

2022 Sustainability Report

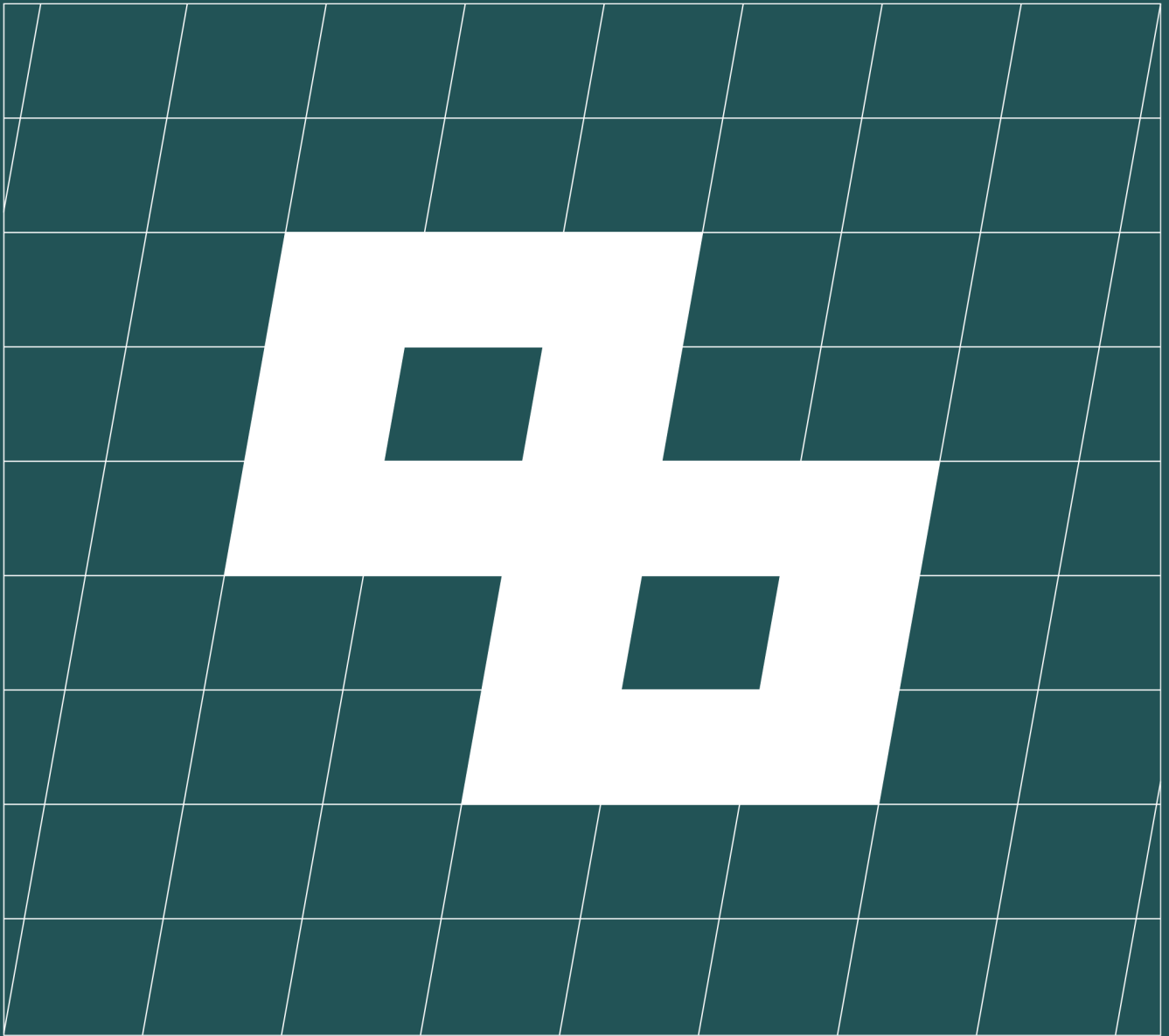


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Letter to Stakeholders

We are pleased to present our Sustainability Report. For us, this document is an important tool for reporting and transparent communication, illustrating the activities of our organisation and not only the financial results that have been achieved.

A few years ago, we decided to change our strategy in order to respond to the radical changes in our target markets and to make the most of the opportunities: we decided to shift our focus from the oil and gas market to the energy transition market and to reduce our role as an EPC contractor to that of a developer and implementer of complex projects, thereby increasing the involvement of public and financial institutions in our business.

From an operational perspective, we are already at an advanced stage in this process of change: almost all of our current projects are either related to the energy transition, are projects we have developed (usually project finance), or fall into both categories. Our major development initiatives, such as those in Congo and Mozambique, take the concept so far that they are 'disruptive' to our traditional business.

This means that sustainability is at the heart of our strategy and philosophy, so we translate ESG principles into concepts that relate to the way we do things.

Economic sustainability translates into the organisation's inherent resilience due to geographical and business diversification.

Social responsibility translates into reciprocity, that is, in the idea that Renco grows if and only if the countries in which it operates grow. Therefore, also

through the work of our foundation, we build schools and hospitals: because our aim is not to exploit territories, but to inhabit them.

Finally, our interpretation of environmental sustainability is one of legacy: we build not only for ourselves but also for those who will come after us.

Hence our new payoff, which sums up our philosophy: 'live the planet better': Renco knows that only human relationships, technological innovation and investment in beauty can help create a sustainable development model and leave a better world for future generations. Building strong and lasting relationships with customers, communities, and industrial, institutional and technical partners is a strategic asset for our Group.

CHAIRMAN OF THE BOARD OF DIRECTORS
Giovanni Gasparini

Methodological note

This document is the third Sustainability Report of the Renco Group (hereinafter also referred to as “Renco” and the “Group”) and its subsidiaries, describing its initiatives and main sustainability performance results achieved in 2022 (from 1 January 2022 to 31 December 2022).

The Sustainability Report has been prepared with reference to 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 coverage of the GRI indicators reported in this document.

The content of the report was selected based on the results of the materiality analysis carried out in early 2023, which identified material aspects for the Group and its stakeholders and is included in this document in section 3.3. "Materiality Analysis.

The scope of the economic and financial data and information presented in this document is consistent with that of the Group's Consolidated Financial Statements as at 31 December 2022¹.

Data and information of an environmental and social nature include Companies in Italy² (Renco S.p.A., Renco Capital S.r.l., Italsec G7 S.r.l., Renco Asset Management S.r.l.), in Armenia (Renco Armestate L.T.D., Armenia Gestione, Renco Armenia Valore L.T.D., Nuovo Velodromo, Italsec Armenia, Renco Power CJSC, Armpower CJSC), in Kazakhstan³ (Renco Kat S.r.l., Renco Property LLP), in Congo (Renco Gestion Immobiliere, Renco Congo Sarlu, Renco Congo Valore, Italsec Congo, Renco Green Sarlu), in Mozambique (Italsec Mozambique, Real Moz LDA, Renco Mozambique LTP, Rencotek LDA, Renco Energia LDA, Mozestate LDA, Capo del Gado Properties SA, Pemba Bulk Terminal LTD, Renco Moz Green LTD) and, with respect to the two-year period 2021-2022, Renco Middle East LLC in Oman was included. With reference to corporate information only, the reporting scope also includes the company Renco Qatar.

The Sustainability Report is prepared on an annual basis.

Where available, prior year comparatives have been included to assist in the assessment of the Group's performance. Restatements of previously published comparatives are clearly identified as such. Furthermore, the use of estimates has been minimised in order to present a fair view of the Group's performance and to ensure the reliability of the data. Where used, these are based on the best available methodologies and are clearly identified.

The document is subject to a limited assurance engagement according to the criteria set forth in ISAE 3000 Revised Standard by Deloitte & Touche S.p.A.

This Sustainability Report was approved by the Board of Directors on 5 October 2023, and is available on the Renco Group website in the Investor Relations section as of 6 October 2023.

For any information on the Sustainability Report, please write to: sustainability@renco.it.

¹ Please refer to the Renco Group's 2022 Consolidated Financial Statements, which can be downloaded from the Investor Relations section of the website www.renco.it.

² The following companies with commercial offices only are excluded since they have no significant environmental and/or social impacts: (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, Renco Erma S.r.l., Greenergo). Any further limitations of scope are indicated in the text.

³ Companies with commercial offices only are excluded since they have no environmental and/or social impacts (Geodelta CORP). Any further limitations of scope are indicated in the text.

1. The Renco Group



Group Profile and History



Renco S.p.A., based in Pesaro, Italy, was founded in 1979 by Rinaldo Gasparini and 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 its customers with sound and efficient business solutions through evolving *know-how*, innovative approaches and proven processes tailored to its customers' needs. Over the years, the Group has gained extensive and relevant international experience, with numerous major projects in more than 50 countries in Europe, Africa, Asia and the Middle East, and has become a global company, active in several countries and employing more than 2,000 staff worldwide.



Over the years, the company's activities have expanded to include a wide range of services to meet all customer requirements. Renco's core activities include consultancy, provision of technical staff, engineering and construction services for the energy, Oil & Gas and civil infrastructure sectors. The customer base consists of some of the most important international *players* in the *energy* sector, multinational groups, government institutions and NGOs.

The Group's activities are organised into several business lines, including the **Energy** Business Line, the **Buildings** Business Line, the **Asset Management** Business Line, and the **Services** Business Line.

- **Energy** Renco, as developer, financial sponsor and general contractor for complex large-scale high-tech projects (gas treatment and compression plants, gas-fired power plants, wind farms, hydroelectric and solar power plants and hydrogen production plants);
- **Buildings** Renco, as a constructor of buildings and multifunctional building complexes, both through project financing and turnkey projects;
- **Asset Management** Renco, as a manager of hotels and offices in Italy and abroad, as well as work camps for employees and workers in remote locations, with qualified personnel managing all activities;
- **Services** Renco, as a provider of integrated industrial services, design and detailing, management and supervision during the construction phase, operation and maintenance of complex industrial plants and large-scale complex works.

An evolved 'Local Content'

The Group has a strong presence in the local communities of the countries in which it operates, which is a crucial strategic advantage.



Knowledge of the territory and of the socio-political context

Renco's well-established presence in several emerging countries provides an in-depth understanding of the local socio-political dynamics and regulatory environment. An example of this is the combined cycle power plant project in Yerevan, Armenia, where Renco led a *project finance* initiative involving the IFC (of the World Bank Group) and Siemens as technology *partner*, and negotiated a number of contractual terms with the Armenian government.



Presence on the ground to control operations

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

For its projects, the Company monitors the progress of the work through *expat* personnel who follow the progress of the activities in the field. In this way, Renco has direct control over its 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 feature allows the company to promote advanced *local content*, creating added value in the countries where it operates. In addition, Renco also supports local charities.

Corporate structure

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 are important sub-holdings of the parent company:

- **Renco S.p.A.** operates as an *EPC Contractor* in the industrial plant engineering and civil construction sectors and provides technical support and *Operation & Maintenance* services to the Gas sector. Renco S.p.A. controls three different business lines: Energy (construction of gas treatment plants, gas compression stations and power generation plants), Buildings (construction of high-tech multi-purpose buildings) 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.** provides logistics services for expatriate staff, hotel management services and manages the Group's and third parties' administrative buildings;
- **Renco Valore** carries out Development and Asset management activities and owns the Group's real estate assets, which are managed by Renco Asset Management S.r.l. ⁴

⁴For more information, please refer to the Organisation Chart section on the Renco website (www.renco.it)

Summary of the Renco Group's corporate structure
as at 31 December 2022



Renco Group milestones

1982

Diversification and opening of foreign offices

First offices opened in Nigeria, Russia, Kazakhstan and Congo

2004

Revenue consolidation

Turnover steadily exceeds EUR 100 million

2015

Opening to the capital market

Since 2015, 3 bond issues have been carried out for approximately EUR 50 million

2019

Additional certifications

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

2021

Completion of the Armpower power plant

254 MW, with ignition and production start-up

1979

Incorporation of Renco S.p.A.

Rinaldo Gasparini launches the company as a design and engineering service provider for the Oil & Gas sector.

2000 – 2010

Consolidation of international presence

Strengthening of the presence of the company in Europe, Africa and the Middle East

2013 – 2014

Expansion of the customer base

Customer diversification and focus on the gas and renewables sector

2017

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

With Armpower

2020

Group Restructuring

Industrial Activities, Propco and Asset Management

Group Highlights in 2022

Over the years, the **Renco Group** has established numerous locations in key economic countries. As at 31.12.2022, the value of production by geographic area corresponds to:

Europe	EUR 233.9 million	53%
Africa	EUR 60.4 million	13%
The Middle East	EUR 21.9 million	5%
Former CIS countries	EUR 127.9 million	29%

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

Renco plans to set up new offices in the future, with a focus on the Middle East and the African continent.



1.3 Values and mission

Historically, Renco has made a very positive contribution to the development of the countries in which it has operated. Indeed, it has always looked with great interest at the opportunity to work and make pioneering investments in so-called 'emerging' countries, helping to create the conditions for their growth and development.

The transfer of *know-how*, the employment plan for the local labour force, the technological development in the field of industrial plant construction, the architectural and design development in the field of civil engineering, the redefinition of higher standards in terms of the quality of works and services, thanks also to the use of the Italian value chain, strongly push the areas involved towards development and 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 region, providing it with stable further business and growth opportunities, together with the Country in which the Company has decided to invest and operate.

What has been described above is an extremely long and demanding process, but one that will allow Renco to penetrate and consolidate its presence in the country in a significant way, which is why Renco has decided to focus its growth strategy on a few selected territories to which it will introduce all its business divisions. Italy, Kazakhstan, Armenia, Mozambique, Republic of Congo (Brazzaville) are the main ones.

As part of its risk diversification strategy, the Group is also consolidating its presence in traditional markets, working and investing in Europe and the Middle East.

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

The Group's values, *together with its mission*, underpin Renco's *business model* and allow it to become increasingly integrated with the territories 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 great emphasis on building and maintaining long-term relationships with all its customers, providing them with the services they need to achieve their *business* goals.

The three main values that characterise Renco's culture are:

Professionalism

Courage

Loyalty



A sustainable business model

At Group level, the industrial strategy is based on four fundamental **principles**:



Participation limited to tenders for the implementation of highly complex EPC projects for which Renco S.p.A.'s expertise and references represent an important competitive advantage;



Investments to support the areas of activity in which the company operates related to the world of energy production, logistics, and raw material processing, which can guarantee a constant revenue stream over time;



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



Strengthening, with the necessary gradualness, the **development of and participation in Public Private Partnership (PPP) initiatives** in which Renco participates as a developer and backer of the needs perceived by customers and in the implementation of projects. The possibility of bringing finance to the project represents a significant competitive advantage to the Group. This is the result of a long process of developing the Group's skills and capabilities, and the adoption of this new industrial strategy has led to the first project entirely designed and built in-house: the Yerevan combined cycle power plant.

With these principles in mind, the Group's main **objectives** are to maximise its penetration capacity in the countries in which it chooses to invest and operate, reinvesting part of the profits generated in the country itself, and subsequently seeking to bring all of the Group's businesses into the country. This strategy reduces business risk by giving the Group in-depth knowledge of the administrative, legal and commercial aspects of the countries in which it operates, and also avoids wasting energy and resources searching for opportunities in new

and unfamiliar countries. Ultimately, this strategy has the effect of mitigating the risks of EPC business, building customer loyalty and strengthening relationships in the countries where the Group operates, giving it a strong competitive advantage over possible *competitors*. Finally, thanks to the Italian value chain, the Group encourages the development of and participation in initiatives that reward quality rather than price competition.

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



Specifically, each of the two main subsidiaries of Renco Group S.p.A. has its own *businessmodel*.

- **Renco S.p.A.** 's *business model* includes a strategy of focusing on projects in the gas and renewable energy industrial chain, also acting as developer, *sponsor* and *arranger* in Public Private Partnership (PPP) investments, in order to increase the overall the

overall margin and develop revenues from long-term services, even after the work has been completed.

- The *business model* of **Renco Valore S.p.A.**, on the other hand, focuses mainly on the quality of its properties, which is the main feature that attracts clients to the Group rather than to its competitors. The quality of Renco's *buildings* is reflected in the construction of low-energy infrastructures and the use of Italian materials for the finishes. Another strength of Renco's property assets is the ongoing computerised maintenance that all the Group's properties are subjected to. Finally, all Renco Valore structures are equipped with customer relations procedures aimed at constantly improving the quality of the services provided.

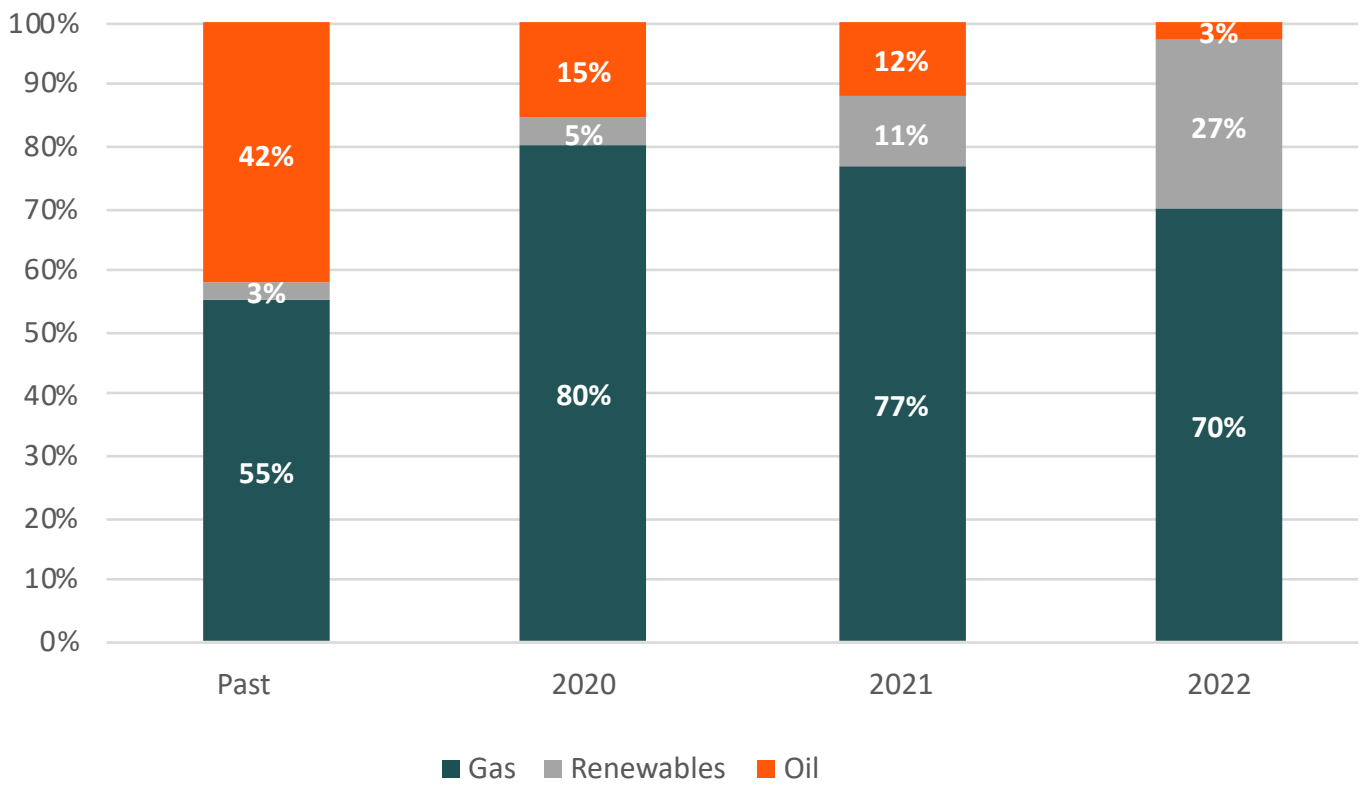
The Renco Group has embarked on a broad and structured strategic path, seeking to integrate **sustainability** into its business. In fact, the Group has shown an interest in pursuing the goal of creating shared value for its *stakeholders*, a distinctive element of companies that make sustainability an important strategic driver. Today, Renco has grown significantly, expanding outwards, acquiring new important customers, establishing *partnerships* with major global industrial groups, opening up to international financial institutions for project and investment support, and focusing on an ecological transition in the field of renewable energies (wind and photovoltaic) and energy production from other cycles (evident in the work carried out for the development and construction of the combined cycle power plant in Armenia). The focus on *environmental sustainability* has grown in the area of both *power generation* projects and energy efficiency optimisation of buildings.

This is the result of an **energy transition strategy** for the Group's activities. The strategy was launched in 2012 when the Group decided to withdraw from EPC activities directly related to oil. To this end, the following graph represents the transition of Renco's production value by energy source.

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

In terms of **economic performance**, the 2022 financial year saw the continuation of the contract for the construction of the Everdrup gas decompression station and the start of a major contract for the construction of a 173-kilometre aqueduct line in Kazakhstan.

Transition of Renco's production value by energy source (2022)



In addition, the activities related to Bonus 110 (also known as 'Superbonus 110') were an important source of production for RENCO.

In this respect, the 2022 financial year ended with a **production value of EUR 444 million**, an increase of 32.8% compared to 31 December 2021⁵.

FORBES – Sustainability Award top 100

In the second edition of the Forbes award, RENCO made it into the top 100 companies that stand out for sustainability. The award recognises those companies that have made sustainable development an integral part of their corporate DNA, by designing processes, systems and resources in such a way as to reduce their environmental and social impact.

⁵ Please refer to the Renco Group's 2022 Consolidated Financial Statements, which can be downloaded from the Investor Relations section of www.renco.it.

2. Group Governance



The Governance of the Renco Group

Renco Group's corporate governance system consists of:

- **Ordinary Shareholders' Meeting** The **Ordinary Shareholders' Meeting** is responsible for matters established by law and by the articles of association. 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, sons of the Group's founding partner Rinaldo Gasparini and partner Antonio Passeri respectively.
- **Board of Directors** The Board of Directors (BoD) ensures adequate competence and knowledge of the company and is responsible for the implementation of the Model in the Company.

In accordance with the Articles of Association, the members of the Board of Directors hold office for the term determined at the time of their appointment by the Shareholders' Meeting and for a period of three financial years.

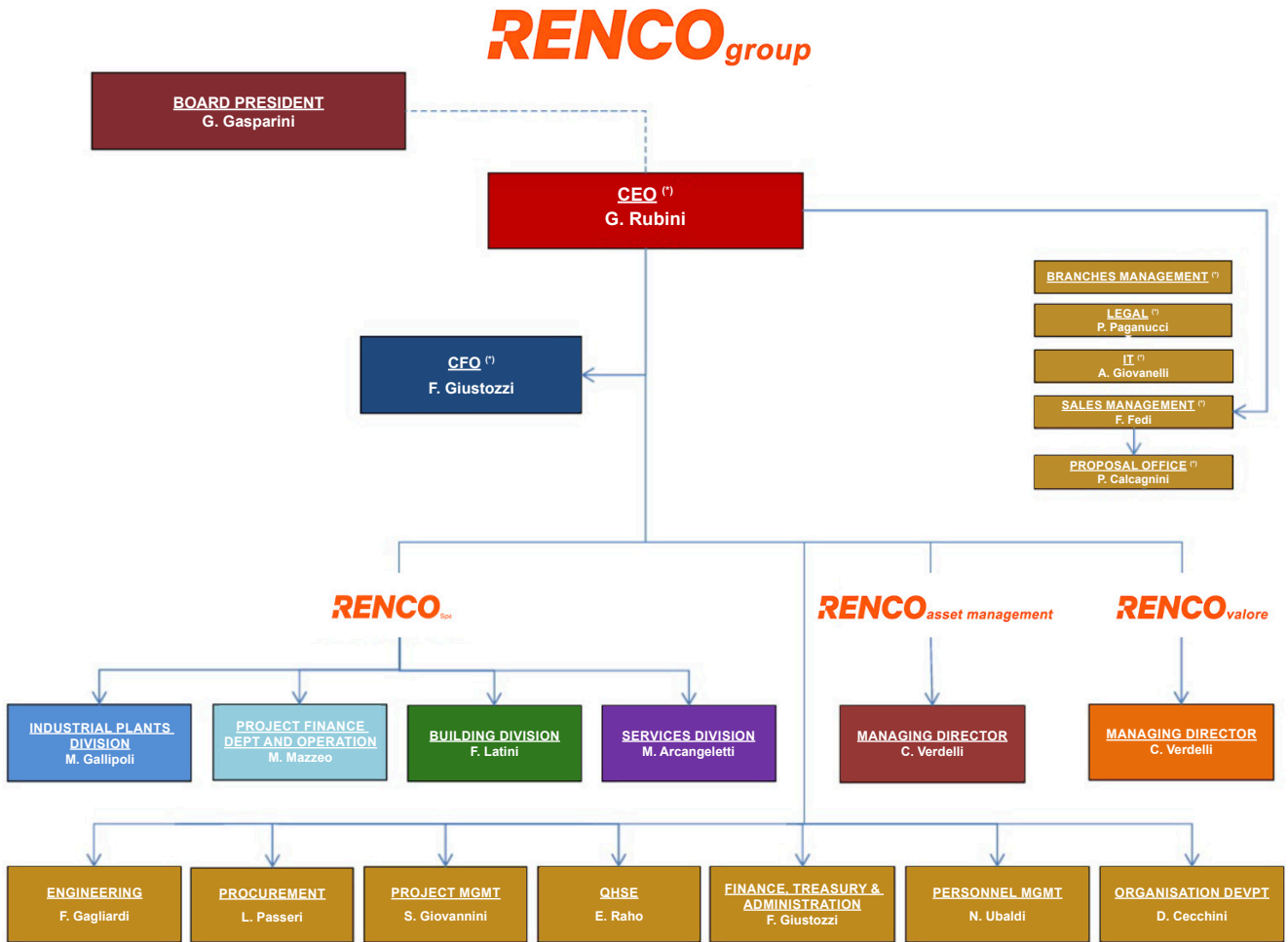
As at 31/12/2022, the Board of Directors of Renco Group S.p.A. was composed as follows: Giovanni Gasparini (son of Group founder Rinaldo Gasparini), Chairman, Lorenzo Passeri, Director and Giovanni Frezzotti Independent Director. The appointment was made in 2021, and the term of office will expire on the date of the Shareholders' Meeting to be convened to approve the annual financial for the year ended 31 December 2023.

The Board of Directors delegates to the **Chief Executive Officer** the task of developing the Group's business and investment plan and of drawing up and pursuing a corporate policy that complies with the Code of Ethics model adopted by the Renco Group in 2011. The Group's reference manager, who holds the position of Chief Executive Officer of the operating subholdings Renco S.p.A. and Renco Valore S.p.A., is Mr Giovanni Rubini.

Regarding the remuneration of the members of the Board of Directors, the system provides for board members to receive a fixed annual remuneration. This remuneration system is in line with applicable regulations and the Group's internal guidelines, ensuring transparency and fairness in the remuneration of the Board members.

- **Supervisory Body** The Supervisory Board, responsible for supervising and monitoring compliance with the Code of Ethics, is the body that oversees the operation of and compliance with the Organisational, management and control models, and verifies their effectiveness and efficiency in order to prevent any conduct that may constitute any type of offence.

Renco Group organisation chart as at 31 December 2022



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

Company *policy* requires that Renco S.p.A.'s entire organisational structure be adequately trained in the application of the various procedures for the prevention and avoidance of any potential offence and in the compliance with the **Code of Ethics** established by the Company.

A fundamental role in the organisational structure has been assigned to the managers of the various business units, who, with the support of specialised external consultants, have helped to define the risk areas and to identify the business functions in which the adverse events envisaged by the Decree may occur.

- **Sustainability Committee** In early 2023, Renco established a Sustainability Committee, a multidisciplinary, cross-functional advisory body to facilitate strategic decision-making on sustainability. The main purpose of the Committee is to facilitate the design, implementation, monitoring, evaluation and control of the actions foreseen in the ESG Medium and Long-Term Plan, which is currently being developed.











2.2 Business Ethics and Integrity

The Renco Group has always based its governance system and the conduct of all its activities on the principles of loyalty, fairness, transparency, honesty and integrity, in compliance with laws, regulations, mandatory requirements, international standards and guidelines, both domestic and foreign.

Code of Ethics

In this regard, the Group has its own Code of Ethics, approved by the Board of Directors, which contains the principles and rules of conduct that Renco recognises in the performance of its activities and in the management of its relations with third parties. The Code of Ethics guides executives and employees, consultants, suppliers and intermediaries to conduct business with integrity and honesty. The document was adequately communicated to all employees through dedicated meetings, which also explained the system of sanctions in case of violation of the relevant rules and procedures.

In particular, the Group's Code of Ethics 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 Italian Leg. 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 has been created in order to combat, through the preparation and adoption of appropriate procedures, all unlawful and prejudicial conduct provided for by the reference legislation; it is regularly updated on the basis of new regulations periodically introduced by the legislator.

The Group is committed to consistently complying with corporate policies against corruption, a behaviour that is contrary to the Group's culture and poses a threat to its activities and people. In accordance with the provisions of the Code of Ethics, the Group prohibits its employees, business partners and anyone acting in the name or on behalf of the Group, from offering, promising, requesting (*active bribery*) or accepting (*passive bribery*) any form of improper and/or unlawful payment, either directly (by Renco employees) or indirectly (by anyone acting in the name of and/or on behalf of Renco), in money or other benefits, or anything that represents an advantage to the person, whether material or moral, economic or otherwise, considered as such by custom and common belief, including facilitating and guaranteeing the achievement of services due, in business activities or also in relations with its stakeholders or the Public Administration.

The first step in developing an effective strategy to fight corruption and conduct that could be construed as a criminal offence is to establish specific procedures that all executives and employees must follow.

On the basis of the zero-tolerance policy towards any corruption and/or criminal offence, dictated by the Board of Directors, the Group has drawn up **an Anti-Corruption Compliance Programme**, which summarises the Group's commitment to the principles outlined in the Code of Ethics, the Anti-Corruption Policy and related procedures, and the provisions introduced by anti-corruption laws and related international *Best Practices* (Italian Legislative Decree No. 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
Selection of Suppliers and Subcontractors	The process of selecting and concluding contracts with suppliers and sub-contractors must follow a procedure that includes, as early as the selection stage, the careful gathering of information and certifications to prove the integrity of the counter-party and the absence of legal proceedings.
Staff selection and recruitment	Corruption is often linked to the recruitment of staff, which can be a reward for undue favours. A procedure must therefore be followed by those in charge of the Human Resources Office to ensure that candidates are properly identified and selected.
Relations with public bodies or public officials	Also in this case, a procedure is in place to ensure that no corruption or bribery offences are committed. In particular, the joint presence of at least two Renco employees is required during meetings with public officials, precisely to increase deterrence, and the Code of Ethics highlights any possible unlawful conduct in relations with the PA.
Receipt or giving of gifts, stays, dinners and lunches	Under a special policy, all Renco employees are allowed to accept gifts on special occasions, such as Christmas, as long as the value of the gifts is limited. If this is not the case, the employee may not accept the gift, unless expressly authorised to do so by the Supervisory Board. It is also forbidden to offer hotel accommodation or lunches and dinners to third parties which, because of their value, could be regarded as improper remuneration. A maximum spending limit is set for each dinner or lunch offered.
Payments of sums	All payments must be carefully documented and approved by at least two persons, including the Head of Finance, who has been expressly authorised. Renco has adopted the Oracle software system, which allows each transaction to be tracked and includes a dual approval procedure.

In addition, the Group has set up a **Compliance Office** and appointed a Compliance Officer responsible both for implementing appropriate procedures (based on the Group's needs) and for organising specific training and awareness-raising activities for all its employees.

The Compliance Officer, in cooperation with **the Supervisory Board**, is responsible for assessing the adequacy of procedures (e.g. supplier selection procedures) to prevent offences provided for by the relevant legislation. The Office has the power to carry out internal audits in order to verify the effective implementation of procedures and compliance with the Code of Ethics.

These supervisory bodies must immediately report to the Board of Directors any breaches they discover and undertake to immediately put an end to any unlawful conduct, which must be reported to the competent judicial authorities if it involves criminal offences. The proper verification and documentation of any non-compliance is the responsibility of the Supervisory Board, which proposes to the company's governing bodies, primarily the Board of Directors, the adoption of appropriate measures and procedures to prevent the recurrence of such conduct.

In 2022, there were no cases of non-compliance with laws and regulations, and there were no incidents of corruption or violations of the Code of Ethics. In addition, the Group has not been the subject to any legal proceedings relating to anti-competitive behaviour, monopolistic practices or violations of antitrust laws.

For the future, in addition to the continuous and constant updating of the model in accordance with regulatory additions, Renco has also arranged for a new risk assessment, taking into account the company's actual activities, and the implementation of procedures to prevent any possible non-compliant behaviour. In particular, in May 2023, Renco S.p.A.'s Anti-Corruption Management System was certified according to ISO 37001.

With regard to **conflicts of interest**, the Supervisory Board conducts regular internal audits to ensure that there are no conflicts of interest among senior executives.

Whistleblowing system

Renco has implemented a **whistleblowing** system that encourages staff to identify and report any illegal acts and violations of the Company policies or regulations. In line with this principle, all Renco employees and collaborators have been provided with an e-mail from the Compliance Department to report such cases anonymously.

Control system

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 main components of the control system are:

- Authorisation and signatory powers that ensure the application of the principle of separation of functions (no one can manage an entire process independently).
- Control and management systems (particularly of financial resources) capable of verifying and documenting the consistency and congruence of each operation. This is also done through the Oracle Management System, which provides for special control and approval processes prior to any economic and financial disbursement.
- Ongoing training of management and all staff.
- Appointment of a Supervisory Board that meets the requirements of autonomy and independence, professionalism and continuity of action. This body monitors the adequacy and implementation of the model approved by the Board of Directors and reports periodically to the Board on the results of its work. In addition, as described above, the Supervisory Board, with the support of the Compliance Office, undertakes to assess compliance with and the exact application of various corporate procedures through internal audit processes, the results of which are subsequently communicated to the executives concerned and to the Managing Director and the Board of Directors.

Supervisory and control bodies

The additional supervisory and control bodies are:

- **Board of Statutory Auditors:** it consists of 3 full members and 2 alternate auditors. All members of the Board remain in office for three financial years. The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, compliance with the principles of good governance and the adequacy of the organisational, administrative and accounting structure adopted by the Company in its day-to-day operations;
- **Auditing Company:** the mandate for the statutory audit of the accounts for the years 2022-2024 was given by the Shareholders' Meeting to Deloitte & Touche S.p.A.

3. Renco Group's journey to sustainability



Renco is aware that only human relationships, technological innovation and investment in beauty can help build a sustainable development model and leave a better world for future generations.



The Renco Group is constantly working to fully integrate social and environmental sustainability into its business model. Achieving the **Social Accountability 8000** certification for the social responsibility management system (November 2020) and publishing a **Sustainability Report** are important steps in the Group's journey.

LIVING THE PLANET BETTER

Crisis, opportunities and change

Sustainable Development. The Role of the enterprise and of the community

In November 2022, Renco organised the **'Living the planet better'** event, dedicated to corporate and community social participation, with the participation of companies, public authorities, social partners and trade associations. Throughout the day, the speakers covered a number of key topics in the areas of sustainable development, health and safety, diversity management and energy communities.

SOLAR COMMUNITY

Also in 2022, in collaboration with the Municipality of Pesaro, Renco developed the (pilot) **Solar Community** project, which involved twelve households, including six Renco employees. The energy produced by the photovoltaic panels installed at Renco's facilities is fed into the city's grid, and a smart meter counts the amount of solar energy used in the homes of the twelve participating households.

In 2022, the installation of photovoltaic panels allowed saving 114.25 tonnes of CO₂*

* Avoided emissions were calculated based on the 'electricity mix emission factor', which represents the average CO₂ emissions from the production of electricity used in Italy. The figure is made public by the Ministry of the Environment, which, updated to date, is 0.531 kg CO₂/kWh.

The Group Stakeholders

The Renco Group has decided to embark on a path that increasingly emphasises sustainability issues, in line with its activities and reference context. In particular, the Group is committed to conducting its *business* in a way that creates shared value for its *stakeholders*. For this reason, it is of paramount importance for the Group to identify the issues that are relevant to the stakeholders with whom it has the most significant interactions.

At the beginning of 2023, the relevant stakeholders were identified through a study of the specific characteristics of the Renco Group and an analysis of the context and the reference sector, also taking into account the national and international best practices of companies in the sector through an in-depth benchmark analysis. The *stakeholders* identified include those who are most affected by the activities of the Renco Group and those who have a direct or indirect impact on the Group's activities and results.

This process led to the identification of twelve categories of key stakeholders, which are listed below:



For the coming years, the Group intends to establish an ongoing dialogue with a panel of *key stakeholders* in order to take into account their expectations and integrate the Group's *stakeholder engagement* strategy.

As part of its activities, Renco interfaces with the Competition and Market Authority, the National Association of Industrial Plant Engineering, Confindustria of Pesaro and Urbino, and Assomineraria.

3.3 Materiality Analysis

Carrying out a materiality analysis is of crucial importance for the Renco Group as it allows it to focus on both the aspects relevant to the Group and the interests and expectations of its *stakeholders*.

The materiality analysis process, which was carried out for the first time in 2021, for the purpose of inclusion in the Sustainability Report 2020, identified significant economic, social and environmental aspects for the Renco Group and its *stakeholders*.

On 1 January 2023, the updated GRI Universal Standards (2021) came into effect. One of the key concepts in the update of the GRI Standards is that material issues are those that represent the most significant impacts an organisation has on the economy, the environment and people, including impacts on human rights.

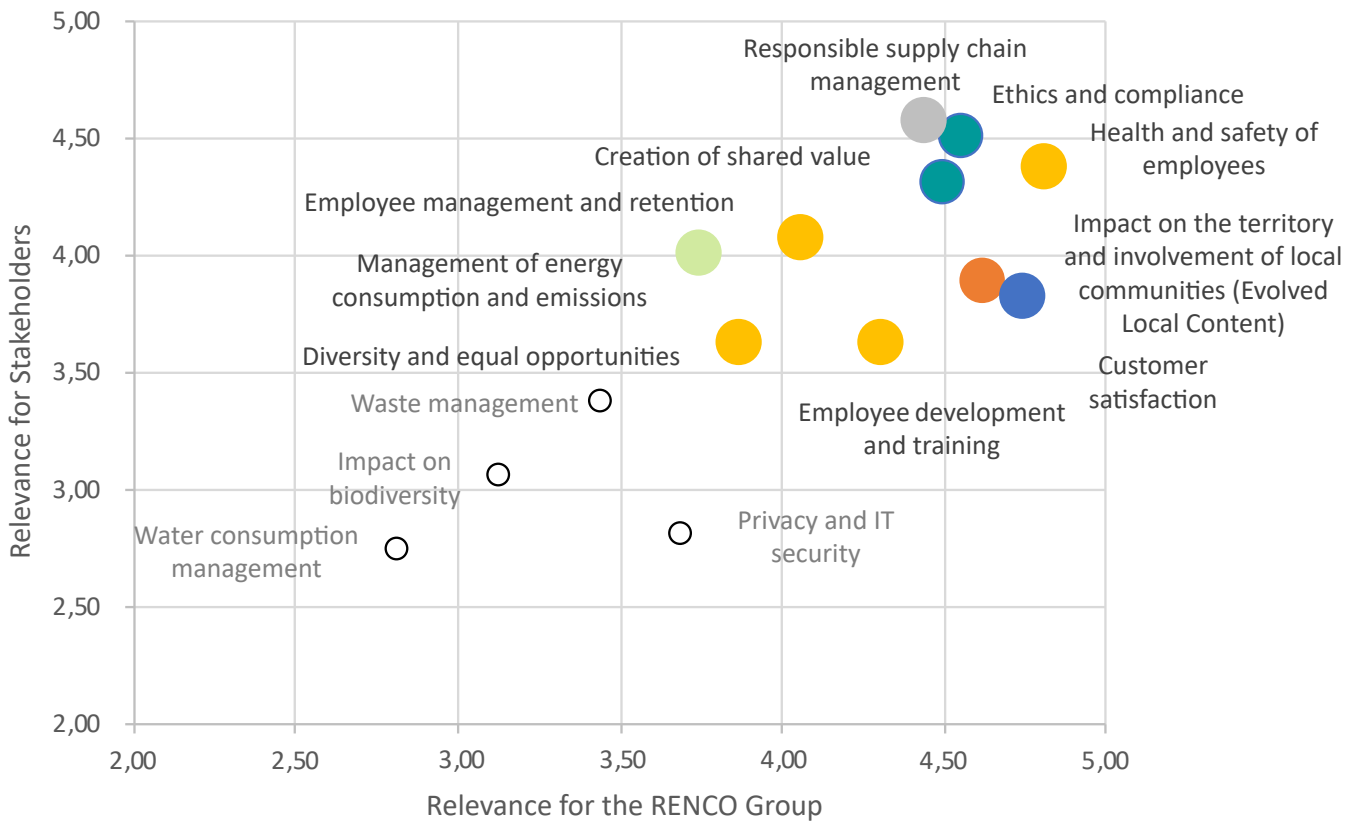
As a result, the materiality analysis was updated in early 2023 in line with the new requirements.

The materiality analysis was based on an analysis of the context (both external and internal) through which the impacts (positive or negative, actual or potential) on the economy, the environment and people caused by or contributed to by the Group's activities were identified. The impacts resulting from the analysis were assessed by Top Management and members of the Sustainability Committee (key players in the implementation of social responsibility policies and initiatives of the Group), through direct involvement during a sustainability workshop.

Based on the impact relevance assessments, material issues for the Renco Group and its stakeholders were then defined.

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

Materiality matrix.



The materiality matrix shows the importance of the issues related to the macro-areas '**Governance and Economic Responsibility**', '**Responsible Contract Management**', '**Responsible Supply Chain Management**' and '**Responsibility towards employees**', in line with the Group's value structure, which is focused on ethical business practices aimed at protecting, respecting and ensuring the satisfaction of its employees and customers. In addition, we highlight the good positioning of the topic '**Impact on the territory and involvement of local communities (Evolved Local Content)**', whose relevance has increased compared to the materiality analysis carried out in 2021, confirming the strategic role granted to the Renco Group in supporting quality work and employment growth.

3.4 Sustainable Development Goals

To confirm its commitment to promoting 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 issues to the Sustainable Development Goals (SDGs) unanimously adopted by the Member States of the United Nations in 2015, and forming part of the *2030 Agenda for Sustainable Development*.



Companies are called upon to rethink the priorities and critical issues of their *business* in order to define new strategies for the transition to sustainable business development that can contribute to the achievement of the specific targets for each of the 2030 Sustainable Development Goals. Respect for local communities, the environment in which it operates and all its stakeholders has always been at the heart of the Renco Group's *business*.

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

	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
	Good health & well-being	Quality education	Gender equality	Clean water & sanitation	Affordable and clean energy	Economic growth	Industry, innovation & infrastructure	Reduced inequalities	Sustainable cities & communities	Responsible consumption & production	Climate action	Life below water	Life on land	Peace, justice & strong institutions	Partnerships for sustainable development
Governance and economic responsibility						●									●
Ethics and compliance						●									●
Creation of shared value						●	●	●	●	●					
Social responsibility						●	●	●	●	●					●
Evolved Local Content						●	●	●	●	●					●
Responsible order management															
Customer satisfaction															
Responsibility towards employees															
Employee management and retention	●	●	●	●	●	●		●							
Employee training and development	●	●	●	●	●	●		●							
Diversity and equal opportunities	●	●	●	●	●	●		●							
Health and safety of workers	●	●	●	●	●	●		●							
Environmental responsibility															
Management of energy consumption and emissions														●	
Responsible supply chain management															
Responsible supply chain management	●	●	●	●	●	●		●						●	●

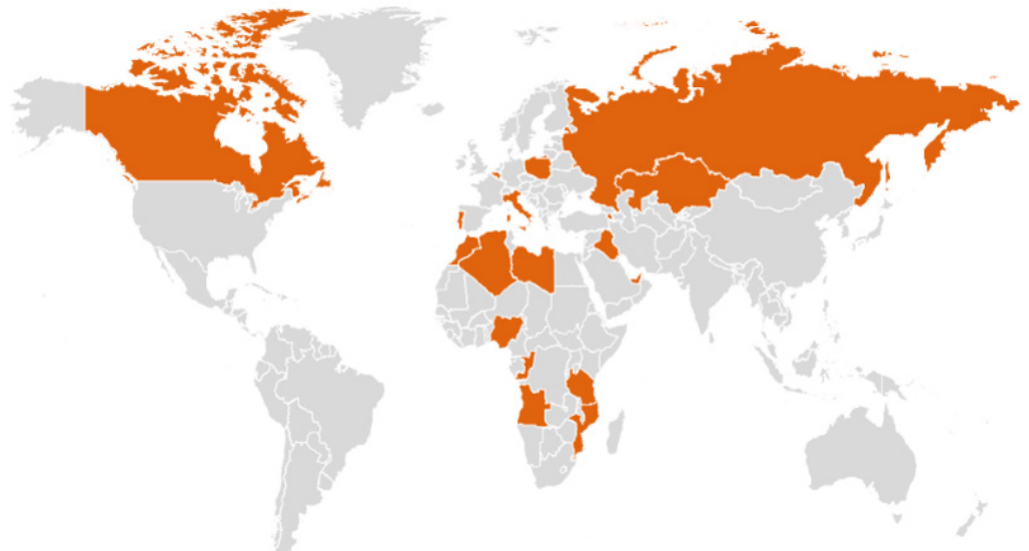
4. Impact on the main regions in which the Group operates



Responsible Management of the Group's businesses



As a result of the ongoing commitment to achieving a local presence, the Renco Group has significantly expanded its activities and the regions in which it operates, establishing numerous projects and offices around the world.



The main companies through which the Group operates are located in Pesaro (Italy), Armenia, Congo (Brazzaville), Mozambique and Kazakhstan. The operations and activities carried out at these sites are described in more detail in this chapter.

In all the countries where it operates, Renco has always been committed to having a positive impact on the local area by paying particular attention to the development of local communities, also through the development of local entrepreneurship and the establishment of regional partnerships. In particular, in 2022, the Group continued to provide concrete support to all communities in the areas it serves through a variety of initiatives.

The Renco Foundation

The Renco Foundation is an example of how social commitment is an integral part of the Group's corporate culture⁶. The non-profit foundation is responsible for the management of completed works and the launch of new initiatives. The Foundation's philosophy is that the best investment is to provide concrete help to the people with whom the Renco Group works closely, in most cases communities that do not have access to basic goods and services. Health and education are fundamental human rights that the Foundation works to protect through a number of initiatives, including training for the communities concerned.



The main principles guiding the Foundation's activities are:









Helping and Supporting community development;



Supporting communities in situations of particular hardship and need.

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

⁶ For further details on the Renco Foundation, please visit: <https://rencofoundation.org>

	<p>Albania Donation of two houses to the Devoll earthquake victims</p>
	<p>Armenia Support for the Mother Teresa of Calcutta Orphanages: The Foundation supports orphanages run by the Sisters of Mother Teresa of Calcutta in the cities of Yerevan and Spitak</p>
	<p>Congo Obstetrical clinic: The Foundation financed and built a 650 m2 clinic in Point-Noire; the project also included the necessary medical equipment. The clinic was donated to a local Foundation to be run by them.</p>
	<p>Italy</p> <p>Inclusive playground: The Foundation participated in the project of the Municipality of Pesaro to renovate Miralfiore Park, designing an inclusive park with equipment that can be used by children of all abilities.</p> <p>Renovation and Management of Villa Molaroni: The Foundation restored Villa Molaroni, a Maritime Museum; it currently manages the villa-park-museum complex.</p> <p>Emergency in Emilia-Romagna: The Foundation supported the Mediafriend association in their fund-raising efforts to help rebuild from scratch the Sant'Agostino middle school that was damaged during the earthquake.</p> <p>Solidarity project for the Earthquake in Arquata del Tronto: In order to speed up first aid and rubble clearance operations, the Foundation offered a contribution to the municipality of Arquata del Tronto.</p>
	<p>Mozambique</p> <p>Escolas Seguras: The Foundation built and regularly maintains a school complex in the village of Ngoma in the Cabo Delgado region.</p> <p>Donation to flood victims: The Foundation supported the population affected by Cyclone "Idai" in Beira by providing food and medical supplies.</p>
	<p>Tanzania</p> <p>Scholarship Programme: To address the shortage of qualified medical staff, the Foundation funds staff training projects and organises refresher courses, internships and scholarships.</p> <p>Community Health Programme: The Programme offers basic health services and health education in villages in Zanzibar in order to increase access to healthcare for the most vulnerable and socially discriminated groups.</p> <p>Mother-Child Clinic: The Foundation funded and built a medical centre for the care of pregnant women and newborn babies in the village of Nungwi in the north of the island of Zanzibar. The Foundation currently supports and manages the centre financially, ensures the efficiency and quality of the service and provides some of the medical and paramedical staff, essential medicines and medical equipment.</p>

Renco in Armenia

The Renco Group operates in Armenia through nine different companies: Renco Armestate, Renco Armenia Valore, Renco Power, Renco S.p.A. Yerevan Branch, Renco Asset Management, Hotel Yerevan, New Velodrome, Italsec Armenia and Armpower⁷.

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

IN-COUNTRY INITIATIVES

In recent years, considering the aftermath of the war in Nagorno Karabakh (which ended in 2020), Renco has continued to support the people of Armenia through a number of community initiatives, including support to the Sisters of Mother Teresa, donations to the Charles Aznavour Foundation and occasional further donations for children with serious illnesses to support medical treatment.

⁷For further details on the Renco Group Companies in Armenia, please refer to the Renco Group's 2022 Consolidated Financial Statements, which can be downloaded from the Investor Relations section of www.renco.it.

WOMEN IN THE YCCPP-2 PROJECT

Armenia has a deep-rooted problem regarding women's conditions. In particular, a national survey on domestic violence against women reports that more than 50% of women are subjected to physical and psychological manipulation.

According to the annual *Global GenderGapIndex2022* (Global GenderGap Report 2022 - Reports - World Economic Forum) Armenia, ranks 89th out of 146 countries in the world 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. As part of this, the company is also implementing a series of initiatives to highlight the important role women play in Renco's projects in Armenia, as well as creating several job positions specifically for women.

ACT NOW! END CHILD LABOUR

Although global child labour has decreased by 38% in the last decade, 152 million children are still forced to work, with around half (72.5 million) in hazardous work that endangers their health, safety and moral development.



What can be done?

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

Renco's head office in Congo is located in Pointe Noire. The Group's Congolese companies are particularly involved in community activities in the regions where they operate, collaborating actively with the Congo Assistance foundation.

IN-COUNTRY INITIATIVES

Over the past few years, Renco in Congo has continued with its traditional commitment to social issues. In addition to promoting initiatives related to managing the healthcare situation, Renco has been socially active on other fronts:

- Company *policy* dictates that a quota of workers must come from the local community. To date, many local people work for Renco.
- Every Christmas, the group gives 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 650 square metre facility is equipped with a waiting room, a gynaecology department with labour, delivery and incubator rooms, and a medical department with an operating theatre, anaesthesia room and examination rooms.

REFORESTATION PROJECT IN MBÉ

On 29 November 2022, Renco, through its Congolese subsidiary Renco Green SARL, signed a concession with the Ministry of Forestry of the Republic of Congo for two plots of land near the village of Mbè (approximately 130km north-east of Brazzaville) for an initial period of 30 years, renewable for a further 30 years.

The object of this concession is the implementation of an important project of reforestation of land today covered by savannah, and is part of the National Program of Reforestation (PRONAR, Programme Nationale d 'Afforestation et de Remboisement) promoted by the Ministry of Forestry Economy. The Project is part of the global initiatives aimed at reducing CO₂ emissions into the atmosphere, to achieve the objectives set by the Kyoto Protocol.

This Project provides for the reforestation of the two assigned plots for an extension of over 40,000 hectares with a total investment of over 80 million Euro.

The Jardine Carbone de Mbe Project (also known as 'JA. CA.M.') is driven by guidelines of a different nature:

Environmental

- Containment of global warming through the Carbon Capture process;
- Re-generation, preservation and enhancement of degraded natural forest patches in the area;
- Strengthening biodiversity in the regions;
- Protecting and increasing fauna.

Social

- Employment opportunities through job creation for the local population;
- Professional training of employees;
- Construction of infrastructure in the region.

Economical

- Generation of Carbon Credit;
- Pursue the strengthening of the local economy in the areas concerned.

4.5

Renco in Mozambique

Renco has been conducting business in Mozambique since 2012 operating through several companies⁸ covering a wide area and a large number of markets. The company's activities are concentrated 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.

Mozambique has a unique opportunity for expansion, thanks to the huge investments that *oil & gas* companies will be making to extract gas from an area of 7,000 hectares on the Afungi peninsula and in from the sea off the town of Pemba.



⁸ For further details on the Renco Group Companies in Mozambique, please refer to the 2022 Consolidated Annual Report of the Renco Group, which can be downloaded from the Investor Relations section of www.renco.it.

In 2022, Renco continued to strengthen its presence in Mozambique, focusing on the northern part of the country. Through the consolidation of strategic investments, the Company continued to expand its port operations with the expansion of the **Pemba Bulk Terminal** to capitalise on growth opportunities in the shipping industry and to support the development of the Pemba port area.

In parallel with its expansion in the northern part of the country, Renco has been working hard to expand into new areas within Mozambique. In particular, it concentrated its efforts in the Maputo area and Inhambane province. This strategy was driven by the desire to leverage the extensive knowledge gained in the area over the years and to reduce the risks associated with operating exclusively in the Rovuma Basin region.

Through this geographical expansion, the Group aims to seize the business opportunities offered by these new areas, which could present growing markets and foster advantageous local partnerships. The aim is to expand its activities in key sectors such as energy, construction, tourism and transport, in order to diversify its presence in the Mozambican market and seize new business opportunities.

This expansion and diversification strategy highlights the desire of the Renco Group to consolidate its position in the Mozambican market, using its experience and resources to contribute to the country's economic development while achieving greater growth and business resilience.

IN-COUNTRY INITIATIVES

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

Renco continues its commitment to the training and skills development of community members by maintaining and consolidating the existing collaboration with IFPELAC (Instituto de Formação Profissional e Estudos Laborais), contributing to the development of training programmes and hosting internships for the centre's students.

It has also launched a new collaboration with the Provincial Directorate of Industry and

Trade to promote the inclusion of micro-enterprises, created and run exclusively by people born in the region, in the Renco Group's supply chain. Recognising the importance of local small businesses for the economic and social growth of the country, Renco has actively worked to support and promote local innovation and entrepreneurship. To this end, Renco donated computer equipment to the provincial training centre for micro-entrepreneurs, giving aspiring entrepreneurs access to the tools and technological resources needed to improve their business skills. Renco also contributed to the refurbishment of the centre's premises, creating a welcoming and functional environment for learning and training.

The Group is committed to continue working with local institutions and strategic partners to promote education and business development, creating an environment conducive to innovation and sustainable economic growth. This commitment reflects the Group's vision to make a significant contribution to the socio-economic development of Mozambique by investing in the people and communities in which it operates.

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 concentrated a significant part of its social interventions. From the very beginning, Renco involved the local community, training numerous inhabitants, mainly fishermen, so that they could participate in both the construction and management of the *resort*. Many of these people are still with the Group today, working on the various projects being developed in other parts of the province. In addition, about 80 of the *resort's* 120 employees are from the surrounding villages.

In agreement with the local Education Department, Renco financed, through the Renco Foundation, the **construction of the Antonio Passeri school**, which was then donated to the municipality of Mecufi.

To date, the school provides access to schooling for about 500 children. Renco employed around 400 people to build the school, 300 of whom came directly from the local community. To this day, Renco provides free maintenance of the building and regular school supplies.

Thanks in part to Renco's support, Mecufi is now a less disadvantaged neighbourhood than many others in Cape Delgado, which is a great achievement for the local communities.



COMMUNITY HOSPITAL IN MAHATE

In 2022, the Renco Group continued its strategy of resilience and commitment to the territory and communities in Mozambique, in order to strengthen its position and promote harmony with the surrounding area.

As part of this strategy, the Group decided to fully fund the construction of a community hospital in the disadvantaged Mahate district. The facility is in the design and authorisation process and construction is scheduled to start in August 2023.

The aim of this initiative is to provide vital medical support and resources to a community that struggles to access adequate health services. The Mahate Community Hospital will provide basic medical services, primary care, maternity services and general healthcare for the residents of the district and surrounding areas.

With the investment being fully funded by the Renco Group, the community hospital will be built to meet the specific needs of the local community and improve the quality of people's lives. This initiative demonstrates Renco's commitment to contributing to the social and economic development of the country by investing in the health and well-being of the communities in which it operates.

These types of initiatives help to create a stronger bond between the Renco Group and local communities, fostering a relationship of mutual trust and support for long-term social and economic progress.

Renco has been operating in Kazakhstan for about 30 years. The Group operates in the country mainly through two companies, both of which have their headquarters in Almaty, the country's most populous city: Renco Kat (which operates in the infrastructure sector) and Renco Property (which owns and manages the company's real estate assets). The Group also has four autonomous subsidiaries located in Atrayu, Ural-sk, Aksai and Nur-Sultan⁹.



⁹ For further details on the Renco Group Companies in Kazakhstan, please refer to the 2022 Consolidated Financial Statements of the Renco Group, which can be downloaded from the Investor Relations section of www.renco.it.

IN-COUNTRY INITIATIVES

In Kazakhstan, Renco has recently focused its efforts on promoting initiatives to support its employees through salary increases and donations.

In particular, Renco has decided to pay a thirteenth month's salary at the end of the year to employees who have worked for the company for more than ten years (a policy that does not exist in the Kazakh system). In addition, for more than 20 years, Renco has organised Christmas events at the end of each year, including the distribution of gifts to employees' children.

Finally, in Kazakhstan, Renco provides adequate equipment and qualified personnel to meet the demands of the work, and maintains a constant dialogue with its employees and provides them with ongoing training.

4.7 Renco's commitment to major contracts open as at 31.12.2022

ITALY: SUPERBONUS 110

Superbonus 110 is based on a concession provided for in the Relaunch Decree, which increases the deduction rate to 110% for expenses incurred from 1 July 2020 for specific energy efficiency measures, anti-seismic measures, the installation of photovoltaic systems and/or electric vehicle charging stations in buildings. As part of this concession, Renco S.p.A. entered the market for large apartment blocks (in Sicily, Umbria, Marche and the Milan and Rome metropolitan area) to carry out the necessary works and manage the financial aspects, using the invoice discount guaranteed to apartment blocks.

The activities are aimed at leapfrogging two energy efficiency classes that guarantee about 30% of energy savings. Most of the interventions are not limited to the bare minimum to obtain the increase of two classes, but go up to 5 more classes, saving up to 80% of energy and significantly reducing

the environmental impact. Much of the work involves the installation of renewable energy sources, such as photovoltaic systems integrated with storage systems, in line with the European Community's goals of energy independence from fossil fuels and improved air quality.

These activities encourage the use of local resources and labour on our sites, thus promoting the economic recovery of the construction sector. Renco SpA employs 65 % local labour force involving 60 % local sub-contractors.



ARMENIA: COMBINED CYCLE POWER PLANT IN YEREVAN

Context

As part of a comprehensive programme to develop the country's power generation, the **Minister of Energy of the Republic of Armenia** decided in 2015 to support the construction of a new 254 MW gas-fired combined-cycle power plant (named YC-CPP-2) to replace older, less efficient units.

In 2017, **Renco S.p.A.** was selected by the Armenian government as the preferred engineering, procurement and construction contractor for the project, and specifically, the management of the power plant was entrusted to its **subsidiary Armpower**, which allowed completing the plant's construction in November 2021.

The project had the following objectives:

- Improving the total power generation capacity;
- Ensuring a reliable supply of energy;
- Shifting the financial burden for energy production from the government to the private sector;
- Promoting the commercial development of thermal technology and cost reduction enabling Armenia to become a large net exporter of electricity;
- Building and supporting local capacity in the development and maintenance of the

infrastructure for energy production;

- Lowering the cost of the end users' energy bills.



Description of environmental and social conditions

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

Initially, the impact assessment focused on the relevant aspects of the project's biological,

physical and social environment. To identify and categorise the project's area of influence, the *team* visited the site to collect data on flora and fauna, 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 classified as low, that **no protected areas or sensitive areas will be affected by the project**, and that only minor impacts on flora and fauna are expected during the construction phase. Furthermore, there were no complaints about traffic or noise, except for the presence of dust, which was promptly addressed.

In a second step, appropriate measures to **avoid, minimise, mitigate and compensate for any negative impacts** were considered and their implementation monitored.

As a general mitigation measure, Renco, in its capacity as EPC contractor, together with Armpower, developed **Health, Safety and Environmental Management Plans (HSEMP)**.

The project

Armpower has a **manual** that outlines the necessary measures for recruitment, training and site management during the project. The manual is also designed to ensure that the activities of contractor and subcontractor personnel are conducted in a **fair, transparent and proper** manner. Specific measures to mitigate the risks to the workforce 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 on employment, the recruitment process and discrimination;
- Workers' complaint mechanism;
- Management of workers' rights. The HR *Manager* ensures that there is no discrimination against local employment and that there is no child or forced labour;
- Training. This section also includes the training requirements. The HR manag-

er, in agreement with the construction manager and the ESMS manager, shall ensure that employees have undergone adequate training in accordance with the Training Plan prior to the commencement of any construction activities and prior to the involvement of any employee or subcontractor in the project.

Renco is proud to have contributed to the development of greater energy production and independence in the country.

MOZAMBIQUE: AFUNGI - CCS JV CAMP

In the first half of 2019, a major business investment made by the Renco Group came to fruition. In fact, through a consortium formed with two other companies, the Group won the tender issued by the **CSSJV consortium**, led by SAIPEM, for the construction of a 9,500-capacity camp in Afungi worth USD 200 million (Renco's share is USD 70 million), which will in turn serve the Mozambique LNG consortium led by Total.

Renco has a strong focus on environmental and occupational safety issues and uses various performance indicators in these areas.

Renco's contracts, which are functional to the broader project, will have an incredible impact on local communities in terms of economic growth, bringing many development opportunities to an economically depressed area.

To date, following the violent uprising in the Afungi peninsula and the unstable political situation, the Mozambique LNG project and consequently Renco's orders have been temporarily suspended by *Total Energies*. Given the complexity of the situation and the risks involved, adequate precautions had to be taken to ensure the safety of the people involved in the project and to protect the investment.

Prospects for the resumption of the Afungi camp EPC project are currently forecast for late 2023 or early 2024, subject to a significant improvement in the security situation in the northern part of the Cabo Delgado province.



MOZAMBIQUE: LOGISTICS HUB PROJECT

Given the new market scenario for gas logistics services in Mozambique, Renco intends to expand its activities in the specific area of **Onshore/Offshore operations support**.

Renco's expansion plan is articulated in three macro-phases:

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

In particular, the Pemba Bulk Terminal, a fully consolidated company of the Renco Group, will be able to supply some of the aggregates (i.e. materials used in the extraction process) required for the construction of the infrastructure associated with the Afungi gas project, which will require 14 million tonnes for its completion (of which Renco could supply approximately 7 million tonnes).

To conduct activities at the port terminal, Renco trained 12 *flagmen*, and decided that 80% of this staff should be people 'affected' by the expropriation of the land on which the port terminal was built.

The Pemba Bulk Terminal logistics hub project is progressing on schedule, with the expansion phase implemented in 2022 and expected to be completed in July 2023. This expansion phase increased the terminal's operational capacity by providing advanced logistics infrastructure for the efficient and safe handling of goods.

The construction of the Pemba Bulk Terminal has not only created employment opportunities for local people during the construction process, but will continue to generate employment and provide economic benefits during the operational phase. The presence of a modern logistics infrastructure such as this will have a positive impact on the industrial development of the area, facilitating the transport of goods and materials, helping to attract investment and stimulating economic growth. The presence of a logistics hub such as the Pemba Bulk Terminal could contribute to the economic diversification of the area by promoting the development of complementary sectors such as international trade, manufacturing and tourism. This could help attract new businesses and investments to the area, creating additional employment opportunities and stimulating local economic growth.



It is important to emphasise that the Pemba Bulk Terminal has been designed with environmental sustainability and respect for the land in mind. Measures have been taken to minimise negative environmental impacts, including the use of environmentally sustainable technologies and processes, responsible waste management and monitoring of existing flora and fauna.

Overall, the Pemba Bulk Terminal project is a major initiative that combines socio-economic benefits, industrial development and environmental stewardship, contributing to the progress of the region and the creation of a sustainable future. It is no coincidence that the Pemba Bulk Terminal project won the Ministry of Industry and Trade's 2022 Best Infrastructure Project award.

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 a Project of Common Interest (PCI) of the EU, which aims to further strengthen the European internal energy market.

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

In this context, in 2020 Renco was awarded the contract for the gas decompression plant in Everdrup for the customer Energynet, confirming Renco's position as a leader in this type of business.

Renco's proven competencies in the construction and EPC sectors was instrumental in winning the contract. Such skills have enabled Renco to develop special expertise in work

planning on complex construction sites and in procurement. Another strength was Renco's ability to deploy materials and highly skilled personnel from its Italian and foreign companies.

In the course of 2022, due to the shortage of gas from Russia and as a reaction to the sabotage of the Nord Stream pipeline, the customer requested an acceleration of the works in order to have the plant operational by November 2022. It is important to note that the Danish government has guaranteed the supply of gas to Poland instead of Russian gas, also thanks to the commissioning of our compressor station. The plant was handed over to the customer at the end of 2022 and has been operating at full capacity ever since.



5. The People of the Renco Group



Employee Management and Development



The Renco Group has always placed people at the centre of its values, both as the most important and strategic asset for achieving its business objectives, and because the well-being of the members of the organisation is one of the main values that make up its corporate culture.



In this perspective, the 'Organisational Development' office (established in 2018), in agreement with the company management, aims to develop and enhance human resources through career development, professional training, performance appraisal, welfare and internal communication, thus strengthening the company culture and improving the workplace environment.

In 2021, in a complex but recovering macroeconomic environment, the Group continued to invest in human resources, strengthening some strategic central structures. The evolution of working models has enriched the personal experience and integrated digital opportunities into everyday life, making information exchange and flows more agile and efficient, while opening up greater flexibility and freedom of space and time, without necessarily entailing radical changes in work organisation or employees' lifestyles.

Compared to 2021, the **Group's workforce** decreased by 25%, with a total of **2,517 employees** of which 68% are men and the remaining 32% women (up from 23% in 2021). The data refer to 31 December 2022. In 2022, the Group relied on external workforce to support its activities, totalling 213 people, including 159 temporary workers, 27 interns and 27 external collaborators.

The Group is committed to creating increasingly stable working relationships with its employees. As evidence of this, as at 31 December 2022, around **67% of employees** were on

permanent contracts. This was an increase compared to 2021. Furthermore, employees prefer full-time contracts (99%), while only 1% of employees chose part-time contracts. As in the previous year, the Workers professional category was the one with the largest number of employees (1,542), followed by the Office staff professional category (792), which is physiological in view of the Group's activities.

Protection of diversity

The Renco Group is committed to developing appropriate working practices and conditions to ensure equal opportunities, by eliminating all forms of discrimination on the grounds of gender, age, religion, origin, political opinion and sexual orientation. It is therefore committed to ensuring fair and equal treatment for all employees and contributing to a corporate culture that promotes mutual respect and celebrates diversity. Furthermore, in accordance with the Code of Ethics, the Group undertakes to ensure that none of its members take part in discrimination or harassment activities, and to sanction any event that is considered intimidating or offensive.

Through these initiatives, Renco demonstrates its concrete commitment to the well-being of its employees and to the achievement of responsible and inclusive human resources management, creating a working environment that fosters the personal and professional growth of all employees.

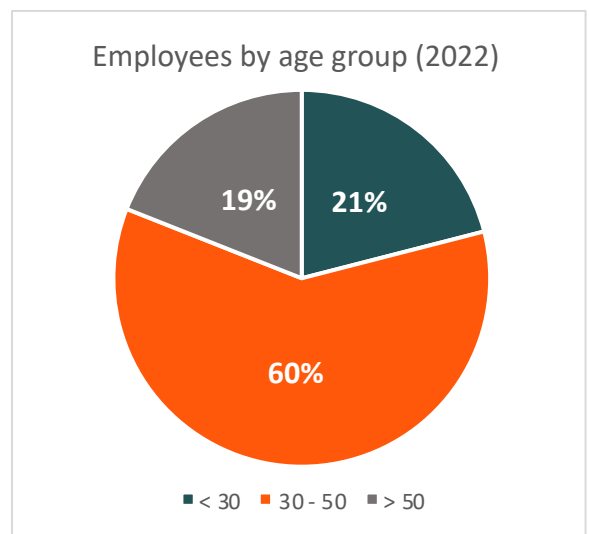
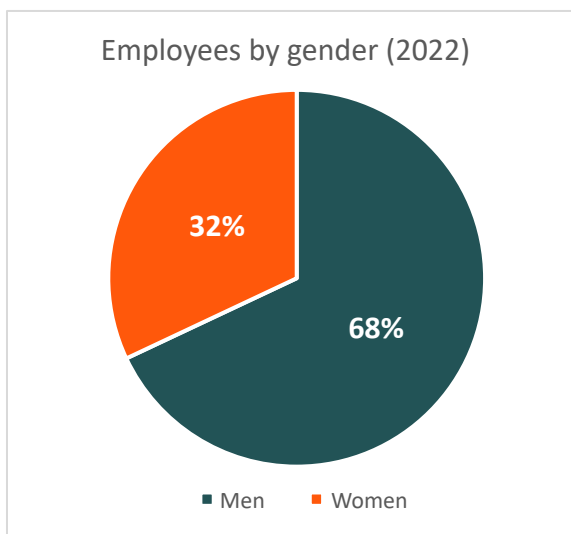
Respect for the **fundamental rights** of employees and key *stakeholders* is monitored on an ongoing basis in accordance with the International Labour Organisation (ILO) guidelines. As well as ensuring compliance with national labour standards and the key principles set out in the ILO Conventions, the Human Resources Manager is also responsible for adopting the principles set out in the **Social Accountability 8000** policy.

A cornerstone of Renco's business and identity is the presence of women in all of its projects. With a view to continuous improvement, the Group aims to help women find their place in society and achieve equal opportunities, especially in local contexts where it is difficult for women to assert their identity and rights.

With this in mind, Renco SpA will obtain the UNI/PdR 125 Gender Equality certification by 2023, Objective 5 of the UN Agenda, to guarantee the achievement of a more inclusive

and less discriminatory working environment, through the implementation of a Management System to be submitted for Certification.

As at 31 December 2022, considering only internal employees, the gender breakdown is **68% men** and **32% women**; in addition, **60% of employees** are aged between **30 and 50**, 19% are over 50, and 21% are under 30.



To promote sustainable growth, the Group gives priority to the implementation of effective recruitment and selection systems to ensure transparency and fairness, with full respect for equal opportunities, regardless of age or gender, and the enhancement of individual skills. In order to ensure diversity and equal opportunities within the company, personnel data is constantly monitored by means of special computer systems. In particular, in order to ensure diversity and equal opportunities, a report is drawn up every two years on the presence of people belonging to **protected categories** with an inclusion programme. As evidence of this commitment, the number of employees belonging to protected categories, in 2022, is **45**.

MOZAMBIQUE

In Mozambique, the companies are particularly sensitive to discrimination, have zero tolerance for racial discrimination and have adopted Portuguese as the working language. This has helped to integrate expatriates into the local working environment and overcome cultural barriers.

In recent years, the office has also run an awareness-raising campaign against gender discrimination and harassment in the workplace, including the screening of educational videos at the head office reception desk.

In 2022, based on voluntary negotiations, a uniform Group-wide salary policy was established in the country to ensure equal opportunities for all employees based on their role in the organisation, regardless of geographical origin, gender, language and religion. The implementation of the Policy is planned for 2023.

The policy is based on the principles of equality and justice, ensuring that all Renco Group employees in Mozambique are paid fairly and in accordance with their job responsibilities and

skills, without unjustified wage inequalities based on factors unrelated to the worker's merit.

This Unified Salary Policy underlines the Renco Group's commitment to promoting an inclusive working environment, respecting employees' rights and ensuring equal opportunities for professional growth and development for all. Its implementation will help create a climate of trust and motivate employees, fostering cohesion and efficiency within the organisation.

In 2022, no cases of discrimination were reported.

Attracting new talent

For the Renco Group, the continuous search for and attraction of talent is of strategic importance as it enables the company to achieve progressive growth. For this reason, there is a team within the **Human Resources** department specifically dedicated to attracting new resources. In doing so, the company constantly seeks to convey the idea of the importance of developing a **sense of belonging to the Group** and a corporate culture, in order to offer long-term relationships and concrete career development opportunities.

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

Furthermore, the Group is committed to establishing and **maintain relations and partnerships with institutions and universities** in order to cultivate a direct channel aimed at attracting young resources. To this end, Renco has a **Policy of Talent Acquisition**, which guarantees a constant presence in top Italian universities, both through participation in

classic *job fairs* and through dedicated projects such as the recent *Renco Academy*. The latter involves the search for talented recent graduates with a strong desire to embark on a career path abroad, with the aim of developing future *managers* and professionals in the company through ongoing *coaching* by the company's most *senior executives*.

In 2022, the Renco Group hired 1,222 people, 32% of whom were under the age of 30. The number of employees leaving the Group in 2022 is 2,173. 17% of the employees who left the company were under 30, 64% were between 30 and 50, and 18% were over 50. Renco's type of business has a high turnover of employees, which is linked to the project that are typical of the business. In particular, the Services BU has a high degree of mobilisation for specific periods of time with employees hired on a temporary basis.

CONGO

The success of Renco Congo's recruitment efforts is the result of the care and attention the company puts into preparing job offers, advertising vacancies and selecting candidates.

This approach ensures that Renco attracts and retains the most promising candidates. In addition, the company promotes close cooperation with training schools to identify young talent and recruit qualified staff.

Employee welfare and well-being



In recent years, the Renco Group has placed the well-being of its employees and the company climate at the centre of its initiatives. The Group's ongoing dialogue with its employees has led to improvements in working practices and in the *welfare* and *benefits* offered.

At its headquarters in Pesaro, Renco has activated a number of free or subsidised services for employees to create a stimulating working environment, including:

- Free shuttle bus from Pesaro train station, with two services in the morning and two in the evening;
- Bicycles available free of charge during the lunch break;
- Company canteen;
- Access to the company gym at a reduced rate: the gym is open two mornings a week before work, every lunch break and every evening after work;
- Laundry and ironing service, twice a week, at a reduced price;
- Car wash service at a reduced price;
- Agreements with various facilities (restaurants, spas, gyms, shops, etc.) located close to the head office;
- A social service that allows employees to benefit from a Care Manager who can address and facilitate their personal (psychologist) and family (babysitter, caregiver, etc.) needs, including through subsidised rates.

In Congo there is a collective labour agreement that covers an important part of the remuneration policy.

In particular, the collective agreement specifies the professional classification of employees (on the basis of which salaries are set), the benefits granted and the different types of bonuses. End-of-year bonuses are granted on the basis of the performance appraisal system, which sets out the conditions for granting them.

Given Renco Congo's commitment to anti-discrimination, the collective agreement also includes an article condemning all forms of discrimination.

In order to ensure social dialogue, the Top Management and the social partners meet periodically depending on the nature or importance of the issues to be discussed, including the review of the value of acquired wage elements.

In Congo, Renco organises **'team building' days**, with the aim of bringing employees together and promoting cohesion. On International Labour Day, Renco Congo also honours employees who have been with the company for 5, 10, 15 and 20 years. In addition to the **seniority diploma**, these employees are awarded a sum of money, depending on their seniority.

Employee development and training

The skills and motivation of each employee are strategic resources for the Renco Group. For this reason, the development of assessment and training paths to support the development of human capital is a key element in the Group's strategies. The Group is committed to retaining local resources deemed deserving by entrusting them with senior positions within the company (including, for example, in legal departments, human resources

'COLORS' PROJECT

The 'Colors' project is part of Renco's commitment to the development of its employees' skills.

This initiative brings together cultural diversity and professional development opportunities, creating an environment of intercultural learning and knowledge sharing. An important aspect of the 'Colors' project is the promotion of talent working for the Renco Group in different countries around the world, offering deserving employees the opportunity to work and gain valuable experience at the Group's headquarters in Italy. Through the 'Colors' project, the Renco Group not only promotes the growth of its employees, but also contributes to the development of local communities in developing countries, creating a strong link between different cultural and geographical backgrounds-

departments, administration, and purchasing and logistics departments), both in Italy and abroad. The Group invests in the development of different career paths for the most deserving resources, such as foreign experience in the Group's subsidiaries.

The Renco Group strongly believes in the usefulness of internal discussion and training programmes, aimed at improving the technical, managerial and organisational skills of employees and consolidating the professionalism required by the role. In fact, the Renco Group operates in a highly technical, dynamic and competitive industry, where the development of resources and skills is the key to our success. Training needs are identified by the reference manager based on job requirements or more generally to strengthen certain areas of their office. At the same time, the employee may propose training courses other than those suggested by the reference manager directly the latter or to Organisational Development department. The training courses provided in 2022 consisted mainly of customised courses, *job-specific* training and shadowing of experienced senior managers. In this respect, **43,331 hours of training** were provided to employees in 2022 (28,991 in 2021), for a total of **17.2 hours per capita**.



Renco recognises that the company's success is closely linked to the empowerment of local human resources in the country, who share a deep knowledge of the territory and local dynamics.

CONGO

As part of the company's strategy, training in day-to-day operations is essential for the current and future functioning of Renco Congo: it contributes to its profitability, flexibility and human resources development.

In Congo, two main types of training are highlighted: training in safety and environmental requirements and training in skills development.

MOZAMBIQUE

In Mozambique, Renco is firmly committed to promoting the development and growth of local human resources.

The aim is to become a more and more a Mozambican company with Italian capital, rather than simply a foreign company. This commitment is reflected in initiatives aimed at improving the skills of local employees, enabling them to take on roles of greater responsibility within the organisation. Investing in training, professional development and the development of local human resources not only contributes to the development of local human resources, but also fosters an inclusive and motivating work environment.

Through competence development programmes, *mentor-ship* and career opportunities, Renco is committed to offering local employees the chance to grow and progress within the organisation. This will not only help create stronger local leadership, but will also consolidate Renco's presence as a company with strong roots in the socio-economic fabric of Mozambique.

The **performance appraisal system** allows each employee to share their job expectations with *managers*, to identify their training needs and to set up a *training plan*, which is then shared with Company management.

Moreover, at Group level, the internal growth of each employee is carefully managed and monitored through a specific performance appraisal system, which has involved an increasing number of employees in recent years. Compared to 2021, the number of people who received a performance appraisal increased by 38%, to a total of 858 appraised employees. The process takes place through the completion of an **appraisal form**, which is submitted to the department heads once a year. This sheet consists of three sections:

- **Organisational behaviour:** each manager assesses their staff on the basis of eight professional attitudes based on corporate values (Courage, Loyalty and Professionalism), with the help of colleagues who have supervised the employee in specific activities during the year (Project Manager, Branch Manager, Site Manager, etc.).
- **Skills and competencies:** each manager assesses their staff based on their technical/managerial suitability for the role. This is based on the official *job descriptions* on the company intranet as well as within the management system form. In this section, the manager is asked to enter notes on areas for improvement.
- **Objectives:** persons with management and co-ordination responsibilities may be assigned a maximum of three objectives by their supervisor, to be achieved

by the end of the year. Even people with no specific responsibilities can set themselves objectives to be achieved, if the managers deems it appropriate.

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

5.2 Workers' health and safety

The Renco Group has an **HSE Policy** that outlines the principles for safeguarding the health and safety of Renco employees and stakeholders, the environment and the integrity of the company's assets. To ensure the achievement of this goal and the pursuit of HSE objectives, 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 carrying out activities related to its business, Renco is committed to promoting:

- the protection of the health, safety and well-being of its workers and anyone working under Renco's control;
- the protection of the environment, local communities, of its own assets and those of our Customers;
- the continuous improvement in the processes and services of its activities and operations;
- the '**Zero Accidents**' goal in all workplaces.

The Group has a **structured system for the notification, investigation and reporting of health and safety incidents**. The primary objectives of accident reporting and of investi-

CONGO

In Congo, the company has set up an **internal health service**, supervised by an occupational health doctor, and installed an infirmary at the headquarters of Renco Congo.

In addition, a Workers' Health and Safety Committee is organised at the end of each quarter.

Furthermore, Renco is contractually responsible for the health of all its employees in the country and pays 100% of **the medical expenses of the spouses**, of all children plus two additional minors who can be claimed as dependent. The company has an agreement with a clinic that acts as a general practitioner and paediatrician for children.

gations are to determine the root cause of the accident and to provide recommendations to prevent the recurrence of the same or similar accidents.

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

All accidents 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 an accident prevention perspective and are therefore also thoroughly investigated.

With regard to health and safety, Renco constantly strives to raise the **awareness of** its employees and collaborators **by developing risk management awareness** and promoting responsible behaviour. In this respect, the Group is committed to ensuring that all personnel involved in quality and HSE related activities receive appropriate professional training.

The **HSE training** policy is set by top *management*, which assesses the training and qualification needs of personnel according to the areas of responsibility and associated risks. Information and records relating to the training of individual employees are filed and stored by the Human Resources Department. The purpose of these training activities is to provide new employees with guidelines for the working environment, to identify and eliminate workplace hazards, to comply with mandatory legal and company requirements, to select appropriate safety measures to contain any unforeseen hazards, and finally to raise awareness of health and safety issues.

CONGO

In Congo, health and safety training is carried out internally by Renco coaches and externally by third parties (regulated training centres, selected and qualified by Renco Congo).

The emergency intervention agents are those who, at the company's request, have received specific training and have obtained the Safety in the Workplace certificate from the training centres. A list of names, telephone numbers and illustrations is displayed in strategic areas.

In line with the objective of organising awareness programmes on awareness programmes on the various safety risks in the company, Renco Congo Management celebrates the **International Day for Health and Safety at Work** on 28 April each year by organising workshops and awareness-raising activities.

MOZAMBIQUE

In 2022, the Renco Group paid constant attention to protecting the health and safety of its employees in the workplace.

Aware of the importance of protecting the health and safety of its employees in the workplace, in Mozambique Renco has adopted the most stringent protocols available both within the Group, as well as those required by its clients, who operate in the oil and gas sector and attach great importance to these aspects. Thanks to the constant commitment and strict safety standards implemented, Renco has achieved significant results in occupational safety management. In recognition of these efforts and achievements, the Group's construction division in Mozambique, Rencotek, received an award from the country's Ministry of Labour in 2022 as the **best company in the civil construction sector for occupational health and safety.**

This prestigious award is testament to the Renco Group's ongoing commitment and dedication to ensuring a safe and healthy working environment for all employees. The top priority given to occupational safety is reflected in the strict adherence to protocols and risk management practices adopted in all activities. Through its ongoing commitment to occupational health and safety, Renco contributes to the promotion of high standards in the civil construction sector in Mozambique, playing a leading role in protecting the safety and well-being of workers and promoting a healthy and safe working environment.

Renco intends to continue to invest in training and awareness to ensure that the health and safety of employees is always a top priority in all operations.

In 2022, only one non-severe work-related injury was recorded.

Renco Group's commitment to the environment

Environmental protection is a fundamental part of Renco's vision and mission in the countries where it operates. Renco's long-term perspective creates a strong awareness of the importance of preserving the environment as a vital resource and source of new opportunities.

The Group has always been particularly sensitive to the **environmental impacts** of every stage of its activities, not only in terms of meeting increasingly stringent national and local legislation, but also in terms of exploring and developing sustainable alternatives

The Group's commitment to contribute to the **fight against climate change** has led to a gradual shift away from the Oil sector in recent years in favour of a growing interest in the Gas and renewable energy sectors. This commitment was most noticeable in the implementation of the combined cycle power plant in Yerevan.

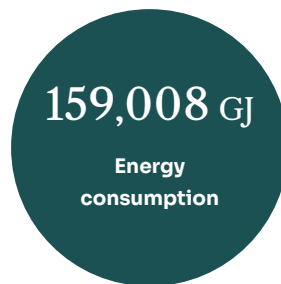
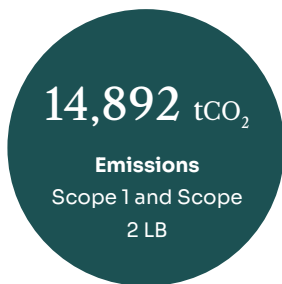
As far as direct impacts are concerned, Renco manages its activities with particular care:

- **Energy:** Renco is committed to monitoring energy consumption and CO₂ emissions, contributing to the reduction of environmental impacts.
- **Waste:** Renco is sensitive to waste management, which is why 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 efforts to minimise pollution and its commitment to the environment ensure continuous improvement in our overall performance.

Furthermore, Renco believes that environmental protection requires a cultural change and the active involvement of local communities. It is therefore committed to educating people about environmentally responsible practices. A key aspect of community involvement is to provide a tangible example of fairness and consistency in environmental protection. Renco is committed to being a model of sustainability and implementing the best environmental practices in its operations. This includes adopting cleaner technologies, optimising the use of natural resources and reducing harmful emissions. The company is committed to working closely with local authorities, environmental organisations and communities to promote environmental protection and adopt long-term sustainability strategies



6.2 Energy efficiency optimisation and reduction of emissions

In 2022, the Group's total energy consumption was **159,008 GJ**, down from 181,497 GJ in the previous year. The main consumption comes from the use of purchased electricity and non-renewable fuels (both for heating and generator sets, and for company vehicles).

Energy consumption within the organisation (GRI 302-1)¹⁰

Type of consumption	u.m.	2020	2021	2022
Heating and Generator Sets	GJ	67,929	61,659	50,271
Natural gas	GJ	27,467	29,471	28,160
Diesel	GJ	40,462	32,189	22,111
Purchased electricity (total)	GJ	41,045	64,075	62,712
of which purchased from certified renewable sources	GJ	-	27	87
Self-produced electricity (total)	GJ	48	771	779
of which self-produced from renewable sources	GJ	-	771	775
Of which self-produced and sold electricity (total)	GJ	-	108	107
of which self-produced from renewable sources	GJ	-	108	107
Heating	GJ	18,661	29,437	29,245
of which produced from renewable sources	GJ	-	-	-
of which produced from non-renewable sources	GJ	18,660	29,437	29,245
Cooling	GJ	1	86	95
of which produced from renewable sources	GJ	1	-	-
of which produced from non-renewable sources	GJ	-	86	95
Automotive	GJ	41,960	25,576	16,014
Diesel	GJ	37,522	20,470	12,116
Petrol	GJ	4,379	5,105	3,894
LPG	GJ	59	-	1
Methane	GJ	-	-	3

¹⁰ For the sake of comparability, the figures for 2021 have been restated, following an expansion of the reporting boundary in Kazakhstan and an improvement in the calculation methodology. Previously published data are available in the Renco Group's 2021 Sustainability Report.

The following conversion factors were used to calculate energy consumption:

- National boundary: ISPRA - 2022 National Inventory Report, Environment Ministry - Table of national standard parameters for greenhouse gas monitoring and reporting for 2022 and DEFRA (UK Government - GHG Conversion Factors for Company Reporting) for 2022;
- International boundary: DEFRA (UK Government - GHG Conversion Factors for Company Reporting) for 2022.

In recent years, Renco has sought to improve the composition of its corporate fleet. In 2022, 75% of the vehicles in the fleet are diesel-powered.

MOZAMBIQUE

The first all-solar lighting system in operation is installed at the Pemba Bulk Terminal

In terms of energy management, an interesting initiative of the Renco Group in Mozambique is the project to use solar energy to light its sites, exploiting the abundance of solar energy in the area.

In 2022, the **direct CO₂ emissions (Scope 1)** were 4,140 tCO₂, a decrease compared to 2021. **Indirect CO₂ emissions from energy consumption (Scope 2)** were 10,752 tCO₂ according to the *Location Based* approach, and 10,822 tCO₂ according to the *Market Based* approach: in both cases there was a decrease of 2% compared to 2021.

CO₂ emissions (GRI 305-1, 305-2)¹⁴

Direct and indirect greenhouse gas (GHG) emissions from energy consumption	u.m.	2020	2021	2022
Direct CO₂ emissions (Scope 1)	tCO ₂	7,080	5,507	4,140
Heating and Generator Sets	tCO ₂	4,294	3,807	3,035
Automotive	tCO ₂	2,786	1,700	1,105
Indirect CO₂ emissions from energy consumption (Scope 2 - Location Based)	tCO ₂	7,179	10,992	10,752
Indirect CO₂ emissions from energy consumption (Scope 2 - Market Based)	tCO ₂	7,263	11,071	10,822

¹⁴ For the sake of comparability, the figures for 2021 have been restated, following an expansion of the reporting boundary in Kazakhstan and an improvement in the calculation methodology. Previously published data are available in the Renco Group's 2021 Sustainability Report.

The following emission factors were used to calculate emissions for 2022:

- Scope 1: ISPRA (2022 National Inventory Report and Environment Ministry - Table of national standard parameters for greenhouse gas monitoring and reporting for 2022 for the Italian perimeter and DEFRA (UK Government - GHG Conversion Factors for Company Reporting) for 2022 - for the international boundary;
- Scope 2:
 - Location-based electricity: TERNA - 2019 International comparisons for both the Italian and international boundaries;
 - Electricity (Market-based): AIB - 2022 European Residual Mixes for both the Italian and international boundaries. Where these data were not available within the above, TERNA - 2019 International Comparisons was used.

Scope 1 and Scope 2 emissions are expressed in tonnes of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂ equivalents), as inferred from the relevant technical literature.

KAZAKHSTAN

In relation to global warming, **Renco in Kazakhstan** strives to minimise the release of CO₂ and other harmful substances into the atmosphere by using energy-saving lighting and heating, and participating annually in the *Earth Hour* program, which involves switching off electricity in all its facilities for 1 hour

In addition, all Renco subsidiaries in Kazakhstan have drawn up an agreement for the disposal of all types of waste. In particular, Renco Property complies with the waste separation procedure, reusing waste where possible, and conducts environmental and safety training courses for employees.

CENTRAL SOLAR DE MECUFI (MOZAMBIQUE)

Through its subsidiary Renco Moz Green, the Group continues to develop the **Central Solar de Mecufi (CSM)** project in Mozambique, which involves the construction of a 20 MW solar power plant that will provide stable, clean energy to the city of Pemba.

The main objective is to ensure a sustainable energy supply and reduce the environmental impact of traditional energy sources. As the country's demand for electricity increases, driven by the positive electrification activities of remote areas, there is a risk that this demand will be met through the use of polluting fossil fuels such as diesel and coal, which are currently the only credible alternatives in the country. Through the implementation of the CSM, Renco is committed to providing a sustainable and environmentally responsible alternative for energy production. The use of solar energy will help reduce greenhouse gas emissions and preserve the environment, while providing clean and reliable energy to the town of Pemba.

Waste Management

The management of waste is another important element in the sustainable performance of the Group. 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, there is no single method for managing waste, as each project must comply with the local legal framework. However, the Group's waste management policy is based on a waste hierarchy that gives priority to the elimination of waste, followed where possible by the reuse and recycling of waste materials. If these three options are not feasible, disposal with energy recovery is the preferred option.

All Group companies have a process for **tracking and reporting waste streams**, which are recorded and archived according to type and quantity. This monitoring helps to identify potential areas and departments within the company where waste can be reduced.

The majority of **waste generated** within the Renco Group is mainly related to construction site activities and is classified as follows: "*special hazardous waste*", which includes 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 plastics; and finally the materials considered "*special non-hazardous waste, to be analysed*" such as plasterboard, insulation materials with a coating other than polystyrene, rock wool and polyurethane and other materials.

In 2022, the companies of the Renco Group produced a total of approximately **5,024 tonnes of waste**. Reassuringly, the percentage of hazardous waste accounts for around 1% of total waste.

Furthermore, the Renco Group has increased the percentage of waste sent for recovery from 46% in 2021 to 79% in 2022, in line with its ambition to become increasingly sustainable.

ARMENIA

Rencostrives to promote an environmental culture with initiatives and campaigns aimed at increasing recycling activities.

In many local contexts, the company encounters obstacles to promoting an environmental culture, but this does not prevent it from organising special events to promote environmental awareness.

In Armenia, several awareness-raising campaigns were carried out, including:



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

In addition, special paper and plastic recycling bins have been installed in Armenia and training has been provided to employees to raise awareness of separate waste collection, which is not implemented in the country.

MOZAMBIQUE

In 2022, Renco continued its efforts to reduce the production of organic waste by introducing composting stations for canteens and restaurants.

Despite some obstacles in engaging rural communities, the company is developing strategies to promote cultural change in waste management within communities. Renco's aim is to raise awareness and actively involve local communities in the importance of composting and its associated environmental benefits. To achieve this, Renco planned to implement new strategies, including the direct transport of the compost produced to the cultivated fields. Transporting the compost directly to the cultivated fields will allow the community to experience the concrete benefits of this organic waste recovery activity. It will be an opportunity to show how compost can improve soil fertility and contribute to better agricultural productivity.

Renco understands that cultural change takes time and continuous effort. The company is committed to its mission of educating, engaging and providing tools to communities for sustainable waste management. Through the dissemination of information, Renco aims to encourage greater adherence to the practice of composting and to promote a more responsible approach to organic waste.

Renco has also set itself the goal of **eliminating the use of plastic water bottles** at all its production sites in the country by 2023. This decision will help to reduce the environmental impact of plastic waste and promote the responsible use of water resources.

Aware of the importance of water resources and the urgency of preserving them for the local population, Renco is considering the implementation of a **seawater desalination plant** at the Pemba Bulk Terminal. The aim of this initiative is to reduce competition for water resources, especially considering that fresh water is scarce in the area. The desalination process would allow Renco to use seawater for its operations and ships, reducing the impact on the water supply for the population.

CONGO

In Congo, Renco is committed to reducing paper consumption.

In particular, the company plans to implement two initiatives:

- A digital signature system will be implemented, with the aim of limiting printing on paper;
- An awareness-raising campaign entitled '**Think before you print**' will be conducted with the aim of minimising paper waste.

7. Quality and Value Chain



Responsible Supply Chain Management



Renco pays the utmost attention to the selection of its suppliers, chosen for their professionalism and expertise, from which it purchases the raw materials used in its products and services. In particular, Renco's philosophy is to face the challenges of the future with an understanding of the excellence of **Made in Italy** products.

In fact, the Group aims to export *Made in Italy* in the countries where it operates, both through the presence of its Italian personnel, ensuring their management and leadership 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 perspective, the Group's procurement practices are coordinated by the Italian Purchasing Department. The latter is made up of two departments: the Purchasing Department, which is responsible for finding goods and services on the market by issuing purchase orders, and the Logistics Department, which is responsible for getting the goods to their destination. The former receives purchase requests from the Technical Plant and Construction Department, describing the product category and quantity to be procured. Once the quotations have been received from the suppliers and have passed the technical examination of the specialists, the Purchasing Department issues the Purchase Orders following negotiation. The logistics department, instead, takes care of the follow-up of the order and manages the transport of the goods from the point of delivery to the point of destination. Abroad, each Renco subsidiary has at least one Purchasing officer responsible for sourcing what is needed only locally, and a logistics officer responsible for organising the transport of the goods to the local warehouse or directly to the construction site.

The variety of goods/services purchased makes it complex to clearly assess a company's performance within the supply chain. For this reason, the eval-

uation is mainly done by comparing the purchase order budget, which is provided to the Purchasing Department, and the actual expenditure. Another important factor is the time required for the issue of the various orders. The actual order issue times is checked against the planned and estimated time in the procurement plan in order to meet the contract deadlines.

Supplier qualification process

The supplier qualification process consists of a **questionnaire** with 46 questions, of which ten are related to quality, ten to safety, ten to the environment and the rest are more general. Some questions require the submission of documentation proving certain specific certifications (e.g. ISO 14001).

Based on the answers and the documentation provided, the supplier's profile receives a score, which is added to the *Vendor List*. The purchase orders include references to Renco's Code of Ethics (form G7), while the qualification requires the supplier to provide an Anti-Corruption Questionnaire (form M16) and Anti-Mafia Self-Certification (form M18).

With regard to the values and principles that guide the RENCO Group in its choice of suppliers, each order form refers to the Code of Ethics, which is available on the Supplier Portal. In particular, Art. 43 states that "the selection of suppliers is based on a careful technical and economic evaluation, taking into account the following parameters: analysis of products, offer, economic viability, technical and professional suitability, competence and reliability." It then goes on to say: 'In the case of continuous supply relationships, RENCO S.p.A. maintains relationships based on the principles of good faith and transparency and respect for the values of fairness, impartiality, loyalty and equal opportunities.

It concludes by stating that "RENCO S.p.A., in order to protect its image and resources, does not enter into any type of relationship with parties that do not intend to operate in strict compliance with the regulations in force or that refuse to respect the values and principles that have inspired this Code".

New suppliers screened using environmental criteria (GRI 308-1)¹²

Number and percentage of suppliers	2020	2021	2022
Number of new suppliers screened using environmental criteria	20	177	17
Number of new suppliers ¹³	220	510	811
Percentage	9%	35%	2%

The supplier evaluation system is based on a questionnaire that includes environmental questions that contribute to the supplier's rating. The change in the percentage of questionnaires between 2022 and 2021 is due to the redesign of the supplier portal.

In order to assess the performance of each supplier, a *Vendor Rating* is issued on an annual basis, showing the supplier's ranking in terms of potential (high/low, according to the score on the qualification questionnaire) and delivery performance (high/low, monitored by warehouse data).

The Group therefore applies objective and transparent selection criteria, in accordance with current legislation and internal rules, and does not exclude any supplier who meets the requirements from bidding for a contract. The purpose of this system is to establish a list of suitable and capable suppliers for awarding contracts for works, supplies and services.

¹² Data on new suppliers that were screened using environmental criteria refer exclusively to Renco S.p.A. The other Group companies will assess the importance of this issue with a view to evaluating new suppliers according to environmental and/or social criteria in the coming years.

¹³ The figure for the number of new suppliers is an estimate.

Relationship with customers

As highlighted in the Group's mission statement, **customer centricity** is at the heart of the Group's strategic approach, with the satisfaction of its customers' needs and requirements at the core of its business. The Group is the guarantor of its own activities and of the processes adopted to provide the services requested. Depending on the type of service, the customer subscribes from time to time to technical WPDc that attest to the progress of the activities. For this reason, special attention is paid to all the processes and services that guarantee the development of an impeccable, timely and competent service.

Quality of services offered

Quality rules originate from an ongoing improvement plan. On the basis of the regulations in force and in accordance with its tradition, Renco identifies the significant and critical moments in the process and defines the actions and tools that offer the best guarantees for achieving the objectives set.

Quality objectives must be concrete, measurable, and, above all, identifiable by the customer; in fact, they are the main point of reference for the entire business process. To achieve these objectives, the Group has adopted the following measures:

- 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 the procedures to be followed at all stages of the project;
- It makes the best use of human and material resources by directing them towards the achievement of defined objectives;
- It urges all Renco employees to achieve quality objectives within the scope of their competence.

When it comes to quality, the employer is the ultimate authority responsible for setting and interpreting the policy.

Customer satisfaction

Rigorous application of the standards by which the product achieves quality is the surest guarantee of customer satisfaction, and this rigour is applied at all stages of the business process: from the moment of contact with the customer, through design development and procurement, to implementation, commissioning and guarantee of correct operation.

Due to the diversity of Renco's activities, customer satisfaction is measured and analysed in different ways in the four different **business lines**:



Below is how customer satisfaction is monitored and evaluated for each business unit, and the results achieved in 2022.

ENERGY & BUILDINGS

Renco considers the *acquisition, execution and warranty period* of projects that involve the customer on an ongoing basis with regular planning and progress reviews to be essential. In this way, the customer is aware of the progress of the project and can provide constructive *feedback* to the Group. The main stages in which the customer is directly involved are as follows:



Within the framework of the process briefly 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 entire project and is shared with the Customer through weekly and monthly reports;
- Possible application of *Liquidated Damages* or Penalties related to delays in reaching relevant milestones or the contractual end date of the project;
- Recognition by the Customer of any incentives for achieving particular milestones as scheduled;
- Weekly and monthly reporting on progress of the work schedule, performance indices, critical points and points requiring attention and related feedback received from the Customer;
- Any requests from the Customer for a *Recovery Plan*, approval and compliance with the new schedule. In these cases, performance indices will be calculated in relation to this new work schedule from the date of approval of the *Recovery Plan*;
- Any requests made by the customer for acceleration programmes and the achievement of new target dates. In these cases, performance indices are calculated in relation to this new work schedule from the date of approval of the accelerated programme;
- Number of revisions of the *Original Baseline* of the project;
- *Confidence Level* of the work schedule expressing the statistical probability, in percentage points, 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 *key milestones* of the project, of:

- risks and opportunities well identified by the Risk Management process (*known-unknowns*);
- generalised risks modelled via probabilistic distributions of the expected duration of individual programme activities (*known-unknowns*).

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

In 2022, **no Liquidated Damages and/or Penalties for delays were applied by Customers** on existing contracts.

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

- No critical issues identified by the customer that could have particularly serious economic consequences (e.g. major non-conformities, *findings*, *warnings*, *stop-work authority* with major suspension of work);
- *Health&Safety* indicators of project performance (e.g. accidents at work);
- Environment-related performance indicators (e.g. *waste management performance*);
- Performance indicators related to the presence of *social responsibility* elements (e.g. Presence of *Grievance mechanism* and *Claim from local communities*);
- Any sanctions or disqualification measures by public bodies following inspections related to Health, Safety and the Environment;
- Quality Indicators of Project Performance;
- Acknowledgement by the Customer (*Award*) of outstanding performance in the Project.

SERVICES

The *Services Business Unit* constantly monitors customer satisfaction through a feedback process that analyses a series of parameters defined in advance with the customer based on their needs, always with Renco's utmost commitment to maintaining a high standard of safety for its people.

A system of common KPIs has been set up with the main customer, which employs around 700 technicians. These include the measurement of technical criteria (punctuality, quality of service and behaviour of technicians), HSE (number of warning letters, LTIFR - *Lost Time Injury Frequency Rate*, number of training hours), service compliance (violations of local regulations officially and definitively contested by the authorities, violations of the customer's code of ethics), commercial behaviour (willingness to attend meetings scheduled organised by the customer at regular intervals, accuracy of data provided to the customer, such as hours worked, countersigned status sheets, overtime hours, hours of delay in the service provided) and, finally, economic criteria (economic performance, such as days of delay in the payment of salaries to employees involved in the service).

In 2022, Renco's measured performance against the defined KPIs was rated **10 out of 10**, with 5 being the minimum acceptable score.

For the second most important customer, which employs around 200 technicians, the objective indicators used are the presence or absence of customer complaints and the average number of technicians working on major projects.

In 2022, no complaints were received from customers of the Services BU, confirming the investment 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, in the *Hotellerie* area this indicator is monitored through a rating on a scale of 1 to 10 that Customers who stay at the Group's facilities express on the book-

ing platform (such as Booking and Trip Advisor). This booking method allows the end customer to express their opinion, which is essential for Renco to identify the strengths and weaknesses of the service and to improve its performance.

In addition, to demonstrate the Group's interest in developing new systems to monitor customer satisfaction, for a number of years now all the Group's hotels have had a Renco rating system, which customers can use to express a completely voluntary opinion on their stay. However, since 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 (buildings, embassies, banks, etc.), the direct and daily relationship that the Group establishes with the people who work there, allows a continuous sharing of the needs highlighted by the customer and the strengths of their business within the structure.

Appendix

MATERIALITY ANALYSIS - DEFINITION OF MATERIAL TOPICS

Material topic	Impact				
	Impact	Description	Type	Group Involvement	Boundary
Ethics and compliance	Ethical business management	Development of fair, transparent and constructive relations with stakeholders, with direct impact on continuous improvements in ESG performance	Positive Potential	-	-
	Anti-competitive practices	Anti-competitive behaviour and monopolistic practices with negative impacts on the economy and markets	Negative Potential	Caused by the Group	All Group Companies
	Cases of corruption	Corrupt practices with negative impacts on the economy and markets	Negative Potential	Caused by the Group	All Group Companies
	Environmental non-compliance	Non-compliance with applicable laws, regulations, internal and external standards with related negative environmental impacts	Negative Potential	Caused by the Group	All Group Companies
Creation of shared value	Creation of shared value	Economic value creation and balanced distribution to stakeholders (e.g. financial institutions, shareholders, local communities)	Positive Potential	-	-
Impact on the territory and involvement of local communities (evolved Local Content)	Contribution to the development of the territory (evolved Local Content)	Promotion of initiatives in favour of the territories where the Group is present and their cultural heritage, through the involvement of the community, including through the creation of local partnerships, the development of local entrepreneurship and the training of people	Positive Actual	-	-
	Dialogue with institutions	Creation and strengthening of partnerships with local governments to develop services for the community (e.g. public health risk mitigation, education)	Positive Actual	-	-
	Job creation	Job creation and development of resources recruited in the territories where the Group is present	Positive Actual	-	-

Employee management and retention	Contribution to work-life balance for employees	Implementation of initiatives to ensure work-life balance by improving the well-being of employees, including through the promotion of continuous improvement in working practices (e.g. flexible and remote working tools, return to work policy after parental leave) and improved welfare and social services	Positive Potential	-	-
	Employee satisfaction	Employee satisfaction as a result of the company's ability to create a motivating and satisfying working environment, including through the promotion of human resource management activities based on constant and constructive dialogue with the social partners in all parts of the company.	Positive Actual	-	-
Health and safety of workers	Work-related injuries	Accidents or other incidents in the workplace with negative consequences for the health of direct employees or external collaborators	Negative Potential	Caused by the Group	All Group Companies
	Employee Health Promotion	Implementation of initiatives to promote the health of employees and those working under Renco's control (e.g. agreements on healthcare)	Positive Actual	-	-
Employee development and training	Development of employees' skills	Improving the technical, managerial and organisational skills of employees through training and development activities, also linked to growth targets and individual appraisals	Positive Actual	-	-
Diversity and equal opportunities	Discrimination incidents	Discrimination or exclusion of an employee on the grounds of age, culture, ethnicity, religion, political opinion, marital status, gender, physical ability, sexual orientation	Negative Potential	Caused by the Group	All Group Companies
Customer satisfaction	Dialogue with the customer	Development of relationships of trust and continuous dialogue with customers in order to identify and meet their expectations	Positive Potential	-	-

Responsible supply chain management	Enhancing the value of local suppliers	Development of industrial relations with and enhancement of local suppliers	Positive Potential	-	-
	Promotion of social responsibility practices along the value chain	Encouraging best practice in social responsibility throughout the value chain, helping to improve the reliability and safety of services provided	Positive Potential	-	-
	Violation of human rights along the supply chain	Human rights violations along the supply chain (e.g. freedom of association and collective bargaining, child labour, forced or compulsory labour)	Negative Potential	To which the Group contributes indirectly and related to the Group through its business relations	All Group Companies and Suppliers
Management of energy consumption and emissions	Generation of climate-changing emissions	Climate-changing emissions from the consumption of non-renewable energy sources (non-renewable fuels and electricity)	Negative Actual	Caused by the Group	All Group Companies
Privacy and IT security	Loss of customer data	Customer privacy breaches and loss of customer data from management system	Negative Potential	Caused by the Group	All Group Companies
Water consumption management	Water withdrawal	Reduction in water availability due to Group activities	Negative Potential	Caused by the Group	All Group Companies
Waste management	Generation of waste during the production process	Environmental impacts related to the generation of hazardous and non-hazardous waste during Group operations	Negative Actual	Caused by the Group	All Group Companies
Impact on biodiversity	Impact on biodiversity	Impacts of Group activities on biodiversity	Negative Potential	Caused by the Group	All Group Companies

THE PEOPLE OF THE RENCO GROUP¹⁴

Employees by contract type (permanent, fixed-term and apprenticeship/full-time and part-time), geographical area and gender (GRI 2-7)¹⁵

Type of contract	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees - Italy	287	66	353	259	61	320	299	78	377
Permanent	211	53	264	195	48	243	233	62	295
Fixed-term	62	6	68	58	7	65	59	14	73
Apprenticeship	14	7	21	6	6	12	7	2	9
Total employees - Rest of the World	3,083	654	3,737	2,344	701	3,045	1,409	731	2,140
Permanent	2,021	534	2,555	1,360	474	1,834	877	524	1,401
Fixed-term	1,060	120	1,180	984	227	1,211	532	207	739
Apprenticeship	2	-	2	-	-	-	-	-	-
Total Employees - Group	3,370	720	4,090	2,603	762	3,365	1,708	809	2,517
Permanent	2,232	587	2,819	1,555	522	2,077	1,110	586	1,696
Fixed-term	1,122	126	1,248	1,042	234	1,276	591	221	812
Apprenticeship	16	7	23	6	6	12	7	2	9

¹⁴ For the sake of comparability, it should be noted that the data for the year 2021 have been restated, following an improved reporting process. This is the case for all social performance indicators (GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 404-1, GRI 404-3, and GRI 405-1). Any further limitations of the boundary are appropriately indicated in the text.

Furthermore, in relation to the Italian boundary, the method of calculating the number of employees as at 31/12/2022 has been updated for the purpose of alignment with the Annual Report, which results in a difference when taking into account recruitments and terminations during the year.

¹⁵ There are no employees with non-guaranteed hours in the 2020-2022 three-year period.

Type of contract	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total employees - Italy	287	66	353	259	61	320	299	78	377
Full-time	286	64	350	258	59	317	298	76	374
Part-time	1	2	3	1	2	3	1	2	3
Total employees - Rest of the World	3,083	654	3,737	2,344	701	3,045	1,409	731	2,140
Full-time	3,055	631	3,686	2,326	682	3,008	1,400	714	2,114
Part-time	28	23	51	18	19	37	9	17	26
Total Employees - Group	3,370	720	4,090	2,603	762	3,365	1,708	809	2,517
Full-time	3,341	695	4,036	2,584	741	3,325	1,698	790	2,488
Part-time	29	25	54	19	21	40	10	19	29

External workers by contract (Temporary staff, Internships, Other collaborators), by geographical area and gender (GRI 2-8)

Type of contract	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Total external workers - Italy	19	1	20	16	4	20	21	3	24
Temporary staff	0	0	0	0	0	0	0	0	0
Internship	4	0	4	5	4	9	2	3	5
Other collaborators	15	1	16	11	0	11	19	0	19
Total external workers - Rest of the World	138	34	172	274	52	326	139	50	189

Temporary staff	118	28	146	236	29	265	121	38	159
Internship	3	5	8	22	22	44	11	11	22
Other collaborators	17	1	18	16	1	17	7	1	8
Total external workers - Group	157	35	192	290	56	346	160	53	213
Temporary staff	118	28	146	236	29	265	121	38	159
Internship	7	5	12	27	26	53	13	14	27
Other collaborators	22	2	34	27	1	28	26	1	27

Employees covered by collective bargaining agreements (GRI 2-30)

Employees covered by collective bargaining agreements	As at 31 December 2020	As at 31 December 2021	As at 31 December 2022
Number of employees covered by collective bargaining agreements	1,632	1,660	886
Percentage of employees covered by collective bargaining agreements	40%	49%	35%

Diversity in governing bodies by gender and age group (GRI 405-1)¹⁶

Number of people	As at 31 December 2020					
	Men		Women		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
< 30	-	-	-	-	-	-
30-50	2	67%	-	-	2	67%
> 50	1	33%	-	-	1	33%
Total	3	100%	-	-	3	100%
Number of people	As at 31 December 2021					
	Men		Women		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
< 30	-	-	-	-	-	-
30-50	2	67%	-	-	2	67%
> 50	1	33%	-	-	1	33%
Total	3	100	-	-	3	100
Number of people	As at 31 December 2022					
	Men		Women		Total	
	Number	Percentage	Number	Percentage	Number	Percentage
< 30	-	-	-	-	-	-
30-50	2	67%	-	-	2	67%
> 50	1	33%	-	-	1	33%
Total	3	100	-	-	3	100

¹⁶ The composition of the governing body relates to Renco Group S.p.A.

Employees by geographical area, gender and age group (GRI 405-1)

Number of employees	As at 31 December 2020				As at 31 December 2021				As at 31 December 2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Italy	38	228	87	353	33	205	82	320	42	234	101	377
Men	23	179	85	287	19	159	81	259	24	179	96	299
Women	15	49	2	66	14	46	1	61	18	55	5	78
Rest of the World	909	2,258	570	3,737	577	1,939	529	3,045	496	1,271	373	2,140
Men	763	1,888	432	3,083	409	1,534	401	2,344	323	866	220	1,409
Women	146	370	138	654	168	405	128	701	173	405	153	731
Group	947	2,486	657	4,090	610	2,144	611	3,365	538	1,505	474	2,517
Men	786	2,067	517	3,370	428	1,693	482	2,603	347	1,045	316	1,708
Women	161	419	140	720	182	451	129	762	191	460	158	809

Employees by professional category, gender and age group (GRI 405-1)

Number of employees	As at 31 December 2020				As at 31 December 2021				As at 31 December 2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Executives	1	14	12	27	-	22	13	35	-	26	14	40
Men	1	11	10	22	-	19	11	30	-	24	12	36
Women	-	3	2	5	-	3	2	5	-	2	2	4
Middle-management	5	110	44	159	17	123	42	182	5	107	31	143
Men	2	94	39	135	5	90	37	132	2	62	25	89
Women	3	16	5	24	12	33	5	50	3	45	6	54
Office workers	126	594	131	851	191	738	166	1,095	156	513	123	792

Men	65	464	125	654	98	543	153	794	74	345	106	525
Women	61	130	6	197	93	195	13	301	82	168	17	267
Blue-collar workers	815	1,768	470	3,053	402	1,261	390	2,053	377	859	306	1,542
Men	718	1,498	343	2,559	325	1,041	281	1,647	271	614	173	1,058
Women	97	270	127	494	77	220	109	406	106	245	133	484
Total	947	2,486	657	4,090	610	2,144	611	3,365	538	1,505	474	2,517
Men	786	2,067	517	3,370	428	1,693	482	2,603	347	1,045	316	1,708
Women	161	419	140	720	182	451	129	762	191	460	158	809

Employees belonging to protected categories (GRI 405-1)

Employees belonging to protected categories	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-	-	-	-
Middle-management	-	-	-	-	-	-	-	-	-
Office workers	5	4	9	3	5	8	4	26	30
Blue-collar workers	14	12	26	15	12	27	9	6	15
Total	19	16	35	18	17	33	13	32	45

Number of hires (GRI 401-1)

Hired employees	As at 31 December 2020				As at 31 December 2021				As at 31 December 2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Italy	10	39	27	76	11	18	13	42	26	62	32	120
Men	6	36	26	68	7	17	13	37	17	50	31	98

Women	4	3	1	8	4	1	0	5	9	12	1	22
Rest of the World	494	689	128	1,311	404	719	121	1,244	361	645	96	1,102
Men	460	605	93	1,158	276	518	91	885	245	507	65	817
Women	34	84	35	153	128	201	30	359	116	138	31	285
Group	504	728	155	1,387	415	737	134	1,286	387	707	128	1,222
Men	466	641	119	1,226	283	535	104	922	262	557	96	915
Women	38	87	36	161	132	202	30	364	125	150	32	307

Rate of new hires (GRI 401-1)¹⁷

Hired employees	As at 31 December 2020				As at 31 December 2021				As at 31 December 2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Italy	26%	17%	31%	22%	33%	9%	16%	13%	62%	27%	30%	32%
Men	26%	20%	31%	24%	37%	11%	16%	14%	71%	29%	30%	33%
Women	27%	6%	50%	12%	29%	2%	0%	8%	50%	22%	20%	28%
Rest of the World	54%	31%	22%	35%	70%	37%	23%	41%	73%	51%	26%	51%
Men	60%	32%	22%	38%	67%	34%	23%	38%	76%	58%	30%	58%
Women	23%	23%	25%	23%	76%	50%	23%	51%	67%	34%	20%	39%
Group	53%	29%	24%	34%	68%	34%	22%	38%	72%	47%	27%	49%
Men	59%	31%	23%	36%	66%	32%	22%	35%	76%	53%	30%	54%
Women	24%	21%	26%	22%	73%	45%	23%	48%	65%	33%	20%	38%

¹⁷ The rate of new hires is calculated as the ratio of the number of employees hired in 2022, by geographical area, gender and age group, to the total number of employees on 31/12/2022 for the type indicated. The nature of Renco's business, characterised by employees with a high incoming turnover, can result in high recruitment rates.

Number of terminations (GRI 401-1)

Terminations	As at 31 December 2020				As at 31 December 2021				As at 31 December 2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Italy	10	53	28	91	11	37	27	75	26	110	34	170
Men	7	45	26	78	8	31	26	65	21	108	33	162
Women	3	8	2	13	3	6	1	10	5	2	1	8
Rest of the World	305	653	161	1,119	694	1,072	211	1,977	351	1,287	365	2,003
Men	238	537	124	899	592	905	170	1,667	255	1,101	299	1,655
Women	67	116	37	220	102	167	41	310	96	186	66	348
Group	315	706	189	1,210	705	1,109	238	2,052	377	1,397	399	2,173
Men	245	582	150	977	602	936	196	1,732	276	1,209	332	1,817
Women	70	124	39	233	105	173	42	320	101	188	67	356

Turnover rate (GRI 401-1)¹⁸

Terminations	As at 31 December 2020				As at 31 December 2021				As at 31 December 2022			
	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total	< 30	30-50	> 50	Total
Italy	26%	23%	32%	26%	33%	18%	33%	23%	62%	48%	32%	45%
Men	30%	25%	31%	27%	42%	19%	33%	25%	88%	62%	32%	54%
Women	20%	16%	100%	20%	21%	13%	100%	16%	28%	4%	20%	10%
Rest of the World	34%	29%	28%	30%	120%	55%	40%	65%	71%	101%	98%	94%

¹⁸ The turnover rate is calculated as the ratio of the number of terminations in 2022, by geographical area, gender and age group, to the total number of employees on 31/12/2022 for the type indicated. The nature of Renco's business, characterised by employees with a high outgoing turnover, can result in high turnover rates.

Men	31%	28%	29%	29%	145%	59%	42%	71%	79%	127%	136%	117%
Women	46%	31%	27%	34%	61%	41%	32%	44%	55%	46%	43%	48%
Group	33%	28%	29%	30%	116%	52%	39%	61%	70%	93%	84%	86%
Men	31%	28%	29%	29%	140%	55%	41%	67%	80%	116%	105%	106%
Women	43%	30%	28%	32%	58%	38%	33%	42%	53%	41%	42%	44%

Work-related injuries (GRI 403-9)

Rate of work-related injuries	2020	2021	2022
Number of fatalities	0	0	0
Number of high-consequence work-related injuries ¹⁹	0	0	0
Number of recordable work-related injuries ²⁰	0	2	1
Rate of recordable work-related injuries ²¹	0	0.06	0.05

Number of hours worked	2020	2021	2022
Hours worked	1,663,963	6,649,476	4,361,438

¹⁹ It includes injuries that result in death or injuries from which the worker cannot recover, does not recover, or from which it is unrealistic to expect the worker to fully recover within 6 months to his or her pre-injury condition.

²⁰ The number of recordable injuries refers to the following cases: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid or unconsciousness, severe injury or illness diagnosed by a doctor or other authorised health professional, even if it is not the cause of death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid or unconsciousness. Accidents resulting from commuting accidents are included only when the transport was organised by the Company.

²¹ Recordable work-related injury rate: represents the ratio of the total number of recordable work-related injuries to the total number of hours worked in the same period, multiplied by 200,000.

Training hours by professional category and gender (GRI 404-1)

Total training hours	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	-	-	-	61	-	61	146	13	159
Middle-management	510	56	566	593	15	608	2,502	164	2,666
Office workers	5,867	2,357	8,224	6,746	2,093	8,839	14,480	2,545	17,025
Blue-collar workers	33,473	6,417	39,890	15,617	3,867	19,484	20,181	3,300	23,481
Total	39,849	8,830	48,679	23,017	5,974	28,991	37,309	6,022	43,331

Training hours per capita	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	0.0	0.0	0.0	2.0	0.0	1.7	4.1	3.3	4.0
Middle-management	3.8	2.3	3.6	4.5	0.3	3.3	28.1	3.0	18.6
Office workers	9.0	12.0	9.7	8.5	7.0	8.1	27.6	9.5	21.5
Blue-collar workers	13.1	13.0	13.1	9.5	9.5	9.5	19.1	6.8	15.2
Total	11.8	12.2	11.9	8.8	7.8	8.6	21.8	7.4	17.2

Percentage of employees receiving regular performance and career development reviews (GRI 404-3)

Employees who received an appraisal	As at 31 December 2020			As at 31 December 2021			As at 31 December 2022		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	45.45%	0%	37.04%	46.67%	20.00%	42.86%	22.22%	50.00%	25.00%
Middle-management	32.59%	20.83%	30.82%	29.55%	12.00%	24.73%	49.44%	24.07%	39.86%

Office workers	34.40%	39.59%	35.61%	28.46%	43.19%	32.51%	39.81%	42.32%	40.66%
Blue-collar workers	3.83%	8.70%	4.62%	6.62%	23.65%	9.99%	28.92%	33.68%	30.42%
Total	11.19%	17.50%	12.30%	14.91%	30.58%	18.45%	33.20%	35.97%	34.09%

ENVIRONMENTAL PROTECTION²²

Total energy consumption within the organisation (GRI 302-1)²³

Type of consumption	u.m.	2020	2021	2022
Heating and Generator Sets				
Natural gas	m3	693,926	742,871	709,006
Diesel	l	1,046,250	832,328	578,087
Purchased electricity (total)	kWh	11,401,422	17,798,647	17,420,038
of which purchased from certified renewable sources	kWh	-	7,632	24,160
Self-produced electricity (total)	kWh	13,248	214,245	216,340
of which self-produced from renewable sources	kWh	-	214,245	215,159
of which self-produced and sold (total)	kWh	-	30,068	29,834
of which self-produced from renewable sources	kWh	-	30,068	29,834

²² For the sake of comparability, the figures for 2021 have been restated, following an expansion of the reporting boundary in Kazakhstan and an improvement in the calculation methodology. Previously published data are available in the Renco Group's 2021 Sustainability Report.

²³ The following conversion factors were used to calculate energy consumption:

- National boundary: ISPRA - 2022 National Inventory Report, Environment Ministry- Table of national standard parameters for greenhouse gas monitoring and reporting for 2022 and DEFRA (UK Government - GHG Conversion Factors for Company Reporting) for 2022;
- International boundary: DEFRA (UK Government - GHG Conversion Factors for Company Reporting) for 2022

Heating	kWh	5,183,519	8,177,053	8,123,555
of which produced from renewable sources	kWh	72	-	-
of which produced from non-renewable sources	kWh	5,183,447	8,177,053	8,123,555
Cooling	kWh	343	23,886	26,415
of which produced from renewable sources	kWh	343	-	-
of which produced from non-renewable sources	kWh	-	23,886	26,415
Automotive				
Diesel	l	984,834	540,816	326,945
Petrol	l	128,597	149,261	115,023
LPG	l	2,250	-	23
Methane	kg	-	-	60

Type of consumption	u.m.	2020	2021	2022
Heating and Generator Sets	GJ	67,929	61,659	50,271
Natural gas	GJ	27,467	29,471	28,160
<i>Diesel</i>	GJ	40,462	32,189	22,111
Purchased electricity (total)	GJ	41,045	64,075	62,712
of which purchased from certified renewable sources	GJ	-	27	87
Self-produced electricity (total)	GJ	48	771	779
of which self-produced from renewable sources	GJ	-	771	775
of which self-produced and sold (total)	GJ	-	108	107
of which self-produced from renewable sources	GJ	-	108	107
Heating	GJ	18,661	29,437	29,245
of which produced from renewable sources	GJ	-	-	-

of which produced from non-renewable sources	GJ	18,660	29,437	29,245
Cooling	GJ	1	86	95
of which produced from renewable sources	GJ	1	-	-
of which produced from non-renewable sources	GJ	-	86	95
Automotive	GJ	41,960	25,576	16,014
Diesel	GJ	37,522	20,470	12,116
Petrol	GJ	4,379	5,105	3,894
LPG	GJ	59	-	1
Methane	GJ	-	-	3

CO₂ emissions (GRI 305-1, 305-2)²⁴

Greenhouse gas emissions	u.m.	2020	2021	2022
Direct CO2 emissions - Scope 1	tCO2	7,080	5,507	4,140
Scope 1 heating	tCO2	4,294	3,807	3,035
Scope 1 automotive	tCO2	2,786	1,700	1,105
Indirect CO2 Emissions - Scope 2 - Location Based	tCO2	7,179	10,992	10,752
Indirect CO2 Emissions - Scope 2 - Market Based	tCO2	7,263	11,071	10,822

²² The following emission factors were used to calculate emissions for 2022:

- Scope 1: ISPRA - National Inventory Report 2022 and Environment Ministry- Table of national standard parameters for greenhouse gases monitoring and reporting for 2022 for the Italian perimeter and DEFRA (UK Government - GHG Conversion Factors for Company Reporting) for 2022 for the international perimeter;
- Scope 2:
 - Location-based electricity: TERNA - 2019 International comparisons for both the Italian and international boundaries;
 - Electricity (Market-based): AIB - 2022 European Residual Mixes for both the Italian and international boundaries. Where these data were not available within the above, TERNA - 2019 International Comparisons was used.

Scope 1 and Scope 2 emissions are expressed in tonnes of CO₂; however, the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂-equivalents) as inferred from the technical literature.

QUALITY AND VALUE CHAIN

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

Proportion of expenditure per country (€%)	2020	2021	2022
Italy	71.9%	84.8%	94.9%
Armenia	15.9%	5.4%	0.8%
Congo	1.5%	3.9%	0.2%
Kazakhstan	1.3%	2.1%	0.7%
Mozambique	9.4%	3.8%	3.4%

New suppliers screened using environmental criteria (GRI 308-1)²⁵

Percentage of new suppliers screened using environmental criteria	2020	2021	2022
Number of new suppliers screened using environmental criteria	20	177	17
Number of new suppliers ²⁶	220	510	811
Percentage	9%	35%	2%

²⁵ This figure refers exclusively to Renco S.p.A.

²⁶ The figure for the number of new suppliers is an estimate.

GRI content index

Statement of use	The Renco Group has reported the information provided in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1 - Foundation 2021

GRI STAND-ARD	DISCLOSURE	PAGE	Notes
GENERAL DISCLOSURES			
GRI 2 - GENERAL DISCLOSURE (2021)			
2-1	Organisation details	Page 11-12; Page 14	
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2-3	Reporting period, frequency and contact point	Page 8-9	
2-4	Restatement of information	Page 8; Page 115; Page 125	
2-5	External Assurance	Page 9; Page 134-136	
2-6	Activities, value chain and other business relationships	Page 12; Page 106-111	
2-7	Employees	Page 115-116	
2-8	Workers who are not employees	Page 116-117	
2-9	Governance structure and composition	Page 26-27	
2-10	Nomination and selection of the highest governance body	Page 26	
2-11	Chair of the highest governance body	Page 26	
2-12	Role of the highest governance body in overseeing the management of impacts	Page 26-27; Page 29	
2-13	Delegation of responsibility for managing impacts	Page 29	
2-14	Role of the highest governance body in sustainability reporting	Page 9	

2-15	Conflicts of interest	Page 33	
2-16	Communication of critical concerns	Page 33-34	
2-19	Remuneration policies	Page 27	
2-22	Statement on sustainable development strategy	Page 6-7	
2-23	Policy commitments	Page 18-22; Page 30-33	
2-24	Embedding policy commitments	Page 18-22; Page 30-33	
2-25	Processes to remediate negative impacts	P. 30-33; P. 76-77; P. 85-86	
2-26	Mechanisms for seeking advice and raising concerns	Page 34	
2-27	Compliance with laws and regulations	Page 33	
2-28	Membership associations	Page 41	
2-29	Approach to stakeholder engagement	Page 40-41	
2-30	Collective bargaining agreements	Page 117	
MATERIAL TOPICS			
GRI 3 - MATERIAL TOPICS (2021)			
3-1	Process to determine material topics	Page 41-43	
3-2	List of material topics	Page 42	
ETHICS AND COMPLIANCE			
GRI 3 - MATERIAL TOPICS (2021)			
3-3	Management of material topics	Page 30-35	
GRI 205 - ANTI-CORRUPTION (2016)			
205-3	Confirmed incidents of corruption and actions taken	Page 33	
GRI 206 - ANTI-COMPETITIVE BEHAVIOUR (2016)			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Page 33	
EMPLOYEE MANAGEMENT AND RETENTION			
GRI 3 - MATERIAL TOPICS (2021)			

3-3	Management of material topics	Page 73-74; Page 77-80	
GRI 401 - EMPLOYMENT (2016)			
401-1	New employees hires and employee turnover	Page 120-123	
EMPLOYEE DEVELOPMENT AND TRAINING			
GRI 3 - MATERIAL TOPICS (2021)			
3-3	Management of material topics	Page 80-84	
GRI 404 - TRAINING AND EDUCATION (2016)			
404-1	Average hours of training per year per employee	Page 124	
404-3	Percentage of employees receiving regular performance and career development reviews	Page 124-125	
DIVERSITY AND EQUAL OPPORTUNITIES			
GRI 3 - MATERIAL TOPICS (2021)			
3-3	Management of material topics	Page 74-77	
GRI 405 - DIVERSITY AND EQUAL OPPORTUNITIES (2016)			
405-1	Diversity in governance bodies and employees	Page 118-120	
GRI 406 - NON-DISCRIMINATION (2016)			
406-1	Incidents of discrimination and corrective measures taken	Page 77	
EMPLOYEE HEALTH AND SAFETY			
GRI 3 - MATERIAL TOPICS (2021)			
3-3	Management of material topics	Page 85-89	
GRI 403 - OCCUPATIONAL HEALTH AND SAFETY (2018)			
403-1	Occupational health and safety management system	Page 85	
403-2	Hazard identification, risk assessment and incident investigation	Page 85-86	
403-3	Occupational health services	Page 85-86	
403-4	Worker participation, consultation, and communication on occupational health and safety	Page 86-89	

403-5	Worker training on occupational health and safety	Page 87-88	
403-6	Promotion of worker health	Page 86-89	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Page 86-89	
403-9	Work-related injuries	Page 123	
RESPONSIBLE SUPPLY CHAIN MANAGEMENT			
GRI 3 - MATERIAL TOPICS (2021)			
3-3	Management of material topics	Page 103-105	
GRI 204 - PROCUREMENT PRACTICES (2016)			
204-1	Proportion of spending on local suppliers	Page 128	
GRI 308 - SUPPLIER ENVIRONMENTAL ASSESSMENT (2016)			
308-1	New suppliers that were screened using environmental criteria	Page 128	
MANAGEMENT OF ENERGY CONSUMPTION AND EMISSIONS			
GRI 3 - MATERIAL TOPICS (2021)			
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GRI 302 - ENERGY (2016)			
302-1	Energy consumption within the organisation	Page 125-127	
GRI 305 - EMISSIONS (2016)			
305-1	Direct (Scope 1) GHG emissions	Page 127	
305-2	Energy indirect (Scope 2) GHG emissions	Page 127	
CUSTOMER SATISFACTION			
GRI 3 - MATERIAL TOPICS (2021)			
3-3	Management of material topics	Page 106-111	
GRI 416 - CUSTOMER HEALTH AND SAFETY (2016)			
416-2	Incidents of non-compliance concerning health and safety impacts of products and services	Page 107-111	

CREATION OF SHARED VALUE			
GRI 3 - MATERIAL TOPICS (2021)			
3-3	Management of material topics	Page 20-22	
IMPACT ON THE TERRITORY AND INVOLVEMENT OF LOCAL COMMUNITIES (EVOLVED LOCAL CONTENT)			
GRI 3 - MATERIAL TOPICS (2021)			
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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. (hereinafter "the Group" or "Renco Group") for the financial year ended 31 December 2022.

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 firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or 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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Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049560166

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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 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 defining the relevant topics reported in the Sustainability Report, with reference to the methods of analysis and understanding of the reference context, identification, evaluation and prioritization of the actual and potential impacts and the internal validation of the results of the process
- 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, Renco Green Sarlu 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, Italsec Congo, Renco Green Sarlu 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 do 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, 2022 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
October 6, 2023

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

