 m³: cubic meter
 MtCO₂: millions of tons of carbon dioxide
 MW: megawatts
 no.: number
 t: tonne
 tCO: tonne of carbon monoxide
 tCO₂: tonne of carbon dioxide
 tCO₂eq: tonne of CO₂ equivalent
 tNO_x: tonne of nitrogen oxides
 TOE: tonne of oil equivalent
 tPM10: tonne of particulate matter
 tSO_x: tonne of sulfur oxides
 TWh: terawatt-hour



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