

# CONSOLIDATED SUSTAINABILITY REPORT **2022**



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# Letter to Stakeholders

In 2022, the renewable energy sector remained a booming market as an essential element in achieving the European bloc's energy transition and independence goals. The context of policies and instruments made available to foster the development of innovative renewable technologies, both at European and national level, demonstrate the strategic nature of the sector.

In this context, the PLC Group has continued on its path of sustainable development and growth, playing an active role in the fight against climate change both through the development, construction and maintenance of renewable energy plants, which are part of its core business, and through internal initiatives at every level of the organisation. With this consolidated sustainability report, and in continuity with last year, the PLC Group intends to share its achievements and future goals with all of its stakeholders.



Francesco Esposito (Chairman)



Diego Percopo (Chief Executive Officer)





# 0 PLC Group



# 01.1

## The reference market

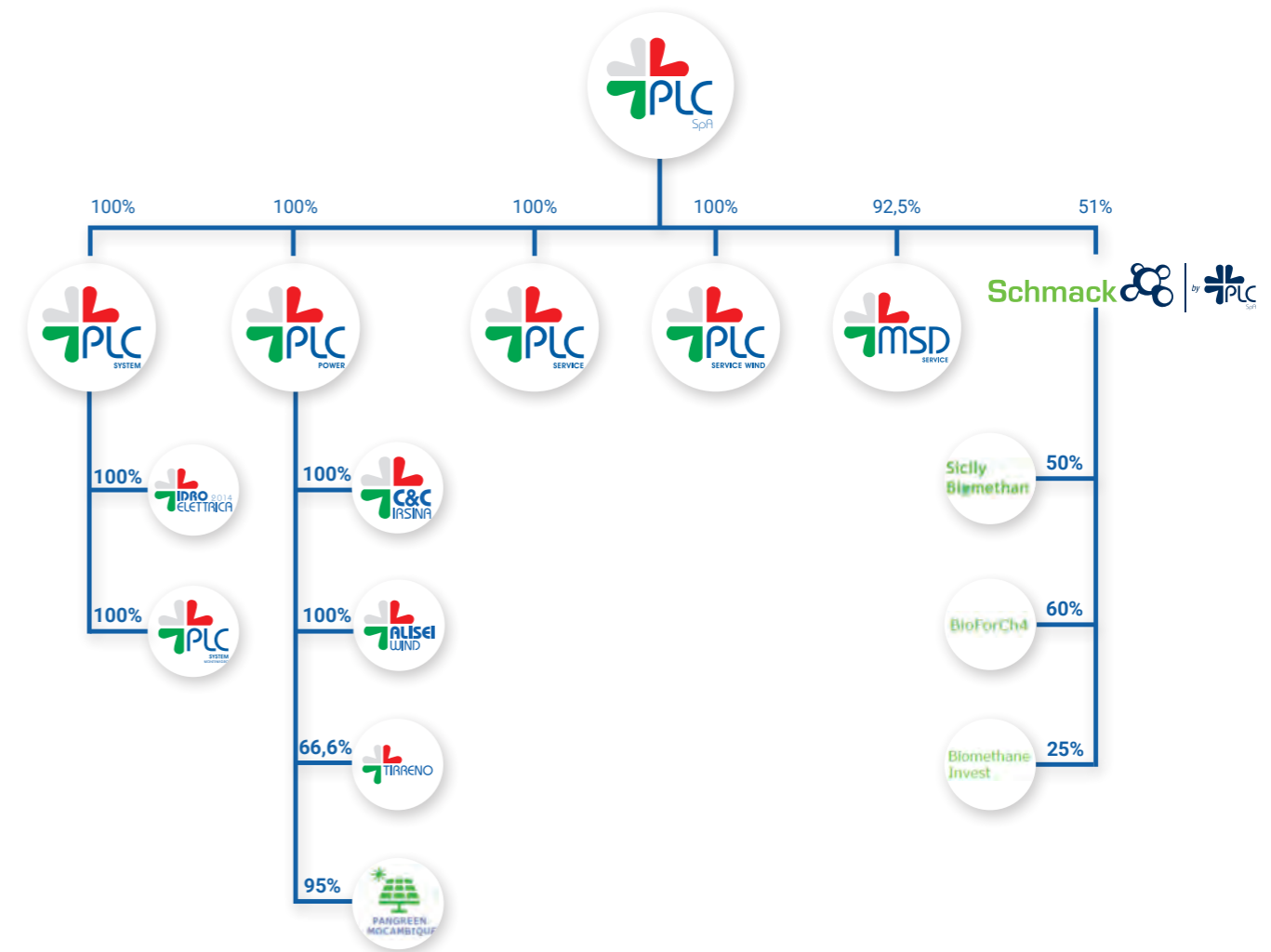
The PLC Group operates in the renewable energies market with particular reference to the photovoltaic, wind, biomethane and biogas sectors, as well as high and medium voltage electricity infrastructures serving renewable energy plants in which it carries out engineering, procurement, construction ("Construction Segment"), as well as testing, monitoring and ordinary and extraordinary maintenance ("Services Segment") activities.



# 01.2

## The structure of the Group

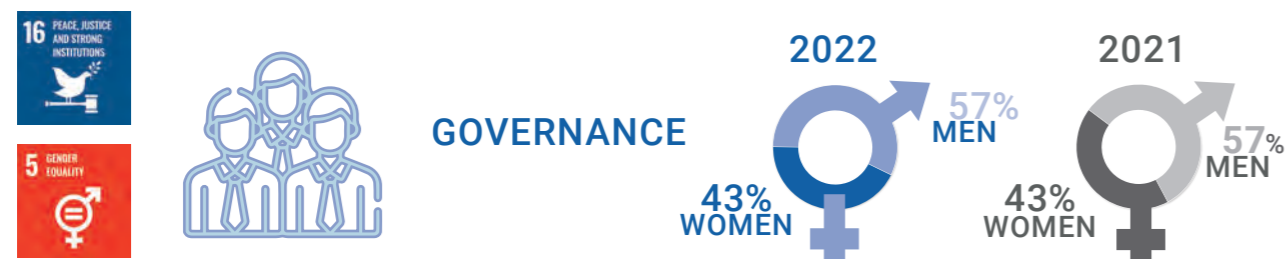
The Parent Company PLC S.p.A. has its registered office in Milan, Via Ripamonti, 1/3 and two local units both located in Acerra (NA), Zona ASI, Località Pantano, respectively at Via delle Industrie 100 and Via delle Industrie 272/274, where the Group's main operating activities are carried out with reference to the traditional renewable energy sectors in Italy. With reference to the biogas and biomethane sectors, the Group operates through the company Schmack Biogas S.r.l. located in Bolzano. Abroad, operations were mainly carried out via the Monsson Group through its offices in Constanta (Romania) and Hamburg (Germany). On 5 April 2023, the sale of Monsson was finalised and the companies belonging to it were excluded from the Group's ownership structure as they were treated in accordance with IFRS 5 "Discontinued Operations" as at 31 December 2022.



# 01.3 Sustainability Highlights

The UN's 2030 Agenda for Sustainable Development identifies 17 Sustainable Development Goals (SDGs) that represent shared goals for sustainable development and provide an international reference for continuing to meet global challenges.

## Integrity and Transparency



## Sustainable Development



## Natural Heritage and Environmental Sustainability



## Human capital and the value of relationships



\* It should be noted that the financial statements as at 31 December 2021 have been restated in accordance with IFRS 5 relating to "Discontinued Operations".

# 01.4 Governance

PLC S.p.A. has signed on to the new edition of the Corporate Governance Code issued by Borsa Italiana in January 2021 and continued implementation activities during the 2022 financial year. The main new characteristic introduced concerns the concept of "sustainable success", understood as the objective guiding the action of the management body, which takes form in the creation of long-term value for the benefit of shareholders, while also taking into account the interests of other relevant stakeholders for the Company. In compliance with the provisions of the Corporate Governance Code, the Board of Directors, in establishing the required Board committees, decided to also assign the Control and Risk Committee functions aimed at promoting the Company's sustainable success (this committee was therefore renamed the Control, Risks and Sustainability Committee).

Corporate Governance is the set of rules and activities inherent in the governance of the company. PLC S.p.A. has adopted the traditional system of administration and control, pursuant to articles 2380-bis et seq. of the Italian Civil Code, which calls for:

- the Shareholders' Meeting;
- the Board of Directors, responsible for determining and pursuing the strategic objectives of the Company and the Group;
- the Board of Statutory Auditors with supervisory functions;
- the independent auditors (currently, EY S.p.A.)



## The Board of Directors

The Board of Directors was appointed by the Shareholders' Meeting of 30 April 2021 and will remain in office until the approval of the financial statements for the year ending 31 December 2023.

Following the resignation of the directors Michele Scoppio and Luciano Garofano on 23 June 2022, the directors Diego Percopo (as CEO) and Andrea Sassi (as director) were appointed by co-optation.

DIRECTOR	POST HELD	ROLE / INDEPENDENCE	CRSC	AC
Francesco Esposito	Chairman	Executive / Non-Independent		
Diego Percopo	Chief Executive Officer	Executive / Non-Independent		
Chiara Esposito	Director	Executive / Non-Independent		
Andrea Sassi	Director	Non-Executive / Independent TUF - Corporate Governance Code		
Graziano Gianmichele Visentin	Director	Non-Executive / Independent TUF - Corporate Governance Code (**)	X	X
Marina D'Artibale	Director	Non-Executive / Independent TUF - Corporate Governance Code	X	X
Claudia Crivelli	Director	Non-Executive / Independent TUF - Corporate Governance Code	X	X
Luciano Garofano	Director	Executive / Non-Independent Resigned on 28 March 2022, effective 29 March 2022		
Michele Scoppio	Chief Executive Officer	Executive / Non-Independent. Resigned on 27 April 2022, effective 4 May 2022		

CRSC = Control, Risks and Sustainability Committee

AC = Appointments, Remuneration and Stock Option Plans Committee.

It should be noted that the Board Committee for Transactions with Related Parties is, depending on the matter under consideration, the same as the Control, Risks and Sustainability Committee or the Appointments, Remuneration and Stock Option Plans Committee.

(\*\*) Director Graziano Gianmichele Visentin did not formally meet the independence requirements set forth in art. 2 of the Corporate Governance Code (having held the position of Director of the Company for a period of more than nine years in the last thirteen years). However, considering the high ethical and professional qualities of the person concerned, as well as his exemplary work while in office and the constant autonomy of judgement, the Board of Directors has deemed it appropriate to evaluate the prevalence of substance over form and, therefore, to recognise the fulfilment, for this Director, of the independence requirement pursuant to the Corporate Governance Code.



The outgoing Board of Directors, in formulating its guidance to Shareholders for the appointment of a new Board of Directors for the 2021-2023 three-year period, deemed it appropriate, among other things, to increase the number of directors of the Company from 6 to 7, as will be discussed in more detail below.

The Board of Directors, as appointed, is therefore made up of 7 members, 42.8% of whom are women, in compliance with the gender balance requirement established by law and regulations.

57% of the members of the Board of Directors, as appointed, are between 30 and 50 years old, while the remaining 43% are over 50 years old.

## The Board of Statutory Auditors

The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 30 April 2021 and will remain in office until the approval of the financial statements for the year ending 31 December 2023.

The Board of Statutory Auditors is composed of three standing members (33% of whom are women) and two alternate members (50% of whom are women) in compliance with the gender balance requirement laid down by law and regulations.

## The Independent Auditors

The Independent Auditors (EY S.p.A.) were appointed by the Shareholders' Meeting of 23 June 2015 for the 2015-2023 financial years; consequently, the legal auditing engagement will come to an end with the approval of the financial statements as at 31 December 2023.

More information and details on corporate governance can be found in the "Report on Corporate Governance and Ownership Structure" available at [www.plc-spa.com](http://www.plc-spa.com).

## SELF-ASSESSMENT OF THE BOARD OF DIRECTORS AND THE BOARD OF STATUTORY AUDITORS

In accordance with article 4, Recommendation 22 of the Corporate Governance Code, the Board of Directors assesses the size, composition and functioning of its board committees at least every three years, with a view to the appointment of a new board of directors.

This self-assessment was most recently carried out by the Board in its meeting on 19 March 2021, with reference to the 2020 financial year. The self-assessment process was structured, with the support of the Appointments, Remuneration and Stock Option Plans Committee, but without resorting to external consultants, by submitting self-assessment questionnaires to all Board members and, subsequently, by examining the results that emerged. The questionnaire concerned the size, composition and tangible functioning of the management body and its Committees, also considering the role it played in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system. Based on the analysis of the results, no significant criticalities emerged, without prejudice to room for improvement with a view to continuous fine-tuning, aimed at refining the proper operation of the PLC management body and its Committees.

It should also be noted that in the meeting of 19 March 2021, in view of the appointment of a new management body, the outgoing Board of Directors, although the Company is defined as a company with concentrated ownership<sup>1</sup>, formulated a "Shareholder guideline for the renewal of the Board of Directors for the three-year period 2021-2023", deeming it appropriate to raise the number of Company's directors from 6 to 7, also due to its structure and operational needs, as well as the potentially offshoot positive effects in terms of broadening the debate in the board meeting and also taking into consideration the diversity criteria established by applicable legislative, regulatory and Corporate Governance Code provisions.

The guidelines were disclosed within legal terms and are available in the "Investor relations > Corporate Governance > Shareholders' Meeting > 2021 > Shareholders' Meeting 30 April 2021" section of the Shareholders' Meeting - Plc (plc-spa.it).

On this point, it should be noted that the Shareholders' Meeting complied with the guideline of the Board by proceeding to appoint 7 directors in the Shareholders' Meeting of 30 April 2021.

With reference to the Board of Statutory Auditors, it should be noted that at the time of their appointment on 30 April 2021, the Shareholders' Meeting verified that the Statutory Auditors met all of the requirements prescribed by the regulations in force for assuming the office. The Board of Statutory Auditors annually assesses the continued independence of its members also in light of all of the criteria set forth in the Corporate Governance Code for independent directors.

The assessment of the continued fulfilment of the independence requirements was carried out and confirmed by the Board of Statutory Auditors at the meeting held on 24 March 2022, and was highlighted at the meeting of the Board of Directors held on 28 March 2022.

Taking into account the size of the Company and the activities it carries out, the composition of the Board is adequate to ensure the independence and professionalism of its function, due to the high standing of its members in terms of previous action, professional experience and appropriate knowledge of the Issuer's sector of operations.

<sup>1</sup> It should be noted that the Corporate Governance Code, in art. 3 rec. 15, establishes that only "In large companies, the board of directors expresses its guidelines on the maximum number of offices that can be considered compatible with an effective performance and the time commitment required by the role of the directors. The relevant offices are those held in corporate bodies of other listed companies and of companies having a significant size."





# 01.5

## Non-financial risks

AREA	TOPIC	NON-FINANCIAL RISKS IDENTIFIED	MANAGEMENT APPROACH
Integrity and transparency	Active and passive corruption	<ul style="list-style-type: none"> <li>• Failure to comply with anti-corruption regulations</li> <li>• Penalties against the Group</li> <li>• Failure to comply with the ethical principles of the PLC Group</li> <li>• Reputational risk arising from the commission of unlawful conduct and/or violations</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Corruption Policy</li> <li>• Supervisory Body</li> <li>• Organisation and Management Model pursuant to Italian Legislative Decree no. 231/2001 (Italy only) and periodic checks</li> <li>• Guidelines on contracts for Italian companies that establish contractual clauses aimed at compliance with the principle of legality, the Organisation and Management Model pursuant to Legislative Decree no. 231/2001 and/or Italian Legislative Decree 231/2001 and periodic checks, under penalty of termination of the contract</li> <li>• Specific clauses aimed at avoiding any conflict of interest with the contractual counterparty, under penalty of termination of the contract</li> <li>• Specific training</li> <li>• Code of Ethics of the PLC Group</li> </ul>
	Composition of the administration, management and control bodies	<ul style="list-style-type: none"> <li>• Failure to comply with the rules set forth in the Corporate Governance Code</li> </ul>	<ul style="list-style-type: none"> <li>• Self-Assessment Process</li> </ul>

AREA	TOPIC	NON-FINANCIAL RISKS IDENTIFIED	MANAGEMENT APPROACH
Natural heritage and environmental sustainability	Impact of activities on the environment	<ul style="list-style-type: none"> <li>• Failure to issue authorisations</li> <li>• Social opposition after plant construction</li> <li>• Failure to comply with Group environmental regulations</li> </ul>	<ul style="list-style-type: none"> <li>• Authorisation procedures issued by national/local bodies that take into account all environmental, landscape and social issues</li> <li>• ISO14001:2015 Certification Systems</li> <li>• Group Policy on Health, Safety and the Environment</li> </ul>
	Impact of activities on health and safety	<ul style="list-style-type: none"> <li>• Failure to issue authorisations</li> <li>• Failure to comply with Group health and safety regulations</li> </ul>	<ul style="list-style-type: none"> <li>• ISO45001:2018 Certification Systems</li> <li>• Group Policy on Health, Safety and the Environment</li> </ul>
Human capital and the value of relationships	Gender equality	<ul style="list-style-type: none"> <li>• Failure to comply with regulations in force</li> <li>• Failure to comply with the ethical principles of the PLC Group</li> </ul>	<ul style="list-style-type: none"> <li>• Code of Ethics</li> <li>• Compliance with the Corporate Governance Code</li> <li>• Organisation and Management Model pursuant to Italian Legislative Decree no. 231/2001 and/or compliance with Italian Legislative Decree no. 231/2001</li> </ul>
		Supply chain	<ul style="list-style-type: none"> <li>• Reputational risk arising from poor quality of the product and/or service provided</li> </ul>
Transversal	Product/service compliance	<ul style="list-style-type: none"> <li>• Reputational risk arising from the commission of unlawful conduct and/or violations</li> </ul>	<ul style="list-style-type: none"> <li>• Guidelines on contracts for Italian companies that establish contractual clauses aimed at compliance with the principle of legality, the Organisation and Management Model pursuant to Legislative Decree no. 231/2001 and/or Italian Legislative Decree 231/2001 and periodic checks, under penalty of termination of the contract</li> </ul>
	Quality Standards	<ul style="list-style-type: none"> <li>• Environmental and social impact</li> </ul>	<ul style="list-style-type: none"> <li>• Specific clauses aimed at avoiding any conflict of interest with the contractual counterparty, under penalty of termination of the contract</li> </ul>



# 02\*

**Integrity  
and  
transparency**

## 02.1

## Business ethics and integrity

The PLC Group, in carrying out its activities, is inspired by the principles of compliance with the law and regulations of the countries in which it operates, legality, fairness, transparency, confidentiality, equality and respect for human dignity. These principles, cultivated by the management and conveyed to both employees and stakeholders who collaborate with the Group, find their highest expression in the PLC Group Code of Ethics.

### The main organisation and control systems of the PLC Group

The PLC Group is aware that corruption in all of its forms generates negative social, reputational, economic and civil effects capable of impoverishing the country and damaging the companies operating there. To this end, the PLC Group is constantly committed to preventing and counteracting the occurrence of unlawful acts in the performance of all of its activities, and also requires its employees and all stakeholders who collaborate with the Group to follow the same principles of conduct through the adoption of specific contractual clauses, which are also contained in the general conditions of both purchase and sale.

The entire value chain is potentially subject to corruption, which can creep into all business processes. The PLC Group is an active participant in combating this phenomenon through: (i) the "Group Anti-Corruption Policy", (ii) the PLC Group Code of Ethics and where applicable (iii) the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 (or "231 Model"), with the aim of strengthening preventive measures and further raising awareness amongst recipients, both internal and external to the organisation, of the principles, rules and behaviour that must be observed in the context of their functions and responsibilities. In particular, when they are hired, all employees are expected to sign a declaration to undertake to abide by the rules of the PLC Group Code of Ethics and the 231 Model, where adopted, including anti-corruption measures.

These documents are available to recipients - both internal and external to the organisation - on PLC's institutional website ("Internal risk management system" section) and in hard copy at company offices. The function responsible for internal distribution within the PLC Group is the Organisation Function. With reference to commercial counterparties, specific contractual clauses are used with the establishment of the right of the PLC Group companies to terminate the contract pursuant to article 1456 of the Italian Civil Code in the event of the violation of the 231 Model or the PLC Group Code of Ethics.

It should be noted that foreign companies, which are not subject to the provisions of Italian Legislative Decree no. 231/2001, have been provided with appropriate contractual guidelines which require, in every document governing the contractual relationship, compliance with the principle of legality and the PLC Group Code of Ethics.

The organisation, management and control model for the company PLC Power S.r.l. is currently being implemented, in addition to a set of procedures for all Group companies (already adopted by several Group companies such as PLC S.p.A., PLC System S.r.l., PLC Service S.r.l. and PLC Service Wind S.r.l.) in order, inter alia, to establish further adequate control measures, such as, for example, procedures for the "Management of relations with the Public Administration and the Supervisory Authority" and the "Management of gifts, gratuities and entertainment expenses".

### Anti-corruption: the Group's commitment to business ethics

In consideration of the PLC Group's constant focus on the continuous improvement of control systems and oversight mechanisms and the strategic choices made in recent years, which led to an increase in activities in countries other than Italy as well, and at the same time, due to the growing attention of institutions, both national and international, and more generally of all stakeholders on the dangers of corruption, PLC S.p.A. and all subsidiaries both Italian and foreign<sup>1</sup> adopted a "Group Anti-Corruption Policy" in June 2019<sup>2</sup>.

This choice is fully aligned with the broader orientation of the PLC Group aimed at reaffirming and reiterating, also through the formalisation of a specific document, its firm position of rejection and opposition to any corrupt conduct.

The Policy expressly prohibits all corrupt practices, including facilitation payments, which cannot under any circumstances be justified or tolerated, either because they are made in the interest of the PLC Group or because they are considered "customary" in the sector or in the countries in which the PLC Group operates. As a further safeguard, the PLC Group companies adopt a specific contractual provision to commit the counterparty more generally to complying with the principle of legality.

In addition, at the date of publication of this Sustainability Report, all Italian companies have adopted specific procedures aimed at further strengthening anti-corruption safeguards in the processes most at risk. No proven cases of corruption occurred during the reporting period.



<sup>1</sup> It should be noted that the indirect subsidiaries C&C Irsina S.r.l. and Alisei Wind S.r.l. have not adopted the Group Anti-Corruption Policy since they had previously adopted their own anti-corruption protocols

<sup>2</sup> Policies are corporate guidelines and coordination documents of PLC S.p.A. with respect to its corporate functions and subsidiaries.

## Compliance with Italian Legislative Decree no. 231/2001

With reference to Italian Legislative Decree no. 231/2001, the main Italian companies<sup>3</sup> have adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 and a Supervisory Body in collegial form for the parent company and in single-member form for the other companies.

Furthermore, given that the 231 Model, by its very nature, is not a “static” document but, on the contrary, is prepared with a view to continuous updating in light of regulatory changes in the catalogue of predicate offences pursuant to Italian Legislative Decree no. 231/01 (tax offences above all) and due to certain organisational changes, in the course of 2021 the updating of some of the models adopted by the main operating companies<sup>4</sup> were completed, with the support of a dedicated consultant.

When the updating was completed, the competent management bodies of the various companies approved<sup>5</sup> a 231 Model covering all of the relevant categories of offences pursuant to Italian Legislative Decree no. 231/01 on the date of delivery of the relative risk assessment report by the consultant, such as, for example, the following offences: violation of the cybersecurity perimeter introduced in art. 24-bis of Italian Legislative Decree no. 231/01 by Law no. 133 of 18 November 2019; tax offences set forth in art. 25-quinquiesdecies of Italian Legislative Decree no. 231/01; offences introduced by Italian Legislative Decree no. 75 of 14 July 2020 (“Implementation of Directive (EU) 2017/1371 on the fight against fraud to the Union’s financial interests by means of criminal law”).

The Supervisory Bodies meet periodically and meetings are arranged with the heads of the Functions involved in sensitive processes as well as with the other control bodies of the Company (such as, for example, the Internal Audit Function, the Control, Risks and Sustainability Committee, the Board of Statutory Auditors and the Independent Auditors).

During 2022, the Supervisory Bodies regularly carried out and continued their activities, using means of remote communication.

The effectiveness of the respective Organisational, Management and Control Models is ensured not only by the receipt of the required information flows, but also by the verification activities carried out by the Supervisory Bodies on the basis of a plan of activities, which is shared with the relevant management bodies.

At least once every six months, the Supervisory Bodies report to the Management Bodies and the Control Bodies, if appointed, on the activities carried out and any critical issues encountered.

With reference more generally to the issue of compliance with Italian Legislative Decree no. 231/2001, the Group companies that have adopted an Organisation, Management and Control Model periodically perform training activities.

In particular, it consists of a training session for new recruits and a session dedicated to Italian Legislative Decree no. 231 and the 231 Model of the company to which the employee belongs (differentiated based on functions and responsibilities).

In addition, with respect to the updating of the 231 Models mentioned above, specific communication and training activities were carried out with employees relating to the updating of the respective Organisation, Management and Control Models.

With regard to foreign companies subject to non-uniform legislation, to which Italian Legislative Decree no. 231/2001 does not apply, the PLC Group has chosen to set itself the minimum standard of compliance with the principles expressed in the PLC Group Code of Ethics and policies (i.e. Anti-Corruption Policy and Global Quality Policy) and higher-profile documents formally adopted by all companies.

<sup>3</sup> The companies that have adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001 are: PLC S.p.A., PLC Service S.r.l., PLC System S.r.l., PLC Service Wind S.r.l., Schmack Biogas S.r.l., C&C Irsina S.r.l. and Alisei Wind S.r.l. PLC Power S.r.l. has started activities for the adoption of an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

<sup>4</sup> The updating of the respective Organisation, Management and Control Model was concluded, in particular, by: PLC S.p.A., PLC Service S.r.l., PLC System S.r.l. and PLC Service Wind S.r.l., while Schmack Biogas S.r.l. adopted its own Organisation, Management and Control Model for the first time in November 2021.

<sup>5</sup> Approval by the respective Boards of Directors took place during 2022.

## The whistleblowing procedure

The PLC Group has always paid particular attention to the prevention of risks that could jeopardise the responsible and sustainable management of its business. For this reason, the companies PLC S.p.A., PLC Service S.r.l., PLC Service Wind S.r.l., PLC System S.r.l. and Schmack Biogas S.r.l. have drawn up a “whistleblowing” procedure for their employees and third parties.

With the whistleblowing system, the companies identified above enable anyone who wishes to contribute to the reporting of risks and/or situations potentially harmful to the companies such as fraud, generic risk or a potentially hazardous situation, by sending a specific report.

The procedure, which is also available on the institutional website, governs by means of operating instructions the process of sending, receiving, analysing, processing and managing reports of unlawful conduct considered relevant pursuant to Italian Legislative Decree no. 231/01, as well as violations of the respective Organisational, Management and Control Models sent by the whistleblower. The procedure also governs the forms of protection of whistleblower confidentiality in order to protect whistleblowers from any retaliation for having made the report.

Reports must be made in good faith and may be made anonymously, in which case the report must be adequately detailed and substantiated.

The companies’ Supervisory Bodies are in charge of managing the reports received through the appropriate whistleblowing channels. To date, no whistleblowing reports have been received by the Supervisory Bodies.

The procedure falls within the scope of the internal control and risk management system tools adopted by the PLC Group to combat corruption, ensure fairness and transparency in the conduct of business and the activities carried out and protect its position and reputation.

Whistleblowing therefore is an additional and important part of the internal control and risk management system of the PLC Group.

For the other Italian Group companies that have adopted a 231 Model, but have not adopted a whistleblowing procedure, the methods/channels set forth in Italian Legislative Decree no. 231/2001 and identified in the 231 Model adopted are available in any event.



## Code of Ethics of the PLC Group

The Group Code of Ethics adopted on 28 June 2019 and implemented by all Italian and foreign subsidiaries<sup>6</sup> defines the founding principles and values of corporate ethics in the context of the activities performed and in the course of business, as well as the rules of conduct and implementation rules in relation to these principles, also as an integral part of the Organisation, Management and Control Models. From this perspective, the principles and values expressed in the PLC Group's Code of Ethics complement and guide the scope of application of the 231 Models by defining, in relation to sensitive business processes, the conduct that should be adopted to prevent unlawful conduct that is not specifically governed by such models. The Group's Code of Ethics is aimed at fostering a working environment inspired by these principles, which enables the involvement and empowerment of all PLC Group employees and collaborators in the implementation of its activities. The Group Code of Ethics is binding with respect to the conduct of all Group employees and all those who, in any capacity and regardless of the type of contractual relationship, contribute to the achievement of the company's goals and objectives. The same Group Code of Ethics has been made available to all employees and collaborators and is available on the institutional website.

This document constitutes an essential piece of the preventive control and risk management system.

Any conduct of the addressees of the Group's Code of Ethics in violation of the provisions it contains is to be considered prohibited and subject to the penalties of the applicable disciplinary system. Lastly, as a further safeguard, the PLC Group companies, in establishing all relations with any counterparty, adopt a specific contractual provision aimed at committing the counterparty to comply with the Group's Code of Ethics and 231 Model, where adopted, providing for the legal termination of the relationship in the event of the violation of the provisions of the above-mentioned documents.



<sup>6</sup> It should be noted that the indirect subsidiaries C&C Irsina S.r.l. and Alisei Wind S.r.l. have not adopted the Group's Code of Ethics, as they had previously adopted their own Code of Ethics.

## FISCAL TRANSPARENCY

The PLC Group acts in accordance with the values and principles defined in its Code of Ethics, such as integrity, transparency, legality, impartiality and prudence. These principles, which are at the heart of the company, are also the basis for the management of tax activities and the point of reference to guarantee the responsible management of taxes. The PLC Group does not have a formalised tax approach, understood as a balance between tax compliance and business activities.

The approach adopted in practice is (i) one of total compliance with existing regulations (ii) aimed at minimising tax risks (iii) one of cooperation in interactions with tax authorities. The only tax strategies adopted relate to: (1) optimisation of the tax burden by participating in national tax consolidation, with PLC S.p.A. as consolidating company along with PLC System, PLC Service, PLC Service Wind and PLC Power, and (2) monitoring - also with the support of external consultants - of the tax facilitations in force pro-tempore to support investments.

Through the whistleblowing channel, it is possible to report any non-compliance or unethical or illegal behaviour, including in tax matters.

The PLC Group does not have an in-house tax department or formalised procedures, but relies on external consultants. The highest governing body responsible for tax compliance is the management body (Board of Directors / Sole Director) with delegation to the AFC function of the verification of the work done by the external consultant. With a view to continuous improvement, the AFC function periodically participates in tax-related training courses. Furthermore, the Group has not currently received any solicitations from its stakeholders regarding tax aspects. Relations with the relevant tax authorities are based on the principles of fairness, transparency and respect for the different regulations applicable in the various countries in which the PLC Group operates.

During the reporting period, there were no legal actions (pending or concluded) in the areas of anti-competitive behaviour, violation of antitrust regulations and monopolistic practices. Furthermore, no instances of non-compliance with laws and regulations were recorded during the reporting period.

# 02.2 Relations with Stakeholders

Managing the business sustainably does not only mean complying with laws and regulations and creating value for shareholders, but also establishing and maintaining transparent, collaborative and constructive relationships with all parties that are directly involved in and/or influenced by the activities carried out by the PLC Group, referred to as stakeholders. The ways in which relationships are managed and the involvement of the different categories of stakeholders vary according to the degree of depth and maturity of such relationships; in any case, dialogue with the various categories of stakeholders is always inspired by the principles set forth in the Code of Ethics adopted by the Group and identifiable as legality, fairness, transparency, protection of people's fundamental rights, equality and confidentiality.

In carrying out its business activities, the PLC Group deals with numerous stakeholders, both internal and external, who are able to influence the company's operations more or less directly and who have an interest in ensuring that the Group conducts its business in a responsible and sustainable manner. The following table shows the categories of stakeholders identified, together with their expectations, methods of engagement and the activities carried out during the reporting period.

STAKEHOLDER	STAKEHOLDER EXPECTATIONS	METHODS OF ENGAGEMENT	ACTIVITIES 2021
<b>Institutions (Public Administration, Regulatory bodies, Trade associations)</b>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations in all countries where the Group operates</li> <li>Collaboration, information sharing, participation in trade association activities at events, trade fairs and conferences</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations in all countries where the Group operates</li> <li>Membership of trade associations</li> <li>Constant dialogue with institutions and local communities</li> </ul>	<ul style="list-style-type: none"> <li>Regular meetings and interactions</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Value creation</li> <li>Adequate Corporate Governance and risk management</li> <li>Transparency and timeliness of financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' Meeting</li> <li>Press releases</li> <li>Investor relator</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders' Meeting (2021 closed-door)</li> <li>Press releases relating to the Group's activities</li> <li>Interactions with investor relator and/or other corporate officers (BoD)</li> <li><b>Adoption of a shareholder dialogue policy</b></li> </ul>

STAKEHOLDER	STAKEHOLDER EXPECTATIONS	METHODS OF ENGAGEMENT	ACTIVITIES 2021
<b>Financial community</b>	<ul style="list-style-type: none"> <li>Value creation</li> <li>Adequate Corporate Governance and risk management</li> <li>Transparency and timeliness of financial reporting</li> </ul>	<ul style="list-style-type: none"> <li>Press releases</li> <li>Investor relator</li> <li>Roadshows</li> <li>Analyst research (Banca Akros and K&amp;T)</li> </ul>	<ul style="list-style-type: none"> <li>Press releases relating to the Group's activities</li> <li>Interactions with investor relator and/or other corporate officers (BoD)</li> <li>Analyst research (Banca Akros and K&amp;T)</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Value creation</li> <li>High quality standards with regard to goods/services provided</li> <li>Reliability</li> </ul>	<ul style="list-style-type: none"> <li>Accurate analysis of customer needs and identification of customised solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Constant dialogue and collaboration with a view to shared development and meeting expectations</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Accessibility to the supplier register</li> <li>Value creation and financial stability</li> </ul>	<ul style="list-style-type: none"> <li>Supplier register</li> <li>Periodic audits to maintain qualification</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of a process for supplier selection, qualification and monitoring requirements. Ongoing update to include environmental and social requirements in addition to legal requirements</li> </ul>
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Environmental protection</li> <li>Health and safety</li> <li>Listening to needs/demand</li> <li>Contribution and support to local initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Environmental compensation</li> <li>Job creation</li> <li>Infrastructure improvement/enhancement</li> <li>Sponsorship of cultural/social activities</li> </ul>	<ul style="list-style-type: none"> <li>Environmental compensation</li> <li>Job creation</li> <li>Infrastructure improvement/enhancement</li> <li>Sponsorship of cultural/social activities</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Health and safety</li> <li>Equal opportunities</li> <li>Work-life balance</li> <li>Professional growth</li> <li>Value creation and financial stability</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety training</li> <li>Language training</li> <li>Specific training and on-the-job training</li> <li>Smart working</li> <li>Job rotation</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety training, 231 Model and internal procedures</li> <li>Specific training and on-the-job training</li> </ul>



## Sustainable Development

# 03\*

# 03.1

## Economic-financial performance

Value creation is inseparably accompanied by a commitment to adequately remunerate stakeholders, making them partners in the results achieved.

It should be noted that on 22 December 2022, the Board of Directors of PLC S.p.A. approved the PLC Group's 2023-2027 Business Plan based on three main objectives, aimed at guiding the Group's evolution:

- 1 Organic growth
- 2 Strengthening the operating model
- 3 Technical investments, aimed at strengthening the company's execution capacity

INCOME STATEMENT DATA (figures in €/000)	2022	2021	Δ
<b>Total revenues</b>	60,376	67,647	-10.7%
<b>EBITDA</b>	(-)6,141	9,747	-163.0%

BALANCE SHEET DATA (figures in €/000)	2022	2021	Δ
<b>Consolidated Shareholders' Equity</b>	13,519	28,388	-52.4%
<b>Market capitalisation</b>	47,608	53,680	-11.3%

FINANCIAL DATA (figures in €/000)	2022	2021	Δ
<b>Net Financial Position (before IFRS 16)</b>	(1,749)	(1,453)	-20.4%
<b>Net Financial Position</b>	(2,925)	(2,795)	-4.7%

It should be noted that the financial statements as at 31 December 2021 have been restated in accordance with IFRS 5 relating to "Discontinued Operations".



# 03.2

## Innovation and digitalisation

In the context of both European and national institutional and regulatory initiatives aimed at decarbonisation, digitalisation-driven technological development is of significant importance.

The PLC Group is committed to supporting this path with the creation in 2020 of the new "Special Projects" division, which aims to expand high-tech services and lead the transition towards smart and digital maintenance approaches. In this respect, augmented reality and virtual reality applied to predictive maintenance will play a key role.

### PON MISE 4.0 project

In 2021, the project for the implementation of innovative technological solutions in the O&M services of RES plants came into full swing.

### Academy Project

This project aims to create a Technical Training Centre that will project the company towards an internalised management of specialised know-how, enhancing the value of expert personnel and training technicians in the use of technologies in line with Industry 4.0. The educational/operational centre will host the theoretical but above all practical training activities of all personnel working in the field.

### SCADA project

The project relates to the implementation of an advanced Control Room (SCADA 4.0) for the optimised management of remote control plants and resources; a Work Force Management (WFM) module will be introduced, which will enable organisational performance to be improved strategically by including human resource management, performance and training management, data collection, budgeting and forecasting, planning and analysis.

### ERP Project

This investment relates to the implementation of a new management system at Group level that allows, among other things, for the optimisation of the planning of resources within the scope of maintenance operations, with an increase in the level of quality and timeliness of such operations as well as cost efficiency. Please note that during the second half of 2022, the new ERP (Enterprise Resource Planning) system, Microsoft Dynamics 365, was released.



### R&D investments

2022 € 1.7 million

2023 Target € 1.6 million



# 03.3

## Local value and relations with local communities

In developing plant construction projects, the PLC Group aims to ensure full compatibility with local areas, natural resources and the surrounding environment as a whole.

The authorisation processes preceding the opening of the construction site are carried out, both in Italy and abroad, in full compliance with regulations in force and include all of the necessary assessments of the characteristics of the physical environment, climatology, hydrogeomorphology, geology, biological environment and landscape of the site identified for the plant's location and an analysis of the potentially significant effects of the project on the environment and local ecosystems.

Throughout the development and permitting process, the PLC Group involves representatives of local institutions (also through the Service Conferences convened by the authorising body) in order to create constructive, transparent and trusting relationships, reducing the risk of conflicts in the long term.

Just as much attention is paid to local communities, with the aim of generating shared economic and social value; seeking the consent of those living in the vicinity of the plant is an act of respect and responsibility towards communities. To this end, the PLC Group is committed to promoting the local workforce and suppliers and supporting local community development initiatives that may be social, educational or environmental in nature.

The activities required to build and operate plants (which are often located in remote areas or far from population centres) also benefit the local community in terms of upgrading infrastructure, securing or modernising the road network and creating new roads.

Any negative impacts deriving from plant construction, including visual and/or acoustic aspects, are subject to assessment during authorisation procedures and, when applicable, provide local communities with the right to Environmental Compensation as established by law.

In addition, when providing Operation & Maintenance services for plants already in operation, the PLC Group monitors their energy performance and schedules maintenance activities so as to minimise environmental impacts.



### The PLC Group's social, educational and environmental activities

TYPE	DESCRIPTION
<b>Educational</b>	<ul style="list-style-type: none"> <li>• membership of the ELIS Consortium for advanced professional training</li> <li>• GWO Global Wind Organisation</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>• agreement with the Federico II University of Naples to promote youth employment</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>• membership of ANEV (National Wind Energy Association)</li> <li>• membership of ANIE (National Federation of Electrotechnical and Electronic Companies)</li> <li>• membership of Elettricità Futura (association of companies operating in the Italian electricity sector)</li> <li>• membership of AssoAmbiente (Association of Environmental Services and Circular Economy Companies)</li> <li>• membership of CIB (Italian Biogas Committee)</li> </ul>



# 04\*

**Natural  
heritage and  
environmental  
sustainability**

# 04.1

## The reference regulatory environment

The war conflict that erupted in early 2022 and is still ongoing between Russia and Ukraine has indelibly set the course for the European bloc's energy independence, to be achieved through the increasing use of renewable energy and biomethane production systems, as well as through the use of both electrochemical and chemical storage systems.

In 1997, with the signing of the Kyoto Protocol of the Convention on Climate Change, for the first time, the European Union developed an energy strategy targeted at promoting the use of renewable energy sources, and established binding commitments for the reduction of greenhouse gases in industrialised countries, in order to combat global warming through the establishment and strengthening of national emission reduction policies and the development of cooperation between the contracting parties. Subsequent EU directives have set increasingly challenging targets to increase the share of energy produced from renewable sources, to reduce energy consumption by increasing energy efficiency and to reduce net greenhouse gas emissions, initiating what is now the process of "phasing out" of traditional forms of electricity.

The most recent provisions issued by the European Union include EU Directive 2018/2001 (RED II) which set a binding target of 32% for renewable sources by 2030 and the Regulation on the Governance of the Energy Union and Climate Action (EU 2018/1999) under which, each member state has prepared its own National Integrated Energy and Climate Plan (NECP) containing detailed indications relating to the policy tools to be implemented in order to achieve the community targets by 2030. Lastly, in December 2019, the increasing awareness of the enormous threat posed by climate change and environmental degradation prompted the European Union to adopt a new strategy for growth (Green Deal) with the aim of achieving climate neutrality in 2050 through:

- 1 investments in environmentally friendly technologies;
- 2 support for industry in innovation;
- 3 introducing cleaner, cheaper and healthier forms of private and public transport;
- 4 decarbonising the energy sector;
- 5 greater energy efficiency of buildings;
- 6 collaborating with international partners to improve global environmental standards.

In this context, in 2020 the European Commission launched a consultation process for the revision of the Directives on renewable energy and energy efficiency, in order to assess the introduction of more ambitious climate objectives for 2030, including the definition of the new target for the reduction of greenhouse gas emissions from 40% to 55% and an increase from 32% to 40% of the share of renewable energies.

### European Union - Funds for the post-pandemic recovery: Next Generation EU

As part of the process of revising the EU Directives launched in 2020, the European Union set up an extraordinary fund - called Next Generation EU (NGEU) - in response to the Covid-19 epidemiological emergency and which may be used exclusively for Green Deal and digitalisation investments. To access the funds, the Member States submitted their National Recovery and Resilience Plans (NRRPs) highlighting the projects functional to the Green Deal and consistent with the NECPs already submitted to the European Commission. In June 2021, the European Commission positively assessed the majority of the plans submitted, including the Italian one.

### Italy - Recovery and Resilience Plan (NRRP)

In June 2021, the European Commission approved the Recovery and Resilience Plan (NRRP) submitted by Italy to gain access to the financial resources allocated to the Next Generation EU fund. The Italian government included a set of projects in its NRRP that aim to strengthen the country's growth by fostering investment in digitalisation, innovation, competitiveness, training and research, and ensuring rapid project execution through instrument simplification. The NRRP, in which the Italian government requested the maximum amount of resources due of Euro 191.5 billion, is fully aligned with the pillars of the Next Generation EU in terms of the amounts planned in green (37%) and digital (20%) investments.

### Italy - 2021 Simplification Decree (Italian Legislative Decree no. 77/2021)

In May 2021, the Simplification Decree was approved, containing the governance of the National Recovery and Resilience Plan and the initial measures for strengthening administrative structures and streamlining procedures. The main provisions relating to the renewables sector include (i) the establishment of an "NECP - NRRP" Commission with the task of assessing projects considered substantial for the implementation of the plans, including wind and solar power generation plants, both green field and repowering, (ii) the reduction of the timeframe of authorisation processes for projects connected to the NECP-NRRP, (iii) the definition of cases in which revamping and repowering interventions on existing photovoltaic, hydroelectric and wind power plants can be considered "non-substantial" and therefore authorisable on the basis of the simplified authorisation procedure (SAP).

### Italy - Italian Legislative Decree no. 199 of 8 November 2021

Decree no. 199/2021 lays down provisions on energy from renewable sources, consistent with the European objectives of decarbonisation of the energy system by 2030 and full decarbonisation by 2050. For these purposes, the decree defines the instruments, mechanisms, incentives and the institutional, financial and legal framework necessary to achieve the targets for increasing the share of energy from renewable sources by 2030, in implementation of Directive (EU) 2018/2001 and in compliance with the criteria set out in Law no. 53 of 22 April 2021, as well as the provisions necessary for the implementation of the measures of the NRRP (National Recovery and Resilience Plan) in accordance with the NECP (National Integrated Energy and Climate Plan).

### Italy - Biogas and Biomethane Decree no. 240 of 15 September 2022

The purpose of the decree, which implements Decree no. 199/2021, is to support the production of biomethane fed into the natural gas grid and produced by newly built or revamped plants. In particular, it will (i) support the conversion and streamlining of existing agricultural biogas plants; or (ii) encourage the construction of new power plants for biomethane production; or (iii) seek to improve efficiency in terms of heat utilisation and reduction of emissions from existing small-scale agricultural plants for which no revamping measures are available.

The ultimate goal will be to: (i) minimise the effects of rising raw material costs; (ii) support the development of the biomethane market; (iii) realise investments within the strict time-frames imposed by the National Recovery and Resilience Plan, also in light of the current difficulties in procuring materials and components.

### Italy - RES 2 Decree

On 13 September 2022, the text of RES 2 Decree was forwarded to the State-Regions-Local Authorities Unified Conference for the expression of an opinion, but to date the final publication is still pending. The RES 2 Decree, where adopted, provides for the granting of incentives aimed at increasing the energy production from renewable sources (such as geothermal, thermodynamic solar and biogas to complement more mature technologies such as wind and solar) as well as the achievement of decarbonisation targets for 2030; its implementation will allow for the incentivisation of a total of 4590 megawatts of plants through the participation in competitive public procedures, announced by the GSE in the period from 2023 to 2026.

# 04.2

## Environmental policy and management

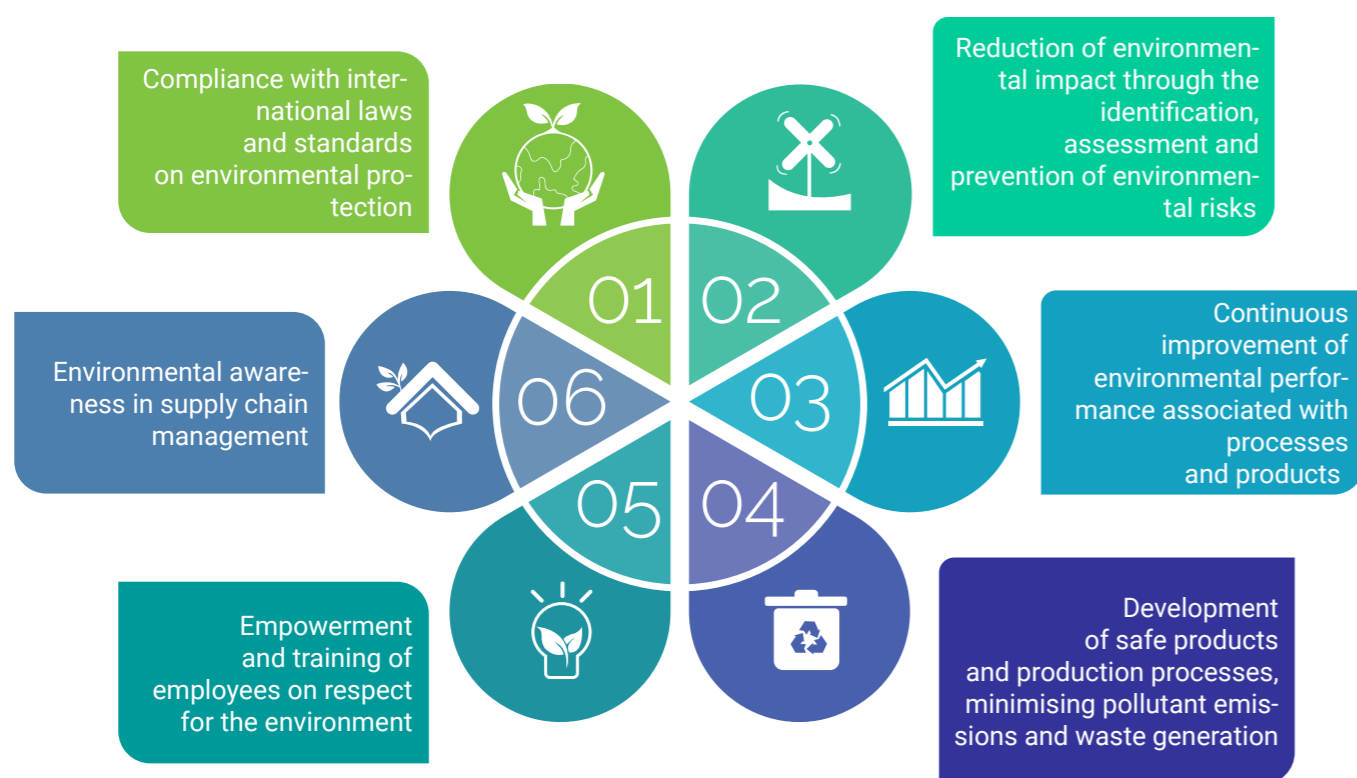
The principles of environmental respect and protection have always been fundamental values inherent in the DNA of the PLC Group, which operates in the renewable energy sector.

The Group's projects and activities not only aim to protect the environment and the rights of future generations, but also actively contribute to their improvement by fostering and supporting the generation of clean energy with a low environmental impact.

The PLC Group's sustainable development strategies therefore pursue, also through the "Group Policy on Health, Safety and the Environment" adopted in 2018, the continuous improvement of environmental aspects, together with the protection of people's safety, health and well-being; to this end, the PLC Group has implemented an integrated, structured and dynamic "Health, Quality, Safety and Environment" management system based on best practices and recognised international standards on the matter, in compliance with the values set forth in the "International Labour Organisation's Declaration on Fundamental Principles and Rights at Work" and the "Rio Declaration on Environment and Development".

The PLC Group shares its culture of environmental, health and safety protection with all of its stakeholders, both internal and external to the organisation, and actively collaborates - both nationally and internationally - with institutional and academic bodies dealing with these issues. Environmental issues are of particular concern to the PLC Group's business counterparties, which often demand high standards and the adoption of specific procedures.

### Main principles



CERTIFICATION	DESCRIPTION	COMPANY
ISO 14001:2015	Environmental efficiency	PLC System S.r.l. PLC Service S.r.l. PLC Service Wind S.r.l.
ISO 9001:2015	Quality standards	PLC System S.r.l. PLC Service S.r.l. PLC Service Wind S.r.l.
SOA OG10 class VI	Installations for high/medium voltage transformation and the distribution of alternating and direct current electricity and public lighting installations	PLC System S.r.l.
SOA OG9 Class VIII	Installation of plants for the production of electrical energy	PLC System S.r.l.
LESC02 qualification	Electrical and electromechanical assemblies in High Voltage plants in operation	PLC System S.r.l.

In 2022, the Company obtained certification in accordance with ISO 9001, an internationally recognised standard for the creation, implementation and management of a Quality Management System (QMS). As an international standard, it is recognised as the basis for creating a system that ensures customer satisfaction and improvement in any company; therefore, many companies use it as a minimum requirement for their suppliers.



# 04.3

## Renewable sources and energy efficiency

In accordance with the PLC Group's business model, it is active in the design, construction and maintenance of RES plants on behalf of third parties and the plants do not typically permanently remain in the possession of the Group. Nevertheless, the PLC Group promotes energy efficiency through the initiatives set forth in the boxes below.

In 2022, the PLC Group further consolidated its position as a primary market player in the revamping of photovoltaic plants, involving the replacement of modules, inverters and structures, at plants of leading renewable energy producers, for a total of 23 MWp, of which 15 MWp relating to the total dismantling of plants and the subsequent installation of single-axis trackers, new double-sided photovoltaic modules and string inverters.

In this regard, contracts have already been signed for the execution of this type of revamping for 2023, for a total of 9.2 MWp.

In 2023, an awareness-raising campaign is also planned for PLC customers to highlight the benefits of replacing MV/LV transformers installed before 2015 with new low-loss transformers that meet the requirements of EU Regulation no. 548/2014. These benefits will have a significant impact on plant energy efficiency and will enable producers to achieve cost savings, especially due to the low no-load losses of the new transformers, as a result of the lower amount of energy withdrawn from the grid during the plants' non-production hours.

During 2023, **two charging stations for electric vehicles** powered by the photovoltaic plant will be installed, in addition to the four installed in 2022.

For some sites, **purchase of the share of electricity** exceeding and/or consumed produced **from renewable sources**.

It is also important to note the contract signed on 20 December 2022 for the construction of 4 photovoltaic plants in Sicily, with a capacity of 1 MW each, with a leading operator in the photovoltaic sector in Italy and abroad, which marks the relaunch of the PLC Group in the photovoltaic plant construction business.

The following tables summarise the energy consumption relating to the main locations where the PLC Group operates and those relating to company fleets.

OFFICE ENERGY CONSUMPTION	2022 (GJ) <sup>7</sup>	2021 (GJ)	2020 (GJ)
<b>Natural gas</b>	<b>0.00</b>	<b>3.97</b>	<b>27.37</b>
<b>Diesel</b>	<b>0.00</b>	<b>68.43</b>	<b>116.13</b>
<b>Petrol</b>	<b>0.00</b>	<b>27.71</b>	<b>33.47</b>
<b>Electricity purchased</b>	<b>1,072.46</b>	<b>2,211.93</b>	<b>2,378.86</b>
From a non-renewable source	1,072.46	1,321.14	1,238.99
From a renewable source	0.00	890.79	1,139.87
<b>Electricity produced</b>	<b>2,213.85</b>	<b>532.79</b>	<b>607.33</b>
Electricity consumed	720	279.56	288.37
Electricity sold	1,493.85	253.23	318.96

COMPANY FLEET ENERGY CONSUMPTION	2022 (GJ) <sup>7</sup>	2021 (GJ)	2020 (GJ)
Diesel	11,339.43	14,123.63	15,257.31
Petrol	92.31	78.99	135.64
Methane	8.41	37.73	85.71
<b>Total</b>	<b>11,440.14</b>	<b>14,240.35</b>	<b>15,478.66</b>

It should be noted that the electricity produced in 2022 increased compared to the previous two years due to the installation of a new photovoltaic plant.

<sup>7</sup> Please note that the figures for 2022 are not comparable with the previous two years as they do not include the entire Monsson Operation scope.

# 04.4

## GHG emissions

The photovoltaic plants for self-consumption installed on the company's warehouse, as mentioned, allow for the effective reduction of GHG emissions, confirming the PLC Group's commitment to combating climate change.

GHG EMISSIONS	2022 (TONNES CO <sub>2</sub> e)	2021 (TONNES CO <sub>2</sub> e)	2020 (TONNES CO <sub>2</sub> e)
Scope 1 emissions	813.92	1,001.60	1,109.60
Scope 2 emissions Location Based	93.84	184.88	233.09
Scope 2 emissions Market Based	136.01	168.29	156.01
<b>Total (Scope 1 + Scope 2 Location Based)</b>	<b>907.76</b>	<b>1,186.48</b>	<b>1,342.69</b>

Scope 1 Emissions relate to the consumption of fossil fuels (natural gas, diesel, petrol and methane) used by the PLC Group (i) to power the heating and domestic hot water production systems at certain sites (Monsson, Schmack), (ii) to run the generator/uninterruptible power supplies and (iii) to power the company fleet.

Scope 2 location-based emissions relate to electricity consumption from the national grid.

Scope 2 market-based emissions relate to electricity consumption from the national grid where a virtual zero emission factor is used for energy purchased and certified as renewable (e.g. green certificates).

It should be noted that thanks to self-generated electricity from photovoltaic plants (amounting to 2,213.85 GJ in 2022, 532.79 GJ in 2021 and 607.33 GJ in 2020) 280.77 tons of CO<sub>2</sub>eq, 68 tonnes of CO<sub>2</sub>eq and 79 tons of CO<sub>2</sub>eq respectively were avoided, amounting to 31% of the total emissions generated by the PLC Group in 2022. It should be noted that the increase in emissions avoided in 2022 is attributable to the increase in electricity generated due to the installation of a new photovoltaic system.

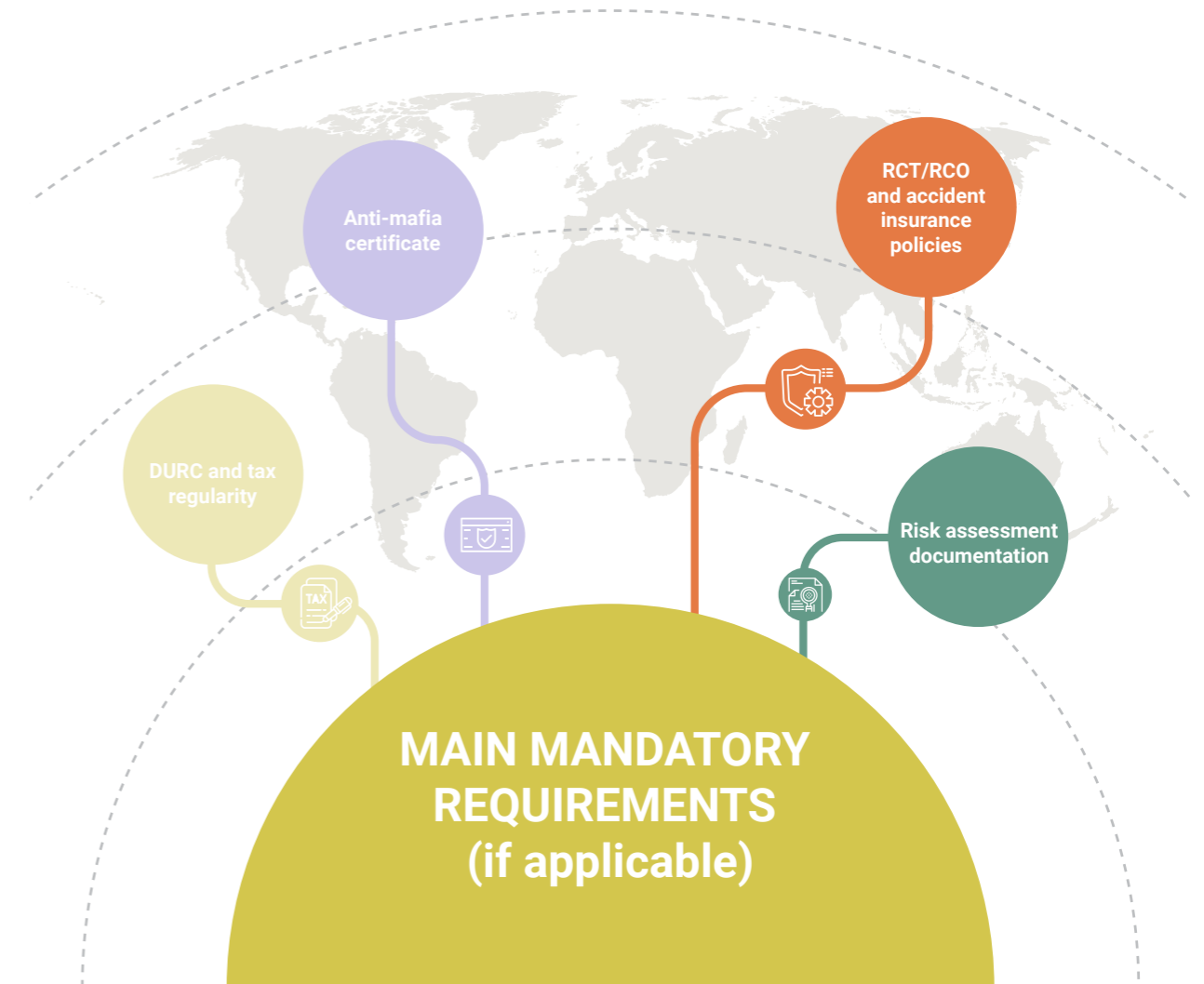
# 04.5

## Focus on the supply chain

The PLC Group is aware of the importance of supplier management and the relative procurement process, as it directly influences the quality and sustainability of the projects carried out, the services provided and the offers that PLC Group makes to its customers.

In 2021, the PLC Group adopted a process for the selection, qualification and continuous monitoring of the persistence of supplier requirements, including by completing the KYC - "Know your customer" questionnaires aimed at ensuring (i) the quality of the product/service provided and (ii) compliance with any legal requirements, including health, safety and environmental requirements, where applicable. In addition, requirements regarding solvency, good moral character, guarantees offered and responsibility for the fulfilment of agreed obligations are taken into account.

The implementation of the supplier qualification process continued in 2022, but no supplier was evaluated using environmental and social criteria. The selection and qualification process is still being updated to include requirements on environmental sustainability, health and safety, and social responsibility in addition to those required by law.



# 04.6 Waste management

The purchasing phases of both goods and materials as well as services are at the heart of the value creation of the PLC Group, as they contribute significantly to the output generated (projects carried out and services provided) with a direct impact on the material topics of “service compliance”, “quality standards” and “customer satisfaction”.

Within the supplier category, a fundamental role is played by subcontractors who, where contractually established, contribute together with the PLC Group to the construction of turnkey plants.

The PLC Group’s supplier base, located both domestically and in other European countries, relates to the purchase of:

- tangible goods, particularly with reference to plant components such as cables, switchboards, generators, control and protection systems, hardware and software, medium-high and low voltage components, upgrading systems, various electrical, plumbing and building materials and technical equipment
- services with particular reference to rentals, public engineering, specialist services in support of full service maintenance activities (such as washing of photovoltaic modules, grass mowing, maintenance and cleaning of roads, platforms and aprons.)

It should be noted that due to the type of business carried out and considering the countries in which the PLC Group operates, there are no significant supply chain risks associated with child, compulsory and/or forced labour. During the reporting period, no situations at risk of violations of child and forced labour legislation were identified within the Group or throughout the supply chain.

Minimising environmental impacts also means reducing the waste generated by our activities.

- In the PLC Group, waste originates:
- from plant construction and maintenance activities;
  - from general office activities.

The management of industrial waste produced during plant construction and/or maintenance follows the practice laid out by legislation: firstly, it is classified according to its origin (municipal waste or special waste) and composition (hazardous waste or non-hazardous waste). The waste is stored in a well-defined and identified area and is recorded in the “loading and unloading register”. In the timing and methods of temporary management, the period of which may not exceed that established by legislation in force, the collection and transport of the waste generated to facilities authorised in accordance with legislation is planned and carried out. The PLC Group has disposal contracts with specialised companies.

Waste generated by office activities is treated according to local and/or national government regulations on municipal waste.

In some EU countries where the PLC Group used to operate (Sweden, Germany, and to some extent Romania), waste management is the responsibility of the customer.

The PLC Group is also a member of the “**ECOEM SERVICE S.r.l** Consortium”, a collective system approved by the Gestore dei Servizi Energetici (GSE) for the end-of-life management of photovoltaic modules and the disposal of waste electrical and electronic equipment, batteries and accumulators.



WASTE BY TYPE AND DESTINATION	2022 (tonnes)			2021 (tonnes)			2020 (tonnes)		
	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal	Waste generated	Waste diverted from disposal	Waste directed to disposal
Mixed material packaging	28.80	28.80	0.00	35.23	35.23	0.00	27.54	27.54	0.00
Out-of-service equipment	54.74	54.74	0.00	26.78	26.78	0.00	7.26	7.26	0.00
Wood packaging	17.06	17.06	0.00	13.19	13.19	0.00	8.32	8.32	0.00
Absorbents and filter materials	1.92	0.00	1.92	3.47	2.76	0.71	2.66	1.00	1.66
Iron and steel	141.86	141.86	0.00	3.32	3.32	0.00	4.16	4.16	0.00
Copper, bronze, brass	3.60	3.60	0.00	3.16	3.16	0.00	0.32	0.32	0.00
Septic tank sludge	0.15	0.00	0.15	1.20	0.00	1.20	0.00	0.00	0.00
Packaging containing residues of hazardous substances	0.00	0.00	0.00	0.90	0.10	0.80	0.33	0.33	0.00
Oils and oil filters	0.80	0.80	0.00	0.45	0.45	0.00	1.25	1.25	0.00
Liquids and aqueous solutions	0.14	0.00	0.14	0.14	0.00	0.14	0.28	0.00	0.28
Paper and cardboard	0.00	0.00	0.00	0.22	0.22	0.00	0.69	0.69	0.00
Plastic	0.00	0.00	0.00	0.15	0.15	0.00	0.09	0.09	0.00
Other	27.99	27.99	0.00	3.63	3.42	0.21	16.41	16.41	0.00
<b>Total</b>	<b>277.06</b>	<b>274.84</b>	<b>2.21</b>	<b>91.84</b>	<b>88.78</b>	<b>3.06</b>	<b>69.31</b>	<b>67.37</b>	<b>1.94</b>

In 2022, the PLC Group generated 277.1 tonnes of waste (91.8 tonnes in 2021), of which 99% was sent for recovery (97% in 2021). The increase in waste generated compared to the previous year is closely linked to the increase in activity, especially the revamping activity of PLC Service S.r.l.

WASTE DIVERTED FROM DISPOSAL	2022 (tonnes)	2021 (tonnes)	2020 (tonnes)
<b>Hazardous waste</b>			
Preparation for re-use	0.00	0.00	0.00
Recycling	0.00	0.00	0.00
Other recovery operations	1.10	12.05	3.17
<b>Total</b>	<b>1.10</b>	<b>12.05</b>	<b>3.17</b>
<b>Non-hazardous waste</b>			
Preparation for re-use	0.00	0.00	0.00
Recycling	0.00	0.00	0.78
Other recovery operations	273.74	76.73	63.42
<b>Total</b>	<b>273.74</b>	<b>76.73</b>	<b>64.20</b>
<b>Grand total</b>	<b>274.84</b>	<b>88.78</b>	<b>67.37</b>

WASTE DIRECTED TO DISPOSAL	2022 (tonnes)	2021 (tonnes)	2020 (tonnes)
<b>Hazardous waste</b>			
Incineration with energy recovery	0.00	0.00	0.00
Incineration without energy recovery	0.00	0.00	0.00
Landfilling	0.00	0.00	0.00
Other disposal operations	0.22	1.15	0.28
<b>Total</b>	<b>0.22</b>	<b>1.15</b>	<b>0.28</b>
<b>Non-hazardous waste</b>			
Incineration with energy recovery	0.00	0.00	0.00
Incineration without energy recovery	0.00	0.00	0.00
Landfilling	0.00	0.00	0.00
Other disposal operations	1.99	1.91	1.66
<b>Total</b>	<b>1.99</b>	<b>1.91</b>	<b>1.66</b>
<b>Grand total</b>	<b>2.21</b>	<b>3.06</b>	<b>1.94</b>

It should be noted that all recovery and disposal actions were conducted at external sites.





# 05\*

**Human  
capital and  
the value of  
relationships**

# 05.1

## People of the PLC Group

### Our key numbers



The PLC Group is aware of the importance of human capital; the Group’s sustainable approach is therefore also expressed through policies aimed at its protection and development. In managing human resources, the PLC Group adopts the principles of equality and equal opportunities and rejects any kind of discrimination against its employees and collaborators.

The year 2022 saw the strengthening of the growing importance of certain social issues involving companies and their relationships with people. The PLC Group promptly initiated actions and/or initiatives to respond to these new requirements, in particular:

- the development of an increasingly open and inclusive working environment in order to attract, enhance and retain talent;
- highly specialised and innovative training to develop the skills that will be needed in the future;
- smart working as a new way of working that provides flexibility to support a work-life balance.

No incidents of discrimination were recorded during the reporting period.

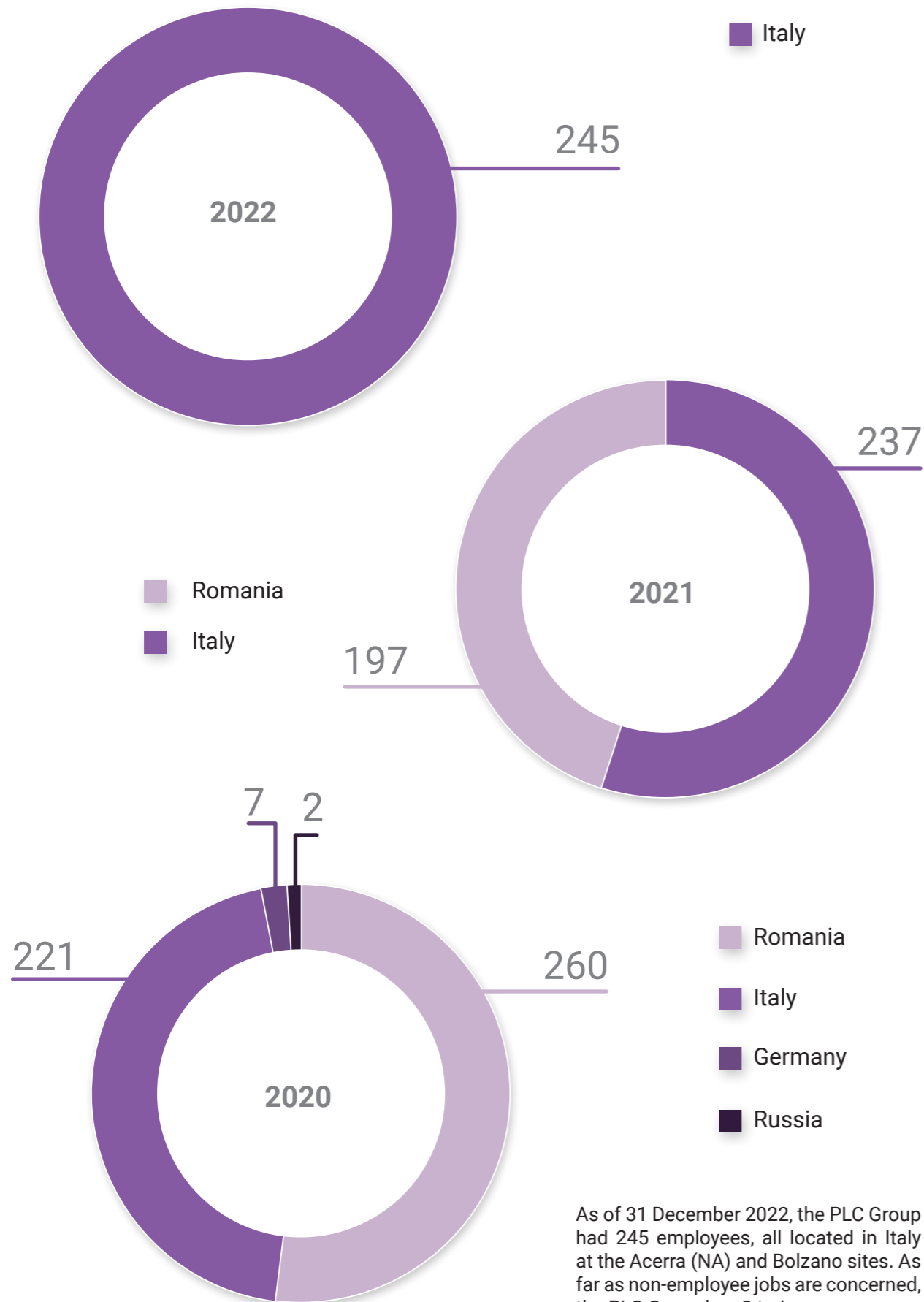
The “Job Rotation” programme launched in 2020 also continued, with the aim of:

- discovering and developing talent
- retraining staff
- guaranteeing the possibility for employees to express themselves
- putting skills into practice

With reference to the application of the principles of equality, it should be noted that: (i) the benefits paid to employees do not differ for employees hired on a part-time or fixed-term contract and (ii) the notice period and provisions on consultation and negotiation are specified in collective agreements.



### Employees by geographical area



As of 31 December 2022, the PLC Group had 245 employees, all located in Italy at the Acerra (NA) and Bolzano sites. As far as non-employee jobs are concerned, the PLC Group has 3 trainees.



### Employees by contract type

CONTRACT TYPE	2022		2021		2020	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
<b>Permanent</b>	196	23	356	56	390	70
<b>Temporary</b>	25	1	20	2	27	3
<b>Total</b>	<b>221</b>	<b>24</b>	<b>376</b>	<b>58</b>	<b>417</b>	<b>73</b>

89% of employees are employed on an permanent basis. All employees are employed under a national collective labour agreement that provides the freedom of collective bargaining for employees.

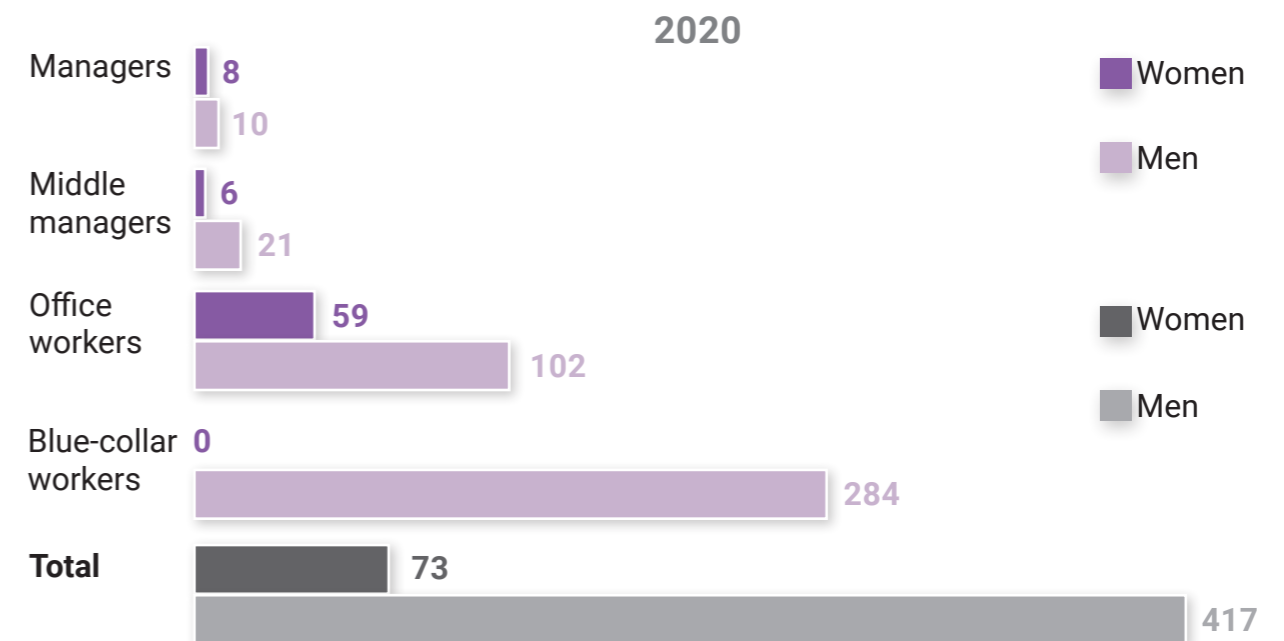
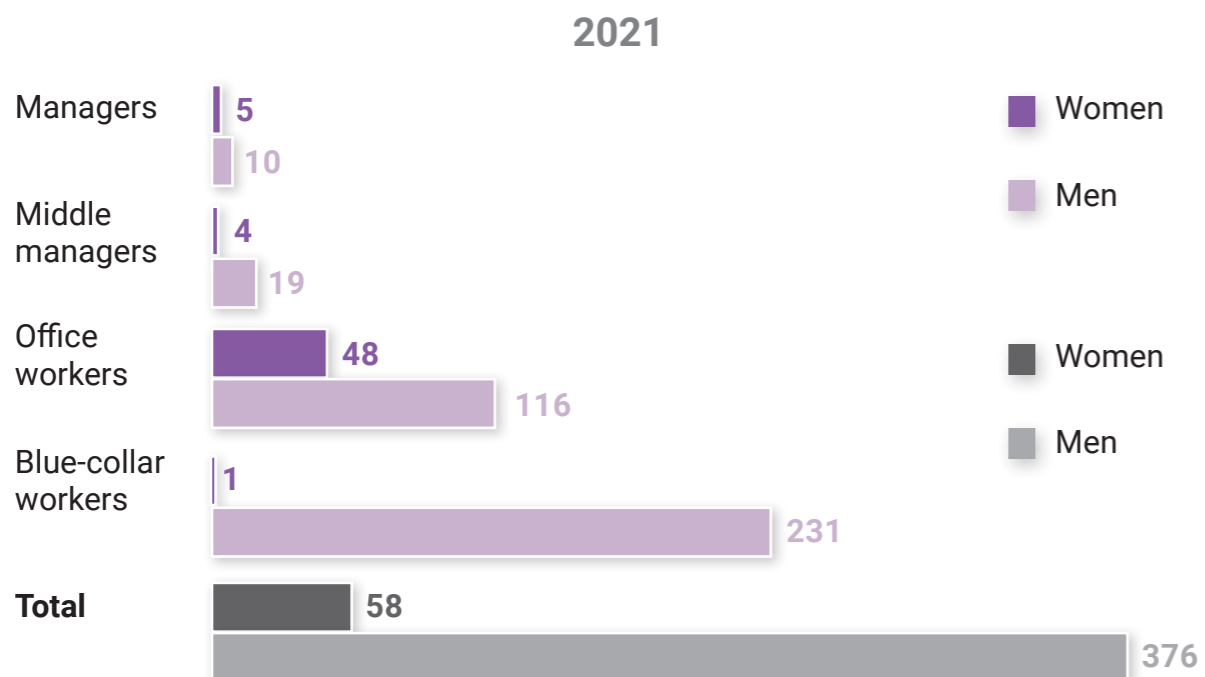
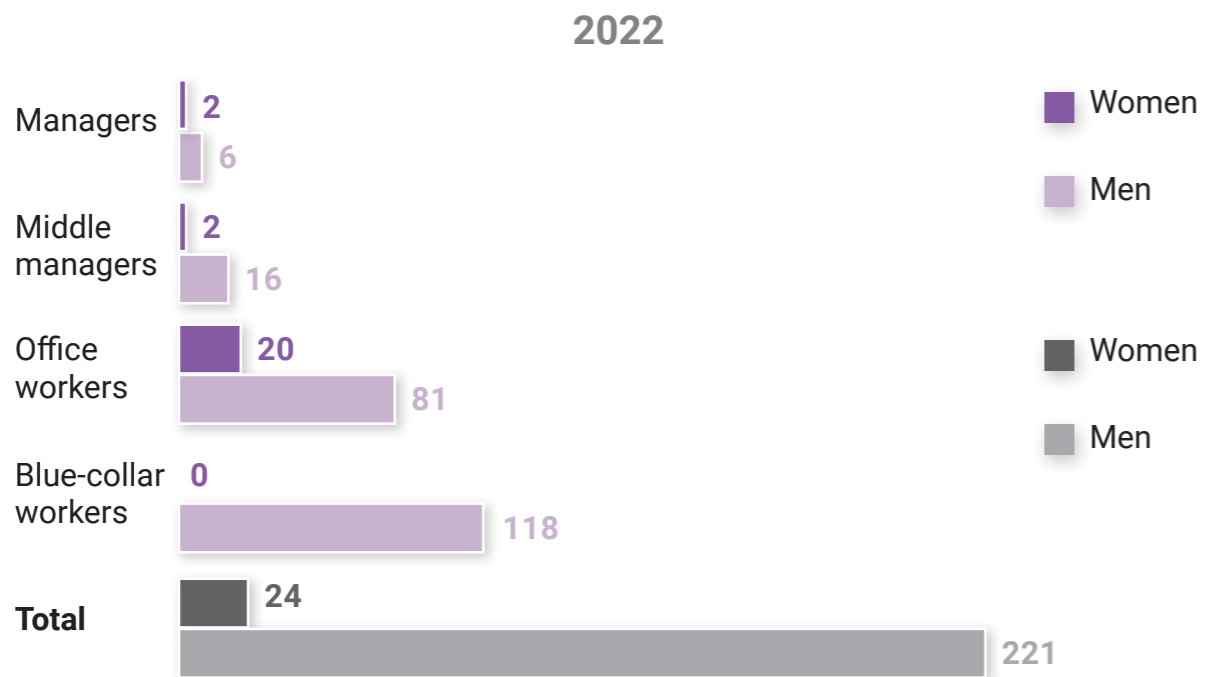
### Employees by employment type

EMPLOYMENT TYPE	2022		2021		2020	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
<b>Full-time</b>	219	18	359	46	392	58
<b>Part-time</b>	2	6	17	12	25	15
<b>Total</b>	<b>221</b>	<b>24</b>	<b>376</b>	<b>58</b>	<b>417</b>	<b>73</b>

Moreover, there are no employees who are not guaranteed a minimum or steady number of working hours.

## Employees by qualification and gender

The total workforce consists of 90% men and 10% women. The percentage females is higher in the categories of managers (25%), middle managers (11%) and office workers (20%).



## Employees by qualification and age group

QUALIFICATION	2022			2021			2020		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Managers	0	5	3	0	13	2	1	12	5
Middle managers	0	14	4	0	18	5	2	20	5
Office workers	20	74	7	29	113	22	36	104	21
Blue-collar workers	14	78	26	40	153	39	83	160	41
<b>TOTAL</b>	<b>34</b>	<b>171</b>	<b>40</b>	<b>69</b>	<b>297</b>	<b>68</b>	<b>122</b>	<b>296</b>	<b>72</b>

## Employees hired and terminated by gender

GENDER	UNIT OF MEASUREMENT	HIRED			TERMINATED		
		2022	2021	2020	2022	2021	2020
Women	no.	2	22	14	1	32	10
	%	1%	5%	3%	0%	7%	2%
Men	no.	47	88	160	37	105	105
	%	19%	20%	33%	15%	24%	21%
Total	no.	49	110	174	38	137	115
	%	20%	25%	36%	16%	32%	23%

## Employees hired and terminated by age group

AGE GROUP	UNIT OF MEASUREMENT	HIRED			TERMINATED		
		2022	2021	2020	2022	2021	2020
<30 years	no.	15	27	58	6	36	26
	%	6%	6%	12%	2%	8%	5%
Between 30 and 50 years	no.	32	71	106	29	87	79
	%	13%	16%	22%	12%	20%	16%
>50 years	no.	2	12	10	3	14	10
	%	1%	3%	2%	1%	3%	2%
Total	no.	49	110	174	38	137	115
	%	20%	25%	36%	16%	32%	23%

## Employees hired and terminated by geographical area

GEOGRAPHICAL AREA	UNIT OF MEASUREMENT	HIRED			TERMINATED		
		2022	2021	2020	2022	2021	2020
Italy	no.	49	44	35	38	25	20
	%	20%	10%	7%	16%	6%	4%
Germany	no.	0	0	8	0	6	3
	%	0%	0%	2%	0%	1%	1%
Romania	no.	0	66	129	0	104	87
	%	0%	15%	26%	0%	24%	18%
Russia	no.	0	0	2	0	2	5
	%	0%	0%	0%	0%	0%	1%
Sweden	no.	0	0	0	0	0	0
	%	0%	0%	0%	0%	0%	0%
Total	no.	49	110	174	38	137	115
	%	20%	25%	36%	7%	32%	23%

# 05.2 Professional growth and training

Investing in professional growth and updating through training is one of the priorities of the PLC Group, which considers human capital to be a key element for sustainable success. The average number of training hours was 30.9 hours per employee, with a significant increase in the involvement of managerial and office staff.

AVERAGE TRAINING HOURS	2022	2021	2020
Total number of training hours provided to employees	7,578	14,017	10,382
Total number of employees	245	434	490
<b>Average training hours per employee</b>	<b>30.9</b>	<b>32.3</b>	<b>21.2</b>
Total number of training hours provided to female employees	738	1,592	979
Total number of female employees	24	58	73
<b>Average training hours per female employee</b>	<b>30.8</b>	<b>27.4</b>	<b>13.4</b>
Total number of training hours provided to male employees	6,840	12,425	9,403
Total number of male employees	221	376	417
<b>Average training hours per male employee</b>	<b>31.0</b>	<b>33.0</b>	<b>22.5</b>
Total number of training hours provided to Managers	64	204	129
Total number of Managers	8	15	18
<b>Average training hours per Manager</b>	<b>8.0</b>	<b>13.6</b>	<b>7.1</b>
Total number of training hours provided to Middle Managers	873	659	201
Total number of Middle Managers	18	23	27
<b>Average training hours per Middle Manager</b>	<b>48.5</b>	<b>28.6</b>	<b>7.4</b>
Total number of training hours provided to Office Workers	4,390	3,748	1,892
Total number of Office Workers	101	164	161
<b>Average training hours per Office Worker</b>	<b>43.5</b>	<b>22.9</b>	<b>11.7</b>
Total number of training hours provided to Blue-collar Workers	2,251	9,406	8,160
Total number of Blue-collar Workers	118	232	284
<b>Average training hours per Blue-collar Worker</b>	<b>19.0</b>	<b>40.5</b>	<b>28.7</b>

### Compliance Training

In 2022, following the approval of the update of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, all members of the Board and the Board of Statutory Auditors were invited to a training session, organised by the law firm that supported the Issuer in activities in preparation for the update.

The Issuer will evaluate, if necessary, the organisation of additional induction sessions in order to provide updates and/or insights on specific issues of interest to the directors and statutory auditors.

# 05.3

## Well-being and safety at work

The PLC Group considers the protection of people's safety, health and well-being to be a fundamental value, aware of the potential impacts both inside and outside the organisation; the PLC Group's sustainable approach is therefore also expressed through policies and procedures aimed at protecting all stakeholders involved on various bases in the performance and development of its activities (such as employees, customers, suppliers and nearby local communities).

The protection of worker health and safety is ensured through the design and implementation of an in-depth and detailed safety management system for the proper identification and mitigation of the multiple risks associated with daily activities in accordance with the regulations in force on the matter in the various countries where the PLC Group is present (e.g., Italian Legislative Decree no. 81/2008 for Italy).

In particular, as already described, the PLC Group has implemented an integrated, structured and dynamic "Health, Quality, Safety and Environment" management system, based on best practices and recognised international standards on the subject, in order to pursue the objectives set forth in the "Group Policy on Health, Safety and the Environment".

Processes are constantly improved with the use of specific procedures, by monitoring and assessing risks and with continuous employee training and information initiatives.

The procedures adopted also make it possible to identify any dangers and hazardous situations at work by recording and analysing near misses, i.e. any event relating to production activities that could have caused an injury or harm to health, or even a fatality, which only by pure chance did not lead to it.

In Italy, where 100% of the company population is concentrated, occupational hazards that constitute a risk of injury are assessed, monitored and reported in the Risk Assessment Document (DVR - Documento di Valutazione dei Rischi), which is periodically updated.

The PLC Group also has occupational health services that contribute to the identification and elimination of hazards and the minimisation of risks. The occupational physician collaborates with the employer and the prevention and protection service in (i) risk assessment, also in order to plan health surveillance, where necessary, and (ii) preparing the implementation of measures to protect the health and mental-physical integrity of workers.

The PLC Group promotes non-work related medical and health care services in Italy through the Metasalute Fund (supplementary health care fund for workers in the engineering industry).

For the PLC Group, safeguarding employees is not only a legislative and moral obligation for the employer, but a decisive factor for quality and competitiveness.

### Main principles



#### THE SAFETY MAGAZINE

Since June 2021, the HSEQ (Health, Safety, Environment & Quality) department has published "The Safety Magazine" on a quarterly basis on the company intranet, with the aim of:

- issuing regulatory updates on occupational health and safety
- publicising the near miss reports received and the relative corrective actions taken
- promoting a culture of safety
- providing information about the publication of procedures and/or operating instructions and the organisation of courses

### Our certifications

CERTIFICATION	DESCRIPTION	COMPANY
ISO 45001:2018	Occupational Health and Safety Standards	PLC System S.r.l. PLC Service S.r.l. PLC Service Wind S.r.l.

In the 2021 - 2022 period, there was an increase in the rate of accidents recorded. No high-consequence work-related injuries or deaths occurred in the 2020-2022 three-year period.

WORK-RELATED INJURIES	2022	2021	2020
Number of recordable injuries	2	1	6
Number of hours worked	440,415.47	843,494.55	786,342.68
<b>Rate of recordable work-related injuries</b>	<b>0.91</b>	<b>0.24</b>	<b>1.53</b>

# Methodological note and content index

The Sustainability Report was prepared in accordance with the GRI - Global Reporting Initiative - Sustainability Reporting Standards, according to the "With Reference" option.

The qualitative and quantitative data and information contained in the document refer to the period from 1 January 2022 to 31 December 2022 (fiscal year) and are compared with those referring to the financial years ended 31 December 2021 and 31 December 2020. The report is published annually.

The reporting period coincides with that of the Annual Financial Report, approved by the Board of Directors on 28 April 2023. This document was approved by the Board of Directors on 9 June 2023.

This Sustainability Report describes the performance of the PLC Group according to the reporting scope corresponding to the consolidated financial statements as of 31 December 2022 for economic and financial data. With regard to environmental and social topics, please note that:

- for the 2020-2021 period, the following companies are not included: PLC System South Africa Ltd, PLC System Montenegro D.o.o., PLC Power S.r.l., Pangreen Mocambique Ltd, Monsson Operation Ltd and Monsson Turkey Ltd. and those commercial and financial companies for which environmental and social impacts are not considered significant; while
- for 2022, the exclusion concerns, in addition to the companies mentioned above, the entire Monsson Operation.

Any changes to information included in previous documents are appropriately identified in the text by means of explanatory notes.

This Sustainability Report has been voluntarily subjected to a limited review by EY S.p.A. in accordance with the "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB).

Quantitative indicators that do not relate to any general or topic-specific disclosures of the GRI Standards, which are reported on the pages specified in the Content Index, are not subject to limited review by EY S.p.A.

For any requests for clarification or further information, please write to the following e-mail address: [segreteria@plc-spa.com](mailto:segreteria@plc-spa.com).

Please note that this Sustainability Report is available and downloadable by accessing the website: [www.plc-spa.com](http://www.plc-spa.com).

## Principles for defining report content and for quality assurance

Consistent with the GRI Standards 2021 (GRI 1 - Foundation), this Report has been prepared in accordance with the following general principles:

- **Accuracy:** the information is reported fairly and in sufficient detail so as to allow for an assessment of the impacts of the Company;
- **Balance:** positive and negative impacts are presented objectively and fairly;
- **Clarity:** information is presented in an understandable and accessible manner;
- **Comparability:** information is selected and reported in a consistent manner to enable an analysis of changes in the organisation's impacts over time and to compare them with those of other organisations;
- **Completeness:** the information provided is sufficient to enable an assessment of the organisation's impacts during the reporting period;
- **Sustainability context:** information on the organisation's impacts is provided within the broader context of sustainable development;
- **Timeliness:** this document is drawn up on a regular basis so that the information is available in time to enable users of the data to make decisions;
- **Verifiability:** data are collected, recorded, compiled and analysed so that the quality of the information reported can be assessed.

## Reporting Process

The PLC Group has set up an internal Working Group, representative of the main corporate functions, to prepare the Sustainability Report, with the duty of collecting the required information, verifying and validating it, and archiving the documentation used to collect the data in order to ensure its traceability.

The reporting process took place based on the following steps:

- 1 Preparation and approval of the materiality analysis
- 2 Definition of the content of the Sustainability Report (indicators, disclosures and scope)
- 3 Initiation of the process of collecting and approving non-financial data and information

The data and information included in this Sustainability Report derive from the information systems used for the management and accounting of the PLC Group companies and from a non-financial reporting system using data collection sheets, which has been specially implemented to meet the requirements of the GRI Standards.

## Calculation methodologies

The following sources were used to calculate the GHG emissions reported in this report:

- conversion to GJ: "Greenhouse gas reporting: fuel properties" 2022, 2021 and 2020 provided by DEFRA (UK Department for Environment Food & Rural Affairs);
- direct emissions (Scope 1): "Greenhouse gas reporting: fuels" 2022, 2021 and 2020 provided by DEFRA (UK Department for Environment Food & Rural Affairs);
- indirect emissions (Scope 2):
  - Location-based: these emissions were calculated by multiplying the electricity purchased from the national electricity grid by the emission factor taken from Terna International Comparisons on Enerdata - 2019 and 2018 data;
  - Market-based: these emissions were calculated by multiplying the amount of non-renewable electricity purchased from the national electricity grid by the residual mix emission factors of each coun-

try, according to the following source: European Residual Mixes, AIB - data 2021, 2020, 2019.

- emissions avoided: these emissions were calculated by multiplying the amount of self-produced electricity from renewable sources by the residual mix emission factor of Italy, according to the following source: European Residual Mixes, AIB - data 2021, 2020, 2019.

The following methodology was used to calculate hiring/termination rates:

- Hiring/termination rate: the ratio between the number of hires/terminations in the reference category (gender, age group and geographical area) and the total number of employees employed by the Group as at 31 December.

The following methodology was used to calculate the accident ratios:

- Rate of recordable work-related injuries: ratio between the number of recordable work-related injuries recordable work-related injuries, excluding commuting accidents, to the total number of hours worked, multiplied by 200,000.
- Rate of high-consequence work-related injuries (excluding deaths): ratio between the total number of high-consequence work-related injuries and the total number of hours worked, multiplied by 200,000.
- Rate of deaths resulting from work-related injuries: ratio between the total number of deaths resulting from work-related injuries and the total number of hours worked, multiplied by 200,000.

## Materiality analysis

In 2022, the Group revised its materiality analysis in line with the new requirements of the GRI Standards 2021. The identification of material topics for the Group was therefore based on the identification of the impacts, actual and potential, short or long term, intentional or unintentional, reversible or irreversible, generated or likely to be generated by it on the economy, the environment and people, including impacts on human rights.

The materiality analysis process consisted of four different steps:

- 1 Understanding the context in which the Group operates: analysis of the sector in which it operates, taking into consideration different categories of sources, both internal and external to the Group.
- 2 Identification of the Group's actual and potential impacts: actual impacts are impacts that have occurred over time, while potential impacts may occur in the future.
- 3 Evaluation of the significance of impacts: all impacts were evaluated through a process of assessing the level of significance of the impacts according to their degree of severity and likelihood of occurrence. The significance of an actual impact is determined by its severity, while the significance of a potential impact is determined by the severity and likelihood of occurrence of the impact. In particular, the severity of an impact was assessed by taking into account three aspects:
  - **Severity scale:** how severe the impact is and the external context in which the impact occurs, including geography;
  - **Scope of application:** how widespread the impact is throughout the Group's value chain;
  - **Irremediable character:** how difficult it is to remedy the damage generated by the impact (this aspect is not considered when assessing the significance of positive impacts).

The likelihood of potential impacts was instead assessed by considering all policies, procedures and activities carried out by the Group to prevent and mitigate the negative impact identified.
- 4 Prioritisation of the most significant impacts for reporting: the most significant impacts for the Group were prioritised and the impacts deemed most relevant guided the identification of the material topics included in this Sustainability Report.

A list is provided below of the topics deemed material as a result of the identification and aggregation of the impacts deemed to be significant<sup>8</sup>.

MATERIAL TOPIC	DESCRIPTION OF IMPACTS	GRI INDICATOR
Combating climate change	The construction and maintenance of plants, as well as the extraction, production and transport of raw materials, semi-finished and finished products used throughout the value chain, and the use of company offices and the vehicle fleet, involve the consumption of energy resources and, therefore, generate GHG emissions, the main contributors to climate change.	302-1 305-1,2
	The health and safety of company employees and other workers is a critical factor for the entire value chain. Despite the adoption of policies and procedures intended to safeguard health and safety, workplace accidents may occur due to the nature of the work activity.	403-9
Well-being and safety at work	A company's lack of interest in constantly investing in initiatives dedicated to ensuring the right balance between the work and personal spheres and the lack of constant communication and consultation with employees can lead to employee dissatisfaction and discontent.	401-1,2 402-1
	Compliance with good business practices is fundamental to the functioning of the market and fair competition between competitors. Corrupt practices, anti-competitive behaviour or tax evasion may have a negative impact on the economic environment in which the company operates.	205-3 206-1 207-1,2,3
Waste management	Activities throughout the value chain (construction and maintenance of plants, extraction, production and transport of raw materials, semi-finished and finished products, and office activities) generate waste which, if not properly managed, can have a negative impact on the environment, particularly on the air, water and soil.	306-3,4,5
	A lack of policies and measures designed to prevent discriminatory behaviour, based on ethnicity, religion, gender, sexual orientation and disability, and to ensure equal opportunities, can result in the creation of a non-inclusive environment and the resulting violation of workers' human rights.	405-1 406-1
Respect for human rights	Activities carried out throughout the value chain may include cases of forced labour and child labour. Failure to address these issues may lead to a violation of workers' human rights.	408-1 409-1
	The assessment of the supply chain by the company enables the monitoring and promotion of a more responsible supply chain. Failure to carry out ESG assessments of suppliers may lead to environmental and social impacts due to regulatory non-compliance, human rights violations, failure to protect health and safety, and unfair business practices	308-1 414-1
Professional growth and training	In order to enhance the value of its employees, the company invests in training and professional development initiatives that ensure the development of human capital and increase skill levels.	404-1
Economic-financial performance	By committing to ensuring operational and financial efficiency and contributing to the creation of economic and social value in the areas where it operates, the company generates a positive impact throughout the entire value chain.	Non-GRI topic
Innovation and digital transformation	Through the use of new technologies such as augmented and virtual reality, artificial intelligence and machine learning, the company improves the quality and sustainability of the products and services it provides.	Non-GRI topic

There are no differences from the material topics addressed in the 2021 Sustainability Report.

<sup>8</sup> Impacts considered significant are those that have been assigned a "very relevant" and "relevant" significance based on the assessments performed. Impacts found to be "negligible" were excluded.



# Content index

<b>STATEMENT OF USE</b>	PLC S.p.A. has reported the information mentioned in this GRI content index for the 01.01.2022-31.12.2022 period with reference to GRI Standards.
<b>GRI 1 USED</b>	GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organisational details	pag. 7
	2-2 Entities included in the organisation's sustainability reporting	pag. 58
	2-3 Reporting period, frequency and contact point	pag. 58
	2-4 Restatements of information	pag. 58
	2-5 External assurance	pag. 58, 66, 67, 68
	2-6 Activities, value chain and other business relationships	pag. 6, 7, 41, 42
	2-7 Employees	pag. 49, 50, 51
	2-8 Workers who are not employees	pag. 50
	2-9 Governance structure and composition	pag. 9, 10, 11
	2-22 Statement on sustainable development strategy	pag. 2, 3
	2-27 Compliance with laws and regulations	pag. 23
	2-28 Membership associations	pag. 31
	2-29 Approach to stakeholder engagement	pag. 24, 25
	2-30 Collective bargaining agreements	pag. 51
	<b>GRI 3: Material topic</b>	3-1 Process to determine material topics
3-2 List of material topics		pag. 61
3-3 Management of material topics		pag. 61, Individual reference chapters

GRI STANDARDS	DISCLOSURE	LOCATION
<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	pag. 19
<b>GRI 206: Anti-competitive behaviour 2016</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	pag. 23
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	pag. 23
	207-2 Tax governance, control, and risk management	pag. 23
	207-3 Stakeholder engagement and management of concerns related to tax	pag. 23
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	pag. 39
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	pag. 40
	305-2 Energy indirect (Scope 2) GHG emissions	pag. 40
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	pag. 43
	306-2 Management of significant waste-related impacts	pag. 43
	306-3 Waste generated	pag. 44, 45
	306-4 Waste diverted from disposal	pag. 44, 45
	306-5 Waste directed to disposal	pag. 44, 45
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	pag. 41
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and turnover	pag. 53, 54
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	pag. 48
<b>GRI 402: Labour-management relations 2016</b>	402-1 Minimum notice periods regarding operational changes	pag. 48

GRI STANDARDS	DISCLOSURE	LOCATION
<b>GRI 403: Occupational health and safety 2018</b>	403-1 Occupational health and safety management system	pag. 56, 57
	403-2 Hazard identification, risk assessment and incident investigation	pag. 56, 57
	403-3 Occupational health services	pag. 56, 57
	403-4 Worker participation, consultation, and communication on occupational health and safety	pag. 56, 57
	403-5 Worker training on occupational health and safety	pag. 56, 57
	403-6 Promotion of worker health	pag. 56, 57
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	403-9 Work-related injuries	pag. 57
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	pag. 55
<b>GRI 405: Diversity and equal opportunities 2016</b>	405-1 Diversity of governance bodies and employees	pag. 10, 11, 52, 53
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	pag. 48
<b>GRI 408: Child labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	pag. 42
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<b>GRI 414: Supplier social assessment 2016</b>	414-1 New suppliers that were screened using social criteria	pag. 41
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# Relazione di revisione



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## Independent auditors' report on the Consolidated Sustainability Report

(Translation from the original Italian text)

To the Board of Directors of PLC S.p.A.

We have been appointed to perform a limited assurance engagement on the Consolidated Sustainability Report of PLC Group (hereinafter the "Group") for the year ended on December 31, 2022.

### Responsibilities of the Directors for the Consolidated Sustainability Report

The Directors of PLC S.p.A. are responsible for the preparation of the Consolidated Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the section "Methodological note and content index" of the Consolidated Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary in order to allow the preparation of a Consolidated Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of PLC Group regarding the sustainability performance, as well as for the identification of the *stakeholders* and of the significant matters to report.

### Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* issued by *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality, and professional behavior.

Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

### Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the Consolidated Sustainability Report with the requirements of the GRI Standards. Our work has been performed in accordance with the principle of "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. This principle requires the planning and execution of procedures in order to obtain a limited assurance that the Consolidated Sustainability Report is free from material misstatements.

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Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the *ISAE 3000 Revised* ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Consolidated Sustainability Report were based on our professional judgment and included inquiries, primarily with the personnel of the Company responsible for the preparation of the information included in the Consolidated Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the process relating to the definition of material aspects included in the Consolidated Sustainability Report, with reference to the methods of analysis and understanding of reference context, the identification, assessment and prioritization of actual and potential impacts and the internal validation of the process outcome;
2. comparison of economic and financial data and information included in the paragraph "03.1 Economic-financial performance" of the Consolidated Sustainability Report with those included in the Group's consolidated financial statement;
3. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Consolidated Sustainability Report.

In particular, we have conducted interviews and discussions with the management personnel of PLC S.p.A. and with the personnel of Schmack Biogas S.r.l. and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the department responsible for the preparation of the Consolidated Sustainability Report.

Furthermore, for significant information, considering the Group's activities and characteristics:

- at Group level
  - a) with reference to the qualitative information included in the Consolidated Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
  - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for PLC S.p.A. and Schmack Biogas S.r.l. companies, that we have selected based on their activities, relevance to the consolidated performance indicators and location, we have carried out remote interviews during which we have had discussions with management and have obtained documentary evidence about the appropriate application of the procedures and the calculation methods used for the indicators.



Building a better working world

**Conclusion**

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Report of PLC Group for the year ended on December 31, 2022 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, as described in the paragraph "Methodological note and content index" of the Consolidated Sustainability Report.

Milano, June 28, 2023

EY S.p.A.  
Signed by: Lorenzo Secchi  
(Statutory Auditor)

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

## **PLC S.p.A.**

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