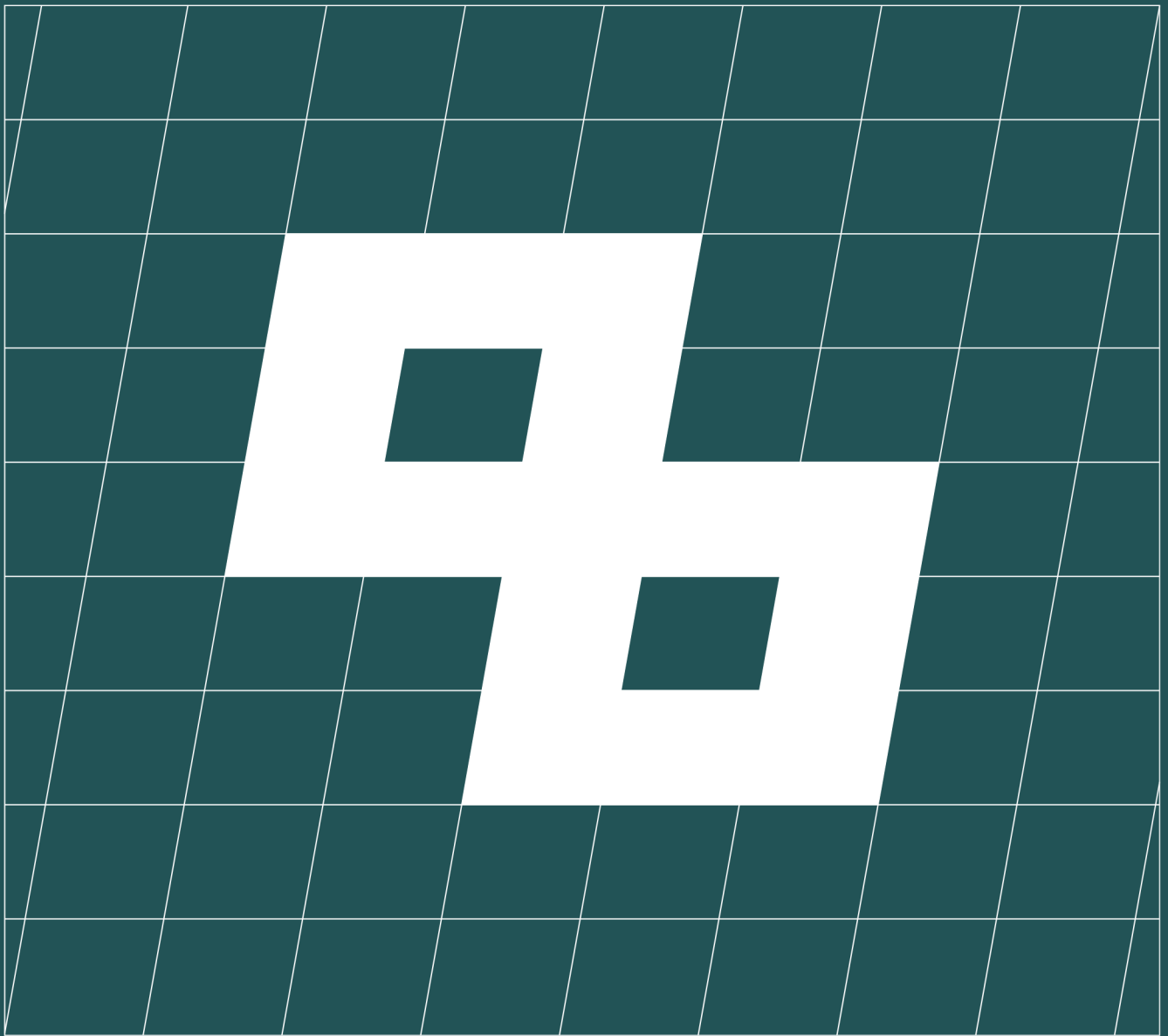


# Sustainability Report 2021





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# Message to stakeholders

The year 2021 was a special one for Renco, marked by several dramatic events in the countries where the company operates: the war in Armenia, jihadist attacks in Mozambique, and the persistence of the COVID 19 pandemic created complex and delicate situations, which the company had to deal with - and not just from a financial point of view. On the whole, these situations have affected the life of the company in its relationship with local areas and with the people who live there, and with those who work for the company. Renco has tackled these difficulties thanks to the quality relationships it has built over time with the countries where it operates, and to the high motivation of its employees, who are aware that they work for a company where respect for cultures, territories and people is an essential value. The company's commitment to these values is the basis of Renco's more general commitment to sustainability.

Today, the company's commitment to sustainability is particularly focused on the energy transition. Renco has long since abandoned its activities in the Oil sector. In the energy sector we have been working exclusively in gas and alternative energies for years. In fact, we believe in a future where energy transition will be the primary goal for the whole world, and therefore our intention is to invest more and more in this field.

Hence our commitment to sustainability, a commitment that has always been practical, and which we are now trying to adequately reflect with specific tools such as the Sustainability Report.

The essential requirement for the energy transition is that it must be fair; it must be a change that does not create new discrimination and leaves no one behind.

Renco is strongly committed to this.

This is not something new for us: our internationalisation strategy, which has always been our hallmark and has been the key to our success so far, has always been based on respect for these principles. Being present in a country, conducting various activities, and above all investing in the local area generates work, opportunities, value.

We would therefore like this document to be not only a record of Renco's commitment to sustainability (whose impacts must be carefully measured and assessed), but above all we would like it to contribute to the promotion of a culture that has always set us apart and of which we are proud.

CHAIRMAN OF THE BOARD OF DIRECTORS  
Giovanni Gasparini

# Methodological Note

This document is the second Sustainability Report of the Renco Group (hereafter also “Renco” and the “Group”) and its subsidiaries, describing its initiatives and main sustainability performance results achieved in 2021 (from 1 January 2021 to 31 December 2021).

The Sustainability Report has been prepared by referring to a selection of the ‘GRI Sustainability Reporting Standards’ published by the Global Reporting Initiative (GRI), as indicated in the attached table ‘GRI Content Index’, which provides evidence of the GRI indicators reported in this document.

The contents to be reported have been selected on the basis of the results of an initial materiality analysis, which identified the material aspects for the Group and its stakeholders and which is contained in this document in Section 2.3 “Materiality Analysis”.

The boundary of the data and of the economic and financial information reported in this document is consistent with that of the Group’s financial statements at 31 December 2021 . Where data from previous years is present, it is to be considered as a comparison to facilitate the assessment of the Group’s performance.

Environmental<sup>2</sup> and social data and information include the Companies in Italy <sup>3</sup> (Renco S.p.A., Renco Capital S.r.l., Italsec S.r.l., Renco Asset Management S.r.l.), in Armenia (Renco Armestate L.T.D., Armenia Management, Renco Armenia Valore L.T.D., New Velodrome, Italsec Armenia, Renco Power CJSC, Hotel Yerevan OJSC), in Kazakhstan <sup>4</sup> (Renco Kat S.r.l., Renco Property LLP), in Congo <sup>5</sup> (Renco Gestion Immobiliere, Renco Congo Sarlu, Renco Congo Valore, Italsec Congo), In Mozambique (Italsec Mozambique, Real Moz LDA, Renco Mozambique LTP, Rencotek LDA, Renco Energia LDA, Mozestate LDA, Capo Delgado Properties SA, Pemba Bulk Terminal LTD, Renco Moz Green LTD) and, with respect to 2021, the company Renco Middle East LLC in Oman was included. With reference to company information only, the reporting boundary also includes the companies Renco Algeria, Renco Qatar, and the companies in Russia (Russia Service LLC, Renco Sakh LLP, Southern Cross LLC and Interrenko LTD).

In order to provide a fair representation of performance and reliable data, the use of estimates has been limited as much as possible. Where they are used, they are based on the best available methods and duly indicated.

The Sustainability Report is prepared on an annual basis. The document is subject to limited assurance engagement according to the criteria set forth by the ISAE 3000 Revised standard by Deloitte & Touche S.p.A.

This Sustainability Report was approved by the Board of Directors on 21 July 2022, and is available on the Renco Group website in the Investor Relations section.

For further information on the Sustainability Report, please contact: [sustainability@renco.it](mailto:sustainability@renco.it).

<sup>1</sup> Please refer to the Renco Group's 2021 Consolidated Financial Statements, which can be downloaded from the Investor Relations section of the website [www.renco.it](http://www.renco.it).

<sup>2</sup> With regard to environmental data and information, the companies Renco Canada, Grapevine Investimentos E Sericos LDA in Portugal, and Renco Tanzania (divested in 2020) are not included in the reporting boundary since they do not have a head office as do the other companies, and therefore their environmental consumption is to be considered negligible compared to the Group's consumption. Any further boundary limitations are indicated in the document where appropriate

<sup>3</sup> Companies with only commercial offices are excluded because they have no significant environmental and/or social impacts (i.e. Renco Valore S.p.A., Renco Health Care S.r.l., Residence Viserba S.r.l., Arengest S.r.l., Villa Soligo S.r.l., Renco Energy Solution S.r.l., Renco Eco Energy S.r.l., Villa delle Rose, Eat's Re). Any further boundary limitations are indicated in the document where appropriate.

<sup>4</sup> Companies with commercial offices only are excluded as they have no environmental and/or social impacts (i.e. Geodelta CORP). Any further boundary limitations are indicated in the document where appropriate.

# 1. The Renco Group



# Highlights of the Group in 2021

Over the years, the **Renco Group** has established numerous locations in its main countries of economic interest. As of 31.12.2021, the production value by geographical area is:

<b>Europe</b>	<b>147.6 Eur/mlin</b>	45%
<b>Africa</b>	<b>79 Eur/mlin</b>	24%
<b>Middle East</b>	<b>16.8 Eur/mlin</b>	5%
<b>Russia and former USSR</b>	<b>86.5 Eur/mlin</b>	26%

The Group's main subsidiaries are located in Italy, Congo, Armenia, Mozambique and Kazakhstan.

Renco plans to open new offices in the future, with a particular focus on the Middle East and Africa.





## 1.2 Group profile and history

Renco S.p.A. was founded in 1979 by Rinaldo Gasparini and is based in Pesaro, Italy. It is a leading Italian company in the field of industrial plant engineering and general contracting. Since its inception, the Group has always been committed to providing sound and efficient business solutions through evolving know-how, innovative approaches and proven processes tailored to the needs of its customers. The Group has gained extensive and relevant international experience over the years, with numerous major projects in more than 50 countries around the world, and has become a global company, active in several countries and employing more than 3,000 staff worldwide.

Over the years, the company's activities have expanded to include a wide range of services to meet its customers' diverse needs. Renco's core activities include consulting services, provision of technical staff, engineering and construction services for the energy and Oil & Gas industry, as well as the civil infrastructures sector.

Renco's customers comprise some of the most important global players in the energy sector, multinational corporations, government institutions and NGOs.





## Evolved “Local Content”

The Group has an established presence in the local communities of the countries in which it operates, which is a major strategic advantage.



### Knowledge of the local area and socio-political context

Renco’s well-established presence in several emerging countries enables it to fully understand the socio-political dynamics and the local regulations. An example of this is the combined cycle power plant project in Yerevan, Armenia, where Renco led a project finance initiative involving IFC (of the World Bank Group) and Siemens as technology partner, negotiating a number of contractual conditions with the Armenian government.



### Constant presence on the ground to control operations

Renco is an established player in several emerging countries. This enables the Company to have control over its local operations.

For its projects, the Company monitors the progress of the work through expat personnel who follow the progress of the activities locally. In this way, Renco can directly control its own operations.



### Supporting local communities and focusing on local content

In the countries where it operates, Renco has optimised its penetration capacity by reinvesting its returns in the country, employing local staff, increasing their professionalism and consistently developing local entrepreneurship. This enables the Company to promote evolved local content, creating added value in the countries where it operates.

In addition, Renco also supports local charities.

## Corporate structure

The Group is today a leading player in the integrated supply of various operations, through four different **business lines: Energy, Buildings, O&M Services and Asset Management.**

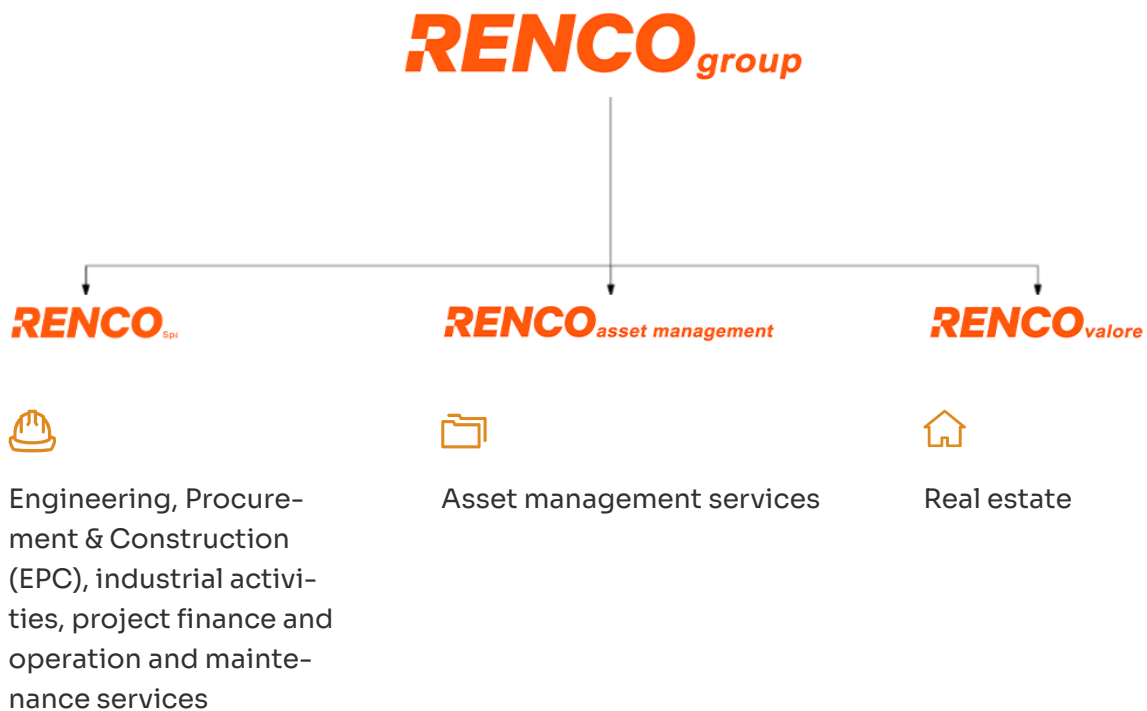
The Renco Group consists of the parent company Renco Group S.p.A and the three companies Renco S.p.A., Renco Asset Management S.r.l. and Renco Valore, two of which act as important sub-holdings of the parent company:

- **Renco S.p.A.** operates as *EPC Contractor* in the industrial plant engineering and civil construction sectors, and offers technical assistance and *Operation & Maintenance* services in the Gas sector. Renco S.p.A. controls three different business lines: Energy (construction of gas treatment plants and gas compression stations, as well as power generation plants), Buildings (construction of highly technological multi-purpose structures) and Services (provision of management and supervision services during construction and Operation & Maintenance services throughout the useful life of the plant);
- **Renco Asset Management S.r.l.** offers logistic services to expatriate personnel and hotel management services, and manages the Group's administrative buildings and those of third parties;
- **Renco Valore S.p.A.** conducts *Developer* and *Asset Management* activities and owns the Group's real estate assets, which are managed by Renco Asset Management S.r.l. <sup>6</sup>

<sup>6</sup>For more information, please refer to the Organization Chart section on the Renco website ([www.renco.it](http://www.renco.it))

## Summary of the Renco Group's corporate structure

as of 31 December 2021



## Values and mission

Historically, Renco has had a very positive influence on the development of the countries in which it operates. In fact, it has always had a keen interest in the opportunity to work and make pioneering investments in so-called “emerging” countries, supporting the conditions to encourage their growth and development.

The transfer of know-how, the employment scheme for local workers, the technological evolution in the field of industrial plant engineering, the architectural and design evolution in the field of civil construction, the setting of higher standards for work quality and services (also through the use of the Italian value chain), strongly push the countries towards evolution, towards a virtuous process of internal growth.

This activity, which is positive for the country, has the ultimate effect of guaranteeing Renco a leading competitive position in the country, which guarantees stable further business and growth opportunities, together with the country where the Company has decided to invest and operate.

The above is an extremely long and demanding process; yet, it enables Renco to penetrate and consolidate its presence in the country, which is why the Group has decided to focus its growth strategy on a few selected countries where it will introduce all its business divisions. Kazakhstan, Armenia, Mozambique and the Republic of Congo (Brazzaville) are the main ones.

In addition, the Group, as part of its risk diversification strategy, is consolidating its presence in traditional markets, working and investing in Italy, Europe and the Middle East.

The Group aims to achieve a leadership position in all the markets it serves, providing customised and integrated technical and resource management services that meet and exceed its customers' expectations.

The Group's values and its mission are the basis of Renco's *business* model and enable it to achieve an increasingly strong integration with the areas in which it operates and the local communities.

The Group's values represent Renco's cultural identity and the code of conduct that people follow in their daily lives. Renco places a strong focus and importance on building and maintaining long-term relationships with all its customers, providing them with the services they need to achieve their *business* objectives.

The three main values that characterise Renco culture are:

# Professionalism

# Loyalty

# Bravery



# Renco Group milestones

1982

## Diversification and opening of foreign offices

First offices opened in Nigeria, Russia, Kazakhstan and Congo

2004

## Consolidation of revenues

Turnover steadily exceeds 100 Eur/mIn

2015

## Opening to the capital market

Since 2015, 3 bond issues have been carried out for approximately 50 Eur/mIn

2019

## Additional certifications

Listed in the General Contractors Register and acquisition of Social Accountability 8000 Certification

1979

## Founding of Renco SpA:

Rinaldo Gasparini starts business as a design and engineering services company in the Oil & Gas sector

2000 – 2010

## Consolidation of international presence

Strengthening of the company's presence in Europe, Africa and the Middle

2013 – 2014

## Expansion of customer base

Diversification of customers and focus on the gas and renewables sector

2017

## Establishment of an ESG Service & Start of Project Finance activities

with Armpower

2020

## Group Restructuring

Industrial activities, Propco and Asset Management

## A sustainable business model

At Group level, the business strategy is based on four key **principles**:



**Participation in tenders for highly complex, high-margin EPC projects**, where Renco S.p.A.'s skills and references constitute a significant competitive advantage;



**Investments to support the areas of activity in which the company operates**, linked to the energy production, logistics and raw material transformation sectors, which can guarantee a constant revenue flow over time;



**Strengthening of Operation & Maintenance (O&M)** services for large companies. This activity is characterised by long term contracts;



**Strengthening**, on a gradual basis, the **development of and participation in Public Private Partnership (PPP)** initiatives in which Renco participates as a developer and backer of customers' perceived needs and in the implementation of the projects. The possibility of bringing finance to the project gives the Group a significant competitive advantage. This is the result of a long evolution process of the Group's skills and capabilities. This new industrial strategy has led to the first initiative completely developed and implemented in-house: Yerevan's combined cycle power plant.

Bearing these principles in mind, the Group's main **objectives** are to maximise its ability to penetrate the countries where it invests and operates, reinvesting part of the profits in the country itself and aiming to subsequently bring there all the Group's divisions. This strategy reduces the business risk, as the Group gains a deep knowledge of the administrative, legal and commercial aspects in its countries of operation, and also avoids wasting energy and resources searching for opportunities in new and unfamiliar countries.



Ultimately, this strategy has the effect of mitigating EPC business risks, building customer loyalty, and strengthening relations in the countries in which the Group operates, generating a strong competitive advantage over potential competitors. Finally, thanks to the Italian value chain, the Group prefers to develop and participate in initiatives that reward quality rather than cost competitiveness.

As mentioned in the introduction, this business strategy has a positive disruptive effect as a driver for the development of the countries where the company operates.

Specifically, each of Renco Group's two main subsidiaries has its own *business model*.



- **Renco S.p.A.**'s *business model* involves focusing on projects in the gas and renewables industrial chain, while also acting as a developer, *sponsor* and *arranger* in Public Private Partnership (PPP) investments to increase overall margins and generate revenue from long-term services even after project delivery.
- In contrast, **Renco Valore S.p.A.**'s *business model* focuses mainly on the quality of its real estate assets, which is the main reason why international customers prefer the Group rather than its competitors. The quality of Renco's *buildings* is reflected in the construction of low-energy infrastructure and the use of Italian materials for finishes. A further strength of Renco's real estate assets is the ongoing computerised mainte-



nance which all the Group's buildings receive. Finally, all Renco Valore facilities adopt customer relations practices aimed at constantly improving the quality of the services provided.

The Renco Group has always adopted a broad and structured strategic path, seeking to integrate **sustainability** into its business. In fact, the Group has been keen to pursue the creation of shared value for its stakeholders, a distinctive feature of companies that make sustainability an important strategic driver. Today, Renco has grown significantly: it has expanded outwards, acquiring important new customers, and establishing *partnerships* with world-class industrial groups; it has turned to international financial institutions to support the implementation of projects and investments; and it has focused on an ecological transition in the renewable energy sector — wind, solar, and other cycles, which is evident in the development and construction of the combined cycle power plant in Armenia. The focus on environmental sustainability has increased both in terms of power generation projects and in those concerning the energy efficiency of buildings. This is the result of an energy transition strategy for its activities that the Group started in 2012, when it decided to withdraw from oil-related EPC activities.

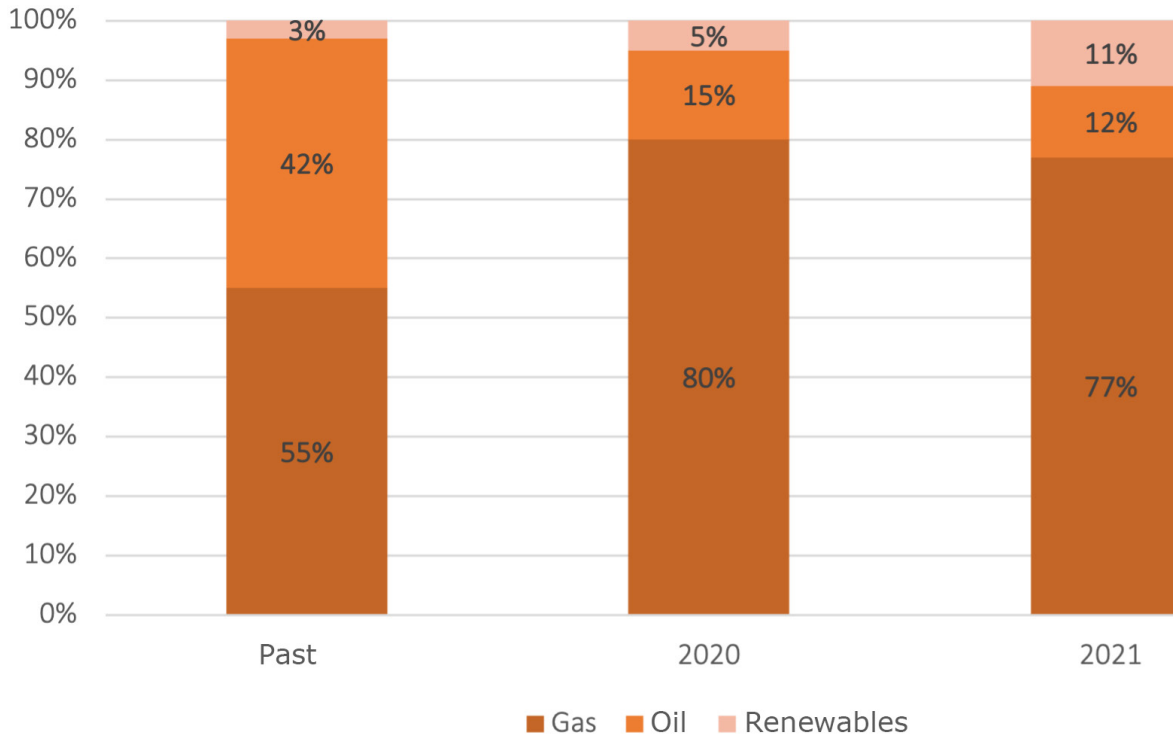
The following graph represents the transition of Renco's production value by energy source.

Since 2012, activities related to oil as energy source only concern O&M activities (Services BU) on installations already completed.

As regards **economic performance**, in 2021 the Renco Group continued to positively withstand the effects of the **Covid-19** pandemic, thanks to the strength and scope of its activities and its diversified geographical presence. In this regard, the 2021 financial year closed with a **production value of Euro 329.9 million**, recording an increase of 1.6% compared to 31 December 2020 <sup>7</sup>.

<sup>7</sup> Please refer to the Renco Group's 2021 Consolidated Financial Statements, which can be downloaded from the Investor Relations section of the website [www.renco.it](http://www.renco.it).

### Transition of Renco's production value by energy source (2021)



## Renco Group's commitment to managing the Covid-19 pandemic

In its day-to-day operations, Renco has always prioritised the health and well-being of its workers.

In this context, Renco invested in the health and well-being of its staff and of the communities in which it operates. In order to deal promptly with the Covid-19 emergency, protective measures were put in place to safeguard the health of employees and ensure operational continuity. In addition to complying with all applicable protocols, Renco activated an extensive *smart-working* programme, providing its employees at home with the specific tools needed to perform their jobs remotely. In addition, a supplementary Group protocol was signed for the prevention of the Covid-19 virus in view of the gradual re-entry at the end of *lockdown*. All these measures were constantly updated and periodically reported to the Board of Directors.

This experience has reconfirmed and strengthened the values that guide Renco Group's approach.

# 2. The Governance

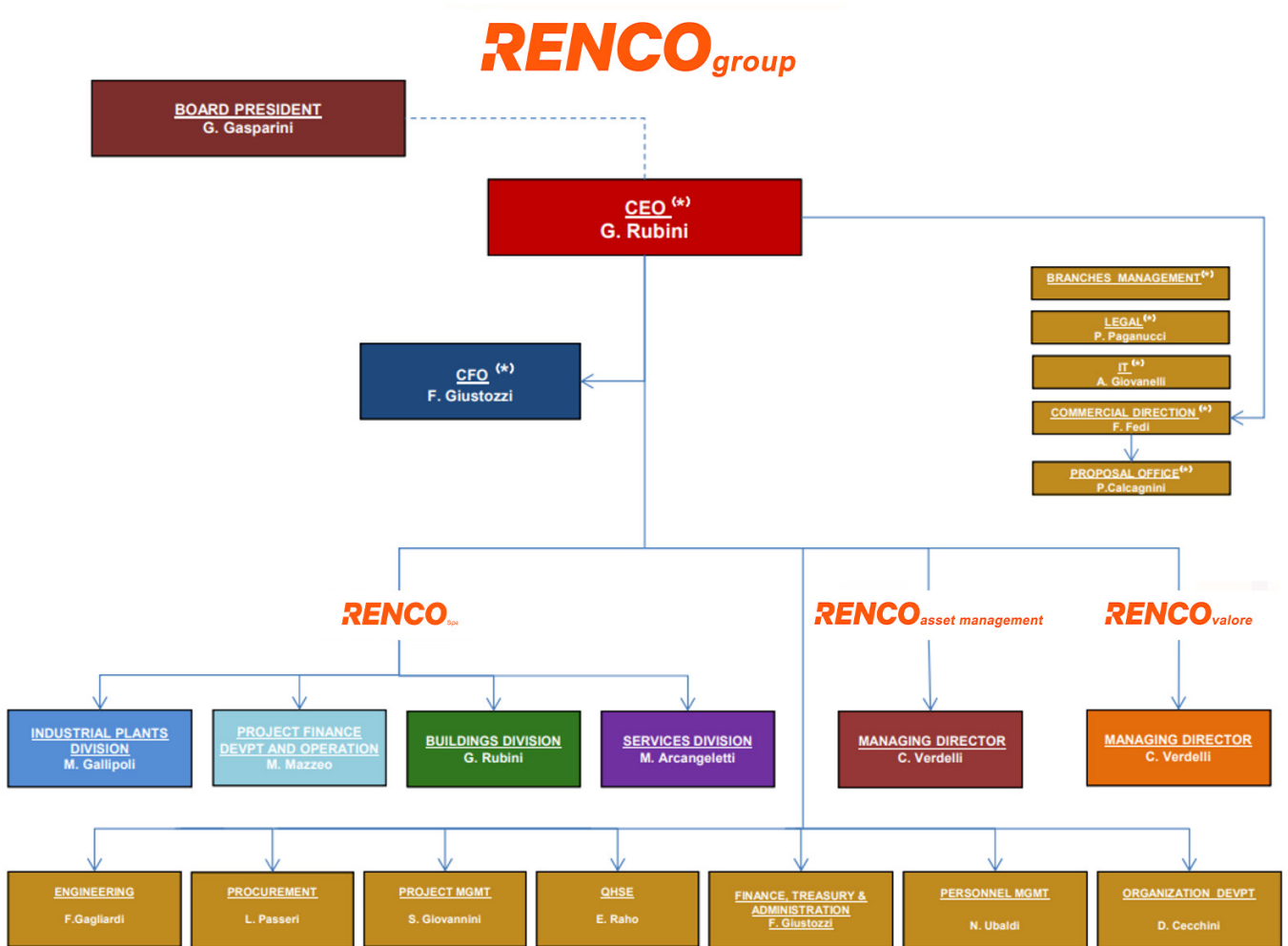


## Governance of the Renco Group

Renco Group's corporate governance system consists of:

- The **Ordinary Shareholders' Meeting**, which is responsible for matters established by law and by the Instruments of Incorporation. It is convened in ordinary and extraordinary sessions to pass resolutions within its jurisdiction and is chaired by the Chairman of the Board of Directors. The majority shareholders of the Renco Group are Giovanni Gasparini, Lorenzo and Luca Passeri, the sons of founding partner Rinaldo Gasparini and of partner Antonio Passeri, respectively;
- The **Board of Directors** (BOD) ensures adequate skills and knowledge of the company and is responsible for the implementation of the Model in the Company. According to the Company's Articles of Association, members remain in office for the term defined at the time of their appointment by the Shareholders' Meeting and for a period of three financial years.
- The **Chief Executive Officer**, who is expressly entrusted by the Board of Directors with the task of developing the Group's business and investment plan and preparing and pursuing a corporate policy that complies with the model Code of Ethics that the Renco Group adopted in 2011.
- The **Supervisory Body**, which is responsible for supervising and monitoring compliance with the Code of Ethics. The Body guarantees against any actions that may constitute an offence. The Chairman of Renco Group's Board of Directors is Eng. Giovanni Gasparini, son of the Group founder Rinaldo Gasparini.
- The reference manager for the Group, who holds the role of CEO of operating subholdings Renco S.p.A. and Renco Valore, is Dr Giovanni Rubini.

Renco Group organisation chart as of 31/12/2021



(\*) CEO, CFO and Staff of the Holding Company maintain the same functions in the three Sub-Holding Companies

Company policy dictates that Renco S.p.A's whole organisational structure shall be adequately trained on the application of the various procedures to prevent and avoid any potential offence, and on compliance with the **Code of Ethics** introduced by the Company.











A key role in the organisational structure is played by the managers of the various corporate divisions, who, in collaboration with specialised external consultants, have identified risk areas and highlighted the corporate functions where the prejudicial events set out in the Decree could occur.

## 2.2 Business ethics and integrity

### Code of Ethics

The key principles on which the Renco Group bases its activity are **loyalty, fairness, transparency, honesty** and **integrity**, in compliance with domestic and international laws, regulations, mandatory requirements, standards and guidelines. Renco has its own Code of Ethics, aimed at guiding managers and employees to conduct their activities in an ethical and honest manner. This document has been adequately communicated to all employees through dedicated meetings, which also explained the disciplinary measures in case of violation of the relevant rules and procedures.

In particular, the Group's Code is based on the following principles of business ethics:

- |  |  |
|--|--|
|  Environmental protection |  Equity and equality          |
|  Professionalism          |  Fair dealing                 |
|  Hierarchy                |  Full transparent information |
|  Fair competition         |  Confidentiality and privacy  |
|  Diligence and accuracy   |  Impartiality                 |

## Model 231 and the fight against corruption

Renco S.p.A has adopted an **Organisation, Management and Control Model pursuant to Legislative Decree 231/01**, which has been periodically revised in accordance with the various legislative updates. Each revision has been expressly approved by the Board of Directors.

The Model was set up to prevent all unlawful and prejudicial conduct provided for by the reference legislation through the preparation and adoption of appropriate procedures. It is constantly updated in accordance with the new legislation periodically introduced by the legislator.

The Group is committed to constantly complying with corporate policies against corruption, which is a behaviour that is contrary to the Group's culture and a threat to its activities and people.

The first step in developing an effective strategy to fight corruption and actions that can be construed as criminal offences is to implement specific procedures that all managers and employees are required to comply with.

To this end, the Group has devised an **Anti-Corruption Compliance Programme**, to which all employees are required to adhere, which summarises the Group's commitment to the principles introduced by anti-corruption laws and relevant international *Best Practices* (Legislative Decree 231/2001, *UK Bribery Act 2010* and *Foreign Corrupt Practices Act*).



Below are the specific **risk situations identified by the Group**:

Possible anti-corruption risks	Risk description
<b>Selection of Suppliers and Subcontractors</b>	The process of selecting and entering contracts with suppliers and subcontractors must follow a procedure which requires the careful collection of information and certifications, already in the selection phase, to prove the integrity of the other party and the absence of legal proceedings.
<b>Staff selection and recruitment</b>	Very often, corruption is linked to the recruitment of staff, which can be a reward for undue favours. It is therefore necessary for HR managers to follow a certain procedure to correctly identify and select candidates.
<b>Relations with public bodies or public officials</b>	In this case too, a procedure has been adopted to ensure that no corruption or bribery is committed. In particular, the joint presence of at least two Renco employees during meetings with public officials is required as a further deterrent, and the Code of Ethics highlights all possible unlawful conduct in relations with the PA.
<b>Receipt or giving of gifts, stays, dinners and lunches</b>	A special procedure stipulates that all Renco employees may accept gifts on special occasions, such as Christmas, provided that they are of small value. Otherwise, the employee shall not accept the gift, unless expressly authorised by the Supervisory Body. It is likewise forbidden to offer hotel stays or lunches and dinners to third parties which, due to their value, could be considered as undue remuneration. A maximum spending limit is set for each dinner or lunch offered.
<b>Payments of lump sums</b>	Every payment of lump sums must be duly documented and approved by at least two people, including the Head of the Financial Department, who has express power of attorney. Renco has adopted the Oracle software system that allows each transaction to be traced and includes a double approval procedure.

In addition, the Company has adopted a **whistleblowing** system that encourages staff to report and denounce any illegal acts and violations of Company policies or regulations. In accordance with this principle, all Renco's employees and collaborators have been provided with the e-mail address of the Compliance Office to which such cases can be reported completely anonymously.

In this regard, the Compliance Office, together with the **Supervisory Body**, has the power to carry out internal audits to ascertain specific problems, the effective application of procedures, and compliance with the Code of Ethics.

The Group attaches great importance to the establishment of a **control system** capable of preventing risks through appropriate monitoring. In addition to the Code of Ethics, the key components of the control system are:

- Authorisation and signature powers, based on the principle of the separation of functions (no one can independently manage an entire process);
- Control and management systems, especially of financial resources, that can verify and document the consistency and congruence of each operation. This is also achieved through the Oracle Management System, which provides for specific control and approval processes prior to any economic and financial disbursement.
- Ongoing training of management and all staff;
- Appointment of a Supervisory Body that meets the requirements of autonomy and independence, professionalism and continuity of operation. This body oversees the appropriateness and implementation of the Model, decided by the Board of Directors, and periodically reports on its activities to the Board of Directors. Furthermore, the Supervisory Body, supported by the Compliance Office, undertakes to assess compliance with and proper adoption of various corporate procedures (e.g. selection of suppliers) through internal audit processes, the results of which are shared with the managers concerned, the Chief Executive Officer and the Board of Directors.

## Supervisory and control bodies

The additional supervisory and control bodies are:

- **Board of Statutory Auditors:** it comprises 3 standing members and 2 alternate members. All members of the Board remain in office for 3 financial years. The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, compliance with the principles of proper administration and the adequacy of the organisational, administrative and accounting structure adopted by the Company in its operations;
- **Auditing Company:** Deloitte & Touche S.p.A. was appointed by the Shareholders' Meeting to audit the accounts for the financial years 2022-2024.

# 3. Sustainability



Following the first publication of the **Sustainability Report**, the Group has been working steadily to achieve full integration of social and environmental sustainability within its business model.



# The Group's Stakeholders

The Renco Group has decided to work towards placing an increasing emphasis on sustainability issues, in line with its activities and context. In particular, the Group is committed to carrying out its business operations through creating shared value for its *stakeholders*.

For the Group, it is fundamental to identify the issues relevant to *stakeholders* with whom the company interacts most significantly.

In 2021, the relevant *stakeholders* have been identified through a study of the specific characteristics of the Renco Group and an analysis of the reference context and sector, also taking into consideration the national and international *best practices* of other companies in the sector through an in-depth *benchmark* analysis. The *stakeholders* identified include those who are most affected by the company's operations and those who have a direct or indirect impact on the company's activities and results.

This procedure has led to the identification of twelve main *stakeholder* categories, shown below, which remain relevant for this reporting year as well:



For the coming years, the Group aims to activate an ongoing dialogue with a *panel* of key *stakeholders* in order to incorporate their expectations and integrate the company's *stakeholder engagement* strategy.

## Materiality Analysis

Renco Group's materiality analysis is crucial because it reflects both the relevant aspects for the Group and the interests and expectations of its *stakeholders*.

The concept of materiality refers to the identification of topics that:

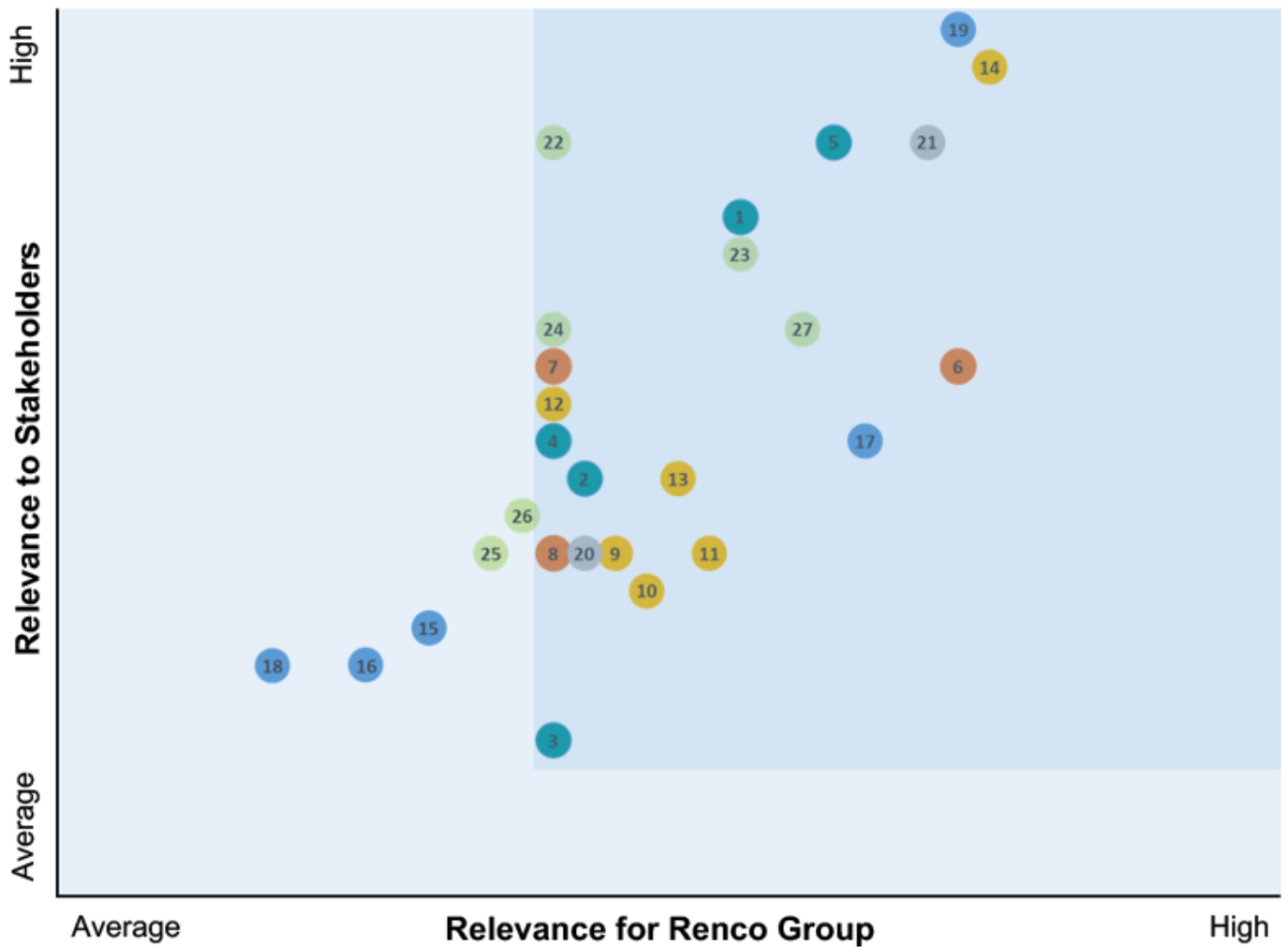
- reflect the organisation's significant economic, environmental and social impacts; and/or
- substantially influence *stakeholders'* assessments and decisions.

This identification phase was conducted following the principles that define the content and quality of sustainability reporting, such as *stakeholder* inclusiveness, completeness of information, sustainability context, fair balance, comparability, clarity, timeliness, reliability and accuracy.

In 2021, the Group's first materiality analysis process was carried out for the purpose of inclusion in the Sustainability Report 2020. The outcome of this process is the Materiality Matrix, which identifies the topics that reflect the Group's significant economic, environmental and social impacts and those that substantially influence *stakeholders'* assessments and decisions. The material issues resulting from the analysis performed were also confirmed for inclusion in the Sustainability Report 2021.

The materiality analysis was carried out starting from an analysis of the external context (benchmark, analysis of press releases) followed by an analysis of the internal context (company documentation, changes in activities and internal structures, boundary, etc.). Subsequently, the Group's *Top Management* was involved, a key player in the implementation of the Group's social responsibility policies and initiatives. They expressed their

opinion on the potential relevance of topics that emerged from context activities. These assessments led to the generation of the **Materiality Matrix**:



The topics are grouped into six macro-areas: Governance and Economic Responsibility, Social Responsibility, Responsibility to Employees, Responsible Contract Management, Responsible Supply Chain Management and Environmental Responsibility.



## The 27 identified Topics

### Governance and economic responsibility

1. Business Ethics and Anti-Corruption
2. Governance
3. Brand identity
4. Compliance and risk management
5. Strong financial results

### Responsible governance of contracts

15. Research and innovation
16. Digitalisation of services
17. Quality and value chain
18. Responsible use of materials and Sustainable Design
19. Customer satisfaction

### Social responsibility

6. Impact on the territory and involvement of local communities (Evolved Local Content)
7. Constant dialogue with stakeholders
8. Corporate philanthropy

### Responsible Supply Chain management

20. Responsible supply chain management
21. Protection of and compliance with working conditions

### Responsibility to employees

9. Employee management and retention
10. Employer Branding
11. Staff development and training
12. Diversity and inclusion
13. Staff well-being and welfare
14. Occupational health and safety

### Environmental Responsibility

22. Climate Change
23. Energy efficiency
24. Emissions reduction
25. Water consumption management
26. Waste management and recycling
27. Social/environmental certifications

The matrix shows the significance of the topics relating to the principle of “**Governance and Economic Responsibility**” and “**Responsible Contract Management**”. This is in line with the Group’s value structure, which is oriented towards ethical business, fighting corruption and the protection, respect and **satisfaction of its customers**. In addition, the good ranking of the topics relating to “**Robust financial results**”, “**Impact on the territory and involvement of local communities**” and “**Protection of and respect for working conditions**” confirm the strategic role of the Renco Group in supporting quality work and employment growth. On the other hand, the increasing relevance of topics relating to the principle of “**Environmental Responsibility**” reflects the changing nature of its business strategy, European regulations and market pressures.

Confirming its commitment to a business model that integrates economic, social and environmental responsibility in all aspects and activities of the Company, the Renco Group has also linked its contribution to sustainability-related topics to the *Sustainable Development Goals* (SDGs), unanimously adopted by the Member States of the United Nations in 2015, and part of the *2030 Agenda for Sustainable Development*.



Companies are called upon to reconsider the priorities and criticalities of their *businesses* to define new transition strategies towards a sustainable corporate development that can contribute to the achievement of the specific targets for each of the 2030 Sustainable Development Goals. The Renco Group has always based its *business* on respect for local communities, the environment in which it operates, and all its *stakeholders*.

Below is the correlation between the Sustainable Development Goals promoted by the United Nations in the 2030 Agenda and the materiality topics for the Renco Group:

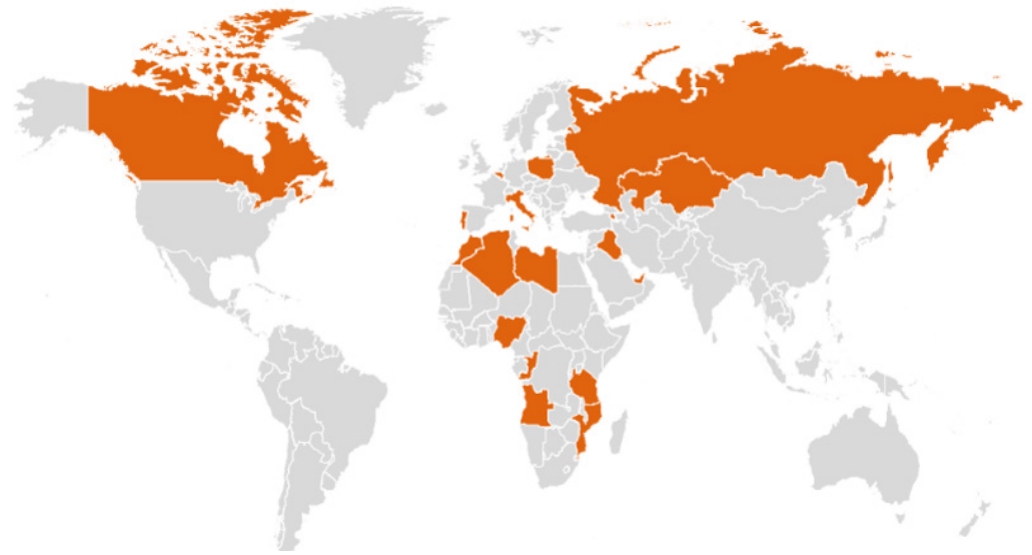


## 4. Impact on the main regions



## Responsible management of the Group's businesses

As a result of an ongoing commitment to achieving a local presence, the Renco Group has experienced a major expansion of its activities and areas served, establishing multiple projects and offices around the world.



The main companies that the Group operates through are located in Pesaro (Italy), Armenia, Congo (Brazzaville), Mozambique and Kazakhstan. The operations and activities conducted in these locations will be described in more detail in this chapter.

In all the countries in which it operates, Renco has always been committed to having a positive impact on the local area, paying particular attention to the development of local communities, also through the development of local businesses and the establishment of regional partnerships. In particular, throughout 2021 the Group continued to offer multiple initiatives to concretely support all the communities in the local areas served, which were strongly affected by the Covid-19 emergency.

## 4.2 The Renco Foundation

The Renco Foundation demonstrates how social commitment is an integral part of the Group's corporate culture<sup>8</sup>. The non-profit foundation is responsible for the management of completed projects and for the launch of new initiatives. According to the Foundation's philosophy, the best investment is to provide concrete help to the communities with whom the Renco Group works closely, which in most cases do not have access to basic goods and services. Health and education are fundamental human rights, which the Foundation is committed to protecting through numerous initiatives, including first and foremost the training of the communities involved.



The **key principles** guiding the Foundation's activities are:









Helping and Supporting community development;



Support communities in times of particular difficulty and need.

The Foundation's initiatives range from building constructions and providing economic support to local communities, to reviving cultural spaces. To date, the projects supported by the Foundation are mainly located in six countries: Albania, Armenia, Congo, Italy, Mozambique and Tanzania.

<sup>8</sup> For more details about the Renco Foundation, please visit: <https://rencofoundation.org>

	<p><b>Albania</b> Donation of two houses to the Devolli earthquake victims</p>
	<p><b>Armenia</b> Support for the Mother Teresa of Calcutta orphanages in Spitak.</p>
	<p><b>Congo</b> <b>Pointe Noire:</b> Construction of an obstetrics clinic.</p>
	<p><b>Italy</b></p> <p><b>Pesaro:</b> Construction of an inclusive playground, including equipment that can be used by children of all abilities;</p> <p><b>Pesaro:</b> Renovation and management of Villa Molaroni, a maritime museum;</p> <p><b>Emilia-Romagna:</b> Support for the Mediafriend association's fundraising efforts to rebuild from scratch a junior high school affected by the earthquake;</p> <p><b>Arquata del Tronto:</b> Assistance to speed up first aid and rubble clearance operations.</p>
	<p><b>Mozambique</b></p> <p><b>Beira:</b> Assistance to the population affected by Cyclone Idai through the donation of food and medical supplies;</p> <p><b>Cape Delgado:</b> Construction and maintenance of a school campus in the village of Ngoma;</p> <p><b>Palma:</b> Construction of a medical centre.</p>
	<p><b>Tanzania</b></p> <p><b>Zanzibar:</b> Construction of a medical centre for pregnant women and newborn babies in the village of Nungwi;</p> <p><b>Zanzibar:</b> Funding for the training of medical nursing staff;</p> <p><b>Zanzibar:</b> Provision of basic health services and health education in villages in Zanzibar to increase health care access of the most socially vulnerable and discriminated groups.</p>

## 4.3 Renco in Armenia

The Renco Group operates in Armenia through nine companies: Renco Ar-mestate, Renco Armenia Valore, Renco Power, Renco S.p.A. Yerevan Branch, Renco Asset Management, Hotel Yerevan, New Velodrome, Italsec Armenia and Armpower <sup>9</sup>.

In the country, Renco Group owns various types of facilities, both residen-tial and administrative, including several hotels. In addition, the Group has various EPC activities, such as the combined cycle power plant in Yerevan.

### In-country initiatives

Considering the ongoing nature of the pandemic and the effects of the war in Nagorno Karabakh, which ended at the end of 2020, Renco continues to support the population through several **initiatives** for the benefit of the community:

- Support to the Sisters of Mother Teresa;
- Donation to the Charles Aznavour Foundation;
- Occasional donations for children with severe illnesses to support me-dical treatment.

<sup>9</sup> For further details regarding the Renco Group companies in Armenia, please refer to the 2021 Consolidated Financial Statements of the Renco Group, which can be downloaded from the In-vestor Relations section of the website [www.renco.it](http://www.renco.it).



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## Women in the YCCPP-2 PROJECT

Armenia has a deeply entrenched issue regarding women's conditions. In particular, a national survey conducted on domestic violence against women reports that more than 50% of women are exposed to physical and psychological manipulation.

According to the *2020 Global Gender Gap Index* (Global Gender Gap Report 2020 - Reports - World Economic Forum), Armenia, out of 153 countries in the world, ranks 98th in terms of economic participation and opportunity, education received, health and political *empowerment*.

In this context, the *Women in the YCCPP-2* project aims to increase the number of women in the Group's companies in Armenia, giving them opportunities for professional development and growth. To this end the company is also implementing a series of initiatives highlighting the important role women play in the Yerevan's power plant construction project, and creating several job positions specifically designed for women.

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## Act now! End child labour

Although child labour has decreased by 38% globally in the last decade, 152 million children are still forced to work, of which about half (72.5 million) are engaged in dangerous labour that endangers their health, safety and moral development. In line with the 2021 UN Declaration on the International Year for the Elimination of Child Labour, **Armpower** works to promote awareness and end child labour in Armenia, considered by many to be one of the most urgent issues to be addressed in the evolving welfare system in Armenia.



### What can be done?

- Promote decent work for adults and young people of legal working age;
- Build and extend social protection systems to help the most disadvantaged families;
- Expand access to free, quality public education as a sound alternative to child labour;
- Tackling child labour in supply chains;
- Protecting children in vulnerable and critical situations.

## 4.4 Renco in Congo

Renco's Congo head office is located in Pointe Noire. The Group's Congolese companies have a strong focus on activities that support local communities, and actively collaborate with the Congo Assistance foundation.

### In-country initiatives

Over the past few years, continuing its traditional commitment to social issues in addition to initiatives associated with managing the health situation, Renco in Congo has been active socially in other areas:

- Every Christmas, the Renco Group donates toys to children in orphanages and clothes to widows;
- In 2021, the Group financed the construction of **three wells** and the renovation of another one for the outermost districts of the Pointe Noire region, specifically in the districts of Mvoumvou, Loandjili, Mongo Mpoukou and Hinda;
- In 2015, construction work was completed on a **maternity hospital** in Pointe Noire. The space is 630 square metres, and is equipped with a waiting room, a gynaecology department including labour and delivery rooms and an incubator room, and a Medicine department including an operating room, anaesthesia room and medical examination rooms.

The company's policy is that a quota of employees should always be people from the local community. To date, many local people work for Renco.

## 4.5 Renco in Mozambique

Renco has been conducting business in Mozambique since 2012, operating through a number of companies<sup>10</sup> covering a wide area and a large number of markets. The company's activities are mainly located in the north of the country, around its headquarters in Pemba, the capital of the Cape Delgado province, one of the poorest areas in Mozambique.

Over the years, Renco has developed several important partnerships with local entities, such as public authorities and the communities living in the areas where the Group operates.

In 2021 Renco strengthened its partnership with public entities (INFPELAC and INEP) in charge of vocational training and job placement, training around 25 HSE supervisors at its sites and providing qualified staff as trainers directly to these institutions, bearing their costs.

Mozambique has a unique expansion prospect, thanks to the huge investments of *Oil & Gas* companies to extract gas in an area of 7,000 hectares in the Afungi peninsula and in the sea in front of the cities of Palma and Pemba. The Government of Mozambique, considering this, has planned a **Public Private Partnership** programme for the construction of a gas city in an 18,000-hectare area near the cities of Palma and Pemba. Thanks to its strong presence in the country, Renco (together with local companies and technical and financial partners) is investing to participate in the development of this region.



<sup>10</sup> For further details regarding the Renco Group companies in Mozambique, please refer to the 2021 Consolidated Financial Statements of the Renco Group, which can be downloaded from the Investor Relations section of the website [www.renco.it](http://www.renco.it).

## In-country initiatives

For the selection and recruitment of personnel, the Mozambique branch follows the company's *corporate policies*, adapting them to the local context. Specifically, particular attention is paid to local communities close to the projects that Renco develops, to ensure maximum community participation and to maximise local content. Indeed, in 2021 the proportion of Mozambican personnel was progressively increased, with the objective of growth, training and empowerment of local personnel.

An interesting example of this practice is the construction of the resort in the Mecufi district. This is one of the least developed districts in the country, just south of Pemba, where Renco has focused a significant part of its social interventions.

From the outset, Renco has involved the local community, training numerous residents, mainly fishermen, to participate in both the construction and management of the *resort*. Many of these people continue to be part of the Group's staff today, and are involved in the various projects being developed in other parts of the province. In addition, of the 120 or so employees that the resort employs, about 80 of them are from nearby villages.

Over time, Renco has developed a close relationship with the local communities, also through significant training activities. For example, over the past few years, Renco **has trained around 120 people from the Mecufi community** in English for cooking, *housekeeping* and *front office* duties.

In agreement with the Local Education Department, in the spring of 2019 Renco, through the Renco Foundation, financed the **construction of the Antonio Passeri School**, which was subsequently donated to the citizens of Mecufi. To date, the school ensures that around 500 children have access to schooling. Renco employed around 400 people to build the school, of whom 300 from the community itself.

Partly thanks to Renco's support, Mecufi is now a less disadvantaged neighbourhood than many other districts in Cape Delgado, which is a significant achievement for the local communities.



Throughout 2021, Renco's companies in the country were involved in numerous activities:

- Despite the perceived easing of the risks caused by the Covid-19 pandemic, in 2021 Renco continued to apply the strict protocol developed during the pandemic to minimise the risks of contagion;
- In order to support the citizens of the districts in which Renco operates, in 2017 the company signed a framework agreement with the public institution in charge of training and recruitment, with the aim of training and placing Mozambican personnel in the labour market. As of 2020, it is expected that Renco in the future will have to hire a maximum of 200 people who have graduated from these training courses.
- The Group, through its subsidiary Niassa Sanctuary, has obtained a concession for part of the Niassa National Park nature reserve. This will enable the conservation of an important section of the park, and sustainable economic exploitation through the construction of an eco-lodge designed and built using only local materials with a low environmental impact.

## 4.6 Renco in Kazakhstan

Renco has been operating in Kazakhstan for around 30 years. The Group operates in the country mainly through two companies, both of which are headquartered in Almaty, the country's most populous city: Renco Kat (which operates in the Oil & Gas sector) and Renco Property (which owns and manages the company's real estate assets). The Group also has three autonomous subsidiaries located in Atrayu, Uralsk, Aksai and Nur-Sultan.<sup>11</sup>



### In-country initiatives

In Kazakhstan, Renco has recently focused its efforts on supporting its employees, who find themselves in situations of economic and social hardship as a result of the Covid-19 pandemic, with salary increases and donations.

Among the various initiatives carried out in the country:

- Renco decided to pay employees who had been with the company for more than ten years a 13th month salary at the end of the year (a policy not found in the Kazakh system);
- For the past 20 years, Renco has organised Christmas functions at the end of the year where gifts are distributed also to the children of its employees. Although it was not possible to organise these events in 2020 due to the pandemic restrictions, the Group still ensured that staff's children received small gifts at home.

To protect its employees, Renco is also committed to managing and enforcing safety, health and environmental protection measures. Renco is committed to providing a safe working environment to protect the health of its employees and the environment, and to prevent dangerous and hazardous situations. In addition, in Kazakhstan, Renco provides adequate equipment and qualified personnel to meet work requirements, as well as maintaining a constant dialogue with its staff and providing them with ongoing training.

<sup>11</sup> For further details regarding the Renco Group companies in Kazakhstan, please refer to the 2021 Consolidated Financial Statements of the Renco Group, which can be downloaded from the Investor Relations section of the website [www.renco.it](http://www.renco.it).



## Renco's commitment to the major contracts open as of 31.12.2021

### Italy: Superbonus 110

The “Superbonus 110” is based on a facilitation provided for by the Relaunch Decree that raises to 110% the deduction rate for expenses incurred as from 1 July 2020 for specific interventions in the field of energy efficiency, anti-seismic interventions, installation of solar power systems and/or electric vehicle recharging stations in buildings. As part of these incentives, Renco S.p.A. entered the large apartment building market (in Sicily, Umbria and Marche) to carry out the necessary works and manage the financial aspects, through the use of the invoice discount guaranteed to apartment buildings.

In 2021, interventions were aimed at jumping two energy classes that guarantee approximately 30% energy savings. Most of the interventions are not limited to the minimum necessary jump of two classes, but go up to an additional five classes, saving up to 80% energy and significantly reducing the environmental impact. Moreover, the majority of the interventions involve the installation of renewable energy sources such as integrated solar power and storage systems in accordance with the EU objectives of energy independence from fossil fuels and improved air quality.

For the local community, this law is fostering the employment of local resources and labour, driving an economic recovery of the construction sector. Renco SpA employs 63% local labour force and 59% local area subcontractors.





# Armenia: Combined Cycle Power Plant in YEREVAN

## Context

As part of a broad programme to develop power generation in the country, in 2015 the **Armenian Minister of Energy** decided to support the construction of a new 254 MW combined cycle gas power plant (named YCCPP-2), replacing older and less efficient ones.

In 2017, **Renco S.p.A.** was chosen by the Government of Armenia as the preferred engineering, procurement and construction company for this project. Specifically, the management of the power plant was entrusted to its **subsidiary Armpower**, which in November 2021 completed the construction of the plant.

The project had the following objectives:

- Improve total power generation capacity;
- Ensure a reliable supply of energy;
- Shift the financial burden for power generation from the government to the private sector;
- Promote the commercial development of thermal technology and cost reduction, enabling Armenia to become a large net exporter of electricity;
- Build and support local capacity in the development and maintenance of power generation infrastructure;
- Lower end-users' bills.



## Description of environmental and social conditions

In order to obtain major funding from the IFC (International Finance Corporation) and the Asian Development Bank, an Environmental and Social Impact Assessment (ESIA) of the power plant was prepared based on national and international standards for environmental and social sustainability.

Firstly, the impact assessment focused on significant aspects of the biological, physical and social environment of the project. In order to identify and categorise the project's

area of influence, the work team went on site to collect data on fauna and flora, soil, water, climate, air quality, noise, landscape, historical and cultural sites and socio-economic conditions. Based on this data collection, it was concluded that the biodiversity value of the construction site is low, that **no protected or sensitive areas will be impacted by the project**, and that only minimal impacts on flora and fauna are expected during the construction phase. In addition, there were no complaints about transport or noise other than about the presence of dust, which were promptly addressed.

The next step was to consider appropriate measures to **avoid, minimise, mitigate and compensate for any negative impacts** and to monitor their implementation. As a general mitigation measure, Renco, as the EPC contractor, together with Armpower, developed **Health, Safety and Environmental Management Plans (HSEMP)**.

## The project

Armpower has a **manual** that identifies the necessary steps for recruitment, training and site management during the project. This manual has also been prepared to ensure that contractors' and subcontractors' employees operate in a **fair, transparent and proper** manner. Specific policies to mitigate workforce risks are set out in the document. The Manual includes the following sections:

- Planning and management;
- Employment, recruitment and use of resources. The following measures are related to the development of fair and transparent policies regarding employment, the recruitment process and discrimination;
- Grievance mechanism;
- Management of workers' rights, the HR Manager ensures that there is no discrimination against local candidates and that there is no child or forced labour;
- Training, this section also contains the training requirements. The HR Manager, in consultation with the Construction Manager and ESMS Manager, ensures that prior to the commencement of any construction activities and prior to their involvement in any project, all employees or subcontractors has undergone adequate training in accordance with the Training Plan.

In addition, in 2020 and 2021, a **management plan for the Covid-19 pandemic**, applicable to all plants under Armpower's control, was implemented. The plan provides guidelines on how to prevent, prepare for and respond to the threat of the Covid-19 pandemic, with a set of guidelines to be adopted in the workplace.

## Mozambique: Afungi – CCS J Camp

In the first half of 2019, a major commercial investment made by the Renco Group came to fruition. Through a consortium created with two other companies, Renco won the tender issued by the **CSS consortium**, headed by SAIPEM, for the construction of a 9,500-capacity camp in Afungi worth USD 200 million (Renco's share is USD 70 million). This in turn operates for the Mozambique LNG consortium headed by Total. To date, following the unrest on the Afungi peninsula and the subsequent temporary suspension of the project by Total Energies, Renco's contracts have been temporarily suspended.

Nevertheless, Renco (together with the customer) has a strong focus on environmental and occupational safety issues and uses various performance measures in these areas. Renco's contracts, which are functional to the wider project, will have an incredible impact on local communities in terms of economic growth, bringing many development opportunities to an economically stagnant area.



## Mozambique: Logistics Hub Project

In view of the new market for gas logistics services in Mozambique, Renco intends to expand its activities in the field of assistance to Onshore/Offshore Operations.

Renco's expansion plan is articulated in three macro-phases, of which the first was completed at the end of 2020:

- **UTILISATION OF THE PIER AT PEMBA TO TRANSPORT MATERIAL FOR GAS OPERATIONS;**
- **ACQUISITION AND INSTALLATION OF A BRIDGE CONNECTED TO THE EXISTING PIER TO OPTIMISE LOGISTICAL SUPPORT FOR OFFSHORE ACTIVITIES;**
- **DEVELOPMENT OF AN INTEGRATED MULTIDISCIPLINARY INDUSTRIAL DISTRICT WITH ONSHORE AND OFFSHORE FACILITIES.**

In particular, the Pemba Bulk Terminal, a fully consolidated Renco Group company, will be able to cover part of the demand for aggregates (i.e. materials used in the extraction process) of the Oil & Gas activities, which will require 14 million tonnes for their completion (of which Renco could supply approximately 7 million).

In order to conduct activities at the port terminal, Renco trained 12 *flagmen*, and it was resolved that 80% of these personnel should be members "affected" by the land expropriations where the port terminal was built.



## Denmark: Everdrup

The *Baltic Pipe Project* is a major gas infrastructure project that aims to create a new gas supply corridor in the European market. The infrastructure will allow gas to flow directly from Norway to markets in Denmark, Sweden and Poland, as well as to neighbouring markets.

The Baltic Pipe Project is recognised as an EU project of common interest (PCI) designed to further strengthen the European internal energy market.

The connection between the Norwegian network and Denmark comprises a pipeline end manifold (PLEM) at the connection point to Europipe II, an offshore pipeline in the North Sea, a receiving terminal in Nybro, and an onshore pipeline on the Danish west coast of the terminal.

In this context, Renco was awarded the contract for the gas decompression plant in Everdrup for Energinet, confirming its leadership position in this area.

The success came from the expertise gained in the construction and EPC sector, from which Renco derived specific skills in planning work on complex construction sites and procurement. In addition, the ability to pool materials and qualified personnel from its Italian and foreign companies is another strength.





# 5. Renco Group People



# Employee management and development

The Renco Group has always placed people at the heart of its values, both as the main strategic asset for achieving corporate objectives and because the well-being of the organisation's members is one of the main elements of its corporate culture.



With this in mind, the “Organisational Development” office was created in 2018, which, in tandem with the company management, aims to develop and promote human resources through career development, professional training, performance evaluation, welfare and internal communication, strengthening company culture and improving the workplace environment.

In 2021, in a complex but rebounding macroeconomic context, the Group continued to invest in human resources, strengthening some strategic central structures. At Renco there are numerous roles that cannot be fulfilled remotely, not only the obvious ones in production. Many phases of the design, development and testing process require tools, components and a combination of different skills.

The evolution of working models has therefore enriched personal experience and integrated digital opportunities into everyday life. It has made information exchanges and flows more agile and efficient, while at the same time allowing greater flexibility and freedom of space and time, but without necessarily entailing a radical change in the organisation of work or the lifestyle of employees.

Compared to 2020, **the Group's workforce as of 31 December 2021** was 24% lower, with a total of **3,091 employees**, of whom 79% were men and the remaining 21% women. During 2021, the Group relied on a growing external workforce to support its activities, totalling 346 people, a 95 per cent increase over the number of external workers in 2020.

As of 31 December 2021, approximately **57% of employees** are employed on a **permanent basis**. The Group is committed to creating increasingly stable working relationships with its employees. As evidence of this, employees prefer full-time arrangements (more than 99%), while about 1% of employees are *part-time*. As in last year, the Workers professional category is the one with the highest number of employees (1,930), followed by Office staff (936), which is typical of the Group's sector of operation.

## Protection of diversity

Diversity and inclusion are two fundamental pillars of Renco Group's culture, since the company is present in several countries around the world and therefore constantly dealing with a very **culturally diverse** workforce. Renco is committed to developing appropriate working practices and conditions to ensure equal opportunities, through the removal of all forms of discrimination based on gender, age, religion, origin, political opinion and sexual orientation. In accordance with the Code of Ethics, the Group is committed to ensuring that none of its members take part in discrimination or harassment activities; any activity that is deemed intimidating or offensive will attract disciplinary action.

Respect for the **fundamental rights** of employees and the main categories of stakeholders is constantly monitored in the Company, following the guidelines defined by the International Labour Organisation (ILO). The Human Resources Manager is responsible not only for ensuring compliance with national labour standards and the key principles set out in the ILO Conventions, but also for adopting the principles defined by the **Social Accountability 8000** standard.

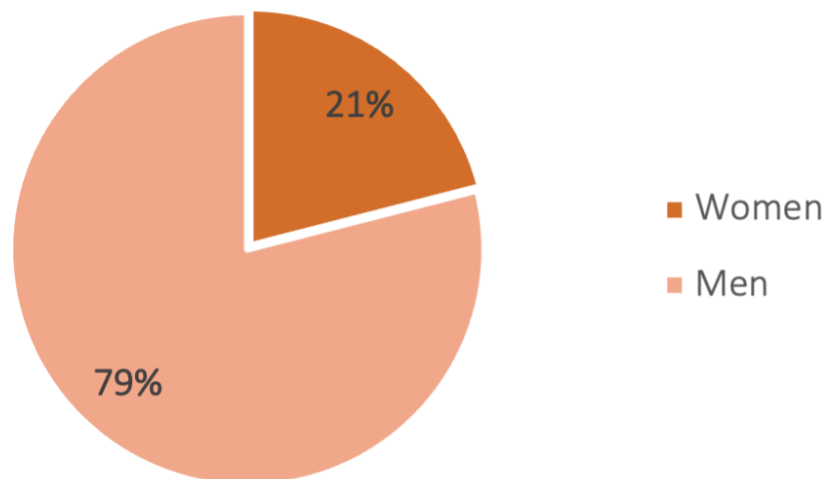


The company in **Mozambique** is particularly sensitive to discrimination, practising zero tolerance towards racial discrimination and adopting Portuguese as the working language.

This has facilitated the integration of expatriates into the local work environment, making it easier to overcome existing cultural barriers. In addition, in recent years, the branch has been involved in an awareness campaign against gender discrimination and harassment in the workplace, including showing educational videos at the reception desk of the main office.

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### Staff distribution by gender (2021)



The inclusion of women in all Renco's projects is a cornerstone of the Group's business and identity. With a view to constant improvement, the Group aims to help women find their place in society and obtain equal opportunities, especially in local areas where women struggle to assert their identity and rights.

Overall, including construction site workforce, there is a gender breakdown within the Group of 79% men and 21% women (compared to 18% in 2020).

**65% of employees** are in the **30-50** age bracket, 18% are over 50, and 17% are under 30.

To promote sustainable growth, the Group favours the implementation of effective personnel attraction and selection systems, with a view to ensuring transparency, fairness, equal opportunities regardless of age or gender, and the recognition of individual skills. In order to ensure diversity and equal opportunities within the company, employee data is constantly monitored through specialised IT systems. In particular, every two years a report is drawn up on the inclusion of people belonging to **protected categories**, together with an insertion programme. As evidence of this commitment, in 2021 the number of employees belonging to protected categories is **33**.

## Attracting new talent

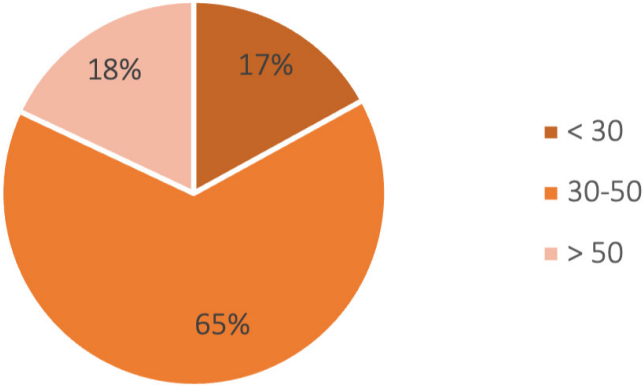
For the Renco Group, the continuous search and attraction of talent is of strategic importance as it enables company growth. For this reason, there is a team within the Human Resources department that deals specifically with attracting new resources. In doing so, the company strives to convey the importance of developing a **sense of belonging to the Group** and a corporate culture, to offer long-term relationships and concrete professional development opportunities.

The recruiting procedure ensures respect for diversity and equal opportunities, aiming at the integration and subsequent professional growth of each individual. In the selection process, the Company is inspired by the general principles of professionalism, transparency, meritocracy and impartiality, in compliance with the applicable regulations and internal provisions.

Moreover, the Group is committed to establishing and **maintaining relations and partnerships with institutions and universities** to cultivate a direct channel aimed at attracting young resources. To do so, Renco has a **Talent Acquisition Policy** that guarantees its constant presence in the best Italian universities, both through participation in traditional job fairs and through dedicated projects such as the recent *Renco Academy*. The latter involves the search for talented recent graduates wishing to be placed on a career path abroad aimed at developing the company's future managers and professionals through ongoing coaching by the company's most senior staff.

In 2021, 1,286 people were hired by the Renco Group, 32% of whom were under the age of 30. On the other hand, 2,070 people left the Group during the period, a number that increased significantly compared to 2020. 34% of leavers were under 30 years of age, 54% were between 30 and 50 years of age, and 12% were over 50 years of age. Renco's type of business has a high employee turnover, which is linked to the projects that are typical of the business. In particular, the Services BU has high mobilisations over given periods, with personnel hired on a temporary basis.

Staff distribution by age (2021)



## Staff well-being and welfare

The issues of safeguarding employee welfare and workplace culture have been at the heart of Renco Group's initiatives over the past two years.

Following the outbreak of the Covid-19 pandemic, the Group has continued to improve working practices among its employees and improve its welfare and benefits services, supported by an ongoing dialogue with its employees.

To ensure the well-being of its people and improve the work-life balance, *smart working* has been widely adopted since 2020.

In recent years, the company has also implemented a number of free or subsidised services for employees at its Pesaro headquarters to create an engaging work environment:

- Free shuttle bus from Pesaro train station to the headquarters, with two services in the morning and two in the evening;
- Free bikes available during lunch breaks;
- Company canteen on the top floor of the head office;
- Access to company gym at a reduced price; it's open before working hours two mornings a week, always during the lunch break, and always in the evening after office hours;
- Laundry and ironing service available at head office twice a week, at a reduced price;
- Car wash service available at headquarters at a reduced price;
- Agreements with various facilities (restaurants, spas, gyms, shops, etc.) located near the head office.

As part of corporate welfare, various types of bonuses are awarded to Renco employees every year in Congo.

## Staff development and training

Every employee's skills and motivation are strategic resources for the Renco Group. For this reason, assessment and training processes aimed at supporting the development of human capital are central to the Group's strategies. The Group is committed to retaining deserving local resources, entrusting them over time with high-level positions within the company (e.g. legal, HR, administrative, purchasing and logistics office resources), both in Italy and abroad. In addition, the Group invests in a range of career development options for the most deserving resources, such as experience abroad at the Group's subsidiaries.

Renco Group strongly believes in the usefulness of internal discussion and training programmes, aimed at enhancing the technical, managerial and organisational skills of its staff and consolidating the professional skills required by their roles. Renco Group operates in an extremely technical, dynamic and competitive sector, where the development of resources and skills is the key to our success. In this regard, during 2021, 9.4 hours per capita were recorded with 28,991 hours of training provided to employees (48,679 in 2020). This significant decrease was recorded in three countries (Armenia, Mozambique and Kazakhstan) and was mainly due to orders completed during the period, such as the Yerevan Power Plant, which resulted in fewer training hours.

Training needs are mainly identified by the line manager on the basis of contract requirements or in general to strengthen certain areas of their office. At the same time, employe-



es may propose training courses other than those suggested by the line manager to the latter or directly to the Organisational Development office. The training that took place during 2021 mainly concerned customised courses, specific on-the-job training and shadowing of experienced senior managers.

The **performance evaluation system** enables each employee to share his or her job expectations with managers, to identify their training needs, and to draw up a training plan, which is then shared with the company management.

**Mozambique** companies strongly believe in the importance of professional development. In recent years the companies have developed a close relationship with the local community, offering English and hospitality training to about 120 Mozambican employees at a Renco hotel facility.

Furthermore, at Group level, the internal growth of each employee is carefully managed and monitored through a specific performance appraisal system involving an increasing number of employees in recent years. Compared to 2020, the number of people who received a performance appraisal increased by 22%, with a total of 614 employees assessed. The process involves filling in an **evaluation form**, which is submitted to department heads once a year. This form consists of three sections:

1. **Organisational behaviour:** each manager assesses his or her employees on the basis of eight professional attitudes based on corporate values (Courage, Loyalty and Professionalism), drawing on colleagues who have supervised the employee on specific activities over the year (Project Manager, Branch Manager, Site Manager, etc.).
2. **Skills and competences:** each manager assess their employees based on their technical/managerial suitability for the role, using the official *position descriptions* on the company intranet and in the management system. In this section the manager is asked to enter notes on areas for improvement.
3. **Objectives:** people with management and coordination responsibilities may be assigned a maximum of three objectives by their line manager, to be achieved by the end of the year. Individuals without specific responsibilities may also set themselves objectives to be achieved, if deemed appropriate by the line manager.

The outcome of these evaluations may lead to higher responsibility, with subsequent training and/or salary increases.

## Occupational health and safety

Renco Group has an **HSE policy** that outlines the reference principles for safeguarding the health and safety of Renco workers and stakeholders and the environment, and the integrity of company assets. To do so and meet HSE targets the Group has developed an integrated management system for health, safety, environment and quality in accordance with ISO 45001, ISO 14001 and ISO 9001.

In conducting its business activities, Renco is therefore committed to:

- the protection of the safety, health and well-being of its workers and anyone working under its control;
- the protection of the environment and local communities, as well as its own assets and those of its Customers;
- continuous improvement in the processes and services of its activities and operations;
- a “ZERO INCIDENTS” target in all workplaces.

In Congo, Renco is contractually responsible for the health of all its workers, paying 100% of the medical expenses of their spouses, their children plus two additional minors who can be listed as dependent. The Company has an agreement with a clinic that acts as a general practitioner and paediatrician for the children, which is responsible for monitoring the medical expenses of its people.

The Group has a structured system for the notification, investigation and reporting of health and safety incidents. The primary objectives of incident reporting and investigation are to determine the incident's root cause and provide recommendations to prevent reoccurrence.

The HSE Manager is responsible for implementing the recommendations arising from incident investigations and ensuring that the results are fully communicated to the entire staff.

All incidents resulting in property damage or personal injury must be investigated. 'Near misses', which do not necessarily result in injury or damage, are considered equally important from a prevention perspective and are therefore also thoroughly investigated.



With regard to health and safety, Renco is constantly **striving to raise awareness of risk management** and to promote responsible behaviour in its employees and collaborators. In this respect, the Group is committed to provide all personnel involved in activities affecting quality and HSE with adequate professional training.

The HSE training policy is established by top management, which assesses staff's training and qualification requirements according to their areas of responsibility and associated risks. Information and records relating to the training of individual employees are stored and maintained by the Human Resources department. The purpose of these training sessions is to provide orientation to new employees, to identify and address risks in the workplace, to comply with mandatory legal and corporate requirements, to choose appropriate safety measures to contain any unforeseen hazards, and finally to create awareness of health and safety.

During 2021, two non-severe work-related injuries were recorded.<sup>12</sup>

<sup>12</sup> Two 'near misses' incidents were reported in the Congolese branch.



The Group has always been concerned about the **environmental impacts** generated at every stage of its activities, not only in terms of complying with increasing national and local legislative requirements, but also of researching and developing sustainable alternatives. Renco respects the diversity of the areas in which it operates and works to minimise the impact of its activities on the environment and surrounding communities.

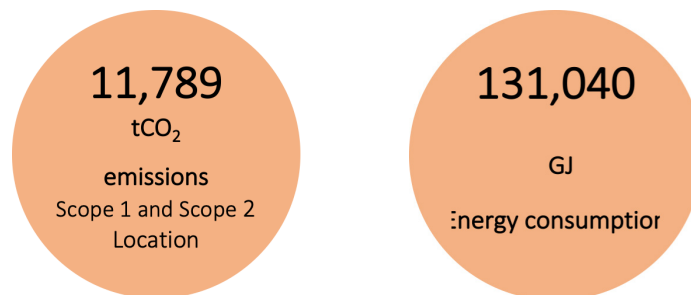
The Group's commitment to **fighting climate change** has translated into a gradual shift away from oil in recent years in favour of a growing interest in the gas and renewable energy sectors. This commitment has been most evident in the deployment of the combined cycle power plant in Yerevan.

In November 2020 the attainment of the **SA 8000** certification marked Renco's ongoing commitment to sustainability and CSR (Corporate Social Responsibility).

In terms of direct impacts, Renco is especially mindful of how it conducts its activities:

- **Energy:** Renco is committed to monitoring energy consumption and CO<sub>2</sub> emissions, contributing to the reduction of environmental impacts.
- **Waste:** Waste management is an important issue for Renco. Therefore it implements a standardised monitoring system for all the Group's subsidiaries and contracts.

The Renco Group aims to implement an environmental management system that promotes the efficient use of resources, reduces CO2 emissions and encourages Group companies to use alternative solutions for more sustainable construction and operation. Renco's effort to minimise pollution and commitment to the environment ensures a continuous improvement in our overall performance.



## 6.1 Energy efficiency and emissions reduction

Renco's energy consumption is due to the power generated by office activities, i.e. the operation of equipment and lighting.

The following table shows the energy consumption at 31/12/2021:

## Energy consumption within the organisation (GRI 302-1) <sup>13</sup>

Type of consumption	u.m.	2020		2021	
		Total	Total GJ	Total	Total GJ
<b>Energy source used for heating</b>		-	<b>67,929</b>	-	<b>52,938</b>
Natural Gas	m <sup>3</sup>	693,926	27,467	742,868	29,469
<i>Diesel fuel for boiler houses</i>	<i>l</i>	1,046,250	40,462	606,863	23,469
<b>Electricity purchased (total)</b>	<b>kWh</b>	<b>11,401,422</b>	<b>41,045.12</b>	<b>12,462,587</b>	<b>44,865</b>
of which purchased from certified renewable sources	kWh	-	-	<b>7,632</b>	<b>27</b>
<b>Self-produced electricity (total)</b>	<b>kWh</b>	<b>13,248</b>	<b>47.69</b>	-	-
of which self-produced from renewable sources	kWh	-	-	-	-
<b>Heating</b>	<b>kWh</b>	<b>5,183,519</b>	<b>18,660.67</b>	<b>1,833,790</b>	<b>6,602</b>
of which from renewable sources	kWh	72	0.26	-	-
of which from non-renewable sources	kWh	5,183,447	18,660.41	<b>1,833,790</b>	<b>6,602</b>
<b>Cooling</b>	<b>kWh</b>	<b>343</b>	<b>1,23</b>	<b>23,886</b>	<b>86</b>
of which from renewable sources	kWh	343	1,23	-	-
of which from non-renewable sources	kWh	-	-	<b>23,886</b>	<b>86</b>

<sup>13</sup> For the sake of comparability, the figures for 2020 have been restated, following an improvement in the calculation methodology. Previously published data are available in the Renco Group's Sustainability Report 2020.

In recent years, Renco has sought to improve the composition of its corporate fleet. In 2021, 75% of the vehicles in the fleet are diesel-powered.

In 2021, **direct Scope 1 emissions** were 4,953 tCO<sub>2</sub> while **indirect Scope 2 emissions** were 6,836 tCO<sub>2</sub> according to the *Location Based* approach, and 6,918 tCO<sub>2</sub> according to the *Market Based* approach.

## CO<sub>2</sub> emissions (GRI 305-1, 305-2)<sup>14</sup>

Greenhouse gas emissions	u.m.	2020	2021
<b>Direct CO<sub>2</sub> emissions - Scope 1</b>	tCO <sub>2</sub>	7,080	4,953
Scope 1 Heating	tCO <sub>2</sub>	4,294	3,185
Scope 1 Transportation	tCO <sub>2</sub>	2,786	1,768
<b>Indirect CO<sub>2</sub> emissions - Scope 2 - Location Based</b>	tCO <sub>2</sub>	7,179	6,836
<b>Indirect CO<sub>2</sub>e emissions - Scope 2 - Market Based</b>	tCO <sub>2</sub> e	7,263	6,918

<sup>14</sup> For the sake of comparability, the figures for 2020 have been restated, following an improvement in the calculation methodology. Previously published data are available in the Renco Group's Sustainability Report 2020.

Emissions were calculated based on the following emission factors for 2021:

- *Scope 1: ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale) 2021 for the Italian boundary and DEFRA (UK Government – GHG Conversion Factors for Company Reporting) 2021 for the international boundary;*
- *Scopo 2:*
  - *Electricity (Location-based): TERNA - International comparisons 2018 for both the Italian and international boundary;*
  - *Electricity (Market-based): AIB - European Residual Mixes 2020 was used – Source: AIB (2021) for both the Italian and international boundary. Where these data were not available in the above, TERNA was used.*

*Scope 1 and Scope 2 emissions are expressed in tonnes of CO<sub>2</sub>, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO<sub>2</sub>-equivalent) as inferred from the technical literature.*

In relation to global warming, **in Kazakhstan Renco** strives to minimise the emission of CO<sub>2</sub> and other harmful substances into the atmosphere by using energy-saving lighting and heating, and by participating annually in the *1-Hour Earth programme*, turning off electricity for 1 hour in all its facilities.

In addition, all Renco subsidiaries in Kazakhstan have signed an agreement for the disposal of all types of waste. In particular, Renco Property adheres to the procedure of sorting waste, reusing it where possible, and conducts environmental and safety training for employees.

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A new company, Renco Mozambique Green Limitada, was established in 2021, which will be dedicated to the development of renewable energy projects, both *on* and *off grid*.

As far as energy consumption management is concerned, an interesting initiative by the Renco group in **Mozambique** is the project to use solar energy to light its sites, taking advantage of its abundance. The first exclusively solar lighting system already in operation was installed at the Pemba Bulk Terminal.

## 6.2 Waste management and recycling

Waste management is another critical element for the Group to have a sustainable performance. Although Renco does not have a single model for waste management and disposal, the Company is committed to reducing waste and promoting environmental awareness among its employees through campaigns and initiatives.

As the Group operates in several countries around the world, it does not have a single method for managing waste, as each project must be aligned with the local legal framework. However, at Group level, waste management guidelines provide for a waste hierarchy that prioritises the elimination of waste, followed where possible by the reuse and recycling of waste material. If these three options are not feasible, then disposal with energy recovery is the preferred option.

The Renco Group, with the ambition to behave in an increasingly sustainable way, has reduced its landfill waste by 22% by 2020, reaching 100% recycled waste.

All Group companies have a process for the **tracking and reporting of waste flows**, which are recorded and archived according to type and quantity. This monitoring enables the identification of possible areas and departments within the company where waste can be reduced. In 2021, Renco Group companies produced a total of approximately **1,330,906 tonnes of waste**. This value is significantly higher than in 2020 (116,697 tonnes) due, above all, to the numerous orders initiated in Italy under Superbonus 110.

Reassuring data comes from the percentage of hazardous waste, which represents less than 1% of the total.

The main **types of waste** produced within the Renco Group are related to construction site activities, and are classified as: “*special hazardous waste*”, which includes from packaging containing residues of hazardous substances, metal packaging containing hazardous solid matrices, bituminous mixtures containing tar and other materials; “*special non-hazardous waste*” which includes mixed packaging, wood, glass, iron and plastic; and finally materials considered “*special non-hazardous waste, to be analysed*” which are for example plasterboard, insulation materials with a coating other than polystyrene, rock wool and polyurethane and other materials.



Renco **promotes an environmentally friendly culture** with initiatives and campaigns aimed at increasing recycling activities. In many local areas, the company faces obstacles in promoting an environmentally friendly culture, but this does not prevent it from organising dedicated events to support environmental awareness.

In **Armenia**, multiple awareness campaigns have been carried out, including:

- Clean Air Day;
- Elimination of violence against women;
- Human Rights;
- Waste separation;



In addition, paper and plastic recycling bins have been placed in offices in Armenia, and staff were trained to increase their awareness of separate waste collection, which is not practised in the country.

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During 2021, Renco **Mozambique** implemented composting stations for canteens and restaurants. Furthermore, in 2022 the company aims to involve local communities in using the compost produced to try to replicate its benefits within them.

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# 7. Quality and Value chain



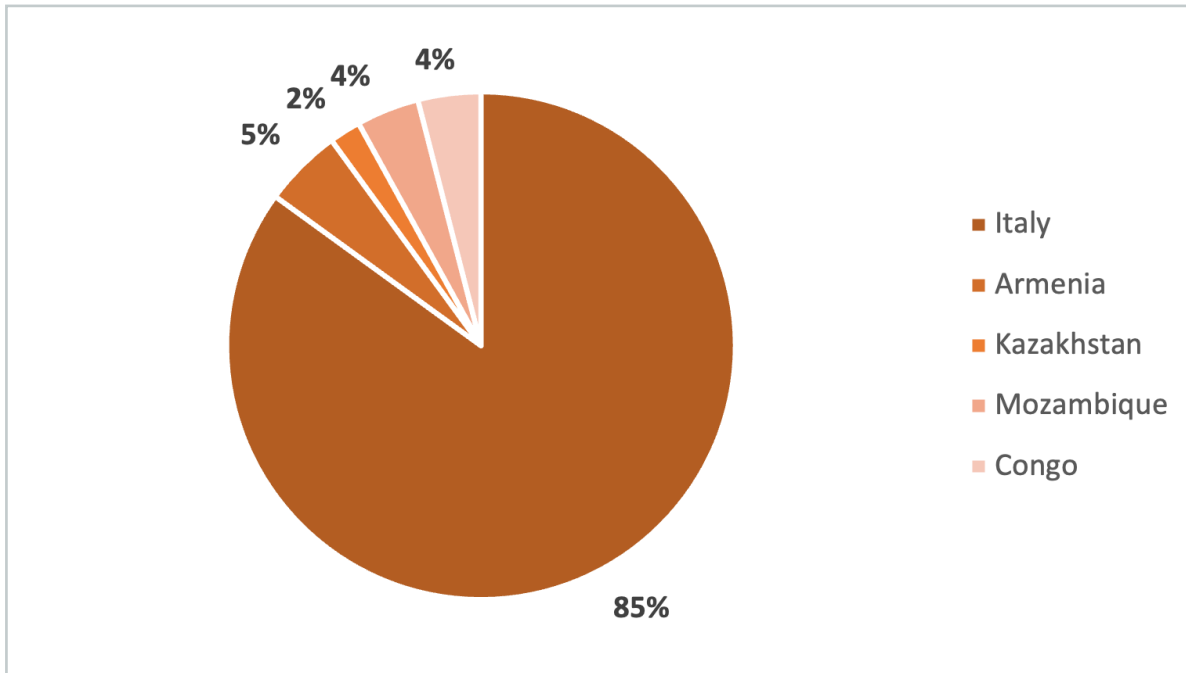
## Responsible supply chain management

The Renco Group pays the utmost attention to the selection of its suppliers, chosen for their professionalism and skills, from whom it obtains the raw materials used for its products and services. In particular, Renco's philosophy is to tackle the challenges of the future with an understanding of the excellence of *made in Italy*. In fact, the Group aims to export made in Italy products in the countries where it operates both through expatriating its own Italian staff, thus guaranteeing their managerial and executive skills in all the company's projects, and through the involvement of Italian partners for the supply of specific materials and/or services.

From an organisational point of view, the Group's procurement practices are coordinated by the Italian Purchasing Department, which consists of two offices: the Purchasing Office, which is responsible for sourcing goods and services on the market and issuing Purchase Orders, and the Logistics Office, which is responsible for transporting goods to their destination. The former receives purchase requests from the Plant and Construction Engineering Departments, describing the product category and quantity to be procured. Once it has received the offer from the suppliers and passed the technical examination by the specialists, the Purchasing Office issues the Purchase Orders following negotiation. On the other hand, the Logistics Office handles post-orders and manages the collection of goods from the point of delivery to the point of destination. Abroad, each Renco subsidiary has at least one Purchasing role, which is responsible for sourcing what is needed exclusively on site, and one Logistics role, which is responsible for transporting the goods to the local base warehouse or directly to the site.

The variety of goods/services purchased makes it difficult to have an unambiguous assessment of the company's performance within the supply chain. For this reason, the evaluation is mainly made by comparing the project procurement budget, which is provided to the Purchasing Office, and the actual expenditure. Another important factor is the issuing time of the various orders. The actual order issuing time is checked against the expected and estimated time in the procurement plan in order to comply with the contract schedule.

### Proportion of spending on local suppliers (GRI 204-1)



Renco sources most of its goods and services from Italian companies, using them for its projects all over the world. In fact, 85% of total expenditure is directed towards Italian suppliers, evidencing the Group’s commitment to the promotion of *made in Italy* products.

### New suppliers assessed on environmental criteria (GRI 308-1)<sup>15</sup>

Number and percentage of suppliers	2020	2021
Number of new suppliers assessed on environmental criteria	20	177
Number of new suppliers <sup>16</sup>	220	510
<b>Percentage</b>	<b>9%</b>	<b>35%</b>

The supplier selection process consists of a 46-item **questionnaire**, of which ten are dedicated to quality, ten to safety, ten to the environment and the rest are more general. Some questions require the supplier to produce documentation proving specific certifications (e.g. ISO 14001). On the basis of the answers and the documentation provided, the supplier's profile is given a score, which is added to the Vendor List. Purchase Orders include references to the Renco Code of Ethics (form G7), and to be selected the supplier must provide an Anti-Corruption Questionnaire (form M16) and Anti-Mafia Self-Certification (form M18).

In order to assess the performance of each individual supplier, a Vendor Rating score is calculated annually, which ranks suppliers based on potential (high/low, according to the score on the qualification questionnaire) and delivery performance (high/low, monitored by warehouse data).

The Group therefore adopts objective and transparent selection criteria, as provided for by current legislation and internal regulations, and does not preclude any supplier in possession of the necessary qualifications from competing for the award of a contract. The purpose of this system is to define a list of suppliers that are eligible and capable to be awarded works, supplies and services.

<sup>15</sup> Data on new suppliers that have been assessed using environmental criteria are available for the Group's Italian company. The other Group companies will investigate further the significance of the issue with a view to assessing new suppliers using environmental and/or social criteria in the coming years.

<sup>16</sup> The number of new suppliers is an estimation.

## 7.2 Relationship with customers

As highlighted in the corporate mission, **customers are at the heart** of the Group's strategic approach; satisfaction of customer's needs and requirements is the core of its business. For this reason, particular attention is paid to all processes and services that guarantee an impeccable, timely and competent service.

### Quality of services offered

Quality rules are based on an ongoing improvement plan. Renco, on the basis of the applicable regulations and in line with its tradition, recognises the significant and critical points in the process. It establishes the actions and tools that offer the best guarantees in relation to the objectives set.

Quality objectives must be concrete and measurable, and, above all, identifiable by the customer; they constitute the key juncture in which the entire business process is assessed. To achieve these objectives, the Group uses the following strategies:

- It entrusts the coordination and management of the Quality System, during all project phases and activities, to the QHSE Manager;
- It defines the tasks of the various company departments and establishes procedures to be followed during all project phases;
- Optimally utilises human and material resources to achieve the set objectives;
- Urges all Renco employees, as far as they are concerned, to achieve the Quality targets.

In quality matters, the employer is the highest authority responsible for the policy and its interpretation.

# Customer satisfaction



Strict application of the standards required for the product to achieve quality is the surest guarantee of customer satisfaction, and this rigour applies throughout all stages of the business process: from the time of the contract with the customer, to the design development and procurement stages, through to implementation, commissioning and ensuring correct operation.

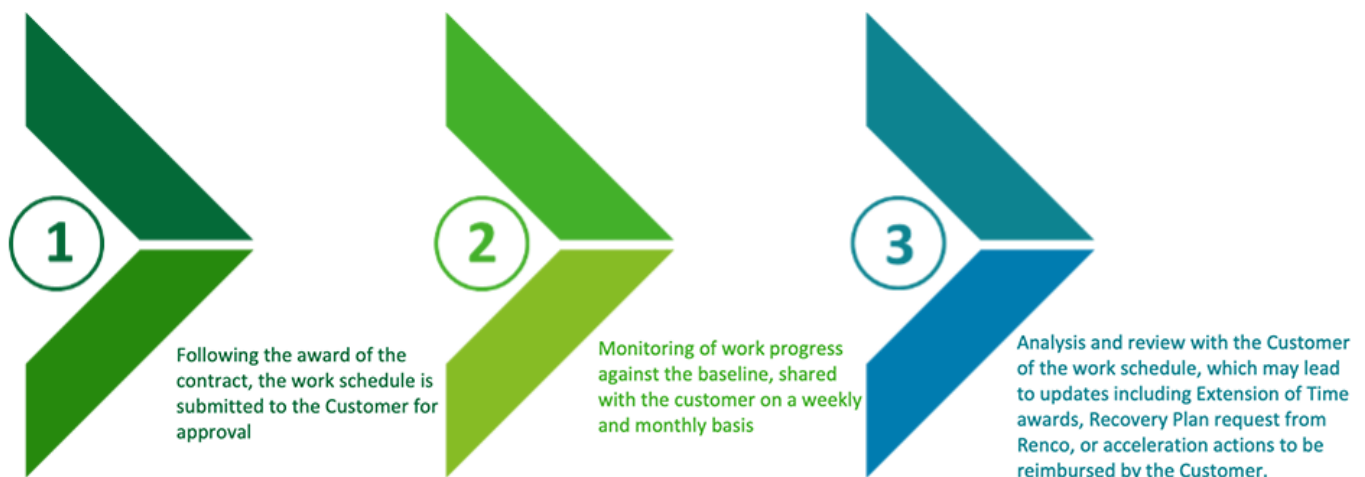
Due to the diversity of the activities carried out by Renco, customer satisfaction is interpreted and analysed in different ways across the four different **business lines**:



The management method used to monitor and assess customer satisfaction, and the results achieved during 2021, are reported below for each of these Business Units.

## Energy & Buildings

For Renco, it is essential to have an ongoing process of acquisition, execution and warranty period for projects involving the customer, with regular planning and progress control. In this way the customer is aware of the progress of the project and can provide the Group with constructive feedback. The main phases in which the customer is directly involved are as follows.



Throughout the process summarised above, the main quantitative and qualitative indicators used to assess the customer's satisfaction with the work programme and compliance with delivery dates are as follows:

- Project (or discipline) performance index, which is calculated for the whole project and is shared with the Customer by means of weekly and monthly reports;
- Possible application of Liquidated Damages or Penalties related to delays in reaching relevant milestones or the project end date specified in the contract;
- Recognition by the Customer of any incentives for reaching particular milestones on the planned date;
- Weekly and monthly reporting on the progress of the work programme, performance indicators, criticalities and points of attention and the relative feedback received from the Customer;
- Any requests from the customer for a Recovery Plan, approval and compliance with the new schedule. In these cases, from the moment the Recovery Plan is approved, the performance indicators are calculated against this new work schedule;
- Any requests by the Customer for accelerated schedules and achievement of the new target dates. In these cases, from the moment the accelerated schedule is approved, the performance indicators are calculated against this new work schedule;



- Number of revisions of the project's Original Baseline;
- Confidence Level of the work schedule, which expresses the statistical probability (%) of meeting the approved schedule. This confidence level is calculated through iterative simulations of mathematical models that simulate the potential impacts on the work schedule and the resulting overall effects on the project key milestones. These risks are:
  - risks and opportunities well identified by the *Risk Management* process (*known-unknowns*);
  - generalised risks modelled through probabilistic distributions of the expected duration of the single activities of the schedule (*known-unknowns*).

The Confidence Level is an indicator that is calculated and shared with the Customer in the case of particularly complex projects and in high-risk contexts.

In 2021, **no Liquidated Damages and/or Penalties for Delays were charged by Customers on existing contracts.**

To supplement the process of planning and controlling the progress of projects, the QHSE function is also involved. **QHSE performance indicators** provide information on the progress of a project, including Renco's reactive and proactive capacity to manage the topics listed below:

- No critical issues reported by the Customer potentially involving particularly serious economic repercussions (e.g. major non-conformities, findings, warnings, stop-work authority with major interruption of work);
- Health & Safety indicators of Project performance (e.g. workrelated injuries);
- Environmental performance indicators (e.g. waste management performance);
- Performance indicators linked to Social Responsibility elements (e.g. Presence of Grievance mechanism and Claim from local communities);
- Any sanctions or bans by public bodies following inspections related to Health, Safety and Environment;
- Quality indicators of Project performance;
- Customer acknowledgements (Awards) for outstanding project performance.

## O&M Services

The Services Business Unit constantly monitors customer satisfaction through a feedback process that involves the analysis of certain parameters established in advance with the customer based on their needs, while maintaining Renco's utmost commitment to ensuring a high standard of safety for its people.

With Renco's main customer, with approximately 700 technicians employed, a system of shared KPIs has been set up, involving the measurement of technical criteria (punctuality, quality of service and behaviour of technicians); HSE (number of warning notices, LTIFR - Lost Time Injury Frequency Rate, number of training hours); service compliance (violations of local regulations officially and definitively challenged by the authorities, violations of the customer's code of ethics); commercial behaviour (willingness to participate in meetings set at regular intervals by the customer, accuracy of data made available to the customer such as hours worked, countersigned status sheets, overtime hours, hours of delay in the service rendered); and economic criteria (economic performance such as days of delay in salary payments for employees involved in the service).

In this area, Renco's performance in 2021 according to the defined KPIs was rated **9.5 out of 10**, with 5 being the acceptable value.

With regard to the second most important customer, with about 200 technicians involved, the objective indicators that are taken into consideration are the presence or absence of complaints from customers and the average number of technicians employed on major projects.

In 2021, no complaints were received from customers of the Services BU, attesting to the investments made in staff training and the management system.

## Asset Management

The Asset Management Business Unit does not have a specific tool to assess customer satisfaction. However, this indicator, in the Hospitality area, is monitored through a score on a scale of 1 to 10 that customers staying at the Group's structures express on the booking platform (such as Booking and Trip Advisor). This method of booking allows the end customer to express their opinion, which for Renco is crucial in identifying the Group's strengths and weaknesses and improving them.

In addition, as evidence of the Group's interest in developing new systems to monitor customer satisfaction, for some years now all the Group's hotels have had a Renco rating system, which is made available to guests to rate their stay on an entirely voluntary basis. However, as this system is voluntary, it is not possible to collect evaluations from all customers.

With regard to the properties managed by the Group that are used for executive purposes (palaces, embassies, banks, etc.), the direct and daily relationship that the Group establishes with the people who work there allows for a continuous sharing of the needs highlighted by the customer and the strengths of our activities within the structure.

# Appendix

Total number of employees by contract type (permanent, fixed-term and apprenticeship), geographical area and gender (GRI 102-8)<sup>17</sup>

Contract type	As of 31 December 2020			As of 31 December 2021		
	Men	Women	Total	Men	Women	Total
<b>Italy</b>						
Permanent	211	53	264	195	48	243
Fixed term	62	6	68	58	7	65
Apprenticeship	14	7	21	6	6	12
<b>Total employees – Italy</b>	<b>287</b>	<b>66</b>	<b>353</b>	<b>259</b>	<b>61</b>	<b>320</b>
<b>Rest of the World</b>						
Permanent	2,021	534	2,555	1,157	376	1,533
Fixed term	1,060	120	1,180	1,024	214	1,238
Apprenticeship	2	0	2	0	0	0
<b>Total employees – Rest of the world</b>	<b>3,083</b>	<b>654</b>	<b>3,737</b>	<b>2,181</b>	<b>590</b>	<b>2,771</b>
<b>Group</b>						
Permanent	2,232	587	2,819	1,352	424	1,776
Fixed term	1,121	126	1,248	1,082	221	1,303
Apprenticeship	16	7	23	6	6	12
<b>Total employees – Group</b>	<b>3,370</b>	<b>720</b>	<b>4,090</b>	<b>2,440</b>	<b>651</b>	<b>3,091</b>

<sup>17</sup> For the sake of comparability, please note that the figures for the year 2020 for the companies in Congo refer to employees during the year. For the year 2021, following an improved reporting process, the number of employees given is accurate as of 31/12/2021. Any further boundary limitations are indicated in the document where appropriate. This is the case for all social performance indicators (GRI 102-8, 102-41, GRI 401-1, GRI 404-1, GRI 404-3, and GRI 405-1). The change in the number of employees from 2020 to 2021 is mainly attributable to the companies located in Mozambique and Armenia (i.e. “Rest of the World”), as a result of the reduction in the Group’s activities.

**Total number of part-time/ full-time employees by gender**  
(GRI 102-8)

Part-time/ Full-time	As of 31 December 2020			As of 31 December 2021		
	Men	Women	Total	Men	Women	Total
Full-time	3,341	695	4,036	2,421	630	3,051
Part-time	29	25	55	19	21	40
<b>Total</b>	<b>3,370</b>	<b>720</b>	<b>4,090</b>	<b>2,440</b>	<b>651</b>	<b>3,091</b>

**Total number of external workers by contract type (temporary staff, internships, other collaborators), geographical area and gender** (GRI 102-8)

Contract type	As of 31 December 2020			As of 31 December 2021		
	Men	Women	Total	Men	Women	Total
<b>Italy</b>						
Temporary staff	0	0	0	0	0	0
Stage	4	0	4	5	4	9
Other collaborators	15	1	16	11	0	11
<b>Total external workers – Italy</b>	<b>19</b>	<b>1</b>	<b>20</b>	<b>16</b>	<b>4</b>	<b>20</b>
<b>Rest of the world</b>						
Temporary staff	117	28	145	236	29	265
Stage	3	5	8	22	22	44
Other collaborators	3	1	4	16	1	17
<b>Total external workers –Rest of the world</b>	<b>123</b>	<b>34</b>	<b>157</b>	<b>274</b>	<b>52</b>	<b>326</b>

Group						
Temporary staff	117	28	145	236	29	265
Stage	7	5	12	27	26	53
Other collaborators	18	2	20	27	1	28
<b>Total external workers – Group</b>	<b>142</b>	<b>35</b>	<b>177</b>	<b>290</b>	<b>56</b>	<b>346</b>

### Percentage of employees covered by collective bargaining agreements (GRI 102-41) <sup>18</sup>

Number and percentage of employees	As of 31 December 2020	As of 31 December 2021
Number of employees covered by collective bargaining agreements	1,632	1,660
<b>Percentage</b>	<b>40%</b>	<b>54%</b>

### Total number of employees by geographical area, gender, and age (GRI 401-1) <sup>19</sup>

Number of employees	As of 31 December 2020				As of 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<b>Italy</b>	<b>38</b>	<b>228</b>	<b>87</b>	<b>353</b>	<b>33</b>	<b>206</b>	<b>81</b>	<b>320</b>
Men	23	179	85	<b>287</b>	19	160	80	<b>259</b>
Women	15	49	2	<b>66</b>	14	46	1	<b>61</b>
<b>Rest of the World</b>	<b>909</b>	<b>2,258</b>	<b>570</b>	<b>3,737</b>	<b>503</b>	<b>1,833</b>	<b>435</b>	<b>2,771</b>
Men	763	1,888	432	<b>3,083</b>	350	1,478	353	<b>2,181</b>
Women	146	370	138	<b>654</b>	153	355	82	<b>590</b>

<b>Group</b>	<b>947</b>	<b>2,486</b>	<b>657</b>	<b>4,090</b>	<b>536</b>	<b>2,039</b>	<b>516</b>	<b>3,091</b>
Men	786	2,067	517	<b>3,370</b>	369	1,638	433	<b>2,440</b>
Women	161	419	140	<b>720</b>	167	401	83	<b>651</b>

### Number of new hires (GRI 401-1)

Number of employees	As of 31 December 2020				As of 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<b>Italy</b>	<b>10</b>	<b>39</b>	<b>27</b>	<b>76</b>	<b>11</b>	<b>18</b>	<b>13</b>	<b>42</b>
Men	6	36	26	<b>68</b>	7	17	13	<b>37</b>
Women	4	3	1	<b>8</b>	4	1	0	<b>5</b>
<b>Rest of the World</b>	<b>494</b>	<b>689</b>	<b>128</b>	<b>1,311</b>	<b>404</b>	<b>719</b>	<b>121</b>	<b>1,244</b>
Men	460	605	93	<b>1,158</b>	276	518	91	<b>885</b>
Women	34	84	35	<b>153</b>	128	201	30	<b>359</b>
<b>Group</b>	<b>504</b>	<b>728</b>	<b>155</b>	<b>1,387</b>	<b>415</b>	<b>737</b>	<b>134</b>	<b>1,286</b>
Men	466	641	119	<b>1,226</b>	283	535	104	<b>922</b>
Women	38	87	36	<b>161</b>	132	202	30	<b>364</b>

<sup>18, 19</sup> For the sake of comparability, please note that the figures for the year 2020 for the companies in Congo refer to employees during the year. For the year 2021, following an improved reporting process, the number of employees given is accurate as of 31/12/2021. Any further boundary limitations are indicated in the document where appropriate. This is the case for all social performance indicators (GRI 102-8, 102-41, GRI 401-1, GRI 404-1, GRI 404-3, and GRI 405-1). The change in the number of employees from 2020 to 2021 is mainly attributable to the companies located in Mozambique and Armenia (i.e. "Rest of the World"), as a result of the reduction in the Group's activities.

## Percentage of new hires (GRI 401-1) <sup>20</sup>

Hiring rate	As of 31 December 2020				As of 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<b>Italy</b>	<b>26%</b>	<b>17%</b>	<b>31%</b>	<b>22%</b>	<b>33%</b>	<b>9%</b>	<b>16%</b>	<b>13%</b>
Men	26%	20%	31%	<b>24%</b>	37%	11%	16%	<b>14%</b>
Women	27%	6%	50%	<b>12%</b>	29%	2%	0%	<b>8%</b>
<b>Rest of the World</b>	<b>54%</b>	<b>31%</b>	<b>22%</b>	<b>35%</b>	<b>80%</b>	<b>39%</b>	<b>28%</b>	<b>45%</b>
Men	60%	32%	22%	<b>38%</b>	79%	35%	26%	<b>41%</b>
Women	23%	23%	25%	<b>23%</b>	84%	57%	37%	<b>61%</b>
<b>Group</b>	<b>53%</b>	<b>29%</b>	<b>24%</b>	<b>34%</b>	<b>77%</b>	<b>36%</b>	<b>26%</b>	<b>42%</b>
Men	59%	31%	23%	<b>36%</b>	77%	33%	24%	<b>38%</b>
Women	24%	21%	26%	<b>22%</b>	79%	50%	36%	<b>56%</b>

## Number of terminations (GRI 401-1)

Number of terminations	Turnover As of 31 December 2020				Turnover As of 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<b>Italy</b>	<b>10</b>	<b>53</b>	<b>28</b>	<b>91</b>	<b>11</b>	<b>37</b>	<b>27</b>	<b>75</b>
Men	7	45	26	<b>78</b>	8	31	26	<b>65</b>
Women	3	8	2	<b>13</b>	3	6	1	<b>10</b>
<b>Rest of the World</b>	<b>305</b>	<b>653</b>	<b>161</b>	<b>1,119</b>	<b>696</b>	<b>1,083</b>	<b>216</b>	<b>1,995</b>
Men	238	537	124	<b>899</b>	594	915	175	<b>1,684</b>
Women	67	116	37	<b>220</b>	102	168	41	<b>311</b>



<b>Group</b>	<b>315</b>	<b>706</b>	<b>189</b>	<b>1,210</b>	<b>707</b>	<b>1,120</b>	<b>243</b>	<b>2,070</b>
Men	245	582	150	<b>977</b>	602	946	201	<b>1,749</b>
Women	70	124	39	<b>233</b>	105	174	42	<b>321</b>

### Turnover rate (GRI 401-1) <sup>21</sup>

Termination rate	Turnover As of 31 December 2020				Turnover As of 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<b>Italy</b>	<b>26%</b>	<b>23%</b>	<b>32%</b>	<b>26%</b>	<b>33%</b>	<b>18%</b>	<b>33%</b>	<b>25%</b>
Men	30%	25%	31%	<b>27%</b>	42%	19%	33%	<b>16%</b>
Women	20%	16%	100%	<b>20%</b>	21%	13%	100%	<b>72%</b>
<b>Rest of the World</b>	<b>34%</b>	<b>29%</b>	<b>28%</b>	<b>30%</b>	<b>138%</b>	<b>59%</b>	<b>50%</b>	<b>72%</b>
Men	31%	28%	29%	<b>29%</b>	170%	62%	50%	<b>77%</b>
Women	46%	31%	27%	<b>34%</b>	67%	47%	50%	<b>53%</b>
<b>Group</b>	<b>33%</b>	<b>28%</b>	<b>29%</b>	<b>30%</b>	<b>132%</b>	<b>55%</b>	<b>47%</b>	<b>67%</b>
Men	31%	28%	29%	<b>29%</b>	163%	58%	46%	<b>72%</b>
Women	43%	30%	28%	<b>32%</b>	63%	43%	51%	<b>49%</b>

<sup>20</sup> The rate of new hires is calculated as the ratio between the number of employees hired during 2021, by geographic area, gender and age group, and the total number of employees at 31/12/2021, for the type indicated. The nature of Renco's business, characterised by employees with a high incoming turnover, can result in high recruitment rates.

<sup>21</sup> The turnover rate is calculated as the ratio between the number of employees terminated during 2021, by geographic area, gender and age group, and the total number of employees at 31/12/2021, for the type indicated. The nature of Renco's business, characterised by employees with a high outgoing turnover, can result in high turnover rates.

## Work-related injuries (GRI 403-9)

Rate of work-related injuries	2020	2021
Number of fatalities	0	0
Number of severe injuries <sup>22</sup>	0	0
Number of reportable injuries <sup>23</sup>	0	2
Reportable injury rate <sup>24</sup>	0	0.06

Number of hours worked	2020	2021
Hours worked <sup>25</sup>	1,663,963	6,649,476

<sup>22</sup> It includes injuries that lead to death or from which the worker cannot recover, does not recover, or where full recovery to pre-accident health within 6 months is unrealistic.

<sup>23</sup> The figure for the number of reportable injuries relates to the following: death, days away from work, restrictions on work duties or transfer to another role, medical treatment beyond first aid or unconsciousness, significant injury or illness diagnosed by a doctor or other licensed health professional (even if not resulting in death). It includes injuries resulting from commuting accidents only when transportation was organised by the Company.

<sup>24</sup> Reportable injury rate: this is the ratio between the total number of reportable workplace injuries and the total number of hours worked in the same period, multiplied by 200,000.

<sup>25</sup> In 2021, the increase in hours worked compared to 2020 can be attributed to two key aspects, which are the significant increase in the Services BU and the initiation of new contracts related to the eco-bonus.

## Training hours by professional category and gender (GRI 404-1) <sup>26</sup>

2020									
Training hours	No. of Hours Men	Total male employees	No. of hours per capita – Men	No. of Hours Women	Total female employees	No. of hours per capita – Women	No. of Hours Total	Total employees	No. of hours per capita
Executives	-	22	0.0	-	5	0.0	-	27	0.0
Managers	510	135	3.8	56	24	2.3	566	159	3.6
Ordinary employees	5,867	654	9.0	2,357	197	12.0	8,224	851	9.7
Workers	33,473	2,559	13.1	6,417	494	13.0	39,890	3,053	13.1
<b>Total</b>	<b>39,849</b>	<b>3,370</b>	<b>11.8</b>	<b>8,830</b>	<b>720</b>	<b>12.2</b>	<b>48,679</b>	<b>4,090</b>	<b>11.9</b>
2021									
Training hours	No. of Hours Men	Total male employees	No. of hours per capita – Men	No. of Hours Women	Total female employees	No. of hours per capita – Women	No. of Hours Total	Total employees	No. of hours per capita
Executives	61	29	2.1	-	5	-	61	34	1.8
Managers	593	141	4.2	15	50	0.3	608	191	3.2
Ordinary employees	6,746	671	10.1	2,093	265	7.9	8,839	936	9.4
Workers	15,617	1,599	9.8	3,867	331	11.7	19,484	1,930	10.1
<b>Total</b>	<b>23,017</b>	<b>2,452</b>	<b>9.4</b>	<b>5,974</b>	<b>651</b>	<b>9.1</b>	<b>28,991</b>	<b>3,091</b>	<b>9.4</b>

<sup>26</sup> For the sake of comparability, please note that the figures for the year 2020 for the companies in Congo refer to employees during the year. For the year 2021, following an improved reporting process, the number of employees given is accurate as of 31/12/2021. Any further boundary limitations are indicated in the document where appropriate. This is the case for all social performance indicators (GRI 102-8, 102-41, GRI 401-1, GRI 404-1, GRI 404-3, and GRI 405-1). The change in the number of employees from 2020 to 2021 is mainly attributable to the companies located in Mozambique and Armenia (i.e. “Rest of the World”), as a result of the reduction in the Group’s activities.

**Total percentage of employees who have received periodic performance and professional development reviews by gender and by employee category (GRI 404-3) <sup>27</sup>**

Number of employees who received a review	2020			2021		
	Men (%)	Women (%)	Total (%)	Men (%)	Women (%)	Total (%)
Executives	45.45%	0%	37.04%	48.28%	20.00%	44.12%
Managers	32.59%	20.83%	30.82%	27.66%	12.00%	23.56%
Ordinary employees	34.40%	39.59%	35.61%	32.64%	49.06%	37.29%
Workers	3.83%	8.70%	4.62%	6.82%	29.00%	10.62%
<b>Total</b>	<b>11.19%</b>	<b>17.50%</b>	<b>12.30%</b>	<b>15.61%</b>	<b>35.79%</b>	<b>19.86%</b>

**Employees by professional category, gender and age group <sup>28</sup> (GRI 405-1)**

Number of employees	As of 31 December 2020				As of 31 December 2021			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
<b>Executives</b>	<b>1</b>	<b>14</b>	<b>12</b>	<b>27</b>	<b>-</b>	<b>21</b>	<b>13</b>	<b>34</b>
Men	1	11	10	22	-	18	11	29
Women	-	3	2	5	-	3	2	5
<b>Managers</b>	<b>5</b>	<b>110</b>	<b>44</b>	<b>159</b>	<b>22</b>	<b>130</b>	<b>38</b>	<b>191</b>
Men	2	94	39	135	9	95	37	141
Women	3	16	5	24	13	35	2	50
<b>Ordinary employees</b>	<b>124</b>	<b>594</b>	<b>131</b>	<b>851</b>	<b>159</b>	<b>641</b>	<b>136</b>	<b>936</b>
Men	65	464	125	654	73	467	131	671
Women	61	130	6	197	86	174	5	265
<b>Workers</b>	<b>815</b>	<b>1,768</b>	<b>470</b>	<b>3,053</b>	<b>341</b>	<b>1,229</b>	<b>360</b>	<b>1,930</b>
Men	718	1,498	343	2,559	272	1,041	286	1,599
Women	97	270	127	494	69	188	74	331

<b>Total</b>	<b>947</b>	<b>2,486</b>	<b>657</b>	<b>4,090</b>	<b>522</b>	<b>2,021</b>	<b>544</b>	<b>3,091</b>
Men	786	2,067	517	<b>3,370</b>	354	1,621	465	<b>2,440</b>
Women	161	419	140	<b>720</b>	168	400	83	<b>651</b>

### Diversity in governing bodies by gender and age groups (GRI 405-1) <sup>29</sup>

As of 31 December 2020						
Number of people	Men		Women		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
< 30	-	-	-	-	-	-
30-50	2	67%	-	-	2	67%
> 50	1	33%	-	-	1	33%
<b>Total</b>	<b>3</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>100%</b>
As of 31 December 2021						
Number of people	Men		Women		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
< 30	-	-	-	-	-	-
30-50	2	67%	-	-	2	67%
> 50	1	33%	-	-	1	33%
<b>Totale</b>	<b>3</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>100%</b>

<sup>27</sup> For the sake of comparability, please note that the figures for the year 2020 for the companies in Congo refer to employees during the year. For the year 2021, following an improved reporting process, the number of employees given is accurate as of 31/12/2021. Any further boundary limitations are indicated in the document where appropriate. This is the case for all social performance indicators (GRI 102-8, 102-41, GRI 401-1, GRI 404-1, GRI 404-3, and GRI 405-1). The change in the number of employees from 2020 to 2021 is mainly attributable to the companies located in Mozambique and Armenia (i.e. "Rest of the World"), as a result of the reduction in the Group's activities.

The number of employees who received an evaluation refers only to the following Group companies: Italy, Mozambique, Qatar and Kazakhstan.

<sup>28</sup> For the sake of comparability, please note that the figures for the year 2020 for the companies in Congo refer to employees during the year. For the year 2021, following an improved reporting process, the number of employees given is accurate as of 31/12/2021. Any further boundary limitations are indicated in the document where appropriate. This is the case for all social performance indicators (GRI 102-8, 102-41, GRI 401-1, GRI 404-1, GRI 404-3, and GRI 405-1). The change in the number of employees from 2020 to 2021 is mainly attributable to the companies located in Mozambique and Armenia (i.e. "Rest of the World"), as a result of the reduction in the Group's activities.

<sup>29</sup> The composition of the governing body is related to Renco Group SpA.

## Employees belonging to protected categories (GRI 405-1) <sup>30</sup>

Employees belonging to protected categories						
Number of people	As of 31 December 2020			As of 31 December 2021		
	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-
Managers	-	-	-	-	-	-
Ordinary employees	5	4	9	3	3	6
Workers	14	12	26	15	12	27
<b>Total</b>	<b>19</b>	<b>16</b>	<b>35</b>	<b>18</b>	<b>15</b>	<b>33</b>

## Proportion of spending on local suppliers (GRI 204-1)

Proportion of spending on local suppliers (€%)	2020	2021
Italy	72%	85%
Armenia	16%	5%
Congo	1%	4%
Kazakhstan	1%	2%
Mozambique	9%	4%

<sup>30</sup> For the sake of comparability, the figures for 2020 have been restated, following an improvement in the calculation methodology. Previously published data are available in the Renco Group's Sustainability Report 2020.

<sup>31</sup> The following emission factors were used to calculate energy consumption:

- National boundary, ISPRA (Istituto Superiore per la Protezione e la Ricerca Ambientale) 2021
- International boundary, DEFRA (UK Government – GHG Conversion Factors for Company Reporting) 2021

<sup>32, 33</sup> For the sake of comparability, the figures for 2020 have been restated, following an improvement in the calculation methodology. Previously published data are available in the Renco Group's Sustainability Report 2020.

## Organisation total energy consumption <sup>31</sup> (GRI 302-1)

Energy	u.m.	2020	2021
Total energy consumption	GJ	169,643	131,040
Renewable energy	GJ	1	27
% Renewable energy of total energy consumption	%	0%	0%
Company fleet <sup>32</sup>	u.m.	2020	2021
Total company cars	n.	121	198
Total cars	n.	121	198
Total company car consumption of non-renewable fuel	GJ	41,959.67	26,548.64
Total fuel consumption	GJ	41,959.67	26,548.64

## Company fleet consumption and numbers <sup>33</sup> (GRI 302-1)

Company fleet consumption and numbers					
Business use	u.m.	2020		2021	
		Total	Total GJ	Total	Total GJ
Diesel	1	984,834	37,522	599,381	22,707
vehicles	no.	100	n/a	150	n/a
Petrol	1	128,597	4,379	112,562	3,842
vehicles	no.	20	n/a	48	n/a
GPL	1	2,250	59	0	n/a
vehicles	no.	1	n/a	0	n/a

## CO<sub>2</sub><sup>34</sup> emissions (GRI 305-1, 305-2)

Greenhouse gas emissions	u.m.	2020	2021
<b>Direct CO2 emissions - Scope 1</b>	<b>tCO<sub>2</sub></b>	<b>7,080</b>	<b>4,953</b>
Scope 1 Heating	tCO <sub>2</sub>	4,294	3,185
Scope 1 Transportation	tCO <sub>2</sub>	2,786	1,768
<b>Indirect CO2 emissions - Scope 2 - Location Based</b>	<b>tCO<sub>2</sub></b>	<b>7,179</b>	<b>6,836</b>
<b>Indirect CO2e emissions - Scope 2 - Market Based</b>	<b>tCO<sub>2</sub>e</b>	<b>7,263</b>	<b>6,918</b>

## New suppliers assessed on environmental criteria (GRI 308-1)<sup>35</sup>

Percentage of new suppliers assessed on environmental criteria		
Number and percentage of suppliers	2020	2021
Number of new suppliers assessed on environmental criteria	20	177
Number of new suppliers <sup>36</sup>	220	510
<b>Percentage</b>	<b>9%</b>	<b>35%</b>

<sup>34</sup> For the sake of comparability, the figures for 2020 have been restated, following an improvement in the calculation methodology. Previously published data are available in the Renco Group's Sustainability Report 2020.

Emissions were calculated based on the following emission factors for 2021:

- Scope 1: ISPRA 2021 for the Italian boundary and DEFRA 2021 for the international boundary
- Scope 2:
  - Electricity (Location-based): TERNA - International comparisons 2019 for both the Italian and international boundary;
  - Electricity (Market-based): AIB - European Residual Mixes 2020 was used - Source: AIB (2021) for both the Italian and international boundary. Where these data were not available in the above, TERNA 2019 was used.

Scope 1 and Scope 2 emissions are expressed in tonnes of CO<sub>2</sub>, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO<sub>2</sub>-equivalent) as inferred from the technical literature.

<sup>35</sup> The boundary of this data refers exclusively to Renco S.p.a.

<sup>36</sup> The number of new suppliers is an estimation.



# GRI content index

The Renco Group has reported the information in the following “GRI Content Index” for the reporting period from 1 January 2021 to 31 December 2021, with reference to the GRI Standards (approach with reference).

GRI Standard	Disclosure GRI 102: GENERAL INFORMATION (2016)	Page no.	Notes
<b>ORGANISATION PROFILE</b>			
102-1	Name of organisation	Page 11	
102-2	Activities, brands, products and services	Pages 11-12-13	
102-3	Location of headquarters	Page 11	
102-4	Location of operations	Pages 11-12-13	
102-5	Ownership and legal form	Pages 14-15	
102-6	Markets served	Page 11; Pages 44-51	
102-7	Scale of the organisation	Page 11; Page 21; Page 59	
102-8	Information about employees and other workers	Page 11; Page 59; Pages 88-90	
102-9	Supply chain	Pages 79-81	
102-9	Membership of associations		<ul style="list-style-type: none"> <li>▪ Competition Italian Authority;</li> <li>▪ Confindustria Pesaro e Urbino</li> <li>▪ Assomineraria</li> <li>▪ Associazione nazionale di impiantistica industriale (National association for industrial plant engineering)</li> </ul>
<b>STRATEGY</b>			
102-14	Statement from a senior decision-maker	Pages 6-7	

<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards and norms of behavior	Pages 15-17; Pages 27-30	
102-17	Mechanisms for advice and concerns about ethics	Pages 30	
<b>GOVERNANCE</b>			
102-18	Governance structure	Pages 25-26	
102-23	Chair of the highest governance body	Pages 25-27	
102-24	Nominating and selecting the highest governance body	Pages 25-27	
102-26	Role of the highest governance body in setting purpose, values, and strategy	Pages 25-27	
102-32	Highest governance body's role in sustainability reporting	Pages 25-27; Page 9	
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of stakeholder groups	Page 34	
102-41	Collective bargaining agreements	Page 90	
102-42	Identifying and selecting stakeholders	Page 34	
102-43	Approach to stakeholder engagement	Page 34	
<b>REPORTING TOPICS</b>			
102-45	Entities included in the Consolidated Financial Statements	Pages 8-9	
102-46	Defining report content and topic boundaries	Pages 8-9	
102-47	List of material topics	Pages 36-37	
102-50	Reporting period	Pages 8-9	
102-51	Date of most recent report	Pages 8-9	
102-52	Reporting cycle	Pages 8-9	
102-53	Contact point for questions regarding the report	Pages 8-9	
102-55	GRI content index	Pages 101-108	

## TOPIC SPECIFIC STANDARDS

### GRI 200: ECONOMIC SERIES

#### MATERIAL TOPIC: Responsible supply chain management

#### GRI 204: Procurement Practices (2016)

103-1	Explanation of the Material Topic and its boundary	Pages 35-36	
103-2	The management approach and its components	Pages 79-80-81	
103-3	Evaluation of the management approach	Pages 79-80-81	
204-1	Proportion of spending on local suppliers	Page 80; Page 98	

#### GRI 308: Environmental assessment of suppliers (2016)

308-1	New suppliers that were screened using environmental criteria	Page 80; Page 100	<i>The boundary of this data refers exclusively to Renco S.p.a.</i>
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#### MATERIAL TOPIC: Business Ethics and Anti-Corruption

#### GRI 205: Anti-corruption (2016)

103-1	Explanation of the Material Topic and its boundary	Pages 35-36	
103-2	The management approach and its components	Pages 28-30	
103-3	Evaluation of the management approach	Pages 28-30	
205-3	Confirmed incidents of corruption and actions taken		<i>No instances of corruption were recorded in the reporting period.</i>

#### MATERIAL TOPIC: Compliance and Risk Management

#### GRI 307: Environmental Compliance (2016)

103-1	Explanation of the Material Topic and its boundary	Pages 35-36	
103-2	Management approach and its components	Pages 27-30	
103-3	Evaluation of the management approach	Pages 27-30	
307-1	Non-compliance with environmental laws and regulations		<i>No instances of non-compliance were recorded in the reporting period.</i>

<b>MATERIAL TOPIC: Strong financial results</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Page 21	
103-3	Evaluation of the management approach	Page 21	
<b>MATERIAL TOPIC: Governance</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 25-27	
103-3	Evaluation of the management approach	Pages 25-27	
<b>GRI 300: ENVIRONMENTAL SERIES</b>			
<b>MATERIAL TOPIC: Energy efficiency</b>			
<b>GRI 302: Energy (2016)</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 71-73	
103-3	Evaluation of the management approach	Pages 71-73	
302-1	Energy consumption within the organisation	Page 73; Pages 99	
<b>MATERIAL TOPIC: Emissions reduction</b>			
<b>GRI 305: Emissions (2016)</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 74-75	
103-3	Evaluation of the management approach	Page 100	
305-1	Direct (Scope 1) GHG emissions	Pages 74; Pages 99-100	
305-2	Energy indirect (Scope 2) GHG emissions	Pages 74; Page 100	
<b>MATERIAL TOPIC: Water consumption management</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	

103-2	The management approach and its components		
103-2	Evaluation of the management approach		<i>There is currently no management model in place. However, the Group is committed to implementing one in the coming years.</i>
<b>MATERIAL TOPIC: Waste management and recycling</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 76-77	
103-3	Evaluation of the management approach	Pages 76-77	
<b>MATERIAL TOPIC: Climate Change</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Page 71	
103-3	Evaluation of the management approach	Pages 71	
<b>GRI 400: SOCIAL SERIES</b>			
<b>MATERIAL TOPIC: Employee management and retention</b>			
<b>GRI 401: Employment (2016)</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Page 59; Pages 62-63	
103-3	Evaluation of the management approach	Page 59; Pages 62-63	
401-1	New employee hires and employee turnover	Page 59; Pages 62-63; Pages 90-93	
<b>MATERIAL TOPIC: Occupational Health and Safety</b>			
<b>GRI 403: Occupational health and safety (2018)</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 67-69	
103-3	Evaluation of the management approach	Pages 67-69	
403-1	Occupational Health and Safety management system	Pages 67-69	

403-2	Hazard identification, risk assessment and incident investigation	Pages 67-69	
403-3	Occupational health services	Pages 67-69	
403-4	Worker participation and consultation, and communication on occupational health and safety	Pages 67-69	
403-5	Worker training on occupational health and safety	Pages 67-69	
403-6	Promotion of worker health	Pages 67-69	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 67-69	
403-9	Work-related injuries	Page 94	
<b>MATERIAL TOPIC: Staff development and training</b>			
<b>GRI 404: Training and education (2016)</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 65-66; Page 69	
103-3	Evaluation of the management approach	Pages 65-66; Page 69	
404-1	Average hours of training per year per employee	Page 95	
404-3	Percentage of employees receiving regular performance and career development reviews	Page 96	
<b>MATERIAL TOPIC: Diversity and inclusion</b>			
<b>GRI 405: Diversity and equal opportunity (2016)</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 60-62	
103-3	Evaluation of the management approach	Pages 60-62	
405-1	Diversity of governance bodies and employees	Pages 96-98	
<b>GRI 406: Non-discrimination (2016)</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	Management approach and its components	Pages 27-28; Pages 60-62	

103-3	Evaluation of the management approach	Pages 27-28; Pages 60-62	
406-1	Incidents of discrimination and corrective actions taken		<i>No instances of discrimination were recorded in the reporting period.</i>
<b>MATERIAL TOPIC: Staff well-being and welfare</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Page 64	
103-3	Evaluation of the management approach	Page 64	
<b>MATERIAL TOPIC: Customer satisfaction</b>			
<b>GRI 416: Customer health and safety</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 82-87	
103-3	Evaluation of the management approach	Pages 82-87	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	.	<i>No instances of non-compliance were recorded in the reporting period.</i>
<b>MATERIAL TOPIC: Quality and value chain</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Page 82	
103-3	Evaluation of the management approach	Page 82	
<b>MATERIAL TOPIC: Protection of and compliance with working conditions</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Page 23; Pages 27-28; Page 64	
103-3	Evaluation of the management approach	Page 23; Pages 27-28; Page 64	
<b>MATERIAL TOPIC: Impact on the territory and involvement of local communities</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 42-57	

103-3	Evaluation of the management approach	Pages 42-57	
<b>MATERIAL TOPIC: Social/environmental certifications</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 80-81	
103-3	Evaluation of the management approach	Pages 80-81	
<b>MATERIAL TOPIC: Constant dialogue with stakeholders</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 34-35	
103-3	Evaluation of the management approach	Pages 34-35	
<b>MATERIAL TOPIC: Brand identity</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 11-17	
103-3	Evaluation of the management approach	Pages 11-17	
<b>MATERIAL TOPIC: Employer Branding</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 62-63	
103-3	Evaluation of the management approach	Pages 62-63	
<b>MATERIAL TOPIC: Corporate philanthropy</b>			
103-1	Explanation of the Material Topic and its boundary	Pages 36-37	
103-2	The management approach and its components	Pages 42-57	
103-3	Evaluation of the management approach	Pages 42-57	





## INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

### To the Board of Directors of Renco Group S.p.A.

We were commissioned to carry out a limited examination (“*limited assurance engagement*”) of the Sustainability Report of Renco Group S.p.A. and its subsidiaries (hereinafter “the Group” or “Renco Group”) for the financial year ended 31 December 2021.

### Responsibility of the Directors for the Sustainability Report

The Directors of Renco Group S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” established by GRI – Global Reporting Initiative (“GRI Standards”), as stated in the paragraph “Methodological note” of the Sustainability Report.

The Directors are also responsible, for such internal control as they determine is necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Group’s objectives in relation to the sustainability performance, for the identification of the stakeholders and the significant aspects to report.

### Auditor’s Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our auditing firm applies *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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## Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised* ("*reasonable assurance engagement*"), and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with the company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we carried out the following procedures:

- analysis of the process related to the definition of material aspects disclosed in the Sustainability Report, with reference to the methods used for the identification and prioritization of material aspects for the different categories of stakeholders and to the internal validation of the process results;
- understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with the management and personnel of Renco Group S.p.A. and with the personnel of Renco-Kat S.r.l., Renco Property LLP, Renco Gestion Immobiliere, Renco Congo Sarlu, Renco Congo Valore, Italsec Congo and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at Group level:
  - in regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  - in regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for the following entities Renco Group S.p.A., Renco-Kat S.r.l., Renco Property LLP, Renco Gestion Immobiliere, Renco Congo Sarlu, Renco Congo Valore e Italsec Congo which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings during which we have met with the personnel responsible for the preparation of the Sustainability Report and have gathered supporting documentation, on a sample basis, with reference to the correct application of procedures and calculation methods used for the indicators.

## Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Renco Group as of December 31, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological Note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Jessica Lanari**  
Partner

Ancona, Italy  
July 28, 2022

*This report has been translated into the English language solely for the convenience of international readers.*







