



Falck
Renew
ables

2021

**SUSTAINABILITY
AT THE CORE**

OUR SHARED VALUE

Sustainability at the Core 2021

This document does not take into consideration the potential impacts of the geopolitical events currently underway on the economy and the energy sector.

In these uncertain times our focus remains on the growth of renewable sources of energy to ensure sustainability and the security of energy supplies.

We are deeply concerned about the crisis situation in Ukraine. Our staff are collecting basic supplies such as food and medicine to be sent to Ukraine and we are raising funds for the UN Refugee Agency to support the Ukrainian people and the refugees fleeing the country.

The almond tree

The almond tree (depicted on the cover) is native to Persia and extensively cultivated in the Mediterranean region. It is one of the first trees to bloom in spring and symbolizes the renewal of nature. With olive and carob, it is one of the native crops that will be grown at our Landolina agrivoltaic project located in Scicli, Sicily.

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Letter from the Chairman and the CEO

Dear reader,

In the four years since our very first sustainability report the concept of sustainability has evolved and matured and been instrumental in the world's ability to cope with the challenges facing it, not least in the energy sector. The rationale for sustainability has changed dramatically over those four years and it now plays an essential role in combatting modern challenges. We have tracked this process in our Sustainability Report. We have embarked on a journey that began with the intention of defining a long-term strategy and our ethos and way of doing business. We have become the drivers and enablers of a successful transition, and over time this has proved to be successful and necessary to ensure the continuity of our business.

This document bears witness to how sustainability, in all its forms, helped us react swiftly to the sudden upheaval imposed by the pandemic and now provides us with the knowledge to adapt and evolve in a constantly and rapidly changing world. Over the years, we have reported on the development and deployment of a sustainable, long-lasting and shared model, designed with the ambition of empowering the decarbonisation of the energy sector and ensuring a fair and just energy transition. Today, this model attempts to counter the repercussions of the pandemic crisis on the energy system, not least the increase in energy prices as a result of the rise in the price of raw materials such as gas and oil. There are clear signs of the urgent need for change in the entire sector, now more than ever sustained both by international agreements with exacting objectives and shared policies, and by the development of technologies with storage systems and hydrogen energy production being the most promising. This is a step towards the future in which we want to play a leading role. That is why we continued our work in 2021 in line with the objectives defined in our **Roadmap 2025** and the global challenges of sustainable development promoted by the United Nations 2030 Agenda. We continuously involve our stakeholders in listening and discussion processes that provide us with the awareness to progress in the right direction and by participating in national and international working groups where the debate on the evolution of the sector unfolds.

These events are opportunities for us to develop and help us adjust our priorities and the priorities of our stakeholders each year. Innovation and collaboration are key factors for our economic & productive, social & relational, environmental & climate and human capital to be fully expressed and to generate sustainable shared value.

For the fourth year we are delighted to share our work towards a sustainable future with you and all our stakeholders.

Olov Mikael Kramer
President

Toni Volpe
CEO

Highlights 2021

€ 174.8M

the added value distributed to all stakeholders*

€ 568.4M

revenues generated (+47.9% compared to 2020)

1,333.5 MW** 12.5 GW***

total installed capacity (+15% compared to 2020)
→ 240.8 MW solar ☀️
1,057.8 MW onshore wind 🌬️

gross pipeline under development (+350% compared to 2020), including 7.3 GW of floating offshore wind

537,071 tonnes

of CO₂**** avoided into the atmosphere thanks to

→ 2,602.6 GWh ☀️ 🌬️ of solar and wind energy production



Progress made towards zero Scope 2 emissions by switching to green electricity supply for 77% of our energy consumption



Development of an integrated agrivoltaic project in Italy that can be tailored to environmental and geographical conditions



First company in Spain to obtain the Certificate of Excellence in Sustainability for a solar project

40%

plants with a significant community engagement programme*****

€ 1.4M

the total value of our community benefit programme (UK, Sweden, Norway and Spain)



First lending crowdfunding campaign "Coltiviamo Energia" launched in Italy for the financing of a renewable energy plant



Launch of the first study into a community engagement model for floating offshore wind

€ 3.6M

in interest paid in the United Kingdom to

3,622

members of the 7 cooperatives and the co-ownership scheme

47.4

individual yearly hours of training*****

693

employees (+25% compared to 2020)



Included in Bloomberg's Gender Equality Index

613,068

Corona-related: hours of remote working

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

** According to IFRS reclassification. The value does include the plants held through minority shares.

*** The figure refers to the pipeline as of 31 January 2022.

**** References of the emission factors applied to this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2021): 0.306 tCO₂/MWh for North Carolina and Virginia, 0.2215 tCO₂/MWh for Massachusetts, 0.4976 tCO₂/MWh for Iowa, 0.314 for Maryland and 0.1052 for New York; EU and UK: "Efficiency and decarbonization indicators for total energy consumption and power sector. Comparison among Italy and the biggest European countries" (ISPRA, 2021): 0.2686 tCO₂/MWh for Italy, 0.2089 tCO₂/MWh for Spain, 0.0533 tCO₂/MWh for France, 0.0212 tCO₂/MWh for Sweden and 0.231 tCO₂/MWh for UK; Norway: "Electricity disclosure 2018" (NVE-RME, update 2020): equal to 0.0189 tCO₂/MWh.

***** To be understood as the involvement of local communities through cooperative programmes, ownership programmes, benefit programmes, crowdfunding initiatives or with the local enablement of sustainable energy consumption services (i.e. community energy PPA, access to net metering credit programmes, etc.) in favour of communities or public utility bodies/institutions.

***** The figure does not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

The Falck Renewables Group



About us

We are an international renewable energy company. We develop, design, build and operate clean energy plants. We also provide highly specialised energy management services to both producers and consumers of energy, using digital solutions and our experience to deliver technical and administrative management of renewable energy plants for our customers.

Our approach is to take the lead and seize the opportunities generated by the energy transition as we stand at the crossroads of renewable generation, electrification, consumption reduction and flexibility, which are all necessary to achieve carbon neutrality.

We enable sustainable energy solutions, providing costumers with our transversal skills developed through the daily management of our own power generating assets.

Our activity is mainly focused on the production and sale of electricity from renewable sources through wind farms, photovoltaic plants and, to a lesser extent, waste-to-energy and biomass plants, with a total installed capacity as of 31 December 2021 of 1,333.5 MW¹ (+15% compared to 2020). We provide technical and administrative management and advisory services for third-party assets through Vector Renewables and our digital asset

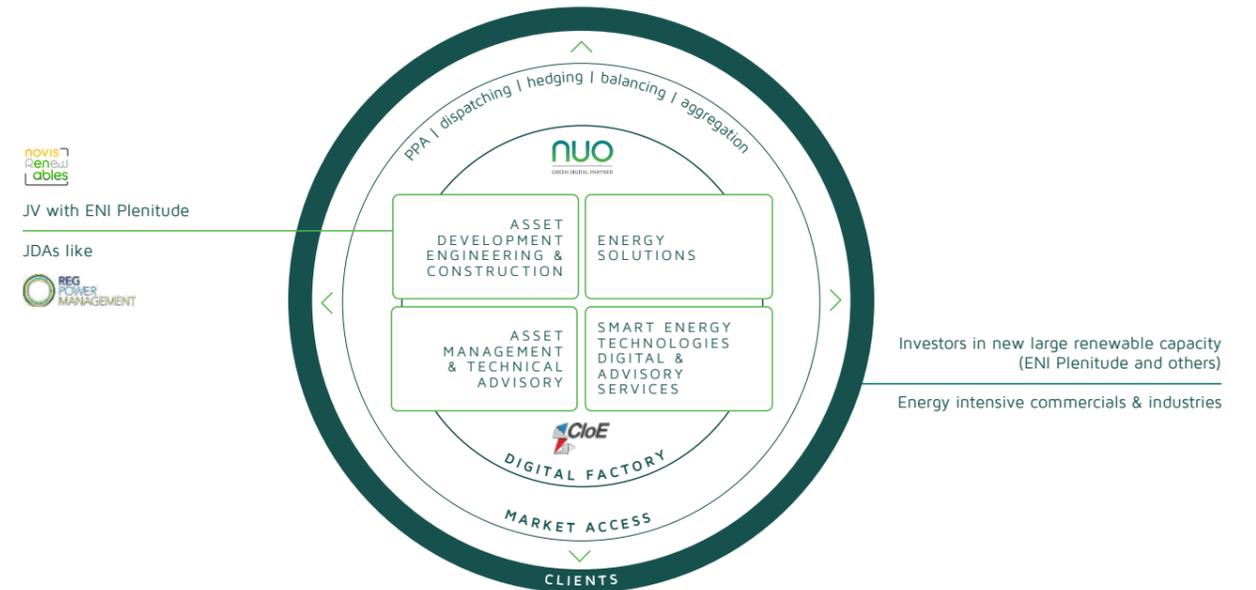
management platform, NUO. Through Falck Next S.r.l., Energy Team S.p.A. and SAET S.p.A. we offer energy management and energy efficiency services, including increasingly innovative solutions for the management of online monitoring of commercial & industrial energy performance and consumption.

693 people work for our Group. Our plants are located in Italy, the UK, France, Spain, Sweden, Norway and the US, where Novis Renewables LLC, the joint venture set up with ENI for project development, and Novis Renewables Holdings LLC, 51% owned by the Group and owner of the plants, operate. Vector Renewables operates in a global setting, with 12 offices in ten countries including Mexico, Japan, Chile and Australia, and with field experience in more than 40 countries.

In October 2021, to accelerate the development and strengthen the leadership of the Falck Renewables Group in the renewable energy sector, Falck S.p.A. and Infrastructure Investments Fund ("IIF"), an investment vehicle for which J.P. Morgan Investment Management is advisor, reached an agreement to acquire 60% of the share capital of Falck Renewables S.p.A. owned by Falck S.p.A. A mandatory takeover bid for the remaining share capital will follow, with the intention of delisting the stock².

Our sustainable and inclusive business model focuses on sharing the benefits generated by our operations, not only for our shareholders but, above all, for all other stakeholders, with a particular focus on enabling sustainable development opportunities for the areas in which we operate and the local communities around our plants.

Our business model



Our business areas



¹According to IFRS reclassification. The value does include the plants held through minority shares.

²Subject to the Closing of the Transaction, IIF is also planning to launch a public cash tender offer under the same terms and conditions on the convertible bonds of Falck Renewables S.p.A. The transaction is expected to be completed by the end of the first quarter of 2022 and is conditional on obtaining the relevant regulatory and other authorisations.

Profile and activity

Group-owned power plants

1,333.5 MW*

Total installed capacity of which:
 1,057.8 MW onshore wind
 240.8 MW solar photovoltaic
 20 MW waste-to-energy
 15 MW biomass

2,813 GWh

Energy produced

Energy management and energy efficiency

1.8 TWh

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

1,654

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

Asset management and technical advisory

4.1 GW

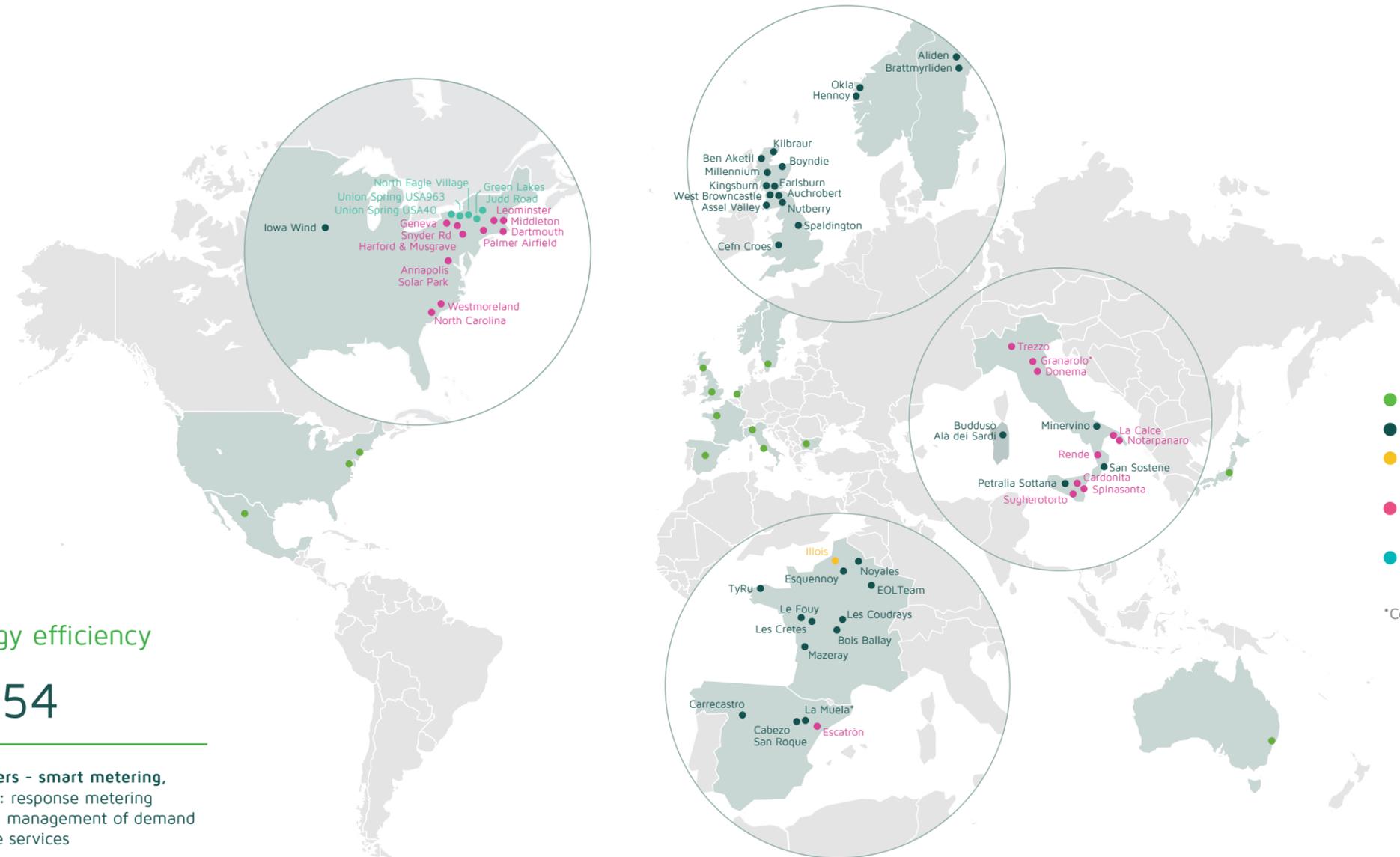
Asset managed
 (of which 2.8 from third parties):
 management of SPVs and
 optimization of plant performance

100 GW

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

7 GW

Financial and legal advisory
 of renewable projects: investment
 and financial model analysis, legal
 support for investments, due
 diligence



Our strategic plan: Roadmap 2025

Our **Roadmap 2025** strategic plan aims to increase and diversify our project portfolio by strengthening our presence in mature markets and focusing on:

- a new growth path based on sustainable investments with the aim of increasing renewable generation capacity from wind, photovoltaic and hybrid plants with renewable generation and storage;
- strengthening the development, design, engineering, construction and operation of new plants through new partnerships and joint ventures;
- the development of a range of electrical storage options including utility-scale, stand-alone and integrated into generation plants;
- strengthening energy management and energy efficiency activities, using innovative technological solutions to reduce the carbon footprint of energy consumers;
- strong progress towards the digitisation of processes and services, with software platforms for the management of renewable plants (NUO), as well as for energy monitoring of industrial and commercial customers (CloE);
- creating value that can be shared with our stakeholders.

* According to IFRS reclassification. The value does include the plants held through minority shares.

Shareholders and Investor Relations

We are listed on the Euronext STAR segment of the Milan Stock Exchange and included in both the FTSE Italia Mid Cap index and the MIB® ESG index launched by Euronext and the Italian Stock Exchange. We are committed to maintaining our reputation with our investors, the market and the financial community by strengthening existing relationships and by establishing new relationships based on the transparent and timely communication of progress on the main objectives of our business model.

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

During 2021 and up to 20 October 2021, when the terms of the transaction for the sale of the entire shareholding in Falck S.p.A. to Infrastructure Investments Fund ("IIF"), an investment vehicle of which J.P. Morgan Investment Management Inc. is advisor, were announced, we held 23 meetings with the financial community and 277 with potential investors, a number that rises to 299 (down 19% compared to 2021 as a result of the announced transaction) if we include meetings with analysts and brokers. We publish quarterly interim management reports on a dedicated page of our corporate website.

Shareholders as at 31.12.2021



291,413,891

Total number of shares (unchanged)

€ 2,523.6M

Market Cap

107%

Ratio between number of shares traded in the year and total number of shares

Share price development for the period 01.01.2021 - 30.12.2021



Financial events we attended in 2021

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

- Quarterly conference calls with analysts
- conference call for the presentation of the transaction with the IIF fund
- Virtual Conference of financial brokers, including Jefferies, JP Morgan, Bernstein, UBS, ODDO BHF, Natixis, Kempen, Intermonte, Kepler Cheuvreux, Mediobanca
- 2 Virtual STAR Conference, Italian Stock Exchange
- Virtual Italian Infrastructure Day, Italian Stock Exchange
- Virtual Italian Sustainability Day, Italian Stock Exchange

The main equity research companies that follow our stock

Banca Akros; Equita; Intermonte; Kepler Cheuvreux; Mediobanca; Kempen

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 this information and support investors' choices. During 2021, we held dedicated meetings with several ESG rating agencies such as Sustainalytics, Moody's ESG Solutions (formerly Vigeo Eiris), Morgan Stanley Capital International (MSCI), Refinitiv and Gaia Research and provided material to support their assessments. We also applied to join the Bloomberg Gender-Equality Index (GEI), and we received confirmation of our inclusion for the current year on 26 January 2022. Our presence in the index is an important milestone since it includes the best companies committed to transparent reporting of gender data, measuring performance in five areas: women's leadership and talent development, equal pay and gender pay equity, inclusive culture, anti-harassment policies and opportunities for promotion for women.

ESG Rating / Index Table³

ESG RATING COMPANY	RATING/STATUS INDEX
	LOW RISK 18.8 Updated Jul 7, 2021
	66/100
	Included
	63.63
MIB ESG Euronext Borsa Italiana	Included

³ As requested by the rating agencies, the following notes/disclaimers must integrate the ESG scores received in 2021. MSCI: The use by Falck Renewables Spa of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Falck Renewables Spa by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI. Sustainalytics: Copyright ©2021 Sustainalytics. All rights reserved. This section contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers> V.E, part of Moody's ESG Solutions: Rating as of September 2021. Rating performance levels: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100) Bloomberg Gender Equality Index: Bloomberg GEI 2022 refers to data F.Y.2020.

Governance of sustainability

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 conduct of our business, in line with our strategic guidelines, as set out in the Corporate Governance Regulation on our website www.falckrenewables.com. The governance system is structured according to the traditional model with a management body, Board of Directors, and a supervisory body, the Board of Statutory Auditors, and is based on provisions of the law and of the Articles of Association, supplemented by the principles of good practice contained in the Corporate Governance Code for Listed Companies⁴.

As of 31 December 2021, Falck Renewables S.p.A.'s **Board of Directors** (BoD) is composed of twelve members, 58% of which are independent. The BoD, which will remain in office until approval of the Financial Statements for the year ending on 31 December 2022, brings together the diverse expertise of its members in managerial and professional terms, along with gender diversity (seven men and five women), age and length of service.

In 2020, we established a **Sustainable Strategy Committee** comprising six internal members (four independent directors with expertise in the sector, the

Chairman and the CEO), whose task is to support the BoD on sustainability, energy markets and technological innovation, in order to define the Group's strategic objectives.

Other advisory functions are performed by the **Control and Risk Committee** and the **Remuneration Committee**, both of which are made up exclusively of independent members with relevant expertise.

The governance system is made up of the **Board of Statutory Auditors**, which comprises five members (three standing auditors and two alternate auditors) and the **Supervisory Board**. Both perform functions as required by law.

Following the acquisition by IIF of 60% of the share capital of Falck Renewables S.p.A., owned by Falck S.p.A., on February 24, 2022, the co-optation of 4 members of the BoD took place (whose appointment must be confirmed by the shareholders' meeting scheduled for April 2022), which brought the percentage of women on the BoD from 42% to 50%. The new Board of Directors has also appointed a new Chairman of the Sustainable Strategy Committee.

The Group's Code of Ethics defines our ethical culture and strategic thinking. It is a reference point for all Group companies and contains the principles, commitments and responsibilities that employees and anyone who works with us are required to observe. Italian companies are bound by an Organisation and Management Model pursuant to Legislative Decree 231/2001, while foreign companies adhere to the provisions of the Compliance Programme. With respect to anti-corruption legislation and respect for human rights, Group companies operating in the UK adhere to the UK Bribery Act and UK Modern Slavery Act, which regulate anti-corruption and human rights aspects, while those operating in Spain refer to the Spanish *Ley Orgánica*.

Supervision and checks on the functioning of the system and, more generally, on to ensure the appropriate corporate management, are entrusted to the bodies responsible: the Board of Statutory Auditors, the Supervisory Board

and the Corporate Internal Audit department⁵.

The Internal Audit department operates both on the basis of an audit plan approved by the BoD, subject to approval from the Control and Risk Committee and in consultation with the Board of Statutory Auditors, and according to specific needs. The department is responsible for handling any reported violations of laws, regulations, internal procedures, principles and ethical standards. In 2021, nine audits were performed under the supervision of the internal audit team, which produced 16 audit reports divided into three areas: operational⁶, financial⁷ and compliance⁸. Out of all of these, 5 audit reports pertained to ESG topics.

Reports can be made by emailing the Supervisory Bodies, or also anonymously through the Whistleblowing Portal, which has been active since 2017. No reports were received in 2021.



Falck Renewables Code of Ethics principles

Focus on people

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

Open dialogue

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 our way of doing business and of those who want to do business with us.

Protection of the environment

is the underlying principle of the Group's mission.

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 strongly fosters communication and cooperation at all levels.

Integrity, honesty, fairness, transparency

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

Efficient and effective management

also ensured through appropriate control processes, through certification of companies, developing and maintaining environmental parameters and monitoring reliable performance over time.

Ongoing innovation

to be key players in the energy transition.

⁴ Approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana SpA, ABI, Ania, Assogestioni, Assonime and Confindustria. By resolution dated 3 December 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, which will come into force in the first financial year after 31 December 2020. Should this be "came into force in the first financial year after 31 December 2020".

⁵ The Internal Audit manager is appointed and dismissed by the Board of Directors on the recommendation of its Chairman, in consultation with the Control and Risk Committee. This approach was adopted in order to strengthen the independence required by the role.

⁶ Audits aimed at verifying the effectiveness and efficiency of corporate operations. The audits may relate to strategic processes, business processes, or processes that support business operations.

⁷ Audits aimed at verifying the reliability of accounting and financial information, and situations used for internal purposes (management reporting) or communicated to the market (external reporting).

⁸ 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.

Commitment to an inclusive ecological transition



Renewables: energy for change

Today, the move towards decarbonisation of the economic system affects all the main sectors, especially energy. Energy production from renewable sources makes one of the most significant contributions to meeting this challenge and achieving the necessary results.

The global energy system is undergoing a rapid transition which, when anticipated developments in policies and technologies are taken into account, is expected to result in an energy mix provided equally by fossil fuels and renewables by 2050⁹.

At the same time, in recent years global electrification has accelerated dramatically. Today, electricity accounts for less than 20% of total energy consumption, but this is expected to at least double by 2050¹⁰. This demand is expected to exponentially increase wind and photovoltaic production, in part due to falling costs and significant technological advances.

The Covid-19 pandemic also had a significant impact on the global energy system, leading to a decline in energy consumption in the first phase, while renewables showed great resilience in response, and drove the electricity market. In the second phase, the recovery of consumption¹¹ in 2021 was accompanied by a significant increase in the cost of energy, due to the rise in oil and gas prices, but also by a confirmed upward trend in installed capacity for the production of renewable energy. In fact, the International Energy Agency (IEA) has estimated a 3% increase in installed capacity in 2020, an absolute record for installed capacity in one year at global level in the electricity sector.

In this context, institutions and the stimulus measures implemented have a key role to play in shaping energy systems in the decades to come. The decarbonisation of the energy system has risen to the top of the political agenda and will become increasingly important as the consequences of climate change become apparent and require further action. Developing a strategy for green hydrogen, a technology that, together with electrochemical storage, will lead the way towards a zero net emission economy in the near future, is among the priority initiatives of European and national institutions. The European Commission's Fit for 55 climate package confirms an intensified political commitment to energy and climate and includes legislation to achieve the Green Deal targets by 2030, including reducing greenhouse gas emissions by 55% compared to 1990 levels, with the aim of achieving carbon neutrality by mid-century. Under the new objective, the European Commission aims to accelerate the transformation of the energy sector by increasing the share of renewable energy sources, which will have to meet 40% of gross final consumption in 2030.

At the 26th Conference of the Parties on Climate Change in Glasgow (COP26) it was agreed for the first time that climate policies should aim to limit the global temperature increase to a maximum of 1.5°C compared to pre-industrial times, further tightening the limits set six years earlier by the Paris Agreement. For the countries taking part in the conference, this means a strong shared commitment to phase out coal and simultaneously promote investment in renewable energy.

Incidentally, energy projections also agree on another point: the current rate of change is too slow to limit the increase in the world's average temperature to 1.5°C by 2050¹². To achieve this target, a reduction in emissions equal to that observed in 2020 due to Covid-19 would have to occur each year. Current forecasts estimate that global greenhouse gas emissions will decrease by only 25% by 2050, which would imply a 3.5°C temperature increase¹³. Containing the increase to only 1.5°C requires stronger efforts and a global acceleration of action to create change. The coming decade is crucial. A substantial and rapid change in the way societies around the world

power their economies is needed. Some sectors have already embarked on the path, combining efficiency, low costs and large-scale use of wind and solar, but the issue also needs to be considered urgently in heavy industrial and energy-intensive sectors where emissions are more difficult to reduce.

Our goal is not only to be part of this change, but to lead it, and we intend to do so by continuing the strategic programme defined in our **Roadmap 2025**. Our aim is to contribute to a successful global transition to energy sustainability by leveraging business innovation and technological development.

In a broader sense, sustainability affects all areas of our business and directs our growth. It guides all decisions and business processes and is a key factor in the actions of our people.

Our contribution to the sustainable development debate

We play a proactive role in the energy transition. We enable, nurture and promote sustainability in the sector. To produce tangible results on a global scale, we need to think and act as a team, build relationships, and be part of a system that fosters the "fair" development of the sector. For this reason, we participate in various national and international forums to help disseminate the most up-to-date thinking and policies.

- We are actively engaged in discussing and rethinking models and best practice and sharing experiences, in particular our sustainable and inclusive local value creation model. In 2019 we joined the Renewable Energy Agency's (IRNEA) Coalition for Action, an advisory network bringing together private sector stakeholders, trade associations, intergovernmental organisations, civil society representatives and research institutes.
- We support the Global Reporting Initiative and have been participating in its community since 2019.
- We are part of WindEurope, a non-profit association of international wind industry stakeholders and operators. In 2020, our CEO, Toni Volpe, was elected as a board member and plays an active role, raising our profile in helping to strengthen the position of wind energy and its value chain in European sustainable policies and practices.
- Over 25 years ago, we joined forces with other companies and business association Assolombarda, to create Sodalitas, a foundation committed to businesses working towards achieving sustainable development.
- In 2020, we became a member of the Symbola Foundation, which brings together Italian companies and organisations focused on the themes of the green economy, culture and social cohesion.
- In 2021, we began a partnership with the World Wind Energy Association (WWEA) to contribute to the development of community engagement guidelines, providing resources and, above all, our extensive experience.

⁹ Global Energy Review 2021, IEA.

¹⁰ Energy Transition Outlook 2020 - A global and regional forecast to 2050, DNV - GL.

¹¹ See <https://www.iea.org/news/global-electricity-demand-is-growing-faster-than-renewables-driving-strong-increase-in-generation-from-fossil-fuels>.

¹² Global Energy Perspective 2021, McKinsey & Company.

¹³ Reference Case, *Global Energy Perspective* 2021, McKinsey & Company.

Drivers for sustainability

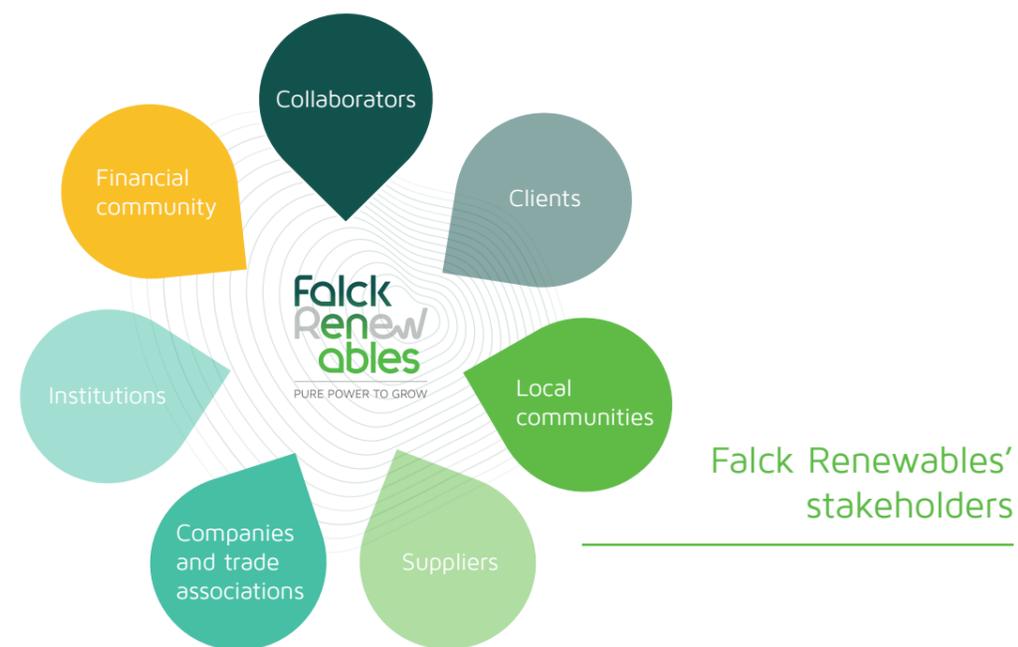
By interpreting our business approach from a sustainable perspective, we can focus on and highlight the aspects that are part of the sustainable growth strategy. The materiality matrix is a snapshot of the sustainability issues that are most relevant to our ability to generate and share value and meet the expectations of our stakeholders.

These are areas of commitment that help strengthen our sustainability impact and reinforce our goal of being recognised as a leader on these issues.

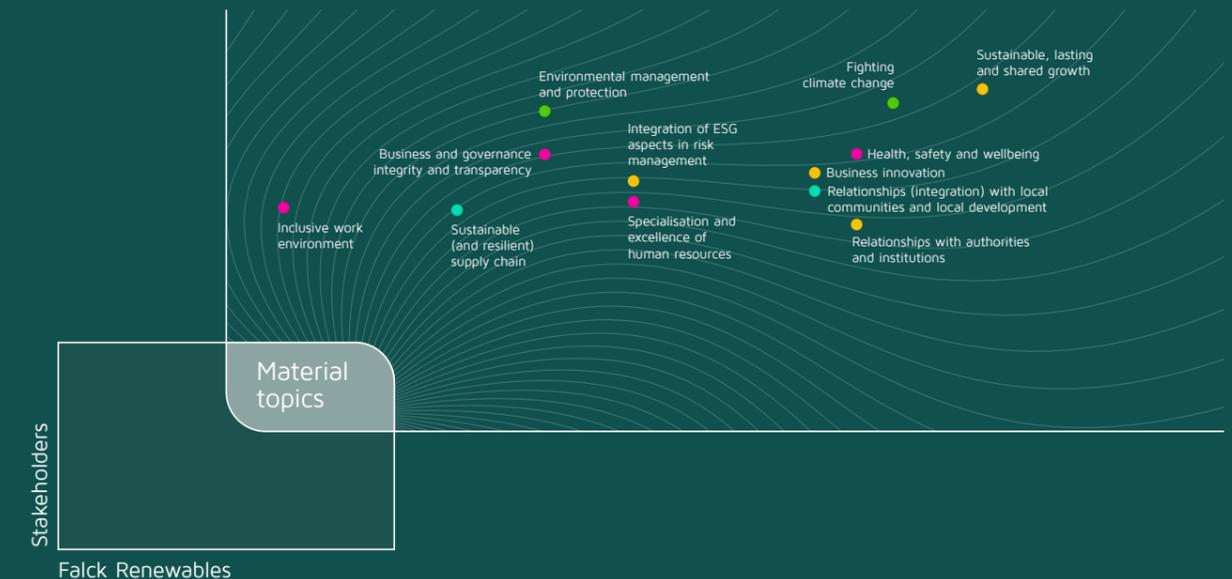
The updating of the matrix also becomes a process which defines priority areas where we need to develop our sustainability strategies and actions. This year for example we placed greater emphasis on listening to financial stakeholders. The financial sector is undergoing a radical evolution in terms of sustainability, and this reflects the rapid developments - aimed at financing sustainable growth - taking place at European level, which will have a major impact on investors.

We met with a select group of 20 financial stakeholders to understand how they perceive sustainability issues and discussed the way stakeholders' needs and perceptions are changing. The stakeholder engagement process was based on individual online interviews, in which stakeholders were asked to express their views on relevant issues, and to share their opinions on current macro-trends in the ESG (Environmental, Social and Governance) sector.

The outcome of the updating process confirms the themes and guidelines mapped by the analyses of the previous financial years and offers new interpretations that reflect the changing scenario and its influence on our ability to generate value.



Materiality matrix



ECONOMIC AND PRODUCTIVE

Sustainable, lasting and shared growth

This is the primary objective which links corporate and stakeholder interests. The creation of long-term economic benefit enables the development of the company and the areas with which it is shared.

Business innovation

Our business is based on a value generation model. This is complemented by the digitisation process that enables both the development of new services and the evolution of business processes, guaranteeing the continuity and resilience of the business and its ability to expand.

Integration of ESG aspects in 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

We consider dialogue with institutions and authorities to be fundamental in stimulating innovative thinking on energy sustainability, including in regulatory affairs.

SOCIAL AND RELATIONAL

Relationships (integration) with local communities and local development

We aim to build relationships with local communities in the areas where we operate to ensure we share the benefits generated and implementing the latest policies to minimise the environmental impact of our business.

Sustainable (and resilient) supply chain

Sustainability is a key factor in resilience and responsiveness to changing supply chain scenarios. We promote the local workforce and short supply chain purchasing to maximise the distribution of the value we generate in the areas where we operate.

ENVIRONMENTAL AND CLIMATE

Fighting climate change

This is the driving force behind the energy transition and brings institutions and companies together in the challenge of decarbonising the sector.

Environmental management and protection

We have a strong focus on protecting biodiversity and the environment and throughout all our operations and the life cycle of our plants, from design and construction to operation and decommissioning.

HUMAN

Health, safety and wellbeing

Ensuring the safety and health of workers and the communities where we operate is essential to us. The pandemic has changed the understanding of "safety", demanding immediate action to protect our people, the safety of our plants and ensure the continuity of our business.

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 areas in which we operate.

Inclusive work environment

We are committed to providing colleagues with a stimulating working environment, where diversity is an ethical business value, and where individual well-being and inclusion are key factors for the success of the company.

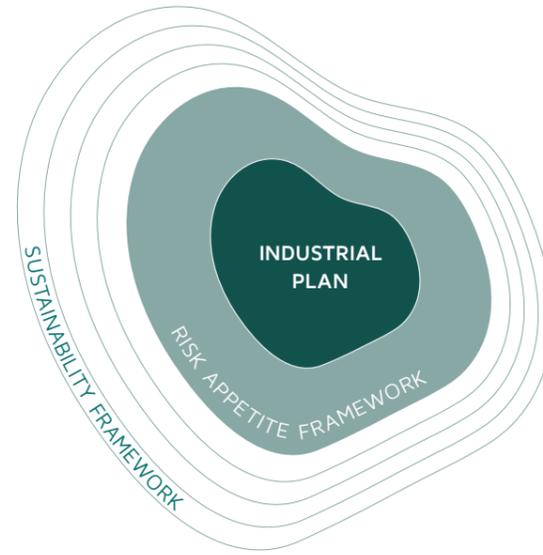
Specialisation and excellence of human resources

Our ability to achieve strategic goals and create lasting, shared value is a result of the quality of our people, the core of the company.

Our strategic approach

Taking a holistic view of our activities means that sustainability is not just an ancillary aspect of our business model but is part of everything we do. The Sustainability Framework (SUF) embodies this approach by creating a direct link between material issues and sustainability goals. The SUF is the framework for strategic business decisions, evaluating acceptable business risks and industrial planning.

Within the SUF, we identify sustainability goals related to each material topic annually, and they in turn are translated into concrete actions through the Sustainability Yearly Plan (SYP), which we implement daily. The SUF also represents the link between our sustainability results and the Sustainable Development Goals (SDGs) of the United Nations 2030 Agenda. We are directly committed to contributing to nine of the seventeen challenges set out by the UN, a useful framework for designing our operations on a global scale.



Our contribution to the UN's Sustainable Development Goals

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 shifted individual and collective priorities in recent years. We take the necessary measures to protect the health of our employees and the people we deal with.

4 QUALITY EDUCATION
energy transition is a constantly evolving process and a culture of energy sustainability as a driver of development is essential. With this in mind, we disseminate the culture of energy sustainability not only within the company, but also among external stakeholders and local communities in particular.

5 GENDER EQUALITY
we work with a wide range of cultures around the world and are committed to fostering an inclusive working environment along the entire value chain which ensures that everyone has the same opportunities for development.

7 AFFORDABLE AND CLEAN ENERGY
we are a pure player in the renewable energy sector and enabler of the energy transition. We actively participate in the international discussion to promote innovative models for the dissemination and accessibility of green energy.

8 DECENT WORK AND ECONOMIC GROWTH
our business model is developed around sharing value with stakeholders, favouring local employment and a short supply chain that involves local economies in the development of our plants.

11 SUSTAINABLE CITIES AND COMMUNITIES
sharing the value generated with local communities allows us to participate in the development of the area. Our aim is to provide economic, social, environmental and cultural opportunities which enhance the sustainability of the areas and communities where we operate.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION
we pursue a holistic model of energy sustainability from the supply chain through energy generation to end users. This means we are constantly striving to develop innovative solutions for responsible energy use throughout all our supply chain.

13 CLIMATE ACTION
is the principal driver for our business. We foster the energy decarbonisation process through our activities and services, but we also support specific initiatives in local communities.

15 LIFE ON LAND
we are committed to minimising the carbon footprint of all our operations, while ensuring that our activities are compatible with the surrounding environment and preserve its biodiversity.

The SUF is also instrumental in informing risk analysis and management processes. It is supplemented by the Risk Appetite Framework (RAF), the instrument identifying the risk thresholds that can be assumed for each type of business activity which provides a combined strategic and sustainability framework with a higher and more innovative degree of sustainability and resilience. With the SUF, we have identified four strategic sustainability objectives, one for each of the four capitals we transform with our activity and have adopted them as a proxy of our sustainable performance in the **Roadmap 2025**.

Capital	Target	2020	2021	2022	2025	Cumulative 2020-2025
ECONOMIC AND PRODUCTIVE	Distributed added value ¹⁴	€ 170.2M	€ 174.8	€ 233.5M	€ 255M	€ 1,330M
SOCIAL AND RELATIONAL	Share of plants with a significant community engagement programme ¹⁵	45%	40% ¹⁶	46%	55%	
ENVIRONMENTAL AND CLIMATE	CO ₂ emissions avoided ¹⁷	0.57 MtCO ₂ eq	0.54 MtCO ₂ eq ¹⁸	0.64 MtCO ₂ eq	1.22 MtCO ₂ eq	5.1 MtCO ₂ eq
HUMAN	Yearly individual hours of training	30.3 h	47.4 h ¹⁹	35 h	40 h	

Fully aware about our commitment and target to 2025, we continue our progression. For 2022 we aim to achieve the following goals:

€ 233.5M

added value distributed to all our stakeholders

0.64 MtCO₂eq

avoided to the atmosphere thank to our renewable energy production

46%

share of plants with significant community engagement

35 hours

average number of individual training hours, as a result of being able to carry out training in person

¹⁴ To stakeholders such as employees, shareholders, loan capital providers, central and local governments and local communities.
¹⁵ To be understood as the involvement of local communities through cooperative and ownership arrangements, benefit plans, crowdfunding initiatives or through the local enablement of sustainable energy consumption services (i.e. community energy PPA, access to net metering credit lines, etc.) for the benefit of communities or public utilities.
¹⁶ The rate calculated on the 2020 values is higher when compared to 2021 mainly due to the increase in the number of plants included in the reporting perimeter: the 2020 data did not include the Behus plants, which entered the perimeter at the end of November 2020.
¹⁷ References of the emission factors applied to this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2021): 0.306 tCO₂/MWh for North Carolina and Virginia, 0.2215 tCO₂/MWh for Massachusetts, 0.4976 tCO₂/MWh for Iowa, 0.314 for Maryland and 0.1052 for New York; EU and UK: "Efficiency and decarbonization indicators for total energy consumption and power sector. Comparison among Italy and the biggest European countries" (ISPRA, 2021): 0.2686 tCO₂/MWh for Italy, 0.2089 tCO₂/MWh for Spain, 0.0533 tCO₂/MWh for France, 0.0212 tCO₂/MWh for Sweden and 0.231 tCO₂/MWh for UK; Norway: "Electricity disclosure 2018" (NVE-RME, update 2020): equal to 0.0189 tCO₂/MWh.
¹⁸ The emissions avoided in 2021 are lower than in 2020 due to the application of updated emission factors that have been affected by the progressive decarbonisation taking place in the countries where the Group operates. In the United States, the update also concerned the use of emission factors with reference to the single federal states in which the Group operates. With the coefficients applied in the 2020 edition of the Sustainability Report, the estimated avoided emissions would have amounted to approximately 0.6 MtCO₂eq.
¹⁹ Compared to 2020, the average hours increase provided per employee is equal to 56% and may be primarily ascribed to the fact that online courses are easier to access.

Economic and productive capital

Our business model is characterised by its guarantee of economic sustainability while generating social and environmental value. We look at development projects as a way of sharing opportunities with local communities.

Value generated and shared

We believe that sustainability is not just about producing and enabling sustainable energy, but primarily about creating shared value for all our stakeholders by safeguarding the environments in which we operate. For this reason, our innovative business model combines economic and environmental sustainability with the generation of positive social impact, and we are committed to accompanying the trends of sustainable development in the energy sector. Distributed added value is a measure of the wealth we generate and share with our main stakeholders including shareholders, employees, central and local governments, financial institutions and the local communities where we operate. Despite the continuing impact of the pandemic, in 2021, we distributed 174.8 million euro in added value, a slight drop compared to our 2020 commitment (-2.8%).



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

Because of the difficulties posed by the uncertainty of market trends, the current challenge is to find long-term buyers who are prepared to purchase energy at contractually defined and fixed prices that allow plant owners to repay their investment and generate a reasonable return on that investment. As such, improved technology used more extensively, together with lower industrial costs, can generate long-term benefits that can be passed on to consumers and communities. With this in mind, we continued our expansion in the PPA (power purchase agreement) market in 2021, with 8 new contracts entered into force, 2 of which are ten-year long.

Throughout the year we also continued our strategy of expansion by increasing our international presence with the acquisition of two ready-to-build wind farms in Finland, owned by the Danish European Energy Group, through our subsidiary Falck Renewables Finland Oy.

In 2021 we also invested in new technologies, including floating offshore wind, which allows wind turbines to be positioned in deep waters further out to sea without the need for fixed foundations, making it possible to overcome the constraints of very deep seabeds, such as those in the Mediterranean Sea. This technology minimises impacts on the ocean and land environment and captures wind power where it is most abundant increasing the efficiency of the plants and the amount of energy generated. Through our strategic partnership between Falck Renewables and BlueFloat Energy we are developing floating offshore wind farms in Italy, starting with three proposed offshore projects in Puglia and Calabria. We are also working on developing new floating offshore wind projects in Scotland after three of our bids in the ScotWind auction, conducted by Crown Estate Scotland to award seabed concessions for the development of large-scale marine wind projects off the Scottish coast, were successful in January 2022,

affirming our long-term vision which combines expertise, innovation and strategy. The three areas could provide a total of approximately 3 GW of offshore wind capacity using floating technology and are expected to be operational by the end of the decade.

We also continued our work on electrical storage during the year, focusing on the development of utility-scale stand-alone storage systems. Integrated storage has been included in the design of pipeline solar and wind projects in Italy and Spain and where appropriate, storage systems have been added to some of our renewable plants already in operation, while investigating possible opportunities in new geographical areas. The acquisition of SAET S.p.A. this year has provided us with a new platform of skills, customers and solutions that will allow us to create new value propositions by combining market, plant, digital and management knowledge.

As part of the field-testing of this new storage technology, several organisational units across the company are currently collaborating to create the necessary synergy of skills and achieve our objectives.

Partnerships and working groups

Over time, we have established a partnership with institutions and regulators. We also sit on the boards of the main national associations in the electricity sector: Elettricità Futura, ANIE (Federazione Nazionale Imprese Elettrotecniche ed Elettroniche - Italian Federation of Electrotechnical and Electronic Companies) Renewables and ANIE Energy, ANEV (Associazione Nazionale Energia del Vento - National Wind Energy Association), EBS (Energia da Biomasse Solide - Energy from Solid Biomass), Assolombarda Energy Group and Italia Solare. In 2020, we also joined the Italian Hydrogen and Fuel Cells Association (H2IT).

We actively participate in a number of working groups including Self-consumption & Energy Efficiency, arranged by Elemens and Public Affairs Advisors and Monitor Green Deal, run by AgiCi. In 2021 we joined the McKinsey/Elettricità Futura strategic study into the revision of Italian energy market regulations. On a European scale, we are board members of the WindEurope association. In the UK we are members of the RenewableUK trade association, as well as Scottish Renewables, Deep Wind Cluster, Scottish Council for Development and Industry (SCDI) and Aberdeen Renewable Energy Group (AREG). As a result of our plans for expansion into floating marine wind technology in the Celtic Sea we also joined the Celtic Sea Developers Alliance and Marine Energy Wales in 2021. In Spain, we are members of Union Española Fotovoltaica (UNEF), the leading representative of the national photovoltaic sector and Asociación Eólica Española (AEE), the principal national wind sector trade body. In 2021, we also joined the Finnish Wind Power Association, Finland's foremost national wind power body.



Cabezo San Roque
SPAIN

The partnership for green hydrogen in Spain

Green hydrogen has firmly established itself as a key element in the energy transition and is at the centre of the political agendas and energy strategies of the European Commission and many countries around the world.

We have always been keen to seize the opportunities offered by energy transition and the potential arising from the sharing of commitment and expertise. By partnering with Enagas in Spain, we are continuing our work in the green hydrogen sector and have received the necessary funding for the development of a project to integrate our Cabezo San Roque wind farm with an electrolyser with 1 MW capacity so that part of the energy generated by the plant can be used to produce the green hydrogen needed to support the decarbonisation of local industries. To ensure direct and transparent communication with local communities and stakeholders, we have developed a dedicated website to provide information and updates on the project.

Our work extends even further with the exploration of new technological opportunities from the development of floating offshore wind farms. As part of the ScotWind auction, with our successful bids announced in January 2022, our proposed design integrates at least one of the three floating offshore wind farms with a large (300 MW capacity) electrolyser to produce hydrogen or green ammonia. We are following the same approach with our Italian offshore wind projects.

We are also actively contributing to research for an experimental plant for the production of green hydrogen from waste. With the test station, we aim to promote development and innovation in hydrogen-related technologies by training and creating skills and jobs.

Finally, through Vector Renewables, we provide our customers with consulting on feasibility studies and the management and development of technological projects that couple renewable energy systems not only with traditional batteries (BESS) but also with electrolysers so that we can act on all fronts as enablers of a sustainable and innovative energy transition.

The role of innovation

We constantly strive to seize the opportunities offered by new technologies, especially digital.

In line with our Roadmap 2025, we continue to invest in digitisation, including NUO, an innovative asset management platform operated by Vector Renewables worldwide for renewable plants. NUO optimises plant management, preventive diagnostics, maintenance scheduling and ultimately energy production. By analysing the data coming from the plants, NUO identifies the necessary operations in good time, limiting downtime caused by malfunctions, guaranteeing operational continuity and maximising performance. Integration of additional plant types into the platform continued in 2021, and we developed new descriptive algorithms for analysing the performance of solar plants and predictive algorithms for wind power plants. We have also further enhanced the reporting modules and developed a technical dashboard for Asset Management customers who do not have access to the full NUO platform. Work on improving the user experience is continuing to encourage and facilitate digitisation and, ultimately, the efficiency of Asset Management processes.

To improve efficiency, a new automation process (Robot Process Automation - RPA) was launched to replace the most time-consuming and low added value manual activities with the introduction of special software.

Throughout the year, we continued our work on innovation by developing our first corporate Open Innovation programme, which will be implemented in 2022. This initiative is based on two pillars: the involvement of employees in an inclusive concept generation process to stimulate collective intelligence and the relationship with start-ups, universities and research centres to enhance and develop the opportunities and innovative services identified.

Tools for managerial process efficiency

We have further upgraded our Enterprise Resource Planning (ERP) software under the New Performance Model (NPM), a digital transformation project focused on increasing process efficiency and business organisation.

The software aims to standardise key processes globally, and this year we supplemented it with new functions in several areas: purchasing, administration, tax treasury, control processes and project management. Dynamics 365, Microsoft's cloud platform, is the new application to support all processes.

2021 in numbers

2021 Result	2022 Target
Distributed added value to all stakeholders* equal to € 174.8M	€ 233.5M

4 → **2**  **2** 
New plants with a total of 174.7 MW

4.1 GW
total managed capacity (of which 2.8 GW of third parties)

2
projects ready-to-build in Finland

€ 210.3M
the EBITDA

12.5 GW**
gross pipeline under development, of which 7.3 GW of floating offshore wind

€ 568.4M
in revenues

1,333.5 MW***
total installed capacity (+15% compared to 2020)

7
energy diagnoses performed by Energy Team have identified an energy saving potential of 95 TOE****

2,813 GWh
total energy production (+4% on 2020)

43 MW
of electrical demand flexibility management (UVAM)

8
signed PPAs (of which 2 with a ten-year term)

€ 98.9M
the social costs of electricity system blackouts avoided thanks to interruptibility services

* To stakeholders such as employees, shareholders, providers of loan capital, central and local government and local communities.
 ** The figure refers to the pipeline as of 31 January 2022.
 *** According to IFRS reclassification. The value does include the plants held through minority shares.
 **** Gap with 2020 due to the non-execution in 2021 of audit flexibility activities which generated very substantial savings prospects for our customers in 2020.

Commitments for 2021

LONG-TERM ECONOMIC VALUE GENERATION (AND SHARING): to promote 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

What we have achieved

Pursued our mission to generate and share value with all our stakeholders

- Took part in the international debate on sustainable development through the working groups of the most important national and international trade associations
- Participated in the consultation to revise the EU Renewables Directive on permitting and energy communities
- Shared position papers with several policy makers
- Proactively contributed to the regulatory debate

Updated the materiality analysis and SUF and integrated the materiality analysis with RAF by enriching the ERM framework with the inclusion of the climate risk assessment

- Began developing cutting-edge technologies (floating offshore wind and storage) and invested in innovative business lines (green hydrogen)
- Launched our first corporate Open Innovation programme

Social and relational capital



The communities where we operate are the framework for our operations and make the development of our business possible. We redistribute and share the value generated with them by promoting a green transition that is first and foremost inclusive.

A development model for local communities

Our business model aims to be sustainable and inclusive. Communities are a key part of our business model as they provide the physical space and tangible and intangible resources needed to sustain our development. We are aware of the importance of these communities and as a result we operate an open and inclusive engagement model, committed to redistributing the value we generate, with the aim of encouraging local sustainable development.

The priority for each project is to establish a dialogue and relationship of trust with local stakeholders from the outset, aimed at minimising the impact on the environment during the plant's life cycle and ensuring total transparency of our operations.

We introduce ourselves in a new area through our Sustainability Charter, the guide where we formally set out our commitments.

It explains how we do business, which has always focused on inclusion and the creation of opportunities.

We consider transparency to be fundamental at all levels of business development. During the construction phase of a plant, we establish an on-going communication channel with local people in the form of a construction liaison group, to keep the local community up to date about project developments and respond promptly to any problems that may be reported. After construction is complete, a community manager is assigned to each plant to maintain contact with the local community and its representatives. In 2021, we formalised this arrangement in an increasing number of the areas where we operate.

In time, we intend to export our model of open community engagement and the value our presence generates to all locations where we operate. Our aim is for the model to also serve our clients, which is why we have decided to appoint a senior professional from Vector Renewables to provide sustainability advisory services, particularly for local communities.

Floating offshore wind: the evolution of the engagement model

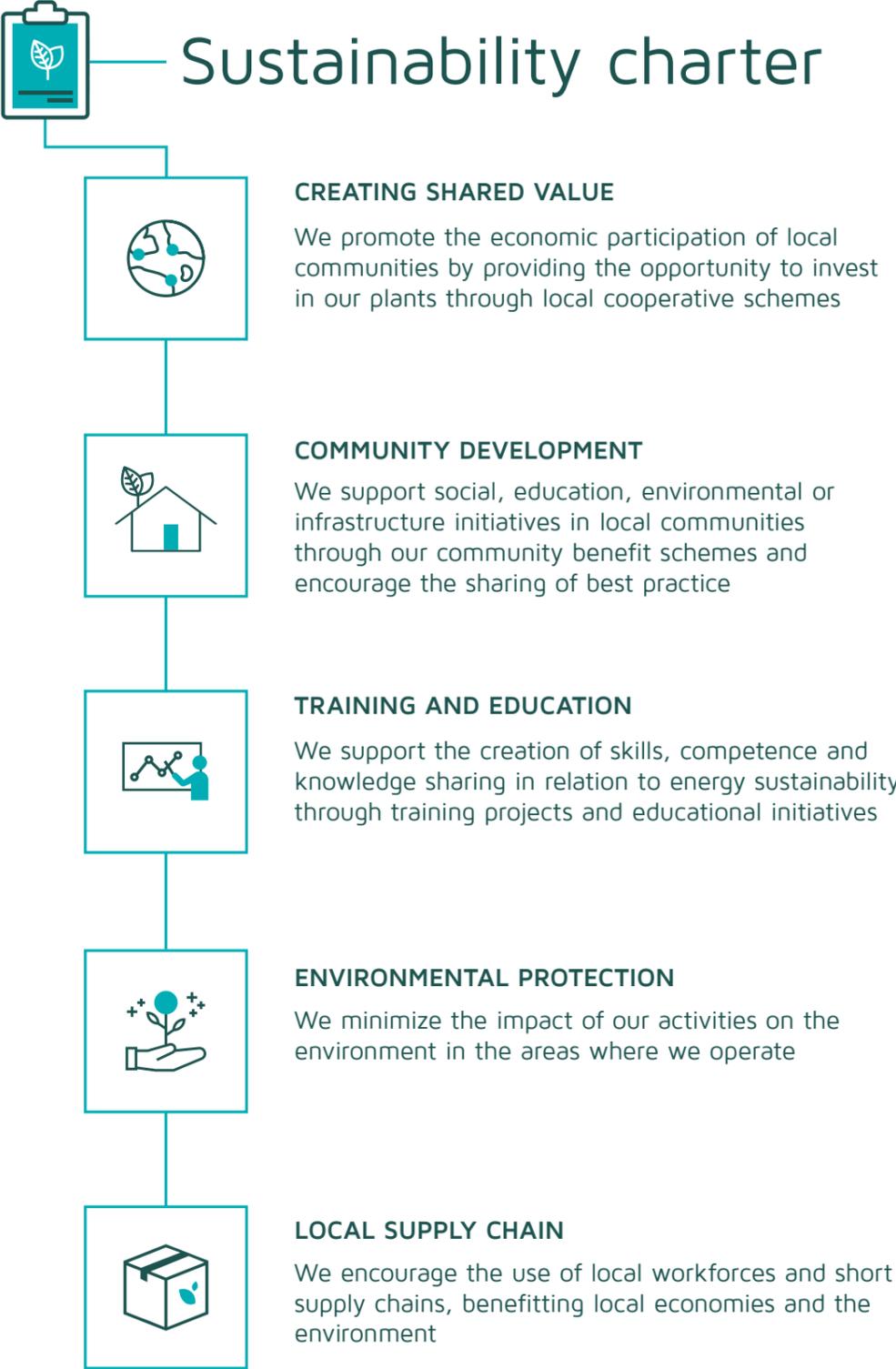
In Italy we have partnered with BlueFloat Energy to launch the authorisation process for the construction of three floating wind farms - two in Puglia, off the coasts of Lecce and Brindisi, and one in Calabria, off the coast of Catanzaro. We have embarked on a structured stakeholder engagement process, promoting, from the outset, an inclusive, consultative and open approach to local issues.

We analysed the areas from a social, economic, environmental and environmental perspective to understand more about it and to identify the main stakeholders who range from institutional stakeholders to potential supporters and adversaries of the project. This process involved meetings with each to explore their perceptions and positions and identify any critical issues so that we could promptly address them.

To support dialogue with local people we created an online platform for each of project. These feature a landscape study of the proposed plant showing the visual impact of the wind turbines on the sea and providing an accurate and transparent representation of what the completed project will look like. For the project off the coast of Lecce, the extensive dialogue established with the local community has made it possible to respond to their concerns about the visual impact of the turbines in the sea. The original project design was amended as a result with the application submitted at the end of December for turbines further off the coast, as requested by local people.

The effectiveness of the online platform has led us to plan to replicate it for other floating offshore wind projects in order to build as transparent and open a dialogue as possible.

Sustainability charter



Over the years, we have developed and implemented a range of models for sharing the value generated by our operations in an area, supporting an inclusive energy transition which benefits local communities:

1. Local cooperative scheme

This is a model that we pioneered over 16 years ago in the UK. We offer communities the opportunity to invest in our plants by setting up cooperatives. The cooperative gathers contributions from subscribing members to buy a stake in the plant and, in return, is remunerated annually through interest rates based on the amount of electricity it generates. When the plant is decommissioned, we return the initial capital. Being involved in a renewable project makes people feel part of the project's story, share in its success and contributes to the energy transition. Since 2005, we have established seven cooperatives, with a total of more than 3,600 members, which, so far, have raised more than € 12.8 million to invest in our plants and received interest of about € 8.5 million.

2. Co-ownership scheme

We also offer local communities another way to participate in our activities by purchasing a part of the plant. The community, as a social enterprise, benefits economically by receiving the proceeds from the sale of the electricity generated which they then use for funding local initiatives. This model operates at our Earsburn Wind Farm in the UK where in 2007 a social enterprise in the village of Fintry purchased a share of the farm equal to the capacity of one turbine, which we operate. Over the years the community has reinvested the profits in sustainable energy projects. The Fintry community turbine featured as an example of best practice in the ["Stimulating Investment in Community Energy"](#), report published in 2020 by IRENA Coalition for Action (page 22).

3. Community benefit scheme

In many of the countries where we operate, we support local community initiatives. Where we have a plant, we donate a proportion of the revenue generated from energy production to support community-driven local projects, either through trust funds or associations, both of which are run independently by local people. The funded projects are all suggested and run by local people and cover a wide range of topics from education, culture, leisure, social impact, training and energy sustainability initiatives. During 2021, through the 17 plants owned by the Group and financing local benefit trusts, we have supported more than 120 local projects.

Exploring innovative co-ownership programmes

We are constantly exploring new opportunities to extend our commitment to community co-ownership.

This year, together with Ørsted and BlueFloat Energy, we partnered with award-winning specialists in community ownership Energy4All, with whom we have been working for 15 years, to research the possibility of community ownership programmes for floating offshore wind in Scottish communities. We aim to extend to this new type of technology the concept of involvement and sharing of benefits with the communities around our plants.

Energy4All has signed an exclusive Memorandum of Understanding to work towards designing and implementing a community ownership programme after a public consultation. Consultation meetings were held in October in the north-east of Scotland to gather opinions on how communities could best benefit from potential floating offshore wind farms.

The consultation continued the discussion initiated at a Falck Renewables and BlueFloat Energy sponsored event held in March 2021, hosted by the Scottish Council for Development and Industry (SCDI) which resulted in the SCDI "Harnessing Value for Scotland from Offshore Wind Development" report.

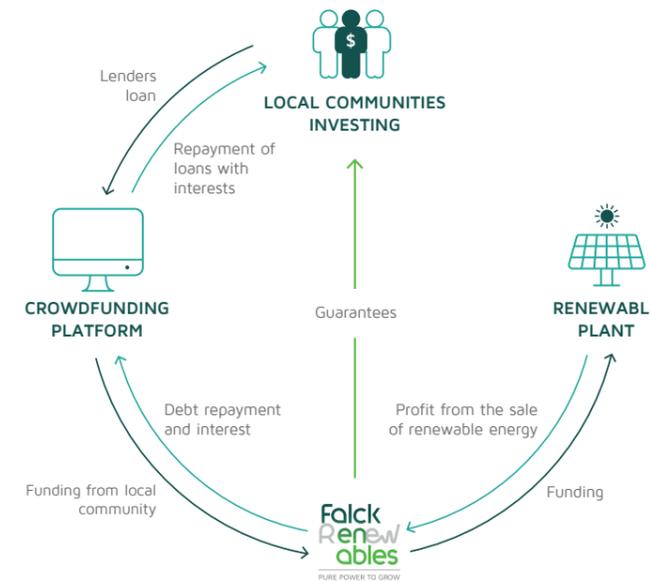
This represents an important first step in understanding how the involvement of local communities in the development of floating offshore wind power might work. Our aim is to promote an approach that we pioneered as an innovative model for land-based technologies into new uncharted ground.

New participation schemes: the first lending crowdfunding

This year we reached a new milestone by launching the first Italian lending crowdfunding campaign "Coltiviamo Energia" for our Landolina agrivoltaic park in Scicli (Sicily), the construction of which starts in the first quarter of 2022. Agrivoltaics are a type of installation that maximise land use by bringing together clean energy production with local agricultural activities. The park will be built on land that has been left uncultivated for the last 20 years and only sporadically used for grazing. It will have a positive impact on the area by generating new employment and will involve the cultivation of a number of indigenous species such as fruit trees (olive, carob and almond), medicinal herbs and a forage grass that have been identified by working with the Department of Agriculture, Food and the Environment of the University of Catania. The "Let's cultivate energy" campaign was created to allow Sciclitani and Sicilian citizens to invest in the project and be part of the creation and development of the park. Through the www.coltiviamoenergia.it online platform, citizens could individually finance the construction of the plant, receiving an advantageous interest on the loan made for a predetermined number of years, and then recovering the initial capital at the end of the period.

The campaign was a success. The fundraising target of € 100 thousand was far exceeded, with a final total of almost € 180 thousand from 68 investors.

We are also establishing a community benefit programme with an annual fund to support local initiatives in the municipality of Scicli and the funding of a scholarship programme to train new professionals in the field of renewable technologies and energy sustainability.



First **lending crowdfunding campaign** in Italy with different rates of return

- up to **6%** for residents of Scicli
- up to **5%** for people who live in other parts of Sicily

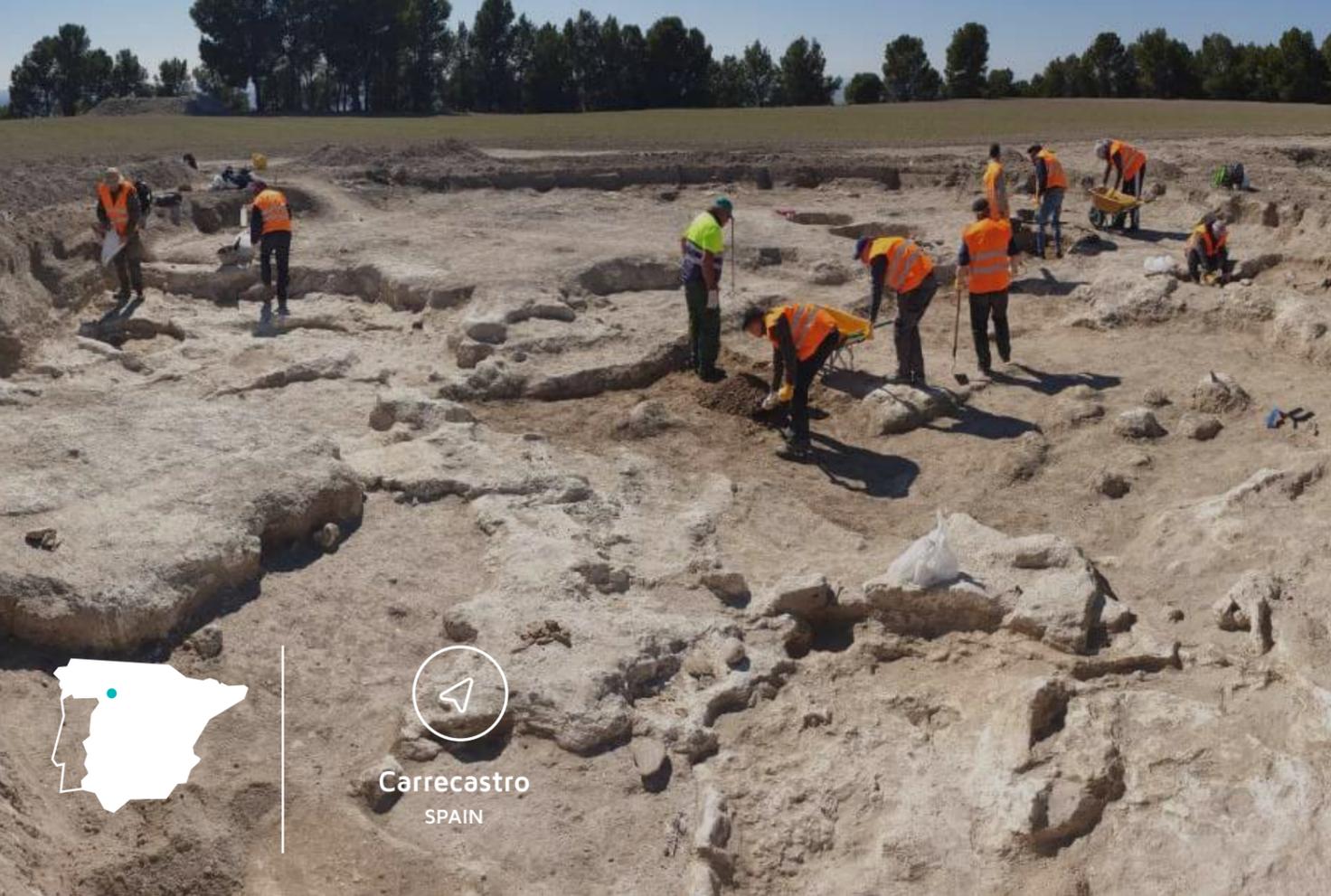
68 investors raised a total of **€ 178.861 thousand** (target € 100 thousand)

22 hectares of agrivoltaic park → 17 ☀️🌱 photovoltaics and crops | 5 🌳 plantations of trees

Winner of Unipolsai's "L'Italia che Verrà" Award in the "Territory" category

20 GWh of renewable energy produced annually, corresponding to the energy needs of > 5,000 🏠 households

Collaboration with the Department of Agriculture, Food and Environment of the University of Catania



Carreastro
SPAIN

Contribution to cultural heritage: Carreastro Wind Farm

When building began on Carreastro Wind Farm near Tordesillas (Spain) in 2019, the work uncovered numerous historical artefacts. We decided to fund an archaeological dig to be carried out at the same time as the construction work. Excavation work involving 20 local workers uncovered numerous artefacts from the Cogotas civilisation, dating from between 2000 and 1000 BC. The project provided an increased understanding of the social and economic aspects of this prehistoric culture, raising awareness of the cultural heritage of the area with the local and scientific community and benefitting local tourism.

This year we signed an agreement with the city of Tordesillas to publish the results of the archaeological excavations and preserve these valuable discoveries. The archaeological project is due to be completed during the construction phase of the plants and the scientific results will be published in the first half of 2022.




Stirling, Great Glen, Sutherland and Skye UK



Raising awareness: dance and renewable energy

Training and social activities are just some of the ways we involve local communities. At the end of 2021 we organised dance workshops for pupils at schools near some of our UK wind farms, combining fun and learning.

Working with award-winning dance company Corey Baker Dance, we involved young people from the Stirling, Great Glen, Sutherland and Skye areas who were able to express the various forms of renewable energy through dance moves taught by dance tutors. As well as being very entertaining the workshops also helped raise awareness of climate change and renewable energy.

The project with the Corey Baker Dance company began with the short film "[Leaders of a New Regime](#)" which had its premiere at Cop26 in Glasgow. Dancers from Corey Baker Dance danced on top of the 120-metre-high turbines at our Millennium Wind Farm in the Scottish Highlands. The short film aims to highlight the role played by Scottish wind power in the fight against climate change.



San Sostene
ITALY



The San Sostene library: new ideas for urban spaces

Working with the municipality of San Sostene, Calabria, where one of our wind farms is located, and with the support of a local group of pensioners, we renovated and refurbished a building that had previously housed our offices, turning it into a public library and hiring a local cooperative to manage it.

The next phase of the project involves the installation of an "Energy Laboratory", an exhibition to raise awareness about renewable energy, especially among young visitors to the library, where material from our renewable plants will also be displayed.

We are proud to have supported a project that benefits the entire community while also raising awareness of the benefits of renewable energy.



Commitment to a responsible supply chain

Training and awareness-raising

One of our main focuses is promoting and disseminating knowledge on energy sustainability, working with universities as well as students and teachers in schools.

We help young people develop professional skills in the renewable energy sector by providing financial support through the Student Support Scheme for Sustainable Energy Studies. In addition to the UK, where the scheme has been running for four years, this year we launched the programme for the first time in Norway and France and confirmed its second year in Sweden and Spain. In 2021, in collaboration with the Milan University of Technology, we were involved as speakers and presented a case study as part of two courses: "Passion in Action - Passion for sustainable development", organised for students of the Master's Degree in Energy Engineering, and "ESG principles in the energy industry", part of the Management Engineering Master Degree. As a follow-up to the second course students from the University of Technology carried out a series of interviews with members of our management team to find out more about our sustainable and inclusive business model. Our rewarding relationship with the University of Technology goes back several years and includes an online course called "Sustainable Business in the Renewable Energy Sector", published on the platform [Polimi Open Knowledge](#).

The Falck Renewables' Sustainable Communities Network

Falck Renewables' Sustainable Communities Network, set up in 2018 in the UK, brings together representatives from all the communities around our plants.

The Network has a dedicated online portal (www.community.falckrenewables.eu), where initiatives supported by benefit trusts are featured with the objective of sharing good practice and exchanging ideas on the issues that matter most to us: sustainable development, innovation, renewable energy and social impact. For the past four years, we have organised the Falck Renewables Sustainable Communities Forum, to which delegates from all the communities surrounding our plants are invited to meet up, exchange experiences and discuss challenges. This year we held the Forum online again as a result of the restrictions imposed by the global pandemic.

This event also provided an opportunity to recognise the students receiving support from the UK Student Support Programme for Sustainable Energy Studies, and the winners of the UK Building Back Stronger Communities 2021 competition aimed at innovative projects set up in response to the social and economic recovery required in the Covid-19 pandemic. The winners were:

- **"3 Glens Recovery"** - developed by The Glengarry Trust and Fort Augustus and Glenmoriston Community Company for all age groups with the aim of creating opportunities for social and sporting activities to improve quality of life and personal health such as yoga classes, gymnastics, photography and cake design.
- **"Village Halls Reopening"** - the Voluntary Groups Sutherland project provides a plan for the safe reopening of village halls which have been closed since March 2020 due to the pandemic, providing a space for people to meet up and spend time together.
- **"New Steps"** - submitted by the Valley Renewables Group, this project aims to support people in the community who have had to adapt to a new life, particularly in terms of work, by providing, for example, equipment required for more efficient remote working, or additional economic support to improve the structure a business allowing it to be performed from home.

Our supply chain is structured with the aim of generating a positive impact on the areas in which we operate, in line with our ethos of inclusivity and sustainability.

To promote local development, our first commitment is to ensure a short supply chain and, in plant-related activities, prioritise working with local companies that meet our technical, quality and safety standards.

In the very early stages of planning a new plant, we organise Contractors' Open Days to explain our supply requirements to local companies so that they can be involved in providing the services we need through a short supply chain. This boosts the local supply chain and has a positive impact on the local economy while also minimising the environmental impact of construction activities. For the past two years we have adapted our approach to include the required social distancing with the aim of protecting the health and safety of local businesses and our employees. So, for the construction of our wind farm in Illois, France, we contacted potential

suppliers directly and used the local press, building on our experience with our Norwegian wind farms in Okla and Hennøy.

We have formally adopted a Sustainable and Responsible Procurement model in our supplier pre-qualification process and now assess suppliers using environmental and social sustainability criteria.

From the outset our relationships with our suppliers and partners follow the principles set out in our Sustainability Charter, including dedicated contractual clauses, so that suppliers work with us to achieve our sustainability and community engagement objectives, the first of which is the use of local subcontractors and short supply-chain suppliers.

Throughout our relationships with customers, suppliers and business partners we encourage them to join us in our community engagement programme to strengthen its positive effects and amplify its impact.

Pre-qualification of suppliers: examples of sustainability criteria

- Involvement of key stakeholders in defining and assessing business strategies
- Providing support for innovation
- Water consumption emissions into the atmosphere generated from operations
- Implementation of business models based on the 3R principles (recycle, reduce, reuse) throughout the product life cycle
- Involvement of local communities in the business
- Adoption of short supply chains
- Respect for the human rights and safety of workers
- Adopting diversity and inclusion policies, also in second-level suppliers

2021 in numbers

2021 Result	2022 Target
Share of plants with a significant community engagement programme*	
40%	46%



First lending crowdfunding campaign in Italy

128

projects supported by community benefit programmes

€ 1.4M

funds paid to community benefit schemes in countries where we operate

48%

of orders to local suppliers

178

new suppliers evaluated based on sustainable and responsible criteria

2

new benefit schemes

→ 1 in Sweden
1 in Norway



€ 3.6M

in interest paid in the United Kingdom to

3,622

members of the 7 cooperatives and the community ownership scheme

Commitments for 2021

RESPONSIBLE SUPPLY CHAIN: refine a responsible sourcing process that encourages a sustainable approach, short supply chain, and use of local labour

RELATIONSHIPS (INTEGRATION) WITH LOCAL COMMUNITIES AND LOCAL DEVELOPMENT: consolidate the activities promoted by the Sustainability Charter and extend them to new countries where we operate; involve our clients/offtakers in community engagement programmes; deliver a pilot lending crowdfunding scheme in Italy

What we have achieved



Revision of our Sustainable Procurement Guidelines to formalise a supplier pre-qualification procedure based on sustainable and responsible criteria



- Launched and successfully concluded the first lending crowdfunding campaign in Italy, raising almost 180% of the target amount
- Involvement of local communities in our floating offshore wind projects with pre-consultation activities
- Committed to employing a local contact person (also referred to as a Community Relations Manager) in all countries where we work

* To be understood as the involvement of local communities through cooperative programmes, ownership programmes, benefit programmes, crowdfunding initiatives or with the local use of sustainable energy consumption services (i.e. community energy PPA, access to net metering credit programmes, etc.) in favour of communities or public utility bodies/institutions.

Environmental and climate capital



The battle against climate change and the protection of the environment are key factors in everything we do, and our aim is to work towards them by enabling and leading an inclusive and sustainable energy transition.

Working with and for the environment

Decarbonisation of the energy sector is an ambitious goal, and we want to achieve it in the best way possible. This is why we are committed to ensuring that the stages of this process are compatible with the environment in the areas where we operate. We consider the natural habitat of the locations of our plants to be a prime resource. Our approach is clearly outlined in our Code of Ethics, reinforced in our Sustainability Charter and governed by the QHSE policy and the quality, environmental and safety management systems that guarantee these principles at all stages of our value generation model.

Since 2020, our Sustainable Construction Guidelines and Code of Ethics have been the reference for how we conduct our activities, steering the business through the entire value chain: engineering and design, site activities and supply chain management, all of which contribute

to asset development. The guidelines also define an approach that goes beyond mere compliance with laws regulating the environmental impact of activities. This approach promotes sensitivity and willingness to enhance local environments, resulting in our plants being design according to the advice of environmental experts in a way that integrates and preserves biological diversity and local agriculture and pastoral farming.

To ensure that the construction of new plants does not affect the balance of surrounding habitats, we conduct environmental impact studies and submit them to the Environmental Impact Assessment procedure, when required by law. All our operating plants are covered by environmental, quality and safety management systems. The context analysis required by the ISO 14001:2015 standard helps us identify

Objective: carbon free business

We are committed to delivering a sustainable energy transition, with the ambition of enabling progress in the quest to combat climate change

We monitor "Scope 4", or GHG emissions avoided thanks to our renewable energy production, by multiplying the energy generated in each country by the corresponding emission factor of the local electricity mix. This is a conservative estimate and an approximation of the most commonly used estimate, which instead uses the emissions of the corresponding thermoelectric fleet and does not take into account the decarbonisation trends taking place in the most advanced countries. The calculated value provides the average CO₂ intensity variation of the generation mixes in the countries where we generate electricity, after applying updated emission factors²¹. Through our wind and photovoltaic plants, in 2021 we avoided the emission of approximately 537,071

tCO₂eq which on average correspond to 206.4 kg di CO₂eq avoided per MWh generated.

Our mission does not stop there. We adopt best practices to significantly reduce greenhouse gas emissions related directly and indirectly to our business and achieving net-zero carbon footprint in our operations by 2025. In 2021, we continued our approach of progressively reducing the carbon footprint of our operations with focus on the energy consumption. During the year, we updated electrical energy supply agreements, gradually shifting to supply packages 100% based on renewable sources. This process led to the consumption 691,654 MWh from renewable sources, equal to 77% of the energy consumed during the year.

To measure our carbon footprint, we have refined the calculation of emissions related to our value chain (Scope 3), which are added to emissions from direct (Scope 1) and indirect (Scope 2) energy consumption. Following the Greenhouse Gas Protocol approach, we identified the main areas contributing to upstream and downstream impacts related to our activities and estimated a total carbon footprint of approximately 215,220 tCO₂eq.

²⁰ Such as in the UK, which has halved the carbon footprint of electricity generation in just a few years, or in Norway, where almost all electricity on the market comes from renewable sources.

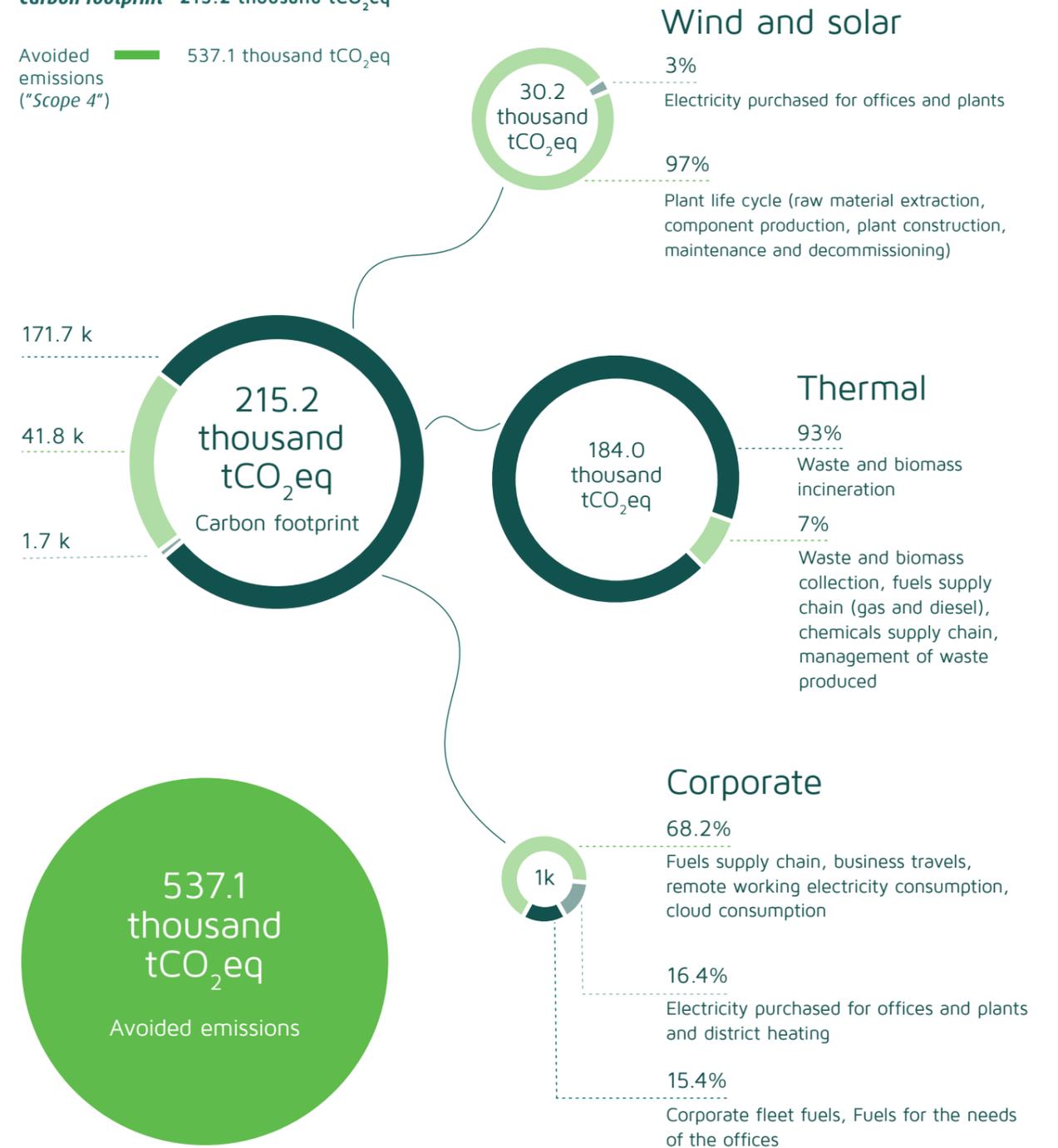
²¹ References of the emission factors applied to this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2021): 0.306 tCO₂/MWh for North Carolina and Virginia, 0.2215 tCO₂/MWh for Massachusetts, 0.4976 tCO₂/MWh for Iowa, 0.314 tCO₂/MWh for Maryland and 0.1052 tCO₂/MWh for New York; EU and UK: "Efficiency and decarbonization indicators for total energy consumption and power sector. Comparison among Italy and the biggest European countries" (ISPRA, 2021): 0.2686 tCO₂/MWh for Italy, 0.2089 tCO₂/MWh for Spain, 0.0533 tCO₂/MWh for France, 0.0212 tCO₂/MWh for Sweden and 0.231 tCO₂/MWh for UK; Norway: "Electricity disclosure 2018" (NVE-RME, update 2020): equal to 0.0189 tCO₂/MWh.

²² See <https://ghgprotocol.org/>.

Our carbon footprint

Scope 1	171.7 thousand tCO ₂ eq
Scope 2	1.7 thousand tCO ₂ eq
Scope 3	41.8 thousand tCO ₂ eq
Carbon footprint	215.2 thousand tCO₂eq
Avoided emissions ("Scope 4")	537.1 thousand tCO₂eq

CARBON FOOTPRINT BREAKDOWN BY BUSINESS ACTIVITY



Agrivoltaics: sustainable energy and local land use

Agrivoltaics clearly demonstrate our commitment to integrating the development of new plants for sustainable energy production not only with the surrounding natural environment, but also with local practices and customs.

Agrivoltaics is an innovative solution for maximising land use efficiency, allowing the coexistence of farming and renewable energy production, and ensuring that land that can be cultivated and used for livestock farming is not diverted from its intended use. Collaboration with academic agricultural researchers is essential to preserve local traditions and create new economic and employment opportunities.

The solar projects are adapted to enhance the value of native crops. The land for an agrivoltaic project is granted in usufruct to the local community that guarantees the activity and benefits from the expected results. Once the photovoltaic plant has come to the end of its life, we will be responsible for removing the infrastructure from the land and replanting the area, so that it can be fully restored to its original agricultural use.



Sesto San Giovanni
ITALY



Move responsibly

We have prepared a Home-Work Travel Plan for our Sesto San Giovanni site to minimise the impact of our activities on the environment and climate and to help reduce vehicle traffic in urban areas.

The Plan was developed by our mobility manager who was appointed to support our transition to a carbon-free business, by helping to reduce the atmospheric pollutant emissions generated by travel and decrease the company's carbon footprint.

The mobility manager handles relations with public and private bodies involved in managing employee travel and promotes information, dissemination and awareness initiatives on sustainable mobility. They also develop training and orientation initiatives to encourage the use of walking and cycling, public transport and complementary and supplementary services, including innovative solutions, and supports local authorities in promoting measures encourage combine different modes of transport, including the development of safe bicycle and pedestrian routes, shared mobility services and info-mobility services, as well as improving the efficiency and effectiveness of public transport.

We implemented our Home-Work Travel Plan to meet strategic environmental commitments and current regulations, with the participation of Group employees, who were involved in improving and optimising travel in the area. The Plan provides a snapshot of the current situation with respect to employee transport modes and a map of the public transport to which the workplace is connected, along with a three-year plan of improvements.

Marine biodiversity: a heritage to be protected

Floating offshore wind is one of the main drivers in the development of renewable energy, and a turning point for the energy transition. For our floating offshore wind development projects in Italy and Scotland, in keeping with our approach of protecting and safeguarding the environment, we carry out a scoping exercise - an optional preliminary consultation - prior to the Environmental Impact Assessment (EIA) procedure, with the aim of finalising and guiding the content for the EIA. By doing so, we ensure that our environmental impact is as limited as possible. The consortium formed by Ørsted, Falck Renewables and BlueFloat Energy announced a collaboration with the Scottish Association for Marine Science (SAMS) to investigate the potential effects of

floating wind projects on the marine environment.

The initiative will involve fisheries and marine wind stakeholders and will focus on understanding two main aspects - the interaction of fish, mammals and sea birds with floating wind farms and the coexistence of fisheries with the technology being deployed. The results of the project will contribute to a full understanding of the impacts of floating wind farms on the marine ecosystem and provide the basis for the development of strategies to avoid and mitigate the impacts. Future research areas may eventually examine the role of marine robotics in collecting data before and after the construction of floating marine wind farms at remote sites.

Climate change in risk management

To strengthen the Enterprise Risk Management processes, in 2021 we conducted a Climate Change Risk Assessment project, in collaboration with the MIP - Milan Technical University. This project resulted in the development of a structured analysis model based on the Task Force on Climate-related Financial Disclosures framework to identify the business areas most exposed to risks arising from climate change and the opportunities presented by the energy transition. Climate risk categories and risk response activities were defined through an assessment of the climate exposure of the assets in our portfolio. Specifically, we identified and differentiated scenarios related to acute physical risks (associated with the occurrence of extreme climatic events that affect the operational continuity of assets), chronic physical risks (associated with volatility and/or permanent changes in the availability of natural resources), and transition risks related to changes in regulatory frameworks, technological developments and the availability of raw materials and supplies (the supply chain) that could result in a slowing down or failure to achieve energy transition objectives. For each risk category, the analysis then identified the individual climate drivers to which the Group's business may be most exposed, ranging from natural events to social phenomena or those related to the market and the sector in which the Group operates. This analysis also made it possible to define a roadmap of possible framework developments, which may include the use of scenario analyses to support the strategic planning process, with a view to assessing the possible impacts of exposure to climate change, which are anticipated in the various climate scenarios produced by the scientific community (so-called "RCP" - Representative Concentration Pathways).



Chiva
SPAIN



The Chiva photovoltaic plant (Spain), an example of excellence

As a crowning achievement of our commitment to biodiversity conservation, in 2021 we became the first company in Spain to be awarded the Certificate of Excellence from the Spanish Photovoltaic Union (UNEF). The Certificate rewards ground-mounted solar projects that meet the highest standards of sustainability, biodiversity conservation and social integration. In agreement with the local community, the project, in the municipality of Chiva, Valencian Autonomous Community, was developed to be integrated into local agricultural techniques through an innovative engineering design. The photovoltaic modules inserted into the local crops do not alter the ecosystem balance of the area, allowing the natural processes of pollination, grazing and maintenance of native biodiversity to continue and helping to maintain local agricultural activity. The project brings us together with local organisations and institutions, farmers and experts in the field. The construction of the photovoltaic plant also brings social and economic benefits to the local population and administration, generating more than 500 jobs during the construction phase and providing the municipality with more than 4.5 million euro in local contributions. When fully operational, the plant will supply energy equivalent to the needs of around 80,000 households. At the end of the plant's life, in approximately 35 years, we will remove the solar modules and restore the land to its original state.

2021 in numbers

2021 Result	2022 Target
<p>With solar and wind power generation, we avoided the emission into the atmosphere of</p> <p>0.54 MtCO₂eq*</p>	<p>0.64 MtCO₂eq</p>

691,654 MWh

of our energy consumption supplied by renewable sources (Focus Scope 2)



Certificate of Excellence in Sustainability obtained for Chiva photovoltaic plant (Spain)

€ 1.6M

value of TEE** managed***

204,000

individual return Milan-New York flights**** corresponding to the emissions we have avoided



Emissions of air pollutants avoided thanks to wind and photovoltaic production equal to*****

548.40 tNO_x
125.15 tSO_x
246.57 tCO
6.92 tPM10

Commitments for 2021

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



What we have achieved

- During the year, switch to a green energy supply in 92% of our offices and plants
- Appointed a Mobility Manager and developed a Home-Work Travel Plan to contribute to sustainable mobility

- Launched an integrated agrivoltaic project which combines sustainable energy production with the preservation of traditional agricultural land use
- Announced our plans for a research project to understand the effects of floating offshore wind technology on the marine environment
- Obtained the Environmental Footprint certificate of conformity for Rende biomass plant
- Developed the Climate Change Risk Assessment
- Conducted an energy audit of the Trezzo plant to monitor and identify possible energy efficiency areas

* References of the emission factors applied to this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2021): 0.306 tCO₂/MWh for North Carolina and Virginia, 0.2215 tCO₂/MWh for Massachusetts, 0.4976 tCO₂/MWh for Iowa, 0.3148 tCO₂/MWh for Maryland and 0.1052 tCO₂/MWh for New York; EU and UK: "Efficiency and decarbonization indicators for total energy consumption and power sector. Comparison among Italy and the biggest European countries" (ISPRA, 2021): 0.2686 tCO₂/MWh for Italy, 0.2089 tCO₂/MWh for Spain, 0.0533 tCO₂/MWh for France, 0.0212 tCO₂/MWh for Sweden and 0.231 tCO₂/MWh for UK; Norway: "Electricity disclosure 2018" (NVE-RME, update 2020): equal to 0.0189 tCO₂/MWh.

** Energy Efficiency Certificates.

***Both Energy Team and customers on the Energy Efficiency Certificate market.

**** One economy class round trip = 2.635 tCO₂eq, according to the emission coefficients used by the non-governmental organisation Atmosfair, February 2022 (<https://www.atmosfair.de/en/offset/flight/>).

***** Source: "Indicatori di efficienza e decarbonizzazione del sistema energetico nazionale e del settore elettrico" (ISPRA, 2021).

Human capital



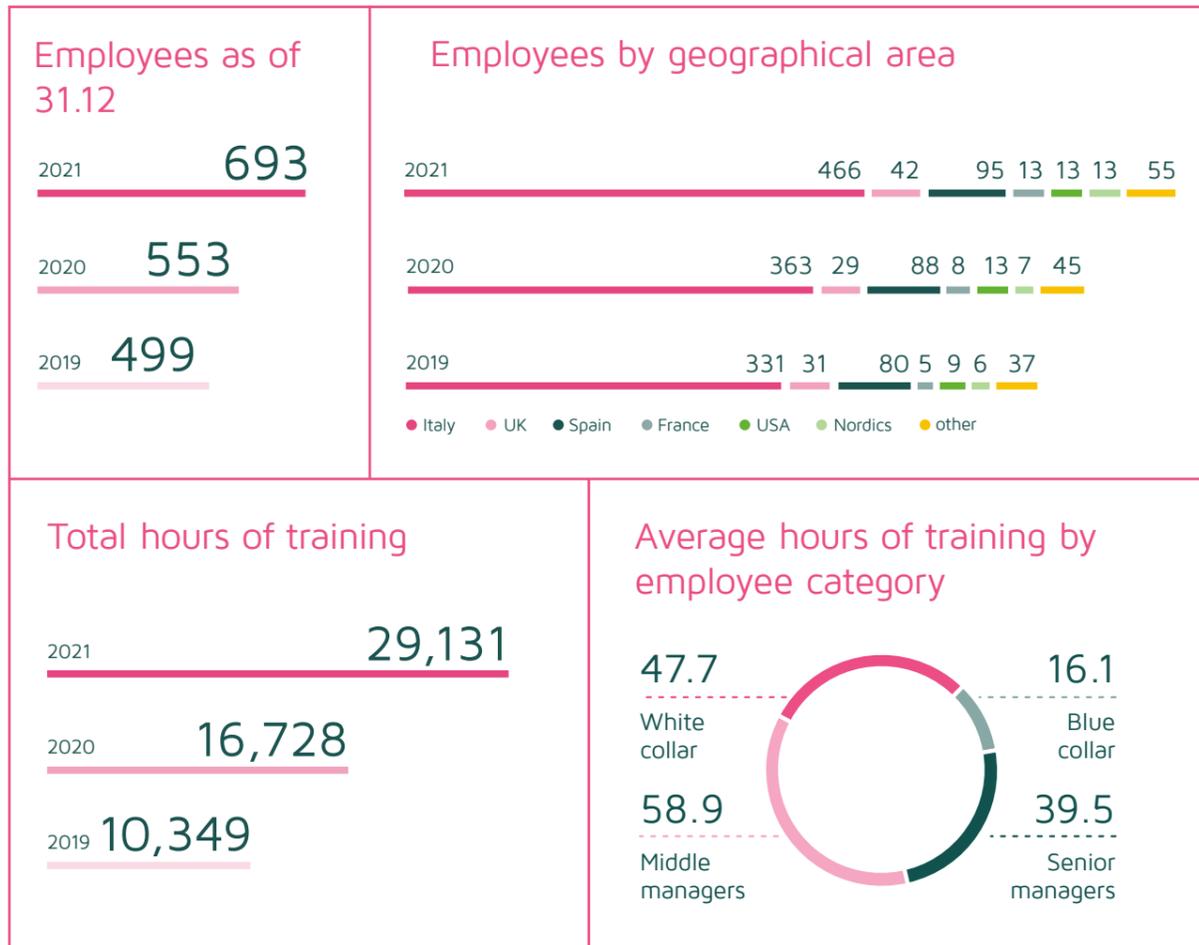
We believe in human talent and its diversity. This is why we try to create the conditions for development of our employees through continuing and individual learning in a healthy and safe working environment.

Our talented people

Our people are at the heart of all our activities and successes. We believe in the potential of our employees, in their desire to improve and their ability to generate added value for society. We seek to develop talent in a harmonious and close-knit organisation with a shared identity and culture, with ethical values and a clear, forward-looking mission.

We adopt a rewarding approach to the development of our people, which includes a system of initiatives linked to development, incentive pay and the promotion of well-being, while always striving to enhance and reward the contribution of each individual to the growth of the company. With our up-skilling and re-skilling programmes, we aim to hone and enhance the specific skills of each employee and, at the same time, ensure continuous learning. We arrange mentoring programmes for sharing experience and to help people develop their internal network and their full potential.

Using the salary review, we acknowledge individual performance transparently and tangibly. Each year we conduct an annual evaluation process involving all employees. We listen to managers and employees and analyse both qualitative and quantitative aspects of performance and the results achieved against objectives (MbO, management by objectives). The outcomes are reflected in our remuneration policy, which consistently rewards people by merit and highlights motivating behaviours that encourage the dissemination and establishment of an innovative and welcoming common culture. In 2021, the Group's Remuneration Policy was updated to align the remuneration policy as much as possible with long-term strategic objectives, including those that are not strictly financial. With this in mind, as of this year an integral part of management remuneration includes the achievement of objectives related to gender diversity and community engagement.



Enabler Behaviours: the behaviours that guide our daily actions

Being an enabler means disseminating our understanding and vision of positive values in all professional interactions with the aim of creating a common culture that is innovative, competent and caring. A number of behaviours, together with a number of questions on which we are asked to reflect, guide our daily actions and help us think through and remember our shared priorities.

CHALLENGE THE STATUS QUO
"Can we do it differently, faster, better?"

THINK BIG
"Is this risky and ambitious enough?"

MAKE THINGS HAPPEN
"How can we make it happen?"

GO OUT AND BRING BACK INSIGHT
"What would a client say?"

HELP OTHERS SUCCEED
"How can I make you succeed?"
"How can you help my success?"

SHARE WHAT WE HAVE; INVOLVE THOSE WHO KNOW
"Who needs to know/be involved?"

PROTAGONIST, NOT SPECTATORS
"What's stopping me taking personal action?"
"What will happen if I do nothing?"

TAKE COMMITMENTS SERIOUSLY
"Have I kept my promises and commitments?"

Our training programmes

In 2021, because of the pandemic situation, our training was entirely delivered by e-learning, providing an average of approximately 47.4 hours of individual training.

"ENABLING LEADERS" LEADERSHIP PROGRAMME: a management course dedicated to leaders and key managers, structured in several successive phases consisting of individual activities and group sessions for sharing experiences and generating mutual feedback.
1.250 hour/108 participants

"STEPPING UP" LEADERSHIP PIPELINE PROGRAMME: a managerial training and coaching programme aimed at developing in-house candidates deemed most suitable for future managerial roles.
116 hours/23 participants

LANGUAGE TRAINING: we offered English, Spanish, Italian and French courses. Other languages are also offered on an individual need basis according to the role.
2.527 hours/97 participants

"TECHNICAL ENABLERS" TECHNICAL TRAINING: internal training, delivered through the commitment of colleagues in sharing know-how to meet needs and demands that emerge internally. This programme supported the development of competences related to different topics, e.g., financial modelling, business technologies, business development.
566 hours/173 participants

TRANSVERSAL MANAGEMENT TRAINING: a transversal approach was taken, involving the Group in topics such as mental health, change management, resilience, emotional intelligence, diversity and inclusion.
2.264 hours/299 participants

DIGITAL ENABLERS: digital training on the use of new business applications, cyber security and data science.
721 hours/270 participants

Transparent dialogue and continuous feedback: the Beaconforce platform



We consider dialogue, active listening to needs and continuous feedback to be fundamental to the motivation of people and to the very success of the company. Building on these pillars, in 2021 we introduced Beaconforce, a platform combining Artificial Intelligence and Behavioural Sciences that facilitates feedback and effective communication between managers and employees to create an environment which motivates people and improves performance. Thanks to daily interactions, the platform analyses and processes graphical outputs that represent the employee's state of mind and shares it with their manager.

The aim is to promote a sustainable and open culture, where people give and receive feedback on a regular and fluid basis, thereby increasing motivation, a sense of belonging and trust. In these times, which are socially characterised by physical distance, we believe it is essential to maintain transparent, constant and two-way communication that allows managers to guide their people in the right direction. Adopting this tool was a positive and decisive experience for us. Our example was presented as a case study by the Beaconforce start-up and earned us a mention in People3.0's "Happiness at work" initiative.

The value of diversity and inclusion for growth

We recognise the importance of equal opportunities, diversity and inclusion. We have a diverse workforce and operate in multiple regions around the world, reaching out to different consumers, suppliers, communities and partners. We see this diversity as added value and are committed to protecting and enhancing it, as we believe that the combination of multiple characteristics creates potential for creativity and development.

The cornerstone of this thinking is our **Diversity and Inclusion Policy** that maps out the company's commitment to countering all forms of racism, sexism and homophobia and guides our recruitment strategy. In line with regulatory requirements and our specific needs, the policy aims to rebalance the company's gender composition from the earliest stages of recruitment and to attract talent from under-represented social groups.

In 2021, to raise awareness of conduct and the impact each of us can have on others, we developed several courses on diversity and inclusive language and delivered them in multiple languages - Italian, English and Spanish - so that we could reach a large part of the company's population. In 2021, around 400 employees participated in at least one course on these topics. We are also a member of Valore D, an association of companies that promotes gender diversity, supporting employee

participation in inclusive organisation, corporate welfare and social innovation training.

Our commitment has only one desired outcome: we want every person, with his or her own particularities, to be valued and to feel free to express his or her identity to the fullest.

The Gender Equality Index

In 2021 Falck Renewables joined Bloomberg's Gender-Equality Index (GEI). This index includes 418 companies in 45 countries and monitors the performance of companies worldwide that are committed to transparency and the communication of their efforts and achievements in gender equality through the creation of policies, representation and transparency. Companies are included in the index on the basis of an assessment of their performance in five areas: women's leadership and talent development, gender pay equity, culture of inclusion, anti-harassment policies and advocacy for women. This is an important milestone for one of the main objectives of our sustainability strategy: the promotion of gender diversity and inclusion.

In 2021, we integrated our range of benefits and services to protect the health and well-being of our employees with the intention of gradually expanding our offering in all the countries where we operate. For employees in Italy, who represent the largest portion of the company's workforce, we have renewed medical insurance for 2021 to cover possible complications from Covid-19 and the 24-hour medical assistance service for general and specific Covid-19 illnesses is also available for family members. The service provides staff with various services ranging from consultations, home visits by a doctor and delivery of medication. We have also signed an agreement with a private medical centre, in addition to the two already signed for the previous year, to give Italian colleagues

and their families the opportunity to benefit from health services at reduced rates.

We have adopted the same approach of protection and prevention in managing relations with customers and suppliers by adjusting procedures to current legislation and using remote solutions as much as possible.

The QHSE Policy defines and structures our commitment to eliminating or minimising risks to workers' health and safety. The certified safety management systems according to UNI EN ISO 45001 complement our approach and guarantee optimal work management within the company organisation.

Our approach to psychophysical well-being in the Covid era

With the aim of maintaining and promoting the psychological health of all staff, this year we issued the Mental Wellbeing Policy that encourages each employee to take care of their own well-being. The policy is part of the Group's commitment to initiatives to facilitate active participation and the development of all-round health-conscious behaviours. The aim is to construct and maintain a corporate culture that supports psychological well-being, as well as to increase employees' knowledge and awareness of the problems and behaviours associated with this issue.

A further major innovation this year was the launch of the Employee Assistance Programme. The optional service provides employees with a health assessment, personalised counselling and a 24-hour hotline for personal issues in a naturally confidential manner and gives employees a dedicated individual space to share thoughts and problems. An external professional, specialised in psychological well-being, will be appointed and employees will be able to turn to this person if they need to.

In 2021, we also arranged several training sessions to raise awareness of the importance of taking care of mental well-being, providing useful tips and tools to recognise and activate personal emotional resources.

Growing together socially

Every year we promote company-wide volunteer days aimed at making a concrete contribution to the community, enhancing our presence in the area and allowing employees to spend time together, helping others. In 2021, we were actively involved in the following initiatives amongst others:

- DIGITAL CHALLENGE AGAINST HUNGER, arranged by the international humanitarian organisation Action Against Hunger to support initiatives in countries around the world through a sporting challenge. The event combined sport and games, as an engine of solidarity and engagement;
- The first online SOCIAL ENERGY DAYS, or corporate volunteering days, which involved the transfer of knowledge, mainly on energy-related topics, to the young people affected by the earthquake in the Municipality of Cascia (PG) and to the young people of the Sant'Ana Family House in the Dominican Republic belonging to the Rava Foundation; a two-hour dialogue with the guests of the Genera non-profit organisation's shelter homes; and building relationships with the elderly in nursing homes and with Alzheimer's and ALS patients in the facilities managed by the La Meridiana Cooperative.

A healthy and safe working environment

The well-being of our people, both physically and psychologically, is of vital importance to us.

Back in 2018, we introduced remote working for two days a week at all locations with the aim of promoting a better work-life balance. Behind this initiative was the realisation that psychological well-being based on the right balance between home and work has a fundamental impact on quality of life and, in turn, on work performance. This forward-looking initiative proved decisive in ensuring business continuity with the advent of the pandemic. To protect our people from the risks of the pandemic, as of February 2020 (and again for 2021) more than 90% of the company's workforce now operates remotely. We have reduced access to our sites to a maximum of 50% of total capacity, while at the

same time adopting safety measures including the daily provision of personal protective equipment for employees at our sites, hygiene devices and optimised ventilation and air exchange systems. This was accompanied by the enforcing of strict rules on sharing premises.

To facilitate remote working, a number of communication and operational instruments were fundamental again this year, including Growth zone: learn and grow together, a virtual platform hosting numerous multimedia courses and learning programmes designed to engage people. In all cases, the platform's initiatives were designed to encourage a healthy approach to remote working and offer food-for-thought with interactive sessions, online exercise classes and inspirational events.

2021 in numbers

2021 Result	2022 Target
Average hours of individual training equal to 47.4 h	35 h

693

employees (+25% compared to 2020)

5 ♀

women on the BoD (42%)* and 10 female managers (out of 69 total)

177

colleagues underwent performance assessment**

29,131

total training hours** of which

3,607

training hours on health and safety

30%

of our workforce is made up of women

23

women involved in Valore D training projects

613,068

hours of remote working

Commitments for 2021

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



What we have achieved

- Participation in ad hoc initiatives aimed at enhancing, raising awareness and attracting female talent in the scientific field
- Continuous dissemination and promotion of a culture focused on motivating behaviours.

- Enhancement of health and safety training courses
- Safeguarding our employees by continuing to implement anti-Covid prevention measures and supporting remote working

- Inclusion in the Bloomberg GEI.
- Strengthening the balance of meritocracy and gender equality in recruitment processes.
- Gender equality included in management's MbOs.

- Continuous implementation of a common, sustainable and integrated approach to compliance
- Implementation of traceability systems for sensitive relations (e.g. relations with Public Administration, Whistleblowing)

* After the co-optation of 4 members of the BoD (whose appointment must be confirmed by the shareholders' meeting scheduled for April 2022), the percentage of women on the BoD raised to 50%.

** The figure does not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

Sustainability Framework (SUF)

Capital	Material Topics	Objectives
ECONOMIC AND PRODUCTIVE 	Sustainable, lasting and shared growth	<ul style="list-style-type: none"> Develop a competences-driven business Nurture (and leverage on) a distinctive business model focusing on project development Maintain and promote ESG focus
	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"> Compatibility between RAF and SUF
	Business innovation	<ul style="list-style-type: none"> Pursue innovative customer-driven solutions Invest in digitalization to maximize assets' value
SOCIAL AND RELATIONAL 	Sustainable (and resilient) 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 areas 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
	Inclusive work environment	<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	2021	2020	2019
Sales revenue		k€	568,417	384,359	374,494
Other revenue		k€	22,010	17,473	10,747
Net margin from trading activities	201-1 a, i	k€	-6,367	31	-44
Net income / Expense from equity management		k€	1,043	-2,496	2,707
Economic value generated		k€	585,103	399,367	387,904
Operating costs (supply of goods and services)		k€	314,087	-149,429	-133,835
Added value		k€	271,016	249,938	254,069
Amortization and depreciation		k€	96,176	-79,718	-80,500
Added value distributed to stakeholders		k€	174,840	170,220	173,569
of which to staff (for salaries, social security contributions)	201-1 a, ii	k€	59,532	46,123	41,222
Provision for the cost of the extraordinary bonus		k€	29,313	n.a.	n.a.
of which shareholders (profit / loss for the year)		k€	4,390	59,825	63,181
of which to creditors (banks and financial Institutions)		k€	37,493	32,354	37,973
of which to central public administration (current IRES+IRAP)		k€	16,507	15,762	14,782
of which to the local public administration (environmental compensation, IMU, other local taxes)		k€	22,359	13,050	13,786
of which to local communities*		k€	5,246	3,106	2,625
Dividends paid during the financial year by the Parent Company		k€	n.a.²³	19,377 €	18,220 €

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

Suppliers

SUPPLIERS ²⁴	GRI	UM	2021	2020	2019
Total suppliers (estimate)²⁵		no.	1760	1,748	1,478
VALUE AND LOCATION OF THE SUPPLIES	204-1				
Total value of supplies		k€	180,138	190,352	192,234
Values of supplies from local suppliers	204-1 a)	k€	86,438	140,145	143,392
% from local suppliers		%	48%	74%	75%
DISTRIBUTION OF THE VALUE OF SUPPLIES BY REGION AND BY LOCAL SUPPLIER					
Total value of supplies in Italy		k€	89,303	79,522	65,738
Value of supplies from local suppliers in Italy		%	40,117	47,620	43,270
% from local suppliers (regional scope)	204-1 a)	k€	45	60	66
Total value of supplies in the UK		k€	19,862	19,592	16,733
Value of supplies from local suppliers in UK		k€	7,866	8,543	7,179
% from local suppliers (constituent country scope)		%	40	44	43

²³ Since the new majority shareholder (Green BidCo SpA) will launch a mandatory cash tender offer pursuant to Article 102 and 106, paragraph 1 of Legislative Decree n. 58 of 24 February 1998 dividend distribution is not expected.

²⁴ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

²⁵ Estimate obtained by data aggregation of data received from each individual country.

SUPPLIES	GRI	UM	2021	2020	2019
Total value of supplies in Spain		k€	4,915	3,924	12,599
Value of supplies from local suppliers in Spain		k€	1,183	1,493	842
% from local suppliers (autonomous community scope)		%	24	38	7
Total value of supplies in France		k€	16,570	4,813	2,658
Value of supplies from local suppliers in France		k€	1,879	3,654	1,967
% from local suppliers (regional scope)		%	11	76	74
Total value of supplies in the USA		k€	33,042	4,117	2,963
Value of supplies from local suppliers in the USA		k€	19,546	1,602	627
% from local suppliers (federal state scope)	204-1 a	%	59	39	21
Total value of supplies in Sweden and Norway		k€	15,387	76,932	91,543
Value of supplies from local suppliers in Sweden and Norway		k€	15,179	76,043	89,507
Percentage of local suppliers (national perimeter)		%	99	99	98
Total value of supplies in other countries (Chile, Mexico, Australia, Japan)		k€	1,059	1,451	n.d.
Total value of supplies from local suppliers in other countries (Chile, Mexico, Australia, Japan)		k€	668	1,191	n.d.
Percentage of local suppliers		%	63	82	n.d.
NEW SUPPLIERS ASSESSED USING ENVIRONMENTAL CRITERIA					
Number of new suppliers		no.	549	88	126
New suppliers assessed using environmental criteria	308-1	no.	178	40	16
% of new suppliers assessed using environmental criteria		%	32	45	13
NEW SUPPLIERS ASSESSED USING SOCIAL CRITERIA					
Number of new suppliers		no.	549	88	126
New suppliers assessed using social criteria	414-1	no.	178	40	16
% of new suppliers assessed using social criteria		%	32	45	13

Installed capacity and production

INSTALLED CAPACITY AND PRODUCTION	UM	2021	2020	2019
WIND				
Wind farms	no.	32	30	28
- of which in Italy	no.	4	4	4
- of which in the UK	no.	12	12	12
- of which in Spain	no.	2	2	1
- of which in France	no.	9	9	9
- of which in the USA	no.	1	1	0
- of which in Sweden	no.	2	1	1
- of which in Norway	no.	2	1	1
Wind turbines	no.	481	456	442

INSTALLED CAPACITY AND PRODUCTION	UM	2021	2020	2019
Installed capacity	MW	1057.8	962.7	922.7
- 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	33.3	23.3
- of which in France	MW	98.0	98.0	98.0
- of which in the USA	MW	30.0	30.0	0
- of which in Sweden	MW	120.9	46.8	46.8
- of which in Norway	MW	71.0	50.0	50.0
Average age of plants	years	9	9	9
Land occupied by wind farms - Average values	conventional m ² ²⁶	4,089,500	3,877,000	3,758,000
Installed capacity per unit of land used	W/m ²	259	248	246
PHOTOVOLTAIC				
Photovoltaic plants	no.	20	18	12
- of which in Italy	no.	8	8	7
- of which in the UK	no.	0	0	0
- of which in Spain	no.	1	0	0
- of which in France	no.	0	0	0
- of which in the USA	no.	11	10	5
Installed capacity	MW	240.8	161.2	128.6
- of which in Italy	MW	17.1	17.1	16.1
- of which in the UK	MW	0	0	0
- of which in Spain	MW	50.0	0	0
- of which in France	MW	0	0	0
- of which in the USA	MW	173.7	144.1	112.5
Average age of plants	years	4	4	3
Land occupied by thermal plants ²⁷	conventional m ²	6,322,065	4,077,390	3,379,225
Installed capacity per unit of land used	MW	38	40	38
THERMAL				
Thermal plants ²⁸	no.	2	2	2
- of which biomass	no.	1	1	1
- of which waste-to-energy	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
Land occupied by thermal plants	conventional m ²	107,381	107,381	107,381
Installed capacity per unit of land used	MW	326	326	326
ELECTRICITY PRODUCED				
Total production	MWh	2,813,239	2,711,517	2,390,799
Total production from wind farms	MWh	2,298,530	2,336,774	1,994,440

²⁶ Calculation takes into account: 5m road width, 1.5 Km the distance between two WTGs, 1000 m² substation area, 1000 m² crane pad.

²⁷ Calculation of the area occupied by photovoltaic plants was implemented according to the method of the Technical Report NREL/TP-6A20-56290.

²⁸ All thermal plants are located in Italy.

INSTALLED CAPACITY AND PRODUCTION	UM	2021	2020	2019
- of which in Italy	MWh	583,520	567,064	640,083
- of which in the UK	MWh	922,727	1,168,901	1,075,137
- of which in Spain	MWh	74,342	69,008	51,448
- of which in France	MWh	179,304	208,450	177,661
- of which in the USA	MWh	104,787	9,243	0
- of which in Sweden	MWh	289,112	160,901	42,990
- of which in Norway	MWh	144,738	153,206	7,122
Total production from photovoltaic plants	MWh	304,120	182,596	179,828
- of which in Italy	MWh	24,456	23,894	22,094
- of which in the UK	MWh	0	0	0
- of which in Spain	MWh	65,763	0	0
- of which in France	MWh	0	0	0
- of which in the USA	MWh	213,901	158,702	157,734
Total production from thermal energy - biomass	MWh	104,494	92,152	109,328
Total production from thermal energy - waste-to-energy	MWh	106,095	99,995	107,203
PLANTS AVAILABILITY ²⁹				
Availability factor of wind farms	%	96	96	96
Availability factor of photovoltaic plants	%	99	96	96
Availability factor of biomass plants	%	96	84	98
Availability factor of waste-to-energy plants	%	87	91	91

Environmental data

MATERIAL CONSUMPTION	GRI	UM	2021	2020	2019
SF6 (wind and PV plants)	301-1	t	0.0029	n.a.	n.a.
WtE waste ³⁰ (TREZZO)	301-1	t	148,355	140,534	145,456
Chemicals (RENDE, TREZZO)	301-1 a, i	t	6,157	6,535	6,643

ENERGY CONSUMPTION ³¹	GRI	UM	2021	2020	2019
Total energy consumption (B+C)		MWh	898,408	824,314	930,375
of which from renewable sources (A1+D)	302-1 e	MWh	691,654	524,280	623,401

BREAKDOWN OF DIRECT PRIMARY ENERGY CONSUMPTION BY SOURCE AND TYPE

Direct primary energy consumption from renewable sources (A1)	GRI	UM	2021	2020	2019
of which biomasses (Rende)	302-1 b	MWh	397,040	341,262	434,005
of which waste - renewable component (Trezzo)		MWh	288,735	182,515 ³²	188,851

²⁹ Wind and photovoltaic plants energy availability 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).

³⁰ It corresponds to the waste components indicated as primary energy source.

³¹ Data from 2021, include all energy consumption of all the plants in the Group and as well as those of the office facilities located in Italy (except for SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021) and office locations abroad (with more than 9 employees) where the energy supply is headed by the company.

³² The variance from the data published in the 2020 Sustainability Report is due to a refinement of the calculation method applied.

ENERGY CONSUMPTION	GRI	UM	2021	2020	2019
Direct primary energy consumption from non-renewable source (A2)		MWh	204,777	293,627	302,848
of which natural gas (Rende)		MWh	4,207	5,903	7,922
of which diesel oil (Trezzo)	302-1 a	MWh	7,134	9,721	12,215
of which waste - non-renewable component (Trezzo)		MWh	192,875	273,226 ³³	282,711
of which gas for heating offices		MWh	34	4,600 ³⁴	n.a.
of which gasoline for automotive di cui benzina ³⁵		MWh	355	98	n.a.
of which diesel fuel for automotive di cui gasolio ³⁶		MWh	172	79	n.a.
Total direct energy consumption (B=A1 + A2)	302-1	MWh	890,552	817,404	925,704

CONSUMPTION OF HEAT

Of which district heating	302-1 c	MWh	294	n.a.	n.a.
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CONSUMPTION OF ELECTRICITY

Electricity purchase (C)		MWh	7,562	6,910	4,671
of which for for powering wind farms		MWh	4,967	3,750	3,530
of which for operating the offices		MWh	576	736	646
of which for powering photovoltaic plants	302-1 c	MWh	1,232	1,143	252
of which for powering thermal plants		MWh	786	1,281	243
of which for automotive		MWh	n.a.	n.a.	n.a.
of which from renewable sources (D)		MWh	5,878	503	545
Self-produced energy consumption (E)		MWh	37,456	34,351	38,113
of which from renewable sources (F)	302-1	MWh	29,510	26,822	27,234

EMISSIONS	GRI	UM	2021	2020	2019
Direct CO₂ emissions - Scope I³⁷	305-1 a	tCO₂	171,739	156,665	111,450.5
Indirect CO₂ emissions - Scope II³⁸ (location based)	305-2 a	tCO₂	1,715	1,824.5	1,176.9
Indirect CO₂ emissions - Scope III	305-3 a	tCO₂	41,766³⁹	41,500⁴⁰	742.4⁴¹
Total CO₂ emissions - Scope I + II + III		tCO₂	215,220	199,989.5	113,369.8

³³ The variance from the data published in the 2020 Sustainability Report is due to a refinement of the calculation method applied.

³⁴ In 2021 the methodology for calculating the data relating to gas consumption for heating the offices was revised. Using this new methodology also for the year 2020 the figure would be comparable to that of 2021 and would be equal to 38 MWh.

³⁵ The data takes into consideration the mixed use of the company car fleet (70% of consumption is attributed to the company).

³⁶ The data takes into consideration the mixed use of the company car fleet (70% of consumption is attributed to the company).

³⁷ For emission calculation, the emission factors listed in the "National Standard Parameters Table" of the United Nations Framework Convention on Climate Change (UNFCCC), published annually by the Ministry of the Environment. Scope 1 emissions include a share equal to 9,280 kg of CO₂ deriving from 2.9 kg of SF6.

³⁸ References of the emission factors applied to this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2021): 0.306 tCO₂/MWh for North Carolina and Virginia, 0.2215 tCO₂/MWh for Massachusetts, 0.4976 tCO₂/MWh for Iowa; EU and UK: "Efficiency and decarbonization indicators for total energy consumption and power sector. Comparison among Italy and the biggest European countries" (ISPRA, 2021): 0.2686 tCO₂/MWh for Italy, 0.2089 tCO₂/MWh for Spain, 0.0533 tCO₂/MWh for France, 0.0212 tCO₂/MWh for Sweden and 0.231 tCO₂/MWh for UK; Norway: "Electricity disclosure 2018" (NVE-RME, update 2020): equal to 0.0189 tCO₂/MWh.

³⁹ Estimated value that includes the same scope as 2020, plus the additional emissions generated from cloud services (data traffic and storage)

⁴⁰ 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.

⁴¹ The 2019 value of indirect Scope III emissions includes in the scope the business travels of colleagues based in Italy, Spain and Mexico.

ATMOSPHERIC EMISSIONS	GRI	UM	2021	2020	2019
NO _x (Trezzo)	305-7 a, i	t	74.3	76.3	79.8
NO _x (Rende)	305-7 a, i	t	180.9	148.0	159.5
SO _x (Trezzo)	305-7 a, ii	t	5.7	3.9	5.5
SO _x (Rende)	305-7 a, ii	t	0.019	0.070	0.050
CO (Trezzo)	305-7 a, vii	t	17.8	14.9	14.3
CO (Rende)	305-7 a, vii	t	81.5	62.6	76.04

INDIRECT CO ₂ EMISSIONS - SCOPE II (305-2)		2021		2020	
Breakdown of indirect Scope II CO ₂ emissions by country	UM	location based	market based	location based	market based
Spain	tCO ₂	113.2	63.1	123.0	n.a.
France	tCO ₂	26.6	0.0	24.7	11.8
Italy	tCO ₂	796.0	100.5	1035.1	n.a.
Norway	tCO ₂	12.9	11.4	8.0	n.a.
Sweden	tCO ₂	12.3	0.0	3.6	n.a.
UK	tCO ₂	255.9	128.9	208.1	186.1
Mexico	tCO ₂	0.0	0.0	3.1	n.a.
Japan	tCO ₂	0.0	0.0	16.9	n.a.
USA	tCO ₂	497.7	326.8	402.1	n.a.
Total	tCO₂	1,714.5	630.7	1824.5	

ENVIRONMENTAL AUDITS	UM	2021	2020	2019
Internal audits ⁴²	no.	118	21	55
External audits carried out (third party, for recertification, etc.)	no.	20	13	13
Total audits	no.	138	34	68

EXTERNAL VISUAL INSPECTION ⁴³	UM	2021	2020	2019
Carried out by ASL, ARPA, VVF, ATS, the Municipality, the Province, the Region and other bodies within the scope of Falck Renewables	no.	2	8	2

ENVIRONMENTAL COMPLIANCE ⁴⁴	GRI	UM	2021	2020	2019
Sanctions received for non-compliance to environmental legislation and laws ⁴⁵	307-1 a	no.	3	0	1
Monetary value of sanctions	307-1 a, i	k€	23.3	0	6.5
Numero di sanzioni non monetarie	307-1 a, ii	n.	0	0	n.d.
Casi gestiti con meccanismi di risoluzione delle controversie	307-1 a, iii	n.	0	0	0

WATER	GRI	UM	2021	2020	2019
WATER WITHDRAWN					
Total water withdrawn (thermal plants)	303-3 a	m³	696,549	658,489	772,331
BREAKDOWN OF WATER WITHDRAWALS BY SOURCE AND QUALITY					
from surface water (lakes, rivers, etc.)	303-3 a, i	m ³	579,485	531,242	660,395
of which freshwater	303-3 c, i	m ³	579,485	531,242	660,395

⁴² It refers to Falck Renewables staff visits for plant monitoring and O&M. Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the perimeter in the second part of 2021.

⁴³ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the perimeter in the second part of 2021.

⁴⁴ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the perimeter in the second part of 2021.

⁴⁵ Does not include sanctions or fines for less 5,000€.

WATER	GRI	UM	2021	2020	2019
of which other water (non-freshwater)	303-3 c, ii	m ³	0	0	0
from groundwater	303-3 a, ii	m ³	86,173	88,685	74,460
of which freshwater	303-3 c, i	m ³	86,173	88,685	74,460
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 (municipal water or other public or private water services)	303-3 a, v	m ³	30,891	38,562	37,476
of which freshwater	303-3 c, i	m ³	30,891	38,562	37,476
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	m ³	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 (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
of which surface water		m ³	0	0	0
of which ground water		m ³	0	0	0
of which seawater	303-3 b, v	m ³	0	0	0
of which from produced water		m ³	0	0	0

WATER DISCHARGE

Total water discharge (thermal plants)	303-4 a	m³	283,740	253,197	313,178
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	283,623	252,819	312,826
into groundwater	303-4 a, ii	m ³	0	0	0

WATER	GRI	UM	2021	2020	2019
into seawater	303-4 a, iii	m ³	0	0	0
of which into the municipal sewers or into other public or private services	303-4 a, iv	m ³	117	378	352
of which into third-party water		m ³	0	0	0
BREAKDOWN OF WATER DISCHARGES BY WATER QUALITY					
Freshwater	303-4 b, i	m ³	283,740	253,197	313,178
Other types of water (non-freshwater)	303-4 b, ii	m ³	0	0	0
BREAKDOWN OF WATER DISCHARGES BY QUALITY OF WATER DISCHARGED IN WATER STRESS AREAS					
Freshwater	303-4 c, i	m ³	0	0	0
Other types of water (non-freshwater)	303-4 c, ii	m ³	0	0	0

Employment

EMPLOYMENT	GRI	UM	2021	2020	2019
INFORMATION ON EMPLOYEES AND OTHER WORKERS					
Number of employees as at 01/01		no.	553	499	464
Total starters	102-8	no.	220	112	128
Total leavers		no.	80	58	93
Total number of employees as at 31/12		no.	693	553	499
EMPLOYEES BREAKDOWN BY GENDER					
Men	102-8	no.	485	384	352
Women		no.	208	169	147
BREAKDOWN OF EMPLOYEES BY LENGTH OF EMPLOYMENT AND GENDER					
Permanent contract		no.	643	528	472
of which women		no.	193	164	143
Fixed-term contract	102-8 a	no.	50	25	27
of which women		no.	15	5	4
Other types of employment (internships, etc.)		no.	21	10	17
of which women		no.	6	3	10
BREAKDOWN OF EMPLOYEES BY EMPLOYMENT CONTRACT DURATION AND REGION					
Permanent contract		no.	643	528	472
of which in Italy		no.	435	343	306
of which in the UK		no.	38	27	31
of which in Spain		no.	89	87	79
of which in France		no.	11	7	4
of which in the USA		no.	13	13	9
of which Nordics (Sweden, Norway and Finland)	102-8 b	no.	8	7	6
of which in other geographical regions		no.	49	44	37
Fixed-term contract		no.	50	25	27
of which in Italy		no.	31	20	25
of which in the UK		no.	4	2	0
of which in Spain		no.	6	1	1
of which in France		no.	2	1	1

EMPLOYMENT	GRI	UM	2021	2020	2019
of which in the USA		no.	0	0	0
of which Nordics (Sweden, Norway and Finland)		no.	1	0	0
of which in other geographical regions		no.	6	1	0
BREAKDOWN OF EMPLOYEES BY EMPLOYMENT TYPE AND BY GENDER					
Full time	102-8 c	no.	676	543	489
of which women		no.	197	162	141
Part time		no.	17	10	10
of which women		no.	11	7	6
BREAKDOWN OF EMPLOYEES BY EMPLOYMENT TYPE AND BY GENDER					
Senior managers		%	10	10	11
of which women		%	15	16	16
Middle managers		%	18	18	16
of which women	405-1b, i	%	25	25	29
White collars		%	64	65	67
of which women		%	38	37	34
Blue collars		%	8	6	6
of which women		%	0	0	0
PERCENTAGE OF EMPLOYEES BY CATEGORY AND AGE GROUP					
Senior managers		%	10	10	11
of which <30		%	0	0	0
of which between 30 and 50		%	51	60	60
of which >50		%	49	40	40
Middle managers		%	18	18	16
of which <30		%	2	2	1
of which between 30 and 50		%	79	80	85
of which >50		%	20	18	14
White collars	405-1b, i	%	64	65	67
of which <30		%	23	22	24
of which between 30 and 50		%	63	63	62
of which >50		%	14	15	14
Blue collars		%	8	6	6
of which <30		%	16	10	13
of which between 30 and 50		%	56	65	65
of which >50		%	27	26	23
OTHER DIVERSITY INDICATORS					
Employees belonging to protected groups	405-1b, iii	no.	7	11	11
COLLECTIVE BARGAINING AGREEMENTS					
Percentage of employees covered by collective bargaining agreements	102-41	%	81	83	67
Labour union membership		%	11	4	4
INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN					
Reports received for discrimination incidents	406-1	no.	0	0	0

EMPLOYMENT	GRI	UM	2021	2020	2019
GENDER PAYGAP					
Basic salary differential ⁴⁶	405-2a	%	81	n.d.	n.d.
Senior managers		%	93	n.d.	n.d.
Middle managers		%	95	n.d.	n.d.
White collars		%	90	n.d.	n.d.
Blue collars		%	0	n.d.	n.d.
Salary differential (total remuneration) ⁴⁷	405-2a	%	78	n.d.	n.d.
Senior managers		%	93	n.d.	n.d.
Middle managers		%	91	n.d.	n.d.
White collars		%	88	n.d.	n.d.
Blue collars		%	0	n.d.	n.d.
NEW STARTERS AND STARTER RATE					
	GRI	UM	2021	2020	2019
Total new starters	401-1a	no.	220	112	128
New starters rate		%	32	20	26
NEW STARTERS AND STARTER RATE BY GENDER					
Men	401-1a	no.	163	75	93
Women		no.	57	37	35
Male starter rate	401-1a	%	34	20	26
Female starter rate		%	27	22	24
NEW STARTERS AND STARTER RATE BY AGE GROUP					
Starters aged <30		no.	61	32	41
Starters aged between 30 and 50		no.	120	68	81
Starters aged >50	401-1a	no.	39	12	6
Starter rate aged <30		%	54	37	49
Starter rate aged between 30 and 50 years		%	27	19	25
Starter rate aged >50		%	28	12	7
NEW STARTERS AND TURNOVER BY GEOGRAPHICAL AREA					
Italy		no.	141	55	69
UK		no.	17	7	4
Spain		no.	26	20	33
France		no.	6	5	2
USA		no.	4	9	3
Nordics (Sweden, Norway and Finland)		no.	3	1	2
other geographical regions	401-1a	no.	23	15	15
Italy starter rate		%	30	15	21
UK starter rate		%	40	24	13
Spain starter rate		%	27	23	41
France starter rate		%	46	63	40
USA starter rate		%	31	69	33
Nordics (Sweden, Norway and Finland) starter rate		%	33	14	33

⁴⁶ Ratio of the basic salary of women to men for each employee category.

⁴⁷ In addition to the basic salary, it also includes the variable part of the salary paid during the year.

NEW STARTERS AND STARTER RATE	GRI	UM	2021	2020	2019
Other geographical regions starter rate		%	42	33	41
LEAVERS AND EMPLOYEE TURNOVER					
Total number of leavers		no.	80	58	93
Employee turnover	401-1b	%	12	10	19
LEAVERS AND EMPLOYEE TURNOVER BY GENDER					
Men		no.	60	43	63
Women	401-1b	no.	20	15	30
Male turnover		%	12	11	18
Female turnover		%	10	9	20
LEAVERS AND TURNOVER BY AGE GROUP					
Leavers aged <30		no.	23	10	14
Leavers aged between 30 and 50		no.	44	39	62
Leavers aged >50	401-1b	no.	13	9	17
Turnover aged <30		%	21	12	17
Turnover aged between 30 and 50		%	10	11	19
Turnover aged >50		%	9	9	20
LEAVERS AND TURNOVER BY GEOGRAPHICAL AREA					
Italy		no.	40	22	47
UK		no.	4	10	5
Spain		no.	19	13	29
France		no.	1	2	6
USA		no.	4	5	0
Nordics (Sweden, Norway and Finland)		no.	1	0	0
other geographical regions	401-1b	no.	11	6	6
Italy turnover		%	9	6	14
UK turnover		%	10	34	16
Spain turnover		%	20	15	36
France turnover		%	8	25	120
USA turnover		%	31	38	0
Nordics (Sweden, Norway and Finland) turnover		%	11	0	0
Other geographical regions turnover		%	20	13	16

Training

TRAINING DELIVERED ⁴⁸	GRI	UM	2021	2020	2019
Total hours		no.	29,131	16,728	10,349
Employees who participated in at least one training course		no.	658	567	483
Average hours of training per trained employee		no.	44.3	29.5	21.4
Average hours of training per employee		no.	47.4	30.3	20.7
BREAKDOWN OF TRAINING HOURS BY GENDER					
Men	404-1 a, i	no.	18,882	11,130	7,565
Women		no.	10,249	5,599	2,784

⁴⁸ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

TRAINING DELIVERED	GRI	UM	2021	2020	2019
BREAKDOWN OF AVERAGE TRAINING HOURS BY GENDER					
Men	404-1 a, i	no.	44.9	29.0	21.4
Women		no.	52.8	33.1	18.9
BREAKDOWN OF TRAINING HOURS BY EMPLOYEE CATEGORY					
Senior managers	404-1 a, ii	no.	2,530	1,705	1,419
Middle managers		no.	6,948	3,197	1,671
White collars		no.	19,140	11,619	6,650
Blue collars		no.	514	207	609
BREAKDOWN OF AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY					
Senior managers	404-1 a, ii	no.	39.5	29.4	25.8
Middle managers		no.	58.9	31.3	21.2
White collars		no.	47.7	32.1	19.9
Blue collars		no.	16.1	6.7	19.6
PERFORMANCE EVALUATION					
Employees subject to performance evaluation	404-3	no.	177	137	140
BREAKDOWN OF EVALUATED EMPLOYEES BY GENDER					
Men	404-3	no.	107	98	102
Women		no.	70	39	38
% OF EVALUATED EMPLOYEES BY GENDER					
Men	404-3	%	25	26	29
Women		%	36	23	26
BREAKDOWN OF EVALUATED EMPLOYEES BY POSITION					
Senior managers	404-3	no.	22	18	15
Middle managers		no.	42	29	27
White collars		no.	110	88	96
Blue collars		no.	3	2	2
PERCENTAGE OF EMPLOYEES ASSESSED BY JOB CLASSIFICATION					
Senior managers	404-3	%	34	31	27
Middle managers		%	36	28	35
White collars		%	27	24	29
Blue collars		%	9	6	6
FORMAZIONE DIRITTI UMANI⁴⁹					
Hours allocated to training on policies or procedures for human rights	412-2 a	no.	1,052 ⁵⁰	n.a.	n.a.
Total employees who received training on human rights policies and procedures	412-2 b	no.	270	n.a.	n.a.
% of employees who received training on human rights policies and procedures	412-2 b	%	44	n.a.	n.a.

⁴⁹ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

⁵⁰ The total hours of training on the topic of human rights considers the training courses provided throughout the year on: "Modern Slavery", "Modern Slavery for Buyer Responsible", "Diversity & Inclusion", "Code of Ethics" (contents on human rights constitute 15% of the course), "Compliance Programme" (contents on human rights constitute 3% of the course).

SOCIOECONOMIC COMPLIANCE ⁵¹	GRI	UM	2021	2020	2019
Sanctions received for non-compliance in the socioeconomic area	419-1 a	no.	0	0	3 ⁵²
Monetary value of sanctions		k€	0	0	148.8
Cases managed with dispute resolution mechanisms		no.	0	0	0
INTERNAL AUDITS⁵³					
Number of internal audits carried out		UM	2021	2020	2019
		no.	16	16	15
of which operational		no.	5	3	4
of which financial		no.	9	9	7
of which compliance		no.	2	4	4

Communication and training on anti-corruption

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION ⁵⁴	GRI	UM	2021	2020	2019	
ANTI-CORRUPTION COMMUNICATION TO THE BoD						
Total members of the BoD who have been notified of anti-corruption policies and procedures	205-2 a	no.	12	12	12	
Percentage of BoD members 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.	0	12	10	
Percentage of the BoD members who have received training on anti-corruption policies and procedures		%	0	100	83	
ANTI-CORRUPTION COMMUNICATION TO EMPLOYEES						
Total employees who have been notified of anti-corruption policies and procedures ⁵⁵	205-2 b	no.	615	553	95	
Percentage of employees who have been notified of anti-corruption policies and procedures		%	100	100	19	
EMPLOYEES WHO HAVE BEEN NOTIFIED OF ANTI-CORRUPTION POLICIES AND PROCEDURES BY REGION (NUMBER)						
Italy	205-2 b	no.	388	363	95	
UK		no.	42	29	0	
Spain		no.	95	88	0	
France		no.	13	8	0	
USA		no.	13	13	0	
Nordics (Sweden, Norway and Finland)		no.	9	7	0	
other Countries		no.	55	45	0	
EMPLOYEES WHO HAVE BEEN NOTIFIED OF ANTI-CORRUPTION POLICIES AND PROCEDURES BY REGION (PERCENTAGE)						
Italy		205-2 b	%	100	100	29
UK			%	100	100	0
Spain	%		100	100	0	
France	%		100	100	0	
USA	%		100	100	0	
Nordics (Sweden, Norway and Finland)	%		100	100	0	

⁵¹ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

⁵² These are sanctions resulting from closure of fiscal and administrative checks, two of which pertain to matters related to the previous fiscal years (€ 91,000 for 2014 and € 35,457.6 for 2011/2012).

⁵³ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

⁵⁴ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

⁵⁵ During 2021, communication on anti-corruption was sent, with reference to:

- the publication of the Management Relations Procedure with the Public Administration to the entire Company population.

- Model 231 update to employees in Italy.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION	GRI	UM	2021	2020	2019
other Countries	205-2 b	%	100	100	0
EMPLOYEES WHO HAVE BEEN NOTIFIED OF ANTI-CORRUPTION POLICIES AND PROCEDURES BY POSITION (NUMBER)					
Senior managers		no.	64	58	26
Middle managers	205-2 b	no.	118	102	30
White collars		no.	401	362	39
Blue collars		no.	32	31	0
EMPLOYEES WHO HAVE BEEN NOTIFIED OF ANTI-CORRUPTION POLICIES AND PROCEDURES BY POSITION (PERCENTAGE)					
Senior managers		%	100	100	47
Middle managers	205-2 b	%	100	100	38
White collars		%	100	100	12
Blue collars		%	100	100	0
ANTI-CORRUPTION TRAINING TO EMPLOYEES					
Total employees who have received training on anti-corruption policies and procedures	205-2 e	no.	224	154	104
Percentage of employees who have received training on anti-corruption policies and procedures		%	36	28	21
BREAKDOWN OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY REGION (NUMBER)					
Italy		no.	113	154	104
UK		no.	8	0	0
Spain		no.	82	0	0
France	205-2 e	no.	3	0	0
USA		no.	2	0	0
Nordics (Sweden, Norway and Finland)		no.	2	0	0
other Countries		no.	14	0	0
PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY REGION (PERCENTAGE)					
Italy		%	29	43	31
UK		%	19	0	0
Spain		%	86	0	0
France	205-2 e	%	23	0	0
USA		%	15	0	0
Nordics (Sweden, Norway and Finland)		%	22	0	0
other Countries		%	25	0	0
BREAKDOWN OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY POSITION (NUMBER)					
Senior managers		no.	20	12	8
Middle managers	205-2 e	no.	35	17	27
White collars		no.	169	124	65
Blue collars		no.	0	1	4
PERCENTAGE OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY POSITION (PERCENTAGE)					
Senior managers		%	31	21	15
Middle managers	205-2 e	%	30	17	34
White collars		%	42	34	19
Blue collars		%	0	3	13

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION	GRI	UM	2021	2020	2019
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 organisation 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

SAFETY ⁵⁶	GRI	UM	2021	2020	2019
WORK-RELATED INJURIES SUFFERED BY FALCK RENEWABLES EMPLOYEES					
Total injuries	403-9 a, iii	no.	0	0	2
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	no.	1,007,330	945,120	810,943
CONTRACT WORKER INJURIES					
Total injuries	403-9 b, iii	no.	0	2	n.a.
Fatal injuries	403-9 b, i	no.	0	0	n.a.
Serious injuries	403-9 b, ii	no.	0	1	n.a.
Hours worked	403-9 b	no.	489.627 ⁵⁷	n.a.	n.a.
HEALTH AND SAFETY POLICIES AND SYSTEMS					
Employees covered by health and safety management policies or systems	403-8 a, i	no. %	615 100	553 100	499 100
Employees covered by internally certified health and safety management policies or systems	403-8 a, ii	no. %	615 100	553 100	499 100
Employees covered by externally certified health and safety management policies or systems	403-8 a, iii	no. %	190 31	177 32	162 32
HOURS OF HEALTH AND SAFETY TRAINING					
Total hours	403-5	no.	3,607	4,517	3,359

Sponsorships and investment in the community

SPONSORSHIPS AND INVESTMENT IN THE COMMUNITY ⁵⁸	GRI	UM	2021	2020	2019
INVESTMENTS IN THE COMMUNITY					
Total investments	203-1	k€	5,246	3,106	2,631
TYPE OF INVESTMENT					
Sponsorships	203-1 c	k€	85	76	81

⁵⁶ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

⁵⁷ The calculation of the hours worked by contractors was carried out starting from the actual data provided by the contracting companies to which the estimates made based on the average standard maintenance hours are added, according to the technology considered.

⁵⁸ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

SPONSORSHIPS AND INVESTMENT IN THE COMMUNITY

	GRI	UM	2021	2020	2019
Donations (including funding to collective benefit schemes)		k€	1,489	1,404	1,384
International support programme for the Covid-19 crisis	203-1 c	k€	n.a.	783	n.a.
Interests for the cooperative schemes and for ownership scheme		k€	3,658	843	1,166
Other (donations in kind, value of hours of work donated)		k€	14	0	0

DISTRIBUTION OF INVESTMENTS BY AREA OF ACTION

		UM	2021	2020	2019
Social commitment		k€	5,132	2,745	2,533
Sustainable energy		k€	7	50	0
Environment		k€	12	59	2
Local culture and tradition		k€	88	0	14
Education		k€	7	32	82
Sport		k€	0	0	0
Health		k€	0	221	0
Other		k€	0	0	0

DISTRIBUTION OF INVESTMENTS BY GEOGRAPHICAL AREA

		UM	2021	2020	2019
Italy		k€	109	483	131
UK		k€	5,070	2,385	2,489
Spain		k€	21	56	2
France		k€	1	88	0
USA		k€	0	79	0
Nordics (Sweden and Norway)		k€	44	13	9
Other countries (Mexico)		k€	0	2	0

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

	GRI	UM	2021 ⁵⁹	2020	2019
Number of assets (plants) with implemented local community engagement, impact assessments, and/or development programs		no.	20	18	16
Total number of assets (plants)	413-1	no.	50	40	39
Percentage of operations (plants) providing the involvement of local communities, impact assessment and/or development programmes		no.	40	45	41

Biodiversity

	GRI	UM	2021	2020	2019
OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE THE PROTECTED AREAS ⁶¹					
Minervino Murge wind farm	304-1 v	km ²	8	8	8
San Sostene wind farm	304-1 v	km ²	7	7	7

⁵⁹ The rate calculated on the 2020 values is higher when compared to 2021 mainly due to the increase in the number of plants included in the reporting perimeter: the 2020 data did not include the Behus plants, which entered the perimeter at the end of November 2020.

⁶⁰ Data do not include SAET SpA and Elettromeccanica Euganea Srl, which joined the scope of the Group in the second half of 2021.

⁶¹ Calculation of the surface area was carried out by measuring the area enclosed in the perimeter that joins the outermost perimeter towers of the plant. The Minervino Murge wind farm is about 300 m from the borders of the Alta Murgia National Park and the San Sostene wind farm is about 500 m from the Serre Regional Park (the turbine closer to the park is taken as reference).

Other data and impact indicators

	UM	2021	2020
Meetings with the financial community	no.	23	22
Meetings with potential investors	no.	277 (299 including analysts and brokers)	356 (371 including analysts and brokers)
Electrical demand flexibility management of mixed enabled virtual units (UVAM)	no. UVAM/MW	18 UVAM / 43 MW	15 UVAM / 29.3 MW
Electrical demand flexibility management: mixed enabled virtual units (UVAM) auctions / tenders awarded	no. UVAM/MW	18 UVAM / 43 MW	15 UVAM / 29.3 MW
Estimate of the social cost of blackouts avoided by the electricity system thanks to the interruptibility services provided by Energy Team	k€	98,856	100,040
Estimate of potential energy savings (per year) from the audits carried out in Italy by Energy Team	TOE	95	5,072
Value of the Energy Efficiency Certificates (Titoli di efficienza energetica - TEE) managed in the Italian portfolio	k€	1,632	823
PPA contracts signed (excluding intercompany)	no.	8 (1 France, 2 Nordics, 2 UK, 3 Italy)	7 (in Spain, Sweden, Norway, UK)
Electricity produced and sold through PPAs (excluding intercompany)	MWh	1,725,974.74	1,846,455.73
End-consumers of energy communities who have signed a PPA and make collective self-consumption (community solar program) from the Middleton plant (USA)	no.	204	205
US plants participating in a net metering credit program	no.	8	3
Wind or PV plants funding a community benefit scheme	no.	17	15
Local community entities benefiting from benefit schemes	no.	39	32
Total number of community projects supported by community benefit schemes	no.	128	168
Active cooperative schemes	no.	7	7
Total subscribers to the cooperatives in the UK	no.	3,622	3,622
Interest paid to participants in the cooperative schemes in the UK since 2005 (and total value raised)	€	Over € 12.8 million raised and interest paid of approximately € 8.5 million	Over € 12.3 million raised and interest paid of approximately € 7.3 million
Estimate of students benefiting from some sort of training activities	no.	373	805
Beneficiaries of renewable energy and energy sustainability training grants	no.	2	5
Air emissions avoided thanks to total wind and PV power production	tNO _x , tSO _x , tCO, tPM10	548.40 tNO _x 125.15 tSO _x 246.57 tCO 6.92 tPM10	550.17 tNO _x 147.14 tSO _x 235.26 tCO 7.3 tPM10
Pages visited on the FKR Sustainable Community web portal during the year	no.	11,570.00	10,057.00
Events dedicated to the Sustainable Community network in the UK (FKR Sustainable Community Forum online)	no.	One online forum (35 participants, excluding FKR employees)	One online forum (around 70 participants)
Valore D: hours of training and women's participation	h/no.	138.50/23	70/11 women
Dispatching plant production	GWh	1,762.22	1,331
Third-party plants' managed capacity	GW	2.8	1.87
Hours of smart working	h	613,068	708,840
Number of bikes in the company's bike sharing fleet	n.	15	15

Note on methodology

Falck Renewables' Sustainability Report aims to provide a transparent and exhaustive account of the company's performance in the field of Sustainable Development and Corporate Social Responsibility. The topics outlined in the report refer to the economic, social, environmental and governance issues which are identified in the annually updated materiality analysis. In 2021, the process has involved all the main corporate departments, who have contributed both to the identification of the external key stakeholders, and to the updating and evaluation of the material topics.

Regarding external stakeholders, in 2021 the Company has particularly focused on the views of financial stakeholders as representatives of a sector which is strongly impacted by the evolution of sustainability. This has expanded the framework used in previous years which is based on the AccountAbility AA1000⁶² international standard. The views of internal and external stakeholders were gathered, evaluated and incorporated into the Falck Renewables' 2021 Materiality Matrix. The Sustainability Report is based on the Global Reporting Initiative's (GRI) 2016 "Consolidated set of GRI Sustainability Reporting Standard", with a self-declared "GRI in accordance-core" adherence level. The GRI Standard Correlation Table can be found on pages 81-83. The Report also follows the "International Integrated Reporting Framework" capitals approach.

Reporting period	Financial year from 01.01.2021 to 31.12.2021
Frequency	Annual
Last published document	2020 Sustainability Report
Contacts	Simona Gambini and Federica Inzoli, 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

⁶² <https://www.accountability.org/standards/>.

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	11	
102-3	Location of headquarters	Note on methodology	
102-4	Location of operations	13	
102-5	Ownership structure	16	
102-6	Markets served	10 - 13	
102-7	Scale of the organisation	12, 13, 64 - 66	
102-8	Information about employees and other workers	56, 60, 70, 71	
102-9	Supply chain	43, 44, 63, 64	
102-10	Significant changes in the organisation and its supply chain	43, 44, 63, 64	
102-11	Precautionary approach or principle	22, 24, 25, 62	
102-12	Subscription to charters, principles or other external initiatives	17, Sustainability Charter	
102-13	Membership of associations	21, 28	
102-14	Statement from the Chairman	6	
102-16	Values, principles, standards and norms of behaviour	17, 36	
102-18	Governance structure	16	
102-26	Role of the highest governance body in setting the organisation's purpose, values and strategy	16	
102-40	List of stakeholders	22	
102-41	Collective agreement	71	
102-42	Identification and selection of stakeholders	22	
102-43	Approach to stakeholder engagement	22	
102-44	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded (stakeholder engagement)	23	
102-45	Entities included in the consolidated financial statement	Note on methodology	
102-46	Defining the report content and the aspect boundaries	23, note on methodology	
102-47	List of the material aspects	23	
102-48	Restatements of information	Note on methodology	
102-49	Changes in reporting	Note on methodology	
102-50	Reporting period	Note on methodology	
102-51	Date of most recent previous report	Note on methodology	
102-52	Reporting cycle	Note on methodology	
102-53	Contact point for questions regarding the report	Note on methodology	
102-54	Statement of compliance with the GRI Standards	Note on methodology	
102-55	GRI Content Index	81 - 83	
GRI 200 – ECONOMIC DISCLOSURE			
201 – Economic performance			
103-1;103-2;103-3	Management approach	28 - 31	
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Abbreviations and units of measurement

Abbreviations

AA1000: AccountAbility1000
a.k.a.: also known as
ANEV: Associazione Nazionale Energia del Vento (National Wind Energy Association)
ANIE: Federazione Nazionale Imprese Elettrotecniche ed Elettroniche (National Federation of Electrotechnical and Electronic Companies)
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
EPA: Environmental Protection Agency
ERP: Enterprise Resource Planning
ESG: Environmental, Social, Governance
ET: Energy Team
EU: European Union
FKR: Falck Renewables
FTSE MIB: Financial Times Stock Exchange Milano Indice di Borsa
GEI: Bloomberg's Gender-Equality Index
GHG: Green-House Gas
GO: Guarantees of Origin
GRI: Global Reporting Initiative
HR: Human Resources
H2IT: Associazione Italiana Idrogeno e Celle a Combustibile
i.e.: Id est
IEA: International Energy Agency
IFRS: International Financial Reporting Standards
IIF: Infrastructure Investment Found
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
KPI: Key Performance Indicator
KRI: Key Risk Indicator
MbO: Management by Objectives
MEA: My Enabler App
MELD: Middleton Electric Light Department (MA, USA)
MSCI: Morgan Stanley Capital International
n.a.: not available
NOx: Nitrogen oxides
NPM: New Performance Model
OEF: Organization Environmental Footprint

OHSAS: Occupational Health and Safety Assessment Series
PM10: particulate matter
PPA: power purchase agreement
PV: photovoltaic
QHSE: Quality, Health, Safety and Environment
R&D: Research and Development
RAF: Risk Appetite Framework
RPA: Robot Process Automation
SAMS: Scottish Association for Marine Science
S.L.: Sociedad Limitada
SCDI: Scottish Council for Development and Industry
SDG: Sustainable Development Goal
SOx: sulfur oxides
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)
UN: United Nations
UNI: Ente Nazionale Italiano di Unificazione (Italian National Unification Body)
USA: United States of America
UVAM: Unità Virtuali Abilitate Miste (Mixed Enabled Virtual Units)
WWEA: World Wind Energy Association

Units of measurement

%: percentage
€: Euro
gCO₂: grams of CO₂
GW: gigawatts
GWh: gigawatt hour
h/hrs: hour/hours
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
MWh: megawatt hour
no.: number
t: tonne
tCO: tonne of carbon monoxide
tCO₂: tonne of carbon dioxide
tCO₂eq: tonne of CO₂ equivalent
TOE: tonne of oil equivalent
TWh: terawatt



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