



7PLC
SpA

**CONSOLIDATED
SUSTAINABILITY
REPORT
2023**



Contents

Letter to stakeholders 2

The PLC Group

01.1 The reference market	6
01.2 Group structure	7
01.3 Sustainability Highlights	8
01.4 Governance	9
01.5 Non-financial risks	12

Integrity and transparency

02.1 Business ethics and integrity	18
02.2 Relations with stakeholders	24

Sustainable Development

03.1 Economic and financial performance	28
03.2 Innovation and digitalisation	29
03.3 The value of territory and relations with local communities	30

Natural heritage and environmental sustainability

04.1 The reference regulatory context	34
04.2 Environmental policy and management	36
04.3 Renewable sources and energy efficiency	38
04.4 GHG emissions	42
04.5 Focus on the supply chain	41
04.6 Waste management	43

Human capital and the value of relationships

05.1 People in the PLC Group	49
05.2 Professional growth and training	55
05.3 Occupational health and wellness	56

Methodological note and content index 58

Letter to stakeholders

Despite a global scenario influenced by the continuation of several geopolitical crises, in 2023 the renewable energy sector was confirmed as a rapidly expanding market essential to the achievement of 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.

Indeed, the most recent regulatory developments show how at national level, the Ministry for the Environment and Energy Security is finalising a series of actions aimed at pursuing the 2030 decarbonisation targets; this has further consolidated investor interest in the renewable energy sector in Italy, although some critical issues related to the authorisation process remain, with a direct impact on the development time of new initiatives.

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 across every level of the organisation.

With this consolidated sustainability report, and in continuity with the previous year, the PLC Group aims to share its achievements and future goals with all of its stakeholders.



Francesco Esposito (Chairman)







The PLC Group

01.1

The reference market

The PLC Group operates in the market for renewable energies, with particular reference to the photovoltaic and wind sectors, as well as in that of high and medium voltage electrical infrastructures serving power generation or industrial plants in which it carries out engineering, procurement, construction and testing activities ("Engineering & Construction Segment"), monitoring activities and ordinary and extraordinary maintenance and technological modernisation of electrical infrastructures, wind turbines, wind and photovoltaic parks ("Services Segment"), as well as development activities of new plants for the production of energy from renewable sources up to the obtaining of authorisations ("Development Segment").

On 7 March 2024, the sale of the shareholding in Schmack Biogas S.r.l., a company active in the construction of plants and the provision of services in the biogas and biomethane sector, was finalised.

01.2

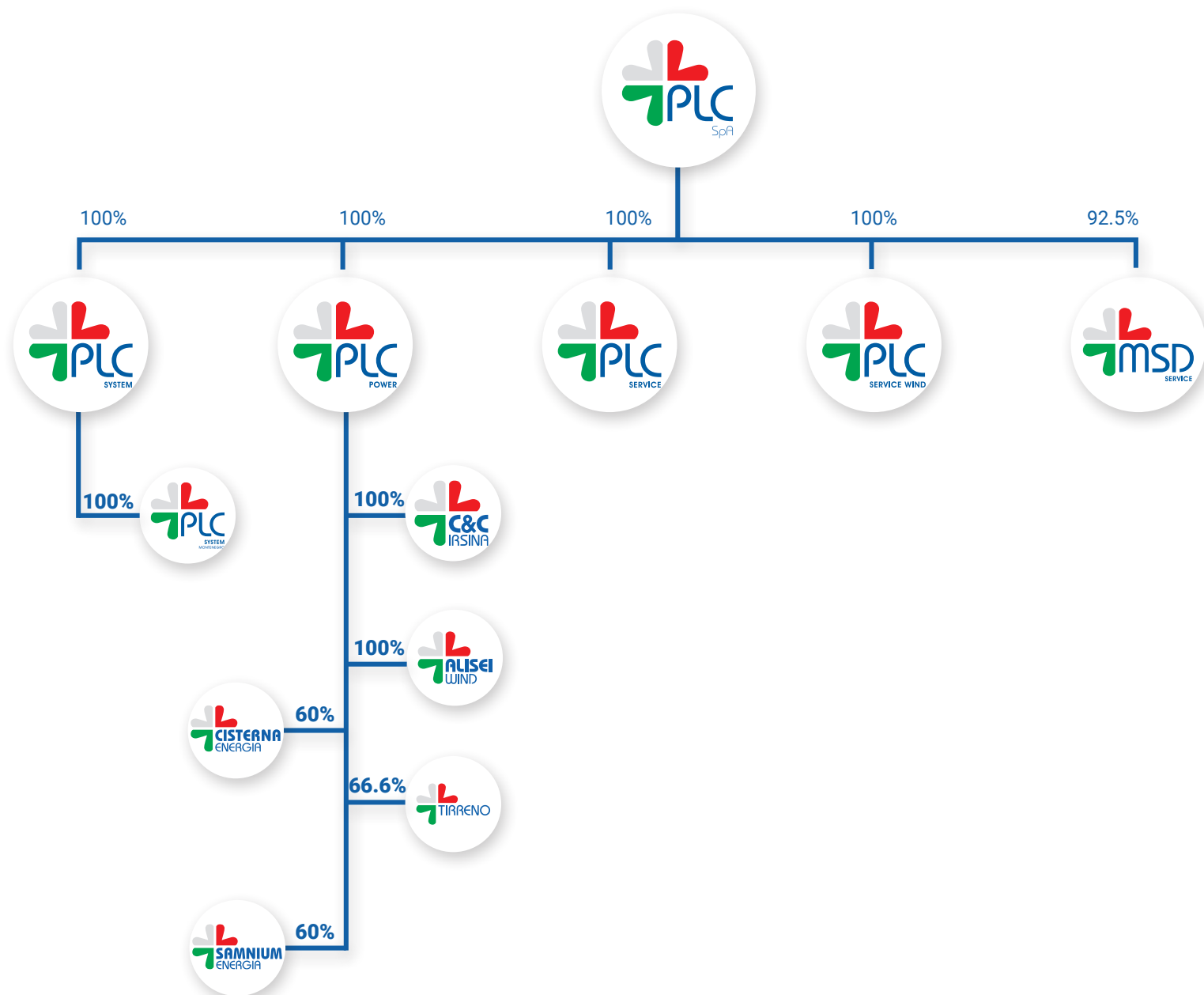
Group structure

The parent company PLC S.p.A. has its registered office in Acerra (NA), Zona ASI, Località Pantano, via delle Industrie 100; the Group's main operating activities with reference to traditional renewable energy sources in Italy are carried out between the registered office and the local unit in Acerra (NA) at via delle Industrie 272/274.

The companies belonging to the scope of the company Schmack Biogas S.r.l. were excluded from the Group's ownership structure as it was treated in accordance with IFRS 5 "Discontinued Operations". The shareholding was sold on 7 March 2024.

It should also be noted that in the course of 2023, the companies belonging to the Monsson scope (as reported in the 2022 Sustainability Report), Idroelettrica 2014 S.r.l., Unipersonale and Pangreen Mozambique Ltd were sold; PLC System Montenegro was instead placed in liquidation in early 2024.

During the year, two corporate vehicles were established (Cisterna Energia S.r.l. and Samnium Energia S.r.l.) for the development of authorisations for renewable energy source plants (PV technology).



01.3

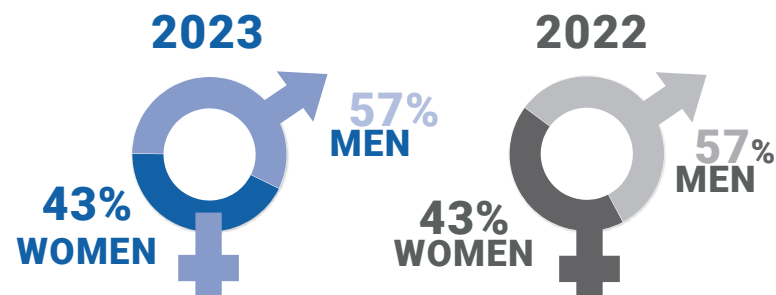
Sustainability Highlights

The United Nations 2030 Agenda for Sustainable Development identifies the 17 *Sustainable Development Goals (SDGs)* that represent common sustainable development goals and provide an international reference for pursuing global challenges.

Integrity and transparency



GOVERNANCE



Sustainable Development



EBITDA



(*) It should be noted that the financial statements as at 31 December 2022 have been restated in accordance with the provisions of IFRS 5 on "Discontinued Operations".

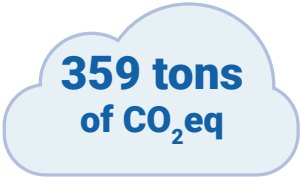


Natural heritage and environmental sustainability

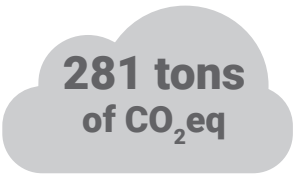


CO₂ AVOIDED

2023



2022



Human capital and the value of relationships



**TRAINING PER
EMPLOYEE**

2023



2022



01.4

Approval of the 2024-2027 Strategic Sustainability Plan

Confirming and reinforcing PLC Group commitment to sustainability, announced on 21 December 2023, PLC S.p.A. approved the **2024-2027 Strategic Sustainability Plan**, which envisages an organic set of initiatives, highlighting the responsibility of PLC in the environmental and social context in which it operates and the continuous improvement in the Group governance with medium- and long-term goals.

The initiatives of the Strategic Sustainability Plan will lead to concrete and measurable improvements in the areas Environment (with projects on decarbonisation, circular economy and biodiversity), Social (with projects on well-being, training, health and safety, and territorial impact) and Governance (with projects on sustainable finance, risk management, integration and transparency, and supply chain).

The Strategic Sustainability Plan places the PLC Group even more in a leading position and anticipates the actions to adjust to future regulatory developments on ESG information requirements.



01.5

Governance

PLC S.p.A. follows the edition of the Corporate Governance Code issued by Borsa Italiana in January 2021. In this regard, with reference to "sustainable success", understood as the objective that guides the action of the Board of Directors and that is substantiated by the creation of long-term value for the benefit of shareholders, while taking into account the interests of other relevant stakeholders for the Company, the Board of Directors also assigned functions to the Control and Risk Committee aimed at promoting the Company's sustainable success and renamed this committee the "Control, Risks and Sustainability Committee".

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

- 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 as at 31 December 2023.

DIRECTOR	OFFICE	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 Consolidated Law on Finance - Corporate Governance Code		
Graziano Gianmichele Visentin	Director	Non-Executive / Independent Consolidated Law on Finance - Corporate Governance Code (*)	X	X
Marina D'Artibale	Director	Non-Executive / Independent Consolidated Law on Finance - Corporate Governance Code	X	X
Claudia Crivelli	Director	Non-Executive / Independent Consolidated Law on Finance - Corporate Governance Code	X	X

CRSC = Control, Risks and Sustainability Committee

AC = Appointments, Remuneration and Stock Option Plans Committee.

It should be noted that, depending on the subject under consideration, either the Control, Risks and Sustainability Committee or the Appointments, Remuneration and Stock Option Plans Committee is used as the Board Committee for transactions with related parties.

(*) The Director Graziano Gianmichele Visentin does not formally meet the independence requirements established 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 fourteen 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 existence, for this Director, of the independence requirement pursuant to the Corporate Governance Code.

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

In addition to the foregoing, in view of the natural expiration of the administrative body's term of office with the approval of the financial statements for the 2023 financial year, at its meeting of 20 March 2024, the outgoing Board of Directors formulated an *"Shareholder guideline for the renewal of the Board of Directors for the three-year period 2024-2026"*, deeming it advisable to leave the number of directors of the Company unchanged, also in view of the Company's structure and operational needs. On this point, it should be noted that the Shareholders' Meeting will consider whether to agree with and adopt the Board's guideline at the next Shareholders' Meeting convened for 29 April 2024.

As at 31 December 2023, the Board of Directors therefore consisted of 7 members, 42.8% of whom were women, in compliance with the gender balance requirement established by law and regulations.

57% of the members of the Board of Directors 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 as at 31 December 2023.

The Board of Statutory Auditors consists of 3 standing members (33% of whom are women) and 2 alternate members (50% of whom are women) in compliance with the gender balance requirement established 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; as a result, the audit engagement will come to an end with the approval of the financial statements as at 31 December 2023.

For more information and an in-depth analysis on corporate governance, please refer to the "Report on Corporate Governance and Ownership Structures" available in the 2023 Financial Report in the "Investor Relations > Financial Documents > Balance Sheet > 2024" section at www.plc-spa.it/

Self-assessment by 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 evaluates the size, composition and functioning of its board committees at least every three years, in view of the appointment of a new board.

This self-assessment was most recently carried out by the Board of Directors at the meeting of 20 March 2024, with reference to the 2023 financial year, in view of the appointment of a new board. The self-assessment process was structured, with the support of the Appointments, Remuneration and Stock Option Plans Committee, 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, at its meeting of 20 March 2024, in view of the appointment of a new administrative body, the outgoing Board of Directors,

despite the fact that the Company meets the definition of a company with concentrated ownership¹, formulated a *"Shareholder guideline for the renewal of the Board of Directors for the three-year period 2024-2026"*, confirming that it considered the number of Company directors to be consistent, also considering the Company's structure and operating requirements and taking into account the diversity criteria set forth in applicable laws, regulations and the Corporate Governance Code. The guideline was disclosed within the legal deadlines and is available on the PLC website (plc-spa.it) under "Investor relations > Corporate Governance > Shareholders' Meeting > 2024 > Shareholders' Meeting 29 April 2024".

With reference to the Board of Statutory Auditors, it should be noted that when it was appointed on 30 April 2021, the Shareholders' Meeting verified that the Statutory Auditors met all the requirements established by regulations in force for taking office. The Board of Statutory Auditors annually assesses the continued independence of its members, also in light of all 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 18 March 2024, and was highlighted at the meeting of the Board of Directors held on 20 March 2024.

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.

In view of the appointment of a new control body, the Board of Statutory Auditors developed a *"Shareholder guideline from the Board of Statutory Auditors of PLC S.p.A. for the renewal of the Board of Statutory Auditors"*. The guideline was disclosed within the legal deadlines and is available on the PLC website (plc-spa.it) under "Investor relations > Corporate Governance > Shareholders' Meeting > 2024 > Shareholders' Meeting 29 April 2024".

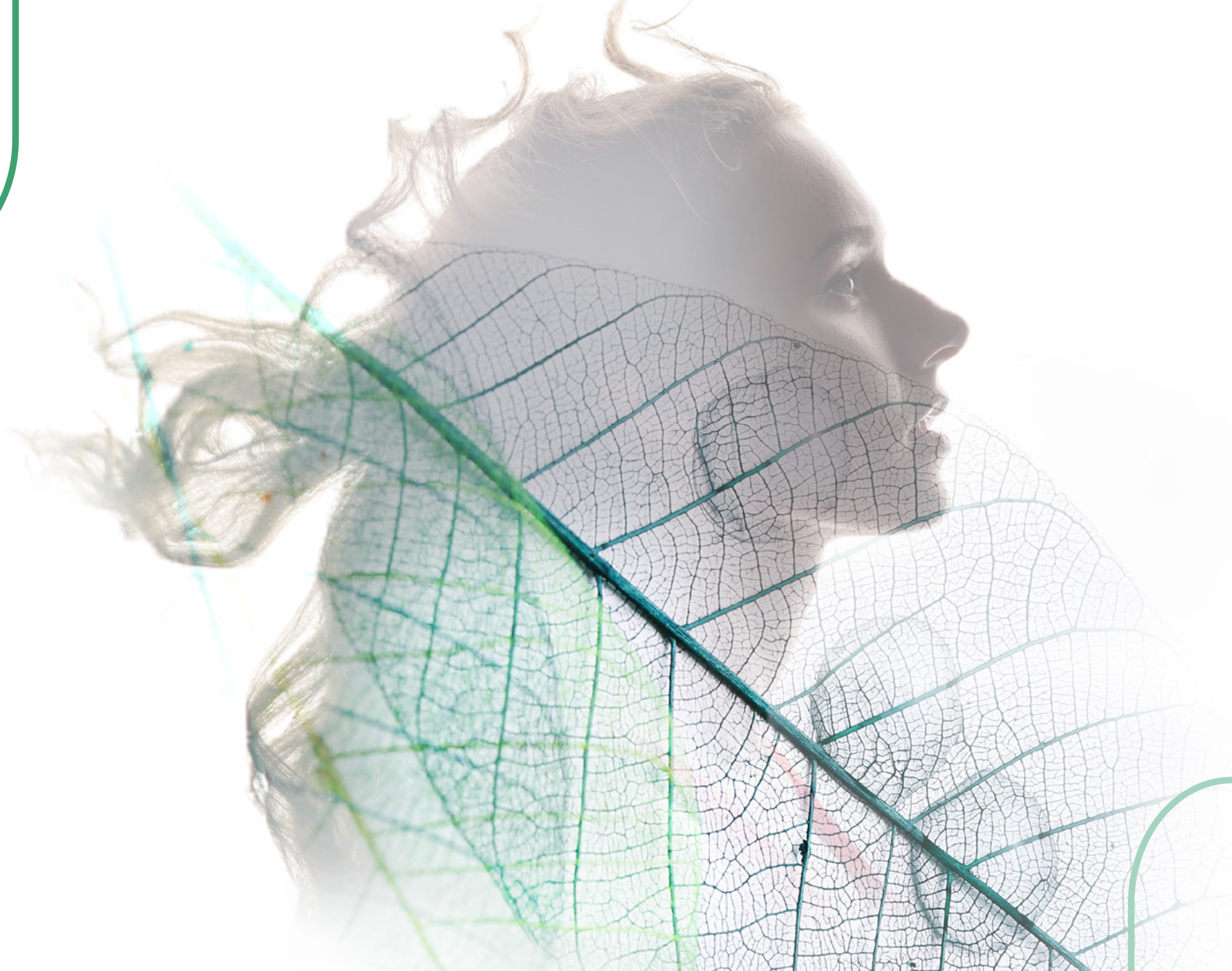
¹ It should be noted that in the Corporate Governance Code, art. 3 recommendation 15, establishes that only *"In large companies, the board of directors expresses its guidelines on the maximum number of offices that can be considered compatible with an effective performance and the time commitment required 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."*

01.6

Non-financial risks

AREA	TOPIC	NON-FINANCIAL RISKS IDENTIFIED	MANAGEMENT APPROACH
Integrity and transparency	Active and passive corruption	<ul style="list-style-type: none"> • Failure to comply with anti-corruption guidelines • Penalties imposed on the Group • Failure to comply with the ethical principles of the PLC Group • Reputational risk deriving from unlawful conduct and/or violations 	<ul style="list-style-type: none"> • Anti-Corruption Policy • Supervisory Body • Organisation and Management Model pursuant to Italian Legislative Decree 231/2001 (Italy only) and periodic controls • Contractual guidelines for Italian companies that establish contractual clauses aimed at complying with the principle of legality, the Organisation and Management Model pursuant to Italian Legislative Decree 231/2001 and/or Italian Legislative Decree 231/2001 and periodic controls, under penalty of termination of the contract • Specific clauses aimed at avoiding any conflict of interest with the contractual counterparty, under penalty of termination of the contract • Specific training • Code of Ethics of the PLC Group
	Composition of the administration, management and control bodies	<ul style="list-style-type: none"> • Failure to comply with the rules set forth in the Corporate Governance Code 	<ul style="list-style-type: none"> • Self-Assessment Process

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"> • Failure to issue authorisations • Social opposition after plant construction • Failure to comply with the Group's environmental guidelines 	<ul style="list-style-type: none"> • Authorisation procedures issued by national/local bodies that take into account all environmental, landscape and social topics • ISO14001:2015 Certification Systems • Group Policy on Health, Safety and the Environment
	Impact of activities on health and safety	<ul style="list-style-type: none"> • Failure to issue authorisations • Failure to comply with the Group's health and safety guidelines 	<ul style="list-style-type: none"> • ISO45001:2018 Certification Systems • Group Policy on Health, Safety and the Environment
Human capital and the value of relationships	Gender equality	<ul style="list-style-type: none"> • Failure to comply with regulations in force • Failure to comply with the ethical principles of the PLC Group 	<ul style="list-style-type: none"> • Code of Ethics • Corporate Governance Code • Organisation and Management Model pursuant to Italian Legislative Decree 231/2001 and/or compliance with Italian Legislative Decree 231/2001
Transversal	Supply chain Product/service compliance Quality Standards	<ul style="list-style-type: none"> • Reputational risk deriving from low product and/or service quality • Reputational risk deriving from unlawful conduct and/or violations • Environmental and social impact 	<ul style="list-style-type: none"> • Supplier qualification process • Contractual guidelines for Italian companies that establish contractual clauses aimed at complying with the principle of legality, the Organisation and Management Model pursuant to Italian Legislative Decree 231/2001 and/or Italian Legislative Decree 231/2001 and periodic controls, under penalty of termination of the contract • Specific clauses aimed at avoiding any conflict of interest with the contractual counterparty, under penalty of termination of the contract





**Integrity and
transparency**

02.1

Business ethics and integrity

In carrying out its activities, the PLC Group's guiding principles are compliance with the law and regulations of the countries in which it operates, legality, fairness, transparency, confidentiality, equality and respect for the dignity of the individual. These principles, cultivated by the management and conveyed to both employees and stakeholders that 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 the phenomenon of corruption, which can spread to 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 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, it is expected that when they are hired, all employees sign a statement to undertake to abide by the rules of the PLC Group Code of Ethics and the 231 Model, where adopted, including the anti-corruption safeguards.

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.

The organisation, management and control model for the company PLC Power S.r.l. is currently being implemented, as well as a set of procedures for all Group companies (already adopted by some 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, among other things, to establish additional adequate control measures, such as, for example, procedures for the "*Management of relations with the Public Administration and Supervisory Authority*" and "*Gifts, gratuities and entertainment expenses management*".

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

Considering the PLC Group's constant focus on the continuous improvement of its control systems and mechanisms and the strategic choices made in recent years, which led to an increase in activities, due to the growing focus of institutions, both national and international, and more generally of all stakeholders on the dangers of corruption, PLC S.p.A. and all its Italian and foreign subsidiaries¹ adopted a "Group Anti-Corruption Policy"² in June 2019.

This choice is fully in line 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 rejecting and objecting 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 carried out in the interest of the PLC Group or because they are considered "customary" in the sector or the countries in which the PLC Group operates.

As a further measure, the PLC Group companies adopt a specific contractual provision committing the counterparty to the more general 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 measures in the processes most at risk.

There were no proven cases of corruption during the reporting period.

Compliance with Italian Legislative Decree 231/2001

With reference to Italian Legislative Decree 231/2001, the main Italian companies³ have adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/01 and a Supervisory Body, which at the parent company is a board and at the other companies is a single individual.

Moreover, the 231 Model, by its very nature, is not a "static" document but, on the contrary, is set up with a view to continuous updating, in light of regulatory changes made in the "catalogue of predicate offences" pursuant to Italian Legislative Decree 231/01 ("tax offences" above all) and because of certain organisational changes.

In addition, in November 2023, the Company, as suggested by the Supervisory Body, started activities to update the Model and completely re-perform the risk assessment in order to:

- assess the impact of the legislative innovations introduced after the approval of the current Model, within the scope of the list of offences set forth in Italian Legislative Decree 231/2001;
- consider the organisational and operational changes that have taken place, including following the implementation of the ERP system and the inclusion, incidentally, of the Procurement Division in the Company's structure, as well as other organisational changes that have affected the Company.

For the performance of the above-mentioned activities, the Company relies on the support of professionals from the consulting firm Deloitte Legal S.t.A.r.l. S.B., which was selected at the end of a beauty contest.

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 Company control bodies (such as, for example, the Internal Audit Function, the Control, Risks and Sustainability Committee, the Board of Statutory Auditors and the Independent Auditors).

¹ 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

² Policies are corporate policy and coordination documents of PLC S.p.A. with respect to its corporate functions and subsidiaries.

³ 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., 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.

During 2023, the Supervisory Bodies regularly carried out and continued their activities, using remote means of communication.

The effectiveness of the respective Organisation, Management and Control Models is ensured not only by the receipt of the required information flows, but also by the audit activities that the Supervisory Bodies carry out on the basis of a plan of activities, which is shared with the relevant administrative bodies. The Supervisory Bodies report, at least once every six months, to the Administrative Bodies and the Control Bodies, where appointed, on the activities carried out and any critical issues encountered.

More generally with reference to the issue of compliance with Italian Legislative Decree 231/2001, Group companies that have adopted an Organisation, Management and Control Model periodically conduct training activities.

In particular, it consists of a training session for new hires and a session dedicated to Italian Legislative Decree 231 and the 231 Model of the employee's company (differentiated by 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.

Whistleblowing portal

The PLC Group has always paid particular attention to the prevention of risks that could jeopardise the responsible and sustainable management of its business. As a result, the PLC Group has adopted a dedicated portal for whistleblowing reports for all of its employees and third parties.

Through the whistleblowing portal, 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 may send a specific report.

The portal, available on the institutional website, uses operational guidelines to govern the process of sending, receiving, analysing, processing and managing reports of unlawful conduct that is relevant pursuant to Italian Legislative Decree 231/01, as well as violations of the respective Organisation, Management and Control Models transmitted by the whistleblower for all Group companies. The portal protects whistleblower confidentiality, shielding them from any retaliation for having sent in a report.

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

A specific Committee was set up to handle the reports received through dedicated whistleblowing channels. To date, no reports have been sent.

The portal 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.

Therefore, all Group companies have the methods/channels established by Italian Legislative Decree 231/2001 and identified in the 231 Model, where adopted.

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

Code of Ethics of the PLC Group

The Group Code of Ethics adopted on 28 June 2019 and incorporated by all subsidiaries defines the foundational principles and values of corporate ethics in the context of the activities carried out and in the running of the business, as well as the rules of conduct and rules of implementation 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 Code of Ethics complement and guide the scope of application of 231 Models by defining, in relation to sensitive business processes, the behaviours that should be adopted to prevent unlawful conduct that is

not specifically governed by such models. The Group Code of Ethics is aimed at fostering a work environment inspired by these principles, which allows for the engagement and empowerment of all PLC Group employees and collaborators in the implementation of their activities. The Group Code of Ethics is binding in relation 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 element of the preventive control and risk management system.

Any conduct of Group Code of Ethics recipients in violation of the provisions contained therein is to be considered prohibited and subject to the sanctions 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 compliance with the Group 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 these documents.



FISCAL TRANSPARENCY

The PLC Group acts according to 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 and the point of reference for guaranteeing the responsible management of tax activities.

In 2023, the PLC Group approved a procedure for managing the tax process in order to balance tax compliance and business activities.

The approach taken is (i) one of total compliance with existing regulations, (ii) aimed at minimising tax risks and (iii) one of cooperation in interactions with the tax authorities.

The PLC Group does not have an in-house tax department, but rather relies on external consultants.

The highest governing body responsible for tax compliance is the administrative body (Board of Directors / Sole Director), while responsibility for verifying the work of external consultants is delegated to the AFC function.

With a view to continuous improvement, the AFC function periodically participates in training courses on tax matters.

Furthermore, to date the Group has not received any requests from its stakeholders regarding tax aspects. Relations with the relevant tax authorities are based on the principles of fairness, transparency and compliance with 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) regarding anti-competitive behaviour, the violation of antitrust regulations or monopolistic practices.

Furthermore, no instances of non-compliance with laws and regulations were identified during the reporting period.

02.2

Relations with stakeholders

Running a sustainable business not only means complying with laws and regulations and creating value for shareholders, but also establishing and maintaining transparent, collaborative and constructive relations with all parties that are directly involved in and/or influenced by the activities carried out by the PLC Group, i.e. the “stakeholders”. How relations are managed and the engagement of the different categories of stakeholders vary according to the degree of depth and maturity of such relationships; in any case, dialogue with the different 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, the 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, engagement methods and the activities carried out during the reporting period.

STAKEHOLDER	STAKEHOLDER EXPECTATIONS	ENGAGEMENT METHODS	2023 ACTIVITIES
Institutions (Public Administration, Regulatory bodies, Trade associations)	<ul style="list-style-type: none"> Compliance with laws and regulations in all countries where the Group operates Collaboration, information sharing, participation in trade association activities at events, fairs, conferences 	<ul style="list-style-type: none"> Compliance with laws and regulations where the Group operates Membership of trade associations Constant dialogue with institutions and local communities 	<ul style="list-style-type: none"> Regular meetings and discussions
Shareholders	<ul style="list-style-type: none"> Value creation Adequate Corporate Governance and Risk Management Transparency and timeliness of financial reporting 	<ul style="list-style-type: none"> Shareholders' Meeting Press releases <i>Investor relator</i> 	<ul style="list-style-type: none"> 2023 Shareholders' Meeting Press releases relating to the Group's activities Discussions with investor relators and/or other corporate officers (BoD) Shareholder dialogue management policy



03*

**Sustainable
Development**

03.1

Economic and financial performance

The creation of value is inescapably accompanied by a commitment to adequately remunerating stakeholders, making them active participants in the results achieved.

It should be noted that the Board of Directors of PLC S.p.A. confirmed the outlooks of the 2023-2027 Business Plan of the PLC Group previously announced based on three main objectives, aimed at guiding the Group's evolution through:

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

INCOME STATEMENT DATA (figures in € /000)	2023	2022	Δ
Total revenues	66,650	47,350	40.8%
EBITDA	3,614	-6,589	154.8%

BALANCE SHEET DATA (figures in € /000)	2023	2022	Δ
Consolidated shareholders' equity	12,619	13,519	-6.7%
Market capitalisation	44,263	47,608	-7.0%

CASH FLOW DATA (figures in € /000)	2023	2022
Net financial position (before IFRS 16)	2,149	(1,749)
Net financial position	1,271	(2,925)

It should be noted that the financial statements as at 31 December 2022 have been restated in accordance with the provisions of IFRS 5 on "Discontinued Operations".

03.2

Strategic sustainability plan

From the perspective of sustainable development, as mentioned previously, PLC S.p.A. approved the 2024-2027 Strategic Sustainability Plan, which includes an organic set of concrete and measurable initiatives in the areas of Environment, Social and Governance.

Specifically, the plan includes a large number of actions involving the entire corporate structure from 2024 to 2027 and, while setting broader, long-term goals, it devotes a special focus to 2024, not only as a target for the current year but also as a baseline for the following years.

For example, the Group has set targets for 2027 such as (i) 100% of the energy used by its owned sites will come from renewable sources, (ii) growth and training plans, (iii) development of programmes linked to well-being, (iv) the pursuit of the Zero Accident objective, (v) obtaining ESG ratings, (vi) creation of a dedicated Sustainability Committee, (vii) the qualification of all suppliers, (viii) the drafting of various policies relating to the environment, (ix) the replacement of 20% of the car fleet with electric vehicles.

It should also be noted that the Group will be impacted by the new rules relating to European Directive 2022/2464/EU, known as the CSRD, as of 2026 with reference to the financial statements as at 31 December 2025; the Strategic Sustainability Plan aims, incidentally, to prepare the company in this regard.

03.3

Innovation and digitalisation

Within the context of institutional and regulatory initiatives, technological development driven by digitalisation is of significant importance. The PLC Group has always been involved in research and development activities focused on improving the quality of the service offered to its customers and optimising its organisation, with the ultimate goal of further improving the quality and professionalism of the service provided to customers, with a strategy aimed at boosting the business volume relating to "full service" contracts.

Indeed, the Special Projects division has the objective of guiding the Group in the industrial revolution process, projecting the company towards internalised management of specialised know-how, enhancing and training personnel in the use of technologies in step with Industry 4.0.

The use of technologies such as Augmented Reality (AR), Virtual Reality (VR), Artificial Intelligence (AI), and Machine Learning will enable the realisation of an integrated system aimed at optimising the core business of the PLC Group.

MAIA 4.0 Project

The aim of the project is to introduce new technological solutions for the constant improvement of the products, processes and services offered. R&D activities will be carried out starting from the results of the PON M4.0 with the final goal of defining the structure of an advanced system of:

- Operation & Maintenance Planning & Management
- Implementation of the test system for the integration of a BESS (Battery Energy Storage System)
- Predictive Maintenance System
- Immersive environment and Academy.

Academy Project

This project has the objective of creating a Technical Training Centre with the aim of projecting the company towards 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 centre, for educational/operational purposes, will host theoretical, but above all practical, training activities for all personnel operating in the field.

Completed development projects

The following processes were concluded during 2023:

- Implementation of a new infrastructure (Control Centre)
- Implementation of IT infrastructure for the management of the new control centre

Ongoing development projects

The following have been initiated and are being developed:

- Configuration on the new platform of the plants managed in control room
- Training of dedicated personnel in the use of the new Ekogrid digital platform (Scada 4.0)
- Live debugging of plants imported into the platform and constant testing of the platform



03.4

The value of the territory and relations with local communities

In developing plant construction projects, the PLC Group pursues objectives of full compatibility with local areas, natural resources and the surrounding environment as a whole.

The authorisation processes that precede the implementation of a construction site are carried out in full compliance with regulations in force and include all assessments of the characteristics of the physical environment, climatology, hydrology, geology, the biological environment and the landscape of the site identified for the plant and an analysis of the potentially significant effects of the project on the environment and local ecosystems.

Throughout the development process 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 fair relations, reducing the risk of conflict 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 the local areas. To this end, the PLC Group is committed to promoting the expertise of local communities and local supplies 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, identifiable at visual and/or acoustic level, are subject to assessment as part of authorisation procedures and, where applicable, entitle local communities to the Environmental Compensation established by law.

In addition, in the provision of "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.

Social, educational and environmental activities of the PLC Group

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





04*

**Natural
heritage and
environmental
sustainability**

04.1

The reference regulatory context

The evolution of the normative/regulatory scenario and of electricity prices is an important element in the evaluation of investments by customers who entrust the PLC Group with assignments for the construction of a renewable energy plant; the current market context, however, is characterised by a growing demand according to a long-term trend driven by a structurally very favourable external political and economic scenario.

The PLC Group has limited exposure to the risks deriving from changes in the reference legal and regulatory context.

Furthermore, it should be noted that the operational risk arising from climate change for the PLC Group is to be considered very limited, as the PLC Group does not have any proprietary operating assets (e.g. electricity production plants), is not exposed to construction site penalties (climate events are contractually considered "force majeure" events), and the value of proprietary equipment used on construction sites is very low. In general, however, the opportunity of activating appropriate insurance hedging procedures against climatic events is being considered.

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" traditional forms of electricity.

The most recent provisions issued by the European Union include EU Directive no. 2018/2001 (so-called 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 (PNIEC) containing detailed indications relating to the policy instruments to be implemented in order to achieve the EU targets by 2030.

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 tar-

gets 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.

In March 2022, the European Commission proposed the "REpowerEU" plan to make Europe independent from Russian fossil fuels well before 2030. The main measures and actions proposed for renewable energy include raising European targets in 2030 from 40% to 45%, a photovoltaic installation target of 320 GW by 2025 and of almost 600 GW by 2030.

European guidelines are also envisaged to shorten and simplify authorisation procedures for both renewable energy plants and grid infrastructures within low environmental risk "go-to areas" with halved authorisation times.

In February 2024, the Ministry of the Environment and Energy Security published a new draft of the RES 2 Decree. The provision, which has already received the approval of the European Commission, aims to promote the power generation of innovative or high-cost renewable energy plants by defining incentives that stimulate these applications to increase their competitiveness; these incentives will be assigned on the basis of electronic competitive procedures, or tenders, which will be called periodically by the Gestore dei Servizi Energetici (GSE).

Envisaged by the RED II Directive and by the Italian transposition law (Legislative Decree no. 199/2021), the draft of the RES X Decree currently under consideration by the EU provides for major simplifications in energy incentive mechanisms with a new facilitation scheme that will be in force until 31 December 2028.

In general, the draft under discussion provides for:

- New feed-in tariffs for energy generated through renewable resources with a predefined price for the electricity produced;
- Tendering for funds to create a competitive and transparent context for the allocation of incentives;
- Simplification of administrative procedures;
- Measures to support research and innovation, with loans for research projects and the development of cutting-edge technologies to boost energy efficiency and energy generation from renewable sources.

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

As part of the revision process of the EU Directives launched in 2020, the European Union has set up an extraordinary fund - called Next Generation EU (NGEU) - in response to the Covid-19 epidemiological emergency and whose utilisation is conditional on being used exclusively for investments aimed at the Green Deal and digitalisation. To access the funds, the Member States submitted their National Recovery and Resilience Plans (NRRPs) with evidence of projects functional to the Green Deal and consistent with the PNIECs already submitted to the European Commission. In June 2021, the European Commission positively assessed most 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 for access to the financial resources allocated under the Next Generation EU fund. In the NRRP, the Italian government has included a set of projects that aim to strengthen the country's growth by fostering investments in digitalisation, innovation, competitiveness, training and research, and ensuring the rapid execution of projects through a simplification of the instruments. The NRRP, with which the Italian government has requested the maximum amount of resources of Euro 191.5 billion, is fully in line with the pillars of the Next Generation EU in terms of the planned shares for 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 initial measures to strengthen administrative structures and streamline procedures. Some of the main provisions relating to the renewables sector include (i) the establishment of a "PNIEC - NRRP" Commission, with the duty of assessing projects considered substantial for the implementation of plans, including wind and solar-powered electricity generation plants, both "green field" and repowering, (ii) the reduction of the timeframe of authorisation processes for projects connected to the PNIEC-NRRP, (iii) the definition of cases in which the revamping and repowering of existing photovoltaic, hydroelectric and wind power plants can be considered "non-substantial" and can therefore be authorised through the simplified authorisation procedure (SAP).

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.

Italy - RES X Decree

The RES-X Decree outlines important simplifications through a new subsidy scheme that will be in force until 31 December 2028; the draft under discussion provides for new feed-in tariffs, tenders for awarding funds to create a competitive and transparent environment, administrative simplifications and measures in support of research and innovation.

For plants up to 1 MW, a quota of 5 GW is envisaged; for plants above 1 MW, quotas will be incentivised (through participation in competitive procedures) within the following limits:

- Photovoltaic: 45 GW;
- Wind: 15 GW;
- Hydroelectric: 0.13 GW;
- Residual gases from purification processes: 0.2 GW;
- Renovations: 2 GW.

Plants with a capacity above 1 MW can access support through participation in competitive tenders, which will be organised by the GSE in the 2024-2028 period, during which power quotas will be made available periodically.

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.

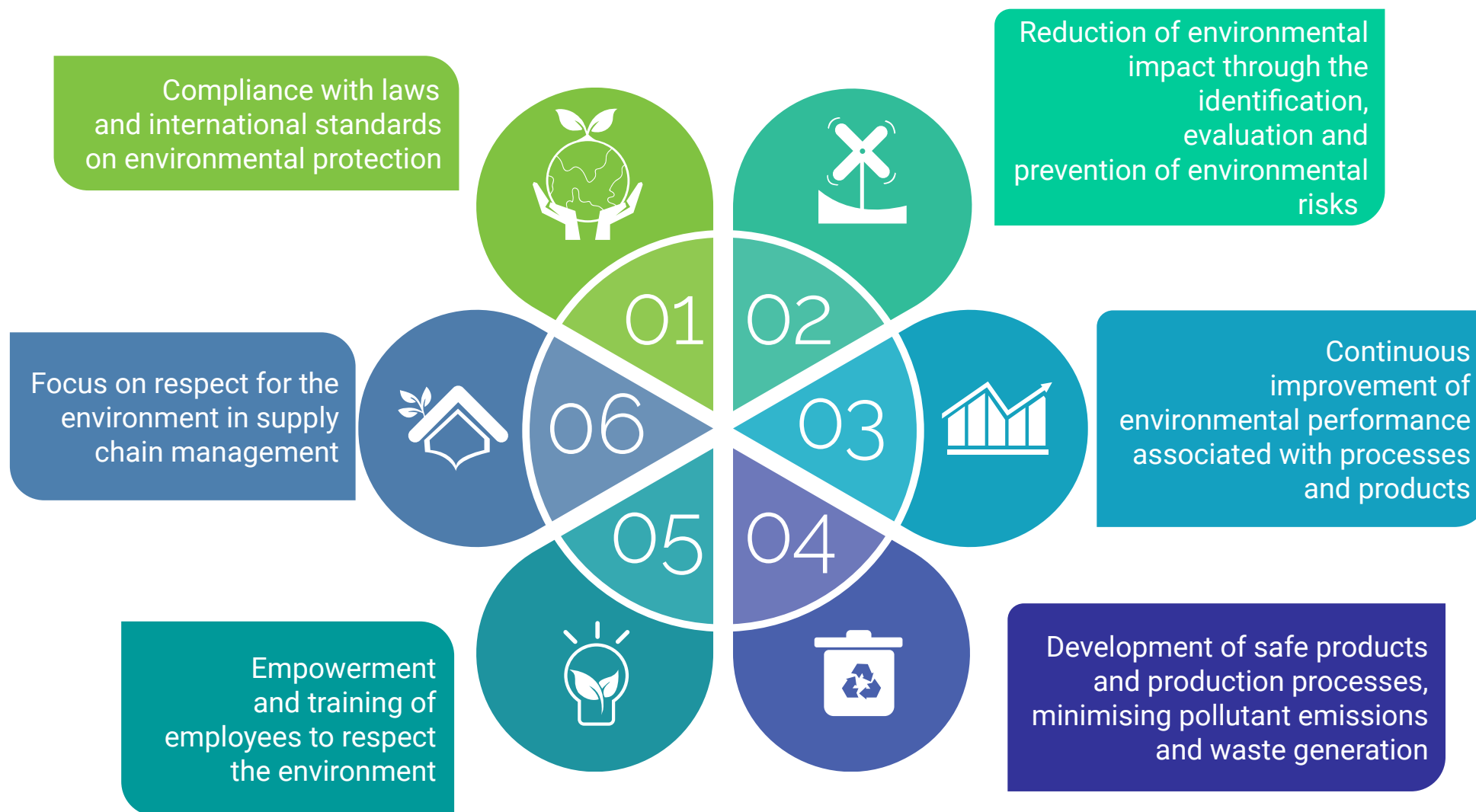
The Group's projects and activities not only aim to protect the environment and the rights of future generations, but also actively contribute to their improvement by fostering and supporting the generation of clean energy with a low environmental impact.

The PLC Group's sustainable development strategies therefore pursue, also through the *"Group Policy on Health, Safety and the Environment"* adopted in 2018, a 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 protection of the environment, health and safety with all of its stakeholders, both internal and external to the organisation, and actively collaborates - both nationally and internationally - with institutional and academic bodies that deal 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.



Core principles



Our certifications

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 OG9 class VIII	Electricity production plants	PLC System S.r.l.
SOA OG10 class VI	Installations for high/medium voltage transformation and distribution of alternating and direct current electricity and public lighting installations	PLC System S.r.l.
Qualification LESC02	Electrical and electromechanical assemblies in High Voltage installations in operation	PLC System S.r.l.

It should be noted that during 2023, the Companies obtained renewals of the above certifications; in particular, ISO 9001:2015 is internationally recognised for the creation, implementation and management of a Quality Management System (QMS).

04.3

Renewable sources and energy efficiency

According to the PLC Group's business model, it is active in the design, construction and maintenance of RES plants for third parties and does not currently establish that plants should be permanently retained by the Group.

Nevertheless, the PLC Group promotes energy efficiency through the initiatives shown in the boxes below.

During 2023, the PLC Group further consolidated its position as a leading market player for the revamping of photovoltaic plants, thanks to module, inverter and structure replacement initiatives carried out at the plants of leading producers in the renewable energy sector, for a total of (i) 16 MWp relating to the total dismantling of plants and the subsequent installation of single-axis trackers, new double-sided photovoltaic modules and string inverters and (ii) 5 MW relating to revamping activities for inverters only.

Between 2023 and the beginning of 2024 alone, contracts have been signed for the execution of this type of revamping and repowering only in 2024 for a total of 36 MWp.

In addition, an awareness-raising campaign for PLC customers was carried out in 2023 to highlight the benefits of replacing MV/LV transformers installed before 2015 with new low-loss transformers meeting with the requirements of the second stage of EU Regulation no. 548/2014. These benefits will have a significant impact on the energy efficiency of plants and will enable producers to obtain, especially thanks to the low no-load losses

of the new transformers, economic savings deriving from the lower quantity of energy withdrawn from the grid during plant non-production hours.

During 2023, **2 charging stations for electric vehicles** powered by the photovoltaic system will be installed, in addition to the 4 installed in 2022.

For sites where the energy produced from renewable sources does not meet the required quota, electricity is purchased from the national grid.

It should also be noted that recently - taking advantage of favourable legislation "**Solar Belt**") - the PLC Group is engaged in development activities mainly on photovoltaic technology. At the end of 2023, the portfolio of projects under development is more than 40 MW, at various stages of advancement; for 2024, the pipeline of projects under development is expected to increase, and the authorisation process is expected to be completed for the first projects submitted, which could thus achieve ready-to-build status between the end of 2024 and early 2025.

The following tables summarise the energy consumption pertaining to the main locations where the PLC Group operates and those pertaining to company fleets; in the early months of 2024, the PLC Group requested and obtained, for both of its main sites:

- certificates of origin for electricity purchased from renewable sources
- APE (Energy Performance Certificate) certification for the buildings located in Acerra, both classified with the best energy efficiency class "A4".

The reduction in the value of electricity purchased in 2023 compared to the previous year is due to the removal of Schmack Biogas S.r.l. from the scope of consolidation.

The increase in electricity produced in 2023 comes from the self-production of energy from photovoltaics for the entire year. In 2022, on the other hand, the impact on the value is lower because the plant began operating during the year.

ENERGY CONSUMPTION	2023 (GJ)	2022 (GJ)	2021 (GJ)
Natural gas	0.00	0.00	3.97
Diesel	0.00	0.00	68.43
Petrol	0.00	0.00	27.71
Purchased electricity	783.08	1,072.46	2,211.93
From non-renewable sources	783.08	1,072.46	1,321.14
From renewable sources	0.00	0.00	890.79
Electricity produced	2,826.00	2,213.85	532.79
Electricity consumed	702.00	720.00	279.56
Electricity sold	2,124.00	1,493.85	253.23

ENERGY CONSUMPTION OF THE COMPANY FLEET	2023 (GJ)	2022 (GJ)	2021 (GJ)
Diesel	11,706.73	11,339.43	14,123.63
Petrol	0.00	92.31	78.99
Methane	0.00	8.41	37.73
Total	11,706.73	11,440.14	14,240.35

The change in the value of petrol and natural gas consumption compared to 2022 is mainly due to the removal of Schmack Biogas S.r.l. from the scope.



04.4

GHG emissions

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

The reduction in *Scope 2* emissions in 2023 derives from the self-generation of energy from photovoltaics throughout the year. In 2022, on the other hand, the impact on the value was lower because the plant began operating during the year.
The decrease in the value of *Scope 2 Market Based* emissions compared to 2022 is due to the removal of Schmack from the scope.

GHG EMISSIONS	2023 (tons CO ₂ e)	2022 (tons CO ₂ e)	2021 (tons CO ₂ e)
Scope 1 emissions	826.37	813.92	1,001.60
Scope 2 emissions Location Based	68.52	93.84	184.88
Scope 2 emissions Market Based	99.44	136.01	168.29
Total (Scope 1 + Scope 2 Location Based)	894.89	907.76	1,186.48

Scope 1 emissions are related to the consumption of fossil fuels (natural gas, diesel, petrol and methane) used by the PLC Group (i) to operate the generator/uninterruptible power supplies and (ii) to run the company car fleet.

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

Scope 2 market-based emissions relate to the consumption of electricity from the national grid, where for the energy purchased and certified as renewable (e.g., green certificates), a virtual emission factor of zero is used.
It should be noted that thanks to self-generated electricity from photovoltaic plants (amounting to 2,826.00 GJ in 2023, 2,213.85 GJ in 2022 and 532.79 GJ in 2021) 358.86 tons of CO₂eq, 280.77 tonnes of CO₂eq and 68 tons of CO₂eq respectively were avoided, amounting to 40% of the total emissions generated by the PLC Group in 2023.

04.5

Focus on the supply chain

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

The PLC Group has 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 meeting agreed obligations are taken into account.

Today, supplier qualification and assessment processes involve the need to meet a series of requirements and providing documentation by signing special forms, statements and questionnaires, subject to constant monitoring. Going into detail, the KPIs identified are the result of a series of internal documents and analyses such as:

- Meeting Qualification Requirements (Anti-Mafia Certificates, Chamber of Commerce Certificate and company report, Criminal Records and pending charges, DURC social security contribution payment certification, White List, Last two financial statements, DURF tax payment certification, TPL and RCO Insurance Policies, ISO 90001 - ISO 45001 Quality Certifications, Environmental and Social Assessment Questionnaire)
- Supplier Rating (compliance with delivery timing, conformity of products/services received, management of any non-conformities etc.).

The Procurement team is committed to selecting its suppliers in relation to their commitment to sustainability, for instance by selecting those with ISO 14001 certification (sustainability and environmental management system certification).

The Group is committed to engaging all suppliers in the ESG plan, seeking to involve all key players in the supply chain, while aiming to:

- reduce CO2 emissions
- promote green products
- improve process efficiency
- reduce the production of waste and production waste
- increase product and service quality
- create mutually supportive partnerships on topics of common interest
- reduce the use of raw materials.

In 2023, the implementation of the supplier qualification process continued; the selection and qualification process was updated to include requirements linked to environmental sustainability, health and safety, and social responsibility in addition to those required by law. For example, a self-assessment questionnaire on ESG topics was sent to each supplier, using a "GREEN PROCUREMENT" approach.

The supplier environmental and social assessment began in October 2023 (not carried out for 2022 and 2021), only for supplies exceeding Euro 5,000 and for which a purchase order is planned. During the financial year, the percentage of suppliers assessed according to these criteria amounted to 4%, but this is expected to increase in the coming year.



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

Within the supplier category, a fundamental role is played by subcontractors which, 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 Europe, is used for the purchase of:

- tangible goods specifically 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, hydraulic and building materials and technical equipment
- services, particularly with reference to rentals, civil works, specialised services to support full service maintenance activities (such as, for example, washing of photovoltaic modules, mowing of grass, maintenance and cleaning of roads, docks and aprons).

It should be noted that due to the type of business conducted and considering the countries in which the PLC Group operates, there are no significant risks inherent in child, compulsory and/or forced labour associated with the supply chain. 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.

04.6

Waste management

The minimisation of environmental impacts is also achieved by reducing the waste generated by our activities.

In the PLC Group, waste originates from:

- plant construction and maintenance activities;
- general office activities.

The management of industrial waste produced during plant construction and/or maintenance follows the practice laid down in legislation: firstly, it is classified by 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*". As concerns the timing and methods of temporary management, the period of which may not exceed the period established by legislation in force, the collection and transport of the waste produced to facilities authorised according to legislation is planned and carried out. The PLC Group has disposal contracts in place with specialised companies.

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

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	2023 (ton)			2022 (ton)			2021 (ton)		
	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	22.22	22.22	0.00	28.80	28.80	0.00	35.23	35.23	0.00
End-of-life equipment	99.86	98.62	1.24	54.74	54.74	0.00	26.78	26.78	0.00
Wood packaging	7.20	7.20	0.00	17.06	17.06	0.00	13.19	13.19	0.00
Absorbent and filtration materials	0.50	0.00	0.50	1.92	0.00	1.92	3.47	2.76	0.71
Iron and steel	0.72	0.72	0.00	141.86	141.86	0.00	3.32	3.32	0.00
Copper, bronze, brass	0.00	0.00	0.00	3.60	3.60	0.00	3.16	3.16	0.00
Septic tank sludge	0.00	0.00	0.00	0.15	0.00	0.15	1.20	0.00	1.20
Packaging containing residues of hazardous substances	0.28	0.00	0.28	0.00	0.00	0.00	0.90	0.10	0.80
Oils and oil filters	0.00	0.00	0.00	0.80	0.80	0.00	0.45	0.45	0.00
Liquids and aqueous solutions	7.30	0.00	7.30	0.14	0.00	0.14	0.14	0.00	0.14
Paper and cardboard	0.00	0.00	0.00	0.00	0.00	0.00	0.22	0.22	0.00
Plastic	0.09	0.09	0.00	0.00	0.00	0.00	0.15	0.15	0.00
Other	4.49	0.43	4.06	27.99	27.99	0.00	3.63	3.42	0.21
Total	142.66	129.28	13.38	277.06	274.84	2.21	91.84	88.78	3.06

✦ The following EWC codes are included in this category: 170411, 160604, 170204, 160504, 160305, 200121, 170402, 160601, 170107, 120104, 080318.

In 2023, the PLC Group produced 142.66 tonnes of waste (277.06 tonnes in 2022), of which 91% was sent for recovery.

The decrease in waste in 2023 is due to the outsourcing of waste disposal activities to subcontractors working on construction sites; subcontractors are carefully selected and monitored by PLC and are required to strictly comply with PLC's Code of Ethics and 231 Model and all applicable regulations on ESG.

The increase in waste generated in 2022 compared to 2021 is strictly related to the increase in activity, especially the revamping of PLC Service S.r.l.

WASTE DIVERTED FROM DISPOSAL	2023 (ton)	2022 (ton)	2021 (ton)
Hazardous waste			
Preparation for re-use	0.00	0.00	0.00
Recycling	0.00	0.00	0.00
Other recovery operations	0.31	1.10	12.05
Total	0.31	1.10	12.05
Non-hazardous waste			
Preparation for re-use	0.00	0.00	0.00
Recycling	0.00	0.00	0.00
Other recovery operations	128.96	273.74	76.73
Total	128.96	273.74	76.73
Grand total	129.28	274.84	88.78

WASTE DIRECTED TO DISPOSAL	2023 (ton)	2022 (ton)	2021 (ton)
Hazardous waste			
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	1.52	0.22	1.15
Total	1.52	0.22	1.15
Non-hazardous waste			
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	11.86	1.99	1.91
Total	11.89	1.99	1.91
Grand total	13.38	2.21	3.06

The increase in non-hazardous waste sent for disposal is related for the most part to the increase in revamping and repowering activities.

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



05*

**Human
capital and
the value of
relationships**

The PLC Group is aware of the importance and value of human capital; the Group's sustainable approach is therefore also expressed through policies aimed at protecting and developing it. 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.

In 2023, the importance of certain social issues involving companies and their relations with people was on the rise. The PLC Group continued along the path marked out with actions and/or initiatives to meet the needs of its employees such as:

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

During the reporting period, no incidents of discrimination were recorded. The "Job Rotation" programme launched in 2020 also continued, with the aim of:

- discovering and developing talent
- requalifying staff
- guaranteeing the possibility of expressing oneself
- implementing skills

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.



105.1

The reference market

In 31 December 2023, the PLC Group had 233 employees, all located in Italy at the Acerra (NA) offices; as regards non-employee workers, the PLC Group had 8 trainees (3 in 2022) and 1 temporary worker (none in 2022). In 2021, prior to the sale of the companies based outside Italy, the Group had 260 employees in Romania, 7 in Germany and 2 in Russia.

Our key numbers

233

EMPLOYEES

92%

PERMANENT
EMPLOYEES

6%

FEMALE
EMPLOYEES

Employees by contract type

CONTRACT TYPE	2023		2022		2021	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Permanent	200	15	196	23	356	56
Fixed-term	18	0	25	1	20	2
Total	218	15	221	24	376	58

92% of employees have permanent contracts. All employees are employed under a national collective labour agreement that establishes the freedom of collective bargaining for employees.

Employees by employment type

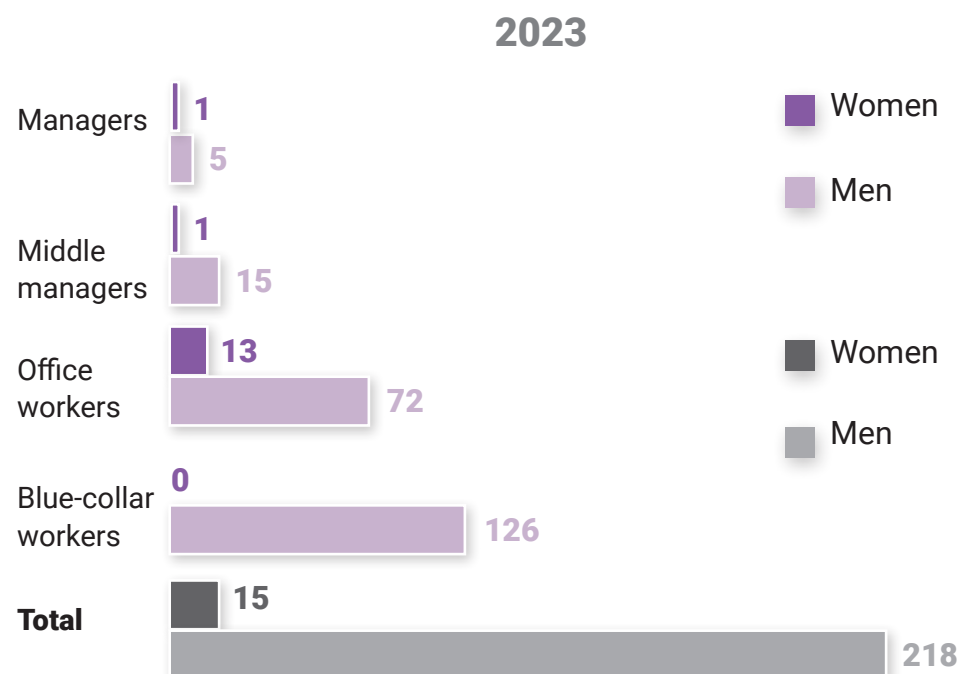
EMPLOYMENT TYPE	2023		2022		2021	
	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN
Full-time	218	15	219	18	359	46
Part-time	0	0	2	6	17	12
Total	218	15	221	24	376	58

All employees on the workforce in 2023 are employed with a full-time contract, and there are no employees who are not guaranteed a minimum or fixed number of working hours.

Employees by qualification and gender

The total workforce is 94% male and 6% female.

Women account for a higher percentage in the managers (17%) and office workers (15%) categories.

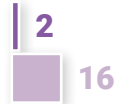


2022

Managers



Middle managers



Office workers



Blue-collar workers

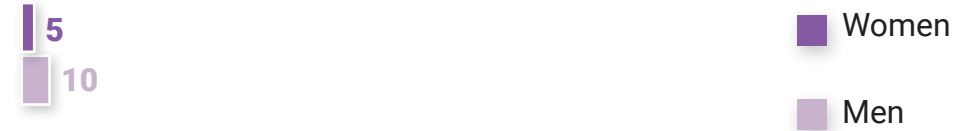


Total



2021

Managers



Middle managers



Office workers



Blue-collar workers



Total



Employees by qualification and age group

QUALIFICATION	2023			2022			2021		
	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Managers	0	3	3	0	5	3	0	13	2
Middle managers	0	11	5	0	14	4	0	18	5
Office workers	24	57	4	20	74	7	29	113	22
Blue-collar workers	16	75	35	14	78	26	40	153	39
TOTAL	40	146	47	34	171	40	69	297	68

Employees hired and terminated by gender

GENDER	UNIT OF MEASUREMENT	HIRED			TERMINATED		
		2023	2022	2021	2023	2022	2021
Women	no.	2	2	22	2	1	32
	%	1%	1%	5%	1%	0%	7%
Men	no.	63	47	88	30	37	105
	%	26%	19%	20%	12%	15%	24%
Total	no.	65	49	110	32	38	137
	%	28%	20%	25%	14%	16%	32%

Employees hired and terminated by age group

AGE GROUP	UNIT OF MEASUREMENT	HIRED			TERMINATED		
		2023	2022	2021	2023	2022	2021
<30 years	no.	19	15	27	6	6	36
	%	8%	6%	6%	3%	2%	8%
Between 30 and 50 years	no.	38	32	71	24	29	87
	%	16%	13%	16%	10%	12%	20%
>50 years	no.	8	2	12	2	3	14
	%	3%	1%	3%	1%	1%	3%
Total	no.	65	49	110	32	38	137
	%	28%	20%	25%	14%	16%	32%

105.2

Professional growth and training

Investing in professional growth and updating through training is one of the priorities of the PLC Group, which sees human capital as a key element for sustainable success.

The average number of training hours was 19.5 employee hours; the reduction compared to the previous year is attributable to the cyclical nature of the mandatory HSQ training courses.

AVERAGE TRAINING HOURS	2023	2022	2021
Total number of training hours provided to employees	4,548	7,578	14,017
Total number of employees	233	245	434
Average training hours per employee	19.5	30.9	32.3
Total number of training hours provided to female employees	275	738	1,592
Total number of female employees	15	24	58
Average training hours per female employee	18.3	30.8	27.4
Total number of training hours provided to male employees	4,273	6,840	12,425
Total number of male employees	218	221	376
Average training hours per male employee	19.6	31.0	33.0
Total number of training hours provided to Managers	0	64	204
Total number of Managers	6	8	15
Average training hours per Manager	0.0	8.0	13.6



AVERAGE TRAINING HOURS	2023	2022	2021
Total number of training hours provided to Middle Managers	159	873	659
Total number of Middle Managers	16	18	23
Average training hours per Middle Manager	9.9	48.5	28.6
Total number of training hours provided to Office Workers	698	4,390	3,748
Total number of Office Workers	85	101	164
Average training hours per Office Workers member	8.2	43.5	22.9
Total number of training hours provided to Blue-collar Workers	3,691	2,251	9,406
Total number of Blue-collar Workers	126	118	232
Average training hours per Blue-collar Worker	29.3	19.0	40.5

105.3

Occupational health and wellness

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 engaged in various manners in the exercise and development of its activities (such as employees, customers, suppliers and local communities).

The protection of occupational health and safety is ensured through the design and implementation of an in-depth and complex safety management system for the correct identification and mitigation of the multiple risks correlated with daily activities in accordance with the relevant regulations in force in the various countries where the PLC Group is present (e.g., Italian Legislative Decree 81/2008 for Italy).

In particular, 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 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 by continuously training and raising the awareness of employees.

The procedures adopted also make it possible to identify the presence of possible hazards and dangerous situations at work by recording and analysing near miss situations, i.e. any event related to production activities that could have caused an injury or harm to health, even fatal, 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), which is periodically updated.

The PLC Group also has occupational health services that contribute towards identifying and eliminating hazards and minimising risks. The occupational physician collaborates with the employer and the prevention and protection service (i) in risk assessment, also in order to plan health surveillance where necessary, and (ii) in preparing the implementation of measures for the protection of worker health and mental and physical integrity.

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

For the PLC Group, safeguarding employees is not only a legislative and moral obligation for the employer, but a decisive factor for the quality of life of the company population and, as a result, the Group's competitiveness.

Core principles



THE SAFETY MAGAZINE

As of June 2021, the HSEQ department has published “The Safety Magazine” quarterly on the company intranet with the aim of:

- disseminating regulatory updates on occupational health and safety
- highlighting reports of near misses received and the associated 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.

During 2024, PLC S.p.A. also achieved ISO 45001:2018 occupational health and safety certification.

In the 2021 - 2023 three-year period, there was substantial stability in the rate of registered accidents.

It should be noted that in the 2021-2023 three-year period, there were no accidents with serious consequences or deaths.

In the 2021-2023 three-year period, with reference to non-employees, no accidents were recorded (in 2023, the total number of hours worked by non-employees was 8,584 hours).

OCCUPATIONAL ACCIDENTS RELATING TO EMPLOYEES	2023	2022	2021
Number of recordable accidents	1	2	1
Number of hours worked	404,096.74	440,415.47	843,494.55
Recordable occupational accident rate	0.49	0.91	0.24

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 2023 to 31 December 2023 (fiscal year) and are compared with those referring to the financial years ended 31 December 2022 and 31 December 2021. The report is published annually.

The reporting period coincides with that of the Annual Financial Report, approved by the Board of Directors on 27 March 2024. Instead, this document was approved by the Board of Directors on 22 April 2024.

This Sustainability Report describes the performance of the PLC Group according to the reporting scope corresponding to the consolidated financial statements as at 31 December 2023 for economic and financial data. With regard to environmental and social issues, please note that:

- for 2021, the following companies were 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;
- for 2022, the exclusion affects, in addition to the companies mentioned above, the entire Monsson Operation scope; while
- for 2023, the exclusion affects, in addition to the above-mentioned companies, all companies within the scope of the company Schmack Biogas S.r.l.

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 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), by EY S.p.A.

Quantitative indicators that do not refer to any general or topic-specific disclosure of the GRI Standards, which are reported on the pages indicated 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 email address: segreteria@plc-spa.com.

Please note that this Sustainability Report is available and may be downloaded by accessing the website: www.plc-spa.com.

Principles for defining Report content and for quality assurance

In line 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 accurately and in sufficient detail to allow for an assessment of the Company's impacts;
- **Balance:** positive and negative impacts are presented objectively and fairly;
- **Clarity:** information is presented in a comprehensible and accessible manner;
- **Comparability:** information is selected and reported in a consistent manner to allow for an analysis of changes in the organisation's impacts over time and to compare them with those of other organisations;
- **Comprehensiveness:** the information provided is sufficient to allow for an assessment of the organisation's impacts during the reporting period;

- **Sustainability context:** information on the organisation's impacts is reported within the broader context of sustainable development;
- **Timeliness:** this document is prepared on a regular basis so that the information is available in time to enable data users 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 task of collecting the required information, verifying and validating it, and archiving the documentation used to collect the data in a manner that ensures its traceability.

The reporting process was developed based on the following steps:

- 1 Preparation and approval of materiality analysis
- 2 Definition of the content of the Sustainability Report (indicators, disclosures and scope)
- 3 Start 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 methods

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

- conversion to GJ: "Greenhouse gas reporting: fuel properties" 2023, 2022, 2021

- provided by DEFRA (UK Department for Environment Food & Rural Affairs);
- direct emissions (Scope 1): "Greenhouse gas reporting: fuels" 2023, 2022, 2021 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 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 country, according to the following source: European Residual Mixes, AIB - data 2022, 2021, 2020.
- 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 2022 and 2021.

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 accident rates:

- Recordable occupational accident rate: ratio between the number of recordable occupational accidents, excluding commuting accidents, and the total number of hours worked, multiplied by 200,000.
- Rate of accidents with serious consequences (excluding deaths): ratio between the total number of occupational accidents with serious consequences and the total number of hours worked, multiplied by 200,000.
- Rate of deaths resulting from occupational accidents: ratio between the total number of deaths resulting from accidents at work and the total number of hours worked, multiplied by 200,000.

Please note that, with reference to the values in the tables within the document, the totals may differ from the algebraic sum due to rounding.

Materiality analysis

In 2023, the Group confirmed the **2022 materiality analysis** aligned with the requirements of the **GRI Standards 2021**. For the Group, the identification of material topics 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, also 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 Identifying actual and potential** impacts of the Group: actual impacts are impacts that have occurred over time, while potential impacts may occur in the future.
- 3 Evaluating the significance** of impacts: all impacts were assessed through a process of evaluating the level of significance of the impacts, developed 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:
 - **Scale of severity**: how severe the impact is and the external context in which the impact occurs, including geographical area;
 - **Scope of application**: how widespread the impact is throughout the Group's value chain;
 - **Irremediable character**: how difficult it is to repair the damage generated by the impact (this aspect is not considered when assessing the significance of positive impacts).

On the other hand, the likelihood of potential impacts was assessed by con-

sidering all policies, procedures and activities put into place by the Group to prevent and mitigate the negative impact identified.

- 4 Prioritising the most significant impacts for reporting**: the most significant impacts for the Group were prioritised and the impacts considered most relevant guided the identification of the material topics included in this Sustainability Report.

A list is provided below of the topics identified as material a result of the identification and aggregation of the impacts found to be significant⁸.

⁸ The impacts considered significant are those that have been identified as "very significant" and "significant" based on the assessments performed. Impacts found to be "negligible" were excluded.

DESCRIPTION OF IMPACTS	MATERIAL TOPIC	GRI INDICATOR
The construction and maintenance of plants, as well as the extraction, production and transport of raw materials, semi-finished products 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.	Combating climate change	302-1
		305-1,2
The health and safety of company employees and non-employee workers is a critical factor for the entire value chain. Despite the adoption of policies and procedures to safeguard health and safety, occupational accidents can occur due to the nature of the work activity.	Occupational health and wellness	403-9
A company's lack of interest in constantly investing in initiatives dedicated to ensuring the right work-life balance and the lack of constant communication and consultation with employees can lead to employee dissatisfaction and discontent.		401-1,2
		402-1
Compliance with best business practices is fundamental for the functioning of the market and fair competition between competitors. Corrupt practices, anti-competitive behaviour or tax evasion can have a negative impact on the business environment in which the company operates.	Business ethics and integrity	205-3
		206-1
		207-1,2,3
Activities throughout the value chain (plant construction and maintenance, extraction, production and transport of raw materials, semi-finished products and finished products, and office activities) generate waste which, if not properly managed, can have a negative impact on the environment, particularly on air, water and soil.	Waste management	306-3,4,5
The lack of policies and measures to prevent discriminatory behaviour, based on ethnicity, religion, gender, sexual orientation or disability, and to ensure equal opportunities can result in the creation of a non-inclusive environment and a resulting violation of workers' human rights.	Respect for human rights	405-1
		406-1
Activities throughout the value chain may include cases of forced labour and child labour. The failure to address these issues can lead to a violation of workers' human rights.		408-1
		409-1
The company's assessment of its supply chain allows for the monitoring and promotion of a more responsible supply chain. The failure to assess supplier ESG aspects can lead to environmental and social impacts due to regulatory non-compliance, human rights violations, the failure to protect health and safety and unfair business practices.	Focus on the supply chain	308-1
		414-1
In order to enhance the value of its employees, the company invests in training and professional growth initiatives that ensure the development of human capital and increases in skill levels.	Professional growth and training	404-1

DESCRIPTION OF IMPACTS	MATERIAL TOPIC	GRI INDICATOR
By ensuring operational and financial efficiency and contributing to the creation of economic and social value in the geographical areas where it operates, the company generates a positive impact throughout its entire value chain.	Economic and financial performance	Non-GRI topic
By using 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.	Innovation and digital transformation	Non-GRI topic

There are no differences compared to the material topics reported on in the 2022 Sustainability Report.

Content index

STATEMENT OF USE	PLC S.p.A. has reported on the information mentioned in this GRI content index for the 01.01.2023-31.12.2023 period with reference to the GRI Standards.
GRI 1 USED	GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE	PAGE
GRI 2: General Disclosures 2021	2-1 Organisational details	p. 8
	2-2 Entities included in the organisation's sustainability reporting	p. 62
	2-3 Reporting period, frequency and contact point	p. 62
	2-4 Restatements of information	p. 62
	2-5 External assurance	pp. 62, 70, 71
	2-6 Activities, value chain and other business relationships	pp. 8, 45, 46
	2-7 Employees	pp. 53, 54, 55
	2-8 Workers who are not employees	p. 53
	2-9 Governance structure and composition	pp. 13, 14, 15
	2-22 Statement on sustainable development strategy	pp. 4, 5, 12, 29
	2-27 Compliance with laws and regulations	p. 23
	2-28 Membership associations	p. 32
	2-29 Approach to stakeholder engagement	pp. 24, 25
	2-30 Collective bargaining agreements	p. 54
GRI 3: Material topics	3-1 Process to determine material topics	p. 64
	3-2 List of material topics	pp. 65, 66
	3-3 Management of material topics	pp. 65, 66; Individual reference chapters
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	p. 21



GRI STANDARDS	DISCLOSURE	PAGE
GRI 206: Anti-competitive behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	p. 23
GRI 207: Tax 2019	207-1 Approach to tax	p. 23
	207-2 Tax governance, control, and risk management	p. 23
	207-3 Stakeholder engagement and management of concerns related to tax	p. 23
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	p. 43
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 44
	305-2 Energy indirect (Scope 2) GHG emissions	p. 44
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	p. 47
	306-2 Management of significant waste-related impacts	p. 47
	306-3 Waste generated	p. 48
	306-4 Waste recovered and diverted from disposal	p. 49
	306-5 Waste directed to disposal	p. 49
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	pp. 45, 46
GRI 401: Employment 2016	401-1 New employee hires and turnover	pp. 56, 57
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 52
GRI 402: Labour-management relations 2016	402-1 Minimum notice periods regarding operational changes	p. 52

GRI STANDARDS	DISCLOSURE	PAGE
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	pp. 60, 61
	403-2 Hazard identification, risk assessment	pp. 60, 61
	403-3 Occupational health services	pp. 60, 61
	403-4 Worker participation, consultation, and communication on occupational health and safety	pp. 60, 61
	403-5 Worker training on occupational health and safety	pp. 60, 61
	403-6 Promotion of worker health	pp. 60, 61
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 60, 61
	403-9 Work-related injuries	p. 61
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	pp. 58, 59
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	pp. 13, 14, 54, 55, 56
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 52
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	p. 46
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	p. 46
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	pp. 45, 46
Economic-financial performance	Non-GRI topic	p. 28
Innovation and digital transformation	Non-GRI topic	pp. 29, 30

Independent auditors' report



EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel. +39 02 722121
Fax. +39 02 72212207
ey.com

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 S.p.A. and its subsidiaries (hereinafter the "Group") for the year ended on December 31, 2023.

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.

127 SpA
Sede Legale: Via Meravigli, 12 - 20123 Milano
Sede Secondaria: Via S. Gerardo, 11 - 10137 Roma
Capitale Sociale: Euro 2.000.000.000,00
Inscritta alla C.C. del Registro delle Imprese presso la CCIAA di Milano/Matera/Rovato 1/08
Codice Fiscale e numero di identificazione IVA: 020000012 - numero C.A. di Milano: 0019102 - P.IVA: 08091231002
Inscritta al Registro Imprese Legali al n. 105454/Pubblicato nella C.C. Suppl. 1/2 - IV Serie Spedite del 1/1/2019

A member firm of Ernst & Young Global Limited



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 and 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 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:

- 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.



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, 2023 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, May 28, 2024

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.

Registered office: Via delle Industrie, 100, Località Pantano Zona ASI - 80011 Acerra (NA) Italy

Headquarters: via delle Industrie, 100 and 272/274

Località Pantano Zona ASI - 80011 Acerra (NA) Italy

plc-spa.it