2020

CONSOLIDATED NON-FINANCIAL STATEMENT (Legislative Decree no. 254 of December 30, 2016)

Falck Renewables

PURE POWER TO GROW

Summary

CONSOLIDATED NON-FINANCIAL STATEMENT 2020

(Legislative Decree no. 254 of December 30, 2016)

Foreword and methodological note

During the financial year that ended on December 31, 2020, Falck Renewables SpA, as a public interest entity pursuant to Article 16, paragraph 1 of Legislative Decree no. 39 of January 27, 2010 [1], fell within the scope of application of Legislative Decree no. 254 of December 30, 2016, (hereinafter "Decree 254" or the "Decree") governing the disclosure of non-financial and diversity information, having exceeded the size criteria set forth in Article 2, paragraph 1 of the aforementioned Decree.

Accordingly, this document constitutes the first Consolidated Non-Financial Statement (hereinafter also the "Statement" or the "NFS") published by Falck Renewables Group (hereinafter the "Group" or "Falck Renewables") as a separate document from the Financial Report Annual.
The NFS presents information concerning the issues of fighting active and passive corruption, management of environmental concerns, management of personnel and social concerns, and respect for human rights, which became relevant at the end of the materiality analysis process, described on page 20.

SCOPE AND REPORTING PROCESS

The scope of reference of the information contained in the NFS coincides with the area of consolidation of the Financial Report as of December 31, 2020 and, therefore, includes parent company Falck Renewables SpA and all its subsidiaries consolidated on a line-by-line basis [2], with the exception of Palermo Energia Ambiente ScpA, Platani Energia Ambiente ScpA, Tifeo Energia Ambiente ScpA and Elettroambiente SpA, as they are non-operational and being liquidated.
The full scope is discussed on page 80. Any other scope limitations are specified directly in the notes commenting on the quantitative data reported in the Statement.

In order to facilitate the linking of contents with the provisions of the Decree, the Statement, as it pertains to each relevant area, discusses any associated material issues, main risks connected with the relevant mitigation actions, corporate policies and commitments, management methods and results achieved.
Data and information presented refer to the time period between January 1, 2020 and December 31, 2020; for comparative purposes the data and information relating to the previous two-year period, where available, are reported.

The Statement is prepared in accordance with the Decree and the "Sustainability Reporting Standards" defined in 2016 by the Global Reporting Initiative (GRI), and subsequent updates thereto. The level of compliance with the GRI Standards declared by the Company is the "in accordance-core" option. For easy readability, the GRI Content Index, which summarizes the correlation between the GRI standards and the main topics covered in the NFS, is provided on page 76.

The Statement was prepared on the basis of a structured reporting process that included:
- the involvement of corporate structures/departments that contributed to the identification and evaluation of material themes, as well as of the significant projects/initiatives to be described in the document and to the collection, consolidation and validation of quantitative data, each for their own area of purview [3];
- the approval of the NFS by the Board of Directors ("BoD") of Falck Renewables SpA, issued at the meeting of March 11, 2021;
- due diligence on the Statement' compliance by the Group's auditing firm, PricewaterhouseCoopers SpA, in accordance with the criteria set forth in the ISAE 3000 Revised principle.

The contents of the NFS has been supplemented, as warranted, by other information contained in the Management Report, in the Report on Corporate Governance and Ownership Structure, and on the Company website, which can be consulted by following the specific references.
The Non-Financial Statement is available on the Company' website, at www.falckrenewables.com.

[1] The Falck Renewables SpA share is listed on the STAR segment of the Italian Stock Exchange, and included in the FTSE Italia Mid Cap Index.
[2] The Group comprises 163 directly or indirectly controlled companies, 146 of which are included in the scope of consolidation on a line-by-line basis. The scope of consolidation is detailed in the Annual Financial Report.
[3] Economic, financial, operational and governance data were gathered directly from the Annual Financial Report and the Report on Corporate Governance and Ownership Structure.

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FALCK RENEWABLES PROFILE AND ACTIVITIES

Falck Renewables Profile and Activities

Falck Renewables SpA is a limited- by-shares company under Italian law, with registered office in Milan, on Corso Venezia 16.

HISTORICAL BACKGROUND

Falck Renewables was the result of the industrial project of consolidation carried out in the fourth quarter of 2010, of all the activities related to the production of electricity from renewable sources belonging to Falck SpA (founded in 1906, and operating in the steel sector until the 1990s, when it became involved in the production of electricity) into Falck Renewables SpA and, in particular:

- activities related to the wind sector and to Group companies previously held by Falck SpA, and
- activities relating to the Waste to Energy (WtE), biomass and photovoltaic sector relating to Actelios SpA (which changed its name to "Falck Renewables SpA" following the completion of the Consolidation Project).

At that date, the installed capacity was 498 MW and the Group was operational in Italy, the United Kingdom, France and Spain.

In July 2014, the Group subsequently increased its installed capacity and invested in the services sector with the acquisition of Vector Cuatro SLU, which was operating in the technical-administrative management of renewable assets, also for the benefit of third parties; as of 2017, it accelerated its growth by making investments in the US, Sweden and Norway and significantly increasing its new plant development activities.
In the second half of 2018, the Group purchased Energy Team SpA, active in the field of optimizing the performance of plants of industrial and commercial customers, and flexibility, thus boosting the activities of Falck Next Srl concerning energy management and energy efficiency services.

FALCK RENEWABLES TODAY

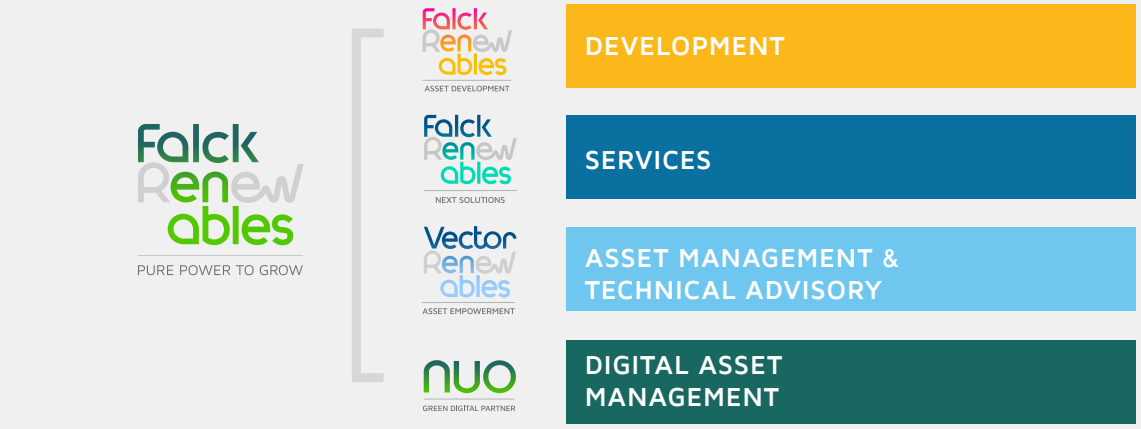
Today, the Group's activity is concentrated upon the sectors of production and sale of electricity from renewable sources through wind, photovoltaic, and residually from waste-to-energy and biomass plants, for an installed capacity of 1,158.8 MW, excluding plants held through minorities as of December 31, 2020 (+6.7% compared to 2019), and upon services for the technical-administrative management of both the Group and third-party assets, and energy management and energy efficiency. During 2020, giving impetus to the activities that began in previous years, the Group further accelerated the digitalization of these services, proposing innovative solutions for the management of online monitoring of plant performance and energy consumption.
Falck Renewables operates mainly in the UK, Italy, US, Spain, France, Norway, Sweden and The Netherlands. Through Vector Renewables, it carries out technical and engineering consultancy for renewable energy as well as management of third-party assets in other countries, including Japan, Chile, Mexico, Bulgaria and Australia.
As of December 31, 2020, the Group's employees totaled 553.
In 2020, the energy produced by all technologies was 2,712 GWh, up 13% compared to 2019, mainly due to (i) the production of the wind farms of Åliden (46.8 MW, Sweden) and Hennøy (50 MW, Norway) for the whole year 2020, (ii) the whole production of the five French wind farms acquired in March 2019 (56 MW), (iii) the production of the Energia Eolica de Castilla plant (10 MW, in Spain) for 11 months, and (iv) the acquisition of approximately 62 MW in the United States starting from November 2020. In addition, the better wind outputs recorded in the United Kingdom and France offset the lower production in Italy and Spain.

Energy management activities also grew significantly, with 1,331 GWh dispatched, (+38% compared to 2019), of which 851 GWh produced by Group's plants in addition to outputs managed on behalf of third parties (480 GWh).

Consolidated revenues amounted to 384.4 million Euros (+2.6% compared to 2019), of which 85.6% earned from the

sale of electricity and thermal energy, with EBITDA at 197.2 million Euros (-3.3 % compared to the previous year) and Group Net Earnings of 45.6 million Euros (-5.8% compared to 2019). The Group's strategy, detailed in the 2020-2025 Business Plan presented to the market in March 2020, is focused on increasing installed capacity and the portfolio of projects ("pipeline"), thus strengthening its presence in the reference markets. A strategic agreement with Eni for the joint development of renewable energy projects in the United States was also finalized in 2020 [4]. As of December 31, 2020, the pipeline of projects under development is approximately 2.6 GW [5].

BUSINESS AREAS



INSTALLED CAPACITY AND PRODUCTION	UM	2020	2019	2018
WIND				
Wind farms	no.	**30**	28	21
- of which in Italy	no.	**4**	4	4
- of which in the UK	no.	**12**	12	12
- of which in Spain	no.	**2**	1	1
- of which in France	no.	**9**	9	4
- of which in the US	no.	**1**	0	0
- of which in Sweden	no.	**1**	1	0
- of which in Norway	no.	**1**	1	0
Wind turbines	no.	**456**	442	394

[4] The agreement led (i) to the establishment of the Novis Renewables LLC joint venture, in which Falck Renewables and Eni Group hold a 50% stake; and, (ii) to the sale to the Eni Group of 49% of the stake in Novis Holding Renewables LLC which holds US assets equal to 112.5 MW at the date of sale and 174.1 MW at December 31, 2020, which Falck Renewables North America Inc. controls.
[5] Excludes projects under construction for 175 MW.

INSTALLED CAPACITY AND PRODUCTION	UM	2020	2019	2018
Installed capacity	MW	**962.7**	922.7	769.9
- of which in Italy	MW	**291.6**	291.6	291.6
- of which in the UK	MW	**413.0**	413.0	413.0
- of which in Spain	MW	**33.3**	23.3	23.3
- of which in France	MW	**98.0**	98.0	42.0
- of which in the US	MW	**30.0**	0	0
- of which in Sweden	MW	**46.8**	46.8	0
- of which in Norway	MW	**50.0**	50.0	0
Average age of plants	anni	**9**	9	8
Land occupied by wind farms – average values[6]	m^2 conventional	**3,877,000**	3,758,000	3,350,000
Installed capacity per unit of land used	W/m^2	**248**	246	230
PHOTOVOLTAIC				
Photovoltaic plants	no.	**18**	12	12
- of which in Italy	no.	**8**	7	7
- of which in the UK	no.	**0**	0	0
- of which in Spain	no.	**0**	0	0
- of which in France	no.	**0**	0	0
- of which in the US	no.	**10**	5	5
Installed capacity	MW	**161.2**	128.6	128.6
- of which in Italy	MW	**17.1**	16.1	16.1
- of which in the UK	MW	**0**	0	0
- of which in Spain	MW	**0**	0	0
- of which in France	MW	**0**	0	0
- of which in the US	MW	**144.1**	112.5	112.5
Average age of plants	anni	**4**	3	2
Land occupied by PV plants[7]	m^2 conventional	**4,077,390**	3,379,225	3,379,225
Installed capacity per unit of land used	W/m^2	**40**	38	38
THERMAL				
Thermal plants*	no.	**2**	2	2
- of which biomass	no.	**1**	1	1

[6] The calculation considers: 5m wide road, 1.5km distance between two WTGs, 1,000m^2 substation area and 1,000m^2 crane pad.
[7] The calculation of the surface occupied by the photovoltaic plants was carried out following the methodology of the Technical Report NREL / TP-6A20-56290.

INSTALLED CAPACITY AND PRODUCTION	UM	2020	2019	2018
- of which waste-to-energy	no.	**1**	1	1
Installed capacity	MW	**35.0**	35.0	35.0
- of which biomass	MW	**15.0**	15.0	15.0
- of which waste-to-energy	MW	**20.0**	20.0	20.0
Land occupied by thermal plants	m^2 conventional	**107,381**	107,381	107,381
Installed capacity per unit of land used	W/m^2	**326**	326	326
*The thermal plants are all based in Italy.				
ELECTRICITY PRODUCED				
Total production	MWh	**2,711,517**	2,390,799	2,187,000
Total production from wind farms	MWh	**2,336,774**	1,994,440	1,812,000
- of which in Italy	MWh	**567,064**	640,083	598,000
- of which in the UK	MWh	**1,168,901**	1,075,137	1,088,000
- of which in Spain	MWh	**69,008**	51,448	50,000
- of which in France	MWh	**208,450**	177,661	76,000
- of which in the US	MWh	**9,243**	0	0
- of which in Sweden	MWh	**160,901**	42,990	0
- of which in Norway	MWh	**153,206**	7,122	0
Total production from photovoltaic plants	MWh	**182,596**	179,828	171,000
- of which in Italy	MWh	**23,894**	22,094	22,000
- of which in the UK	MWh	**0**	0	0
- of which in Spain	MWh	**0**	0	0
- of which in France	MWh	**0**	0	0
- of which in the US	MWh	**158,702**	157,734	149,000
Total production from thermal energy – biomass	MWh	**92,152**	109,328	103,000
Total production from thermal energy – waste-to-energy	MWh	**99,995**	107,203	101,000
PLANT AVAILABILITY[8]				
Availability factor of wind farms	%	**96%**	96%	95%
Availability factor of photovoltaic plants	%	**96%**	96%	98%
Availability factor of biomass plants	%	**84%**	98%	91%
Availability factor of WtE plants	%	**91%**	91%	91%

[8] The availability of wind and photovoltaic plants is calculated by referring to the value of the energy produced net of losses caused by force majeure events (for example, grid losses and dispatching orders).

SUPERVISED ACTIVITIES

Falck Renewables operates over the entire renewable energy value chain, dealing directly with the development, financing, construction and operational management of its own plants, and providing asset management, energy management, flexibility and energy efficiency services.

The Group pursues strategic objectives linked to the growth of installed capacity, in line with its business plan, by expanding and diversifying (also geographically) the pipeline of projects under development. This activity is carried out by the business development structure also through partnerships with other developers or industrial operators and may concern both greenfield projects or those at an advanced stage of development and the evaluation, on an opportunistic basis, of potential acquisitions of renewable assets already in operation.

The energy produced by the plants owned by the Group is fed into the electricity grid and valued through energy management activities, such as dispatching on the markets and long-term supply contracts (Corporate Power Purchase Agreements, CPPA) with end customers, which set a price for the sale of energy valid for the entire duration of the contract. There are also incentive systems for the benefit of plants in Italy, the UK, France and the USA. Energy management activities also include the offtaking of energy produced and portfolio management services that enable the Company to offer advanced production and demand management solutions also on behalf of third parties. These services are complemented by energy community and energy storage services with associated network services and flexibility management.

Falck Renewables also offers energy efficiency services, such as the installation, at its own costs, of distributed generation capacity (photovoltaic, cogeneration and storage). Through its subsidiary Energy Team, the Group also offers commercial and industrial customers innovative hardware, software and services for measuring, monitoring, managing and optimizing the performance of energy-consuming plants, and developing, in addition, algorithms for the analysis of big-data and predictive analysis of consumption, thus improving production processes and enabling customers to participate in flexibility markets.

Technical and administrative management activities of the renewable assets of third parties (utilities, developers, energy companies, investment funds and lending institutions) and of the Group, include:

- management of individual project companies (Special Purpose Vehicles) and the optimization of plant performance;
- investment and financial model analysis, investment legal support and due diligence;
- feasibility study, engineering consultancy on all technical aspects during the development of the project and plant commissioning;
- digital management of renewable assets through the proprietary NUO platform.

SUPPLY CHAIN MANAGEMENT

The Group procures various types of goods and services, mainly of a technical nature, starting with the main components of the plants and ending with contracts for their construction and maintenance. For development activities, the Group also makes use of professional technical services provided by external consultants.

Purchases are managed both by the local Procurement units and by the Business Lines/Corporate Staff Structures, in accordance with processes defined by a specific group procedure that governs due diligence activities on issues like economic soundness, technical and managerial capacity, sustainability and Quality Health Security and Environment (QHSE) compliance, as well as ethical and reputation reliability necessary for qualification.

All things being equal and where the market allows, Falck Renewables prefers to use local companies, in line with its connection to the territory, which is inherent in the corporate mission. This approach is also applied in the management of any subcontracts.

Among the responsibilities of the Business Lines/Corporate Staff Structures, the "strategic procurement" involves the supply of technology components and work related to the construction and maintenance of facilities. During the qualification phase, strategic suppliers must also demonstrate that they share with Falck Renewables a common approach and values in terms of sustainability, and that they consider these elements also in the selection of possible subcontractors.

This collaboration makes processes more efficient also thanks to the use of shared digital tools, improving coordination in terms of logistics and fostering a positive environmental impact for the entire life cycle of the products. This approach also enables the development of complementary strategies with suppliers for repowering/revamping plants and recycling different components. Moreover, strategic procurement endeavors to establish a general orientation in the supplier selection process, involving the different corporate structures in the qualification process, and promoting good relationships with suppliers.

In 2020, the value of supplies procured at Group level amounted to 190.4 million Euros, of which 74 % were procured locally. In general, the total value of supplies remained substantially constant over the three-year period reported. However, compared to 2019, there were differences at the level of individual countries, starting with Spain where last year the highest value of supplies was associated with the construction phase of the Energia Eolica de Castilla wind farm (10 MW). As for the value of supplies in the USA, in 2020 there was an important increase in values due essentially to the acceleration of business development activities for the development of renewable projects in the country.
The number of suppliers assessed based on environmental

and social criteria[9] reached 45% of new entrants in 2020: in absolute terms the value is up compared to 2019.

SUPPLIES[10]	GRI	UM	2020	2019	2018
Total suppliers (estimate)[11]		no.	**1,748**	1,478	1,158
VALUE AND LOCATION OF SUPPLIES	204-1				
Total value of supplies	204-1 a	k€	**190,352**	192,234	197,101
Value of supplies from local suppliers	204-1 a	k€	**140,145**	143,392	105,975
% ordered from local suppliers		%	**74%**	75%	54%
DISTRIBUTION OF THE VALUE OF SUPPLIES BY REGION AND BY LOCAL SUPPLIER					
Total value of supplies in Italy	204-1 a	k€	**79,522**	65,738	76,158
Value of supplies from local suppliers in Italy		k€	**47,620**	43,270	48,881
% ordered from local suppliers (regional scope)		%	**60%**	66%	64%
Total value of supplies in the UK		k€	**19,592**	16,733	59,012
Value of supplies from local suppliers in UK		k€	**8,543**	7,179	11,165
% from local suppliers (constituent country scope)		%	**44%**	43%	19%
Total value of supplies in Spain		k€	**3,924**	12,599	1,707
Value of supplies from local suppliers in Spain		k€	**1,493**	842	756
% from local suppliers (autonomous community scope)		%	**38%**	7%	44%
Total value of supplies in France		k€	**4,813**	2,658	2,217
Value of supplies from local suppliers in France		k€	**3,654**	1,967	1,361
% from local suppliers (regional scope)		%	**76%**	74%	61%
Total value of supplies in the USA		k€	**4,117**	2,963	16,264
Value of supplies from local suppliers in the USA		k€	**1,602**	627	4,082
% from local suppliers (federal state scope)		%	**39%**	21%	25%
Total value of supplies in Sweden and Norway		k€	**76,932**	91,543	41,743
Value of supplies from local suppliers in Sweden and Norway		k€	**76,043**	89,507	39,731

[9] The process of qualification the Group's new suppliers takes place through the completion of a questionnaire based on both environmental and social criteria. Below is a non-exhaustive list of the main ones: the adoption of an internal environmental policy, the achievement of the ISO 14001 certification, the respect of environmental compliance, the innovation of the production process, the adoption of a Code of Ethics and a Diversity & Inclusion policy, the achievement of the ISO 45001 certification, qualification and monitoring of the supply chain, the presence of community engagement policies and disclosure according to ESG parameters, respect for human rights and workers' rights.
[10] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.
[11] The estimate is obtained by aggregating the data received from the single countries.

SUPPLIES	GRI	UM	2020	2019	2018
% from local suppliers (national scope)		%	**99%**	98%	95%
Total value of supplies in other countries (Chile, Mexico, Australia, Japan)		k€	**1,451**	n.a.	n.a.
Total value of supplies from local offices in other countries (Chile, Mexico, Australia, Japan)		k€	**1,191**	n.a.	n.a.
Percentage from local suppliers		%	**82%**	n.a.	n.a.
New suppliers that have been evaluated using environmental criteria	308-1				
Number of new suppliers		no.	**88**	126	86
New suppliers that have been evaluated using environmental criteria		no.	**40**	16	0
% of new suppliers who were evaluated using environmental criteria		%	**45%**	13%	0%
New suppliers who were evaluated using social criteria	414-1				
Number of new suppliers		no.	**88**	126	86
New suppliers who were evaluated using social criteria		no.	**40**	16	0
% of new suppliers who were evaluated using social criteria		%	**45%**	13%	0%

ENVIRONMENTAL AND SOCIAL RELEVANCE OF FALCK RENEWABLES' ACTIVITIES

The push to de-carbonize many sectors and the technological development driven by digitalization are transforming the entire industrial and economic system in a more efficient way, starting with a paradigm shift in terms of energy supply.

In particular, energy production from renewable sources is in constant evolution, also thanks to the shift from incentivized growth to sustainable investments promoted by the European Union through the European "Green Deal" or "Green Pact", which summarizes the set of political initiatives proposed by the European Commission to achieve climate neutrality in Europe by 2050. This acceleration is also accompanied by an evolved and conscious demand for green energy consumption at market prices.

Falck Renewables is committed to accompanying and supporting this trend, proposing an innovative business development model that combines economic sustainability with the generation of social and environmental value, thus contributing in a tangible way to fight climate change. In fact, through its industrial plans, the Group identifies the effects of climate change as drivers of its growth strategy which focuses on the expansion of production capacity from renewable sources, while recognizing, at the same time, the importance of monitoring risks in terms of business continuity that can derive.

The advantage of renewable sources is related to a free and locally accessible raw material. For Falck Renewables, renewable energy expresses a strong value for the community and represents an important opportunity for the sustainable development of the areas in which it operates.

At present, the challenge is to find long-term buyers who are willing to purchase energy at contractually defined and fixed prices, which, in turn, allows plant owners to repay their investments and generate a fair return on invested capital. In this regard, the improvement of technology, an increase of its dissemination and the simultaneous decrease of industrial costs, can generate in the long term a benefit transferable to consumers and the community, as it happens in the case of virtual systems of self-consumption, which help to reduce energy expenditure and per capita CO_2 emissions.

Over almost 20 years operating in the UK market, Falck Renewables has succeeded in creating and disseminating an articulated and innovative model of value sharing with local communities, overcoming the traditional compensatory approach towards a new, generative and redistributive

model. Moving forward, the objective is to progressively adopt this model also in new countries where the Group operates, as discussed in the section "Social Aspects".
The Group's commitment is also oriented towards the dissemination of knowledge in the field of clean energy and sustainability through participation in the activities of important international sector networks and associations, such as IRENA Coalition for Action, Wind Europe, Hydrogen Europe, Global Reporting Initiative and Irex.

OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

More generally, by broadening the spectrum of areas of impact, the business activities and sustainable and responsible practices of Falck Renewables provide a concrete contribution to achieving 9 of the 17 Sustainable Development Goals set in the United Nations 2030 Agenda. The SDGs to which the Group contributes the most are 9:

SDG3 - Health and well-being: through the adoption of the necessary measures to protect the health of employees and the people they relate with;

SDG4 - Quality education: spreading the culture of energy sustainability not only within the company, but also among external stakeholders and especially local communities;

SDG5 - Gender equality: promoting an inclusive work environment, which guarantees everyone the same opportunities for growth;

SDG7 - Clean and accessible energy: through its core business, namely the production of renewable energy and the supply of connected services, which makes the Group an enabler of the energy transition;

SDG8 - Decent work and economic growth: adhering to a business model that is developed around the concept of sharing value with stakeholders;

SDG11 - Sustainable cities and communities: offering services and creating opportunities for the sustainable development of the territories in which it operates;

SDG12 - Sustainable consumption and production: developing innovative solutions for responsible use of energy along the entire value chain;

SDG13 - Fight against climate change: promoting the energy decarbonisation process through its activities and services, but also with the promotion of projects addressed to local communities;

SDG15 - Life on land: minimizing the environmental footprint of all our activities.

Within its strategic planning process, Falck Renewables has integrated 4 strategic objectives in terms of sustainability. These commitments can be measured over the course of the plan, and progress is regularly monitored through the development of Key Performance Indicators (KPIs).

SUSTAINABLE DEVELOPMENT GOALS AND KEY INDICATORS - 2020

Economic value generation	Involvement of local communities	Fighting climate change	Human capital upskilling and reskilling [12]
170.2 million Euros of added value distributed to stakeholders [13]	45% of the plants with a meaningful community engagement program [14]	569.8 thousand tonnes of CO_2 emissions avoided with wind and photovoltaic production [15]	30.3 average hours of training provided per employee

[12] Compared to 2019, the increase in average hours of training per employee is equal to 46.4% and is mainly attributable to the greater usability of the courses provided online. For more information, see page 46.
[13] To stakeholders such as employees, shareholders, providers of loan capital, central and local government and local communities.
[14] To be understood as the involvement of the local community through cooperative models, ownership models and benefit models, or with the local qualification of sustainable energy consumption services (i.e., community energy PPA, access to net metering credit schemes, etc.)
[15] References of the emission factors applied in this report: USA: "Emission Factors for Greenhouse Gas Inventories" (US EPA, 2020); EU: "Fattori di emissione atmosferica di gas a effetto serra nel settore elettrico nazionale e nei principali Paesi Europei" [Atmospheric emission factors of greenhouse gases and other pollutants from the power sector] (ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, 2020 update). These factors are updated with respect to those applied in previous reporting. Performances and targets have been re-calculated accordingly.

THE NEW GREEN FINANCE: THE GREEN CONVERTIBLE BOND OF FALCK RENEWABLES

On September 23, 2020, the Group successfully placed a senior unsecured equity-linked green bond in the amount of 200 million Euros, whose convertibility into shares was authorized by the Shareholders' Meeting held on November 17 ("Green Convertible Bond").
The Green Convertible Bond, which was subscribed by major institutional investors with demand far exceeding supply, has a duration of 5 years (maturing on September 23, 2025) and was issued at a price equal to 101.25% of the nominal value of the bond offered with a zero coupon, essentially generating a negative yield of 0.25% (yield -0.25%) for investors. The initial conversion price was set at 7.22 Euros per share and subject to adjustments as provided for in the regulations, in line with current market practice for this type of financial instrument. With this transaction, Falck Renewables confirmed its commitment to sustainability as part of its financing strategy, thus contributing to the growth of the Green Finance market. The net proceeds of the Green Convertible Bond will be used to finance and/or refinance, in whole or in part, new or existing renewable energy assets.

IMPACTS OF THE COVID-19 PANDEMIC

The onset and subsequent expansion of the "Covid-19" pandemic and the health emergency that has affected most countries since the end of 2019, both in Europe and globally, has resulted in an unprecedented upheaval in the approach to managing social and personal relationships, including within corporate life, in addition to the macroeconomic effects that are resulting globally.

The directives and measures issued in order to contain the spread of Covid-19 contagion have resulted in increasingly restrictive rules on the mobility of people and goods, as well as in the reduction/suspension of production activities in the areas most at risk of contagion, with consequent negative impacts on the production activity of all industrial sectors and on national and international trade.

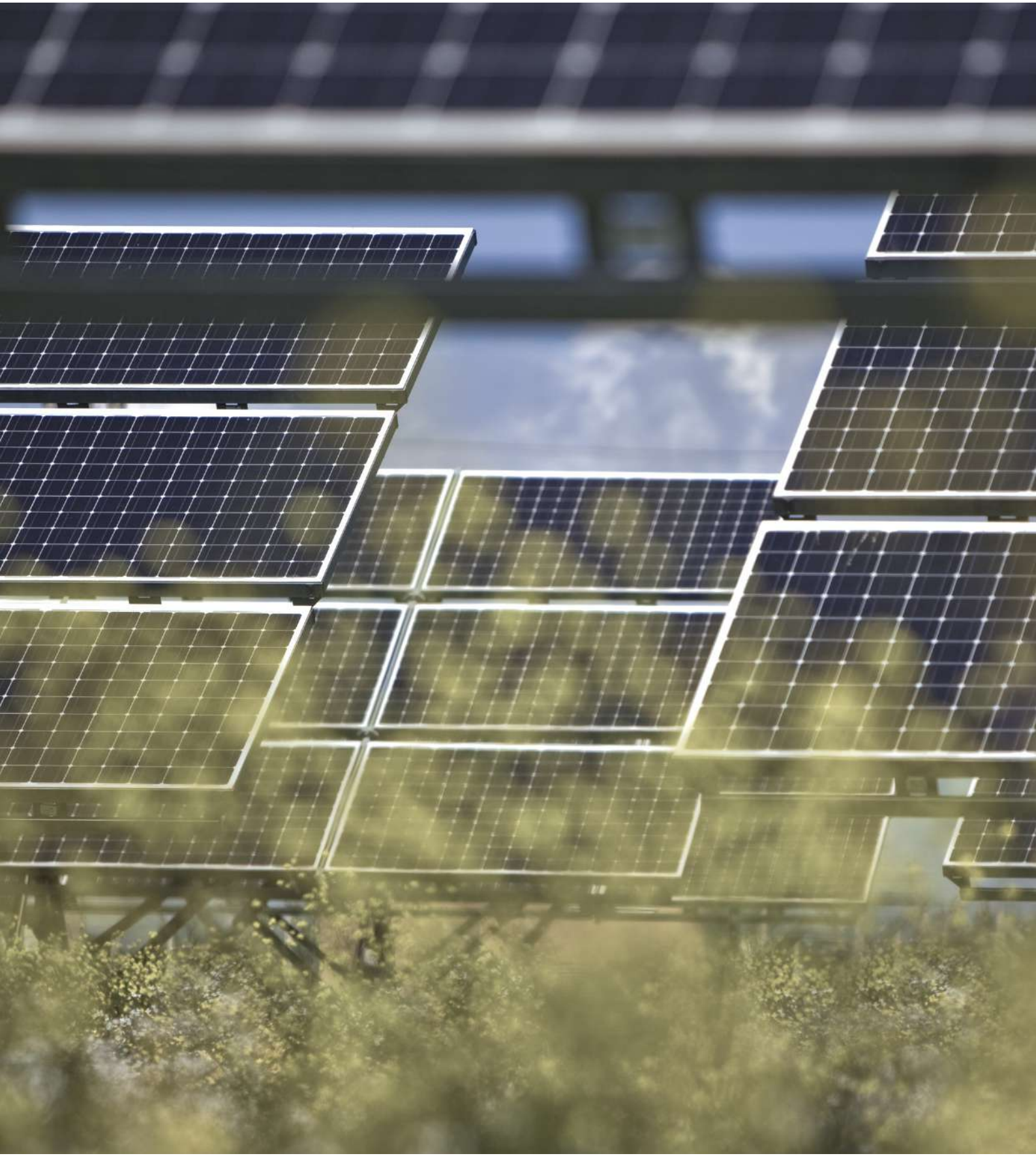
Although there was no significant impact on main "core" activities, for Falck Renewables this situation, which is still evolving, led to the temporary contraction in the services carried out directly at clients' premises, and to a delay in the progress of projects under development, both in Italy and in other countries, because of the strong attention that public entities had to dedicate to the management of the health crisis, the lack of personnel on sick leave and the previously mentioned "lockdowns". The substantial resilience of the business model is supported by the push of the European investment programs, which will allocate a considerable share to the increase of the installed capacity in the countries of the European Union and to the development of energy efficiency projects, as well as to the support of research for the use of new sources of clean energy (hydrogen). Even in the United States, where the Group has been present since 2017, these programs are geared towards the growth of renewable installed capacity and consequently the increase in investments in the country's infrastructure, which will facilitate the energy transition process.

The Group has put in place all analysis activities and continuity strategies, defined in its operational plans, in order to best manage the effects described above, as well as to reduce the risk of contagion of its personnel in the workplace. In order to coordinate activities and their operational management, a Crisis Team has been activated since the beginning of the pandemic; it includes: CEO, Human Resources Director, QHSE Director, IT Director and Group Risk Manager.

It should be pointed out that more than 90% of the personnel at all the Group's sites, both Italian and foreign, have been required to make extended and prolonged use of remote work since the early days of the health crisis, which continues to make it possible to significantly reduce exposure to many of the associated risk factors, and thus staff mobility as well, while also ensuring the achievement of a consistent level of service, as described in the section "Health Protection during the Covid-19 Emergency", on page 53.

In addition, to help alleviate the impacts of the pandemic on the populations in the proximity of its plants, the Group has launched an international support program with targeted actions for the benefit of the local communities in which it operates, as discussed in Section "Covid-19 Emergency: the International Support Program", on page 61.

On the basis of the evolution of the pandemic emergency, Falck Renewables will concretely continue to promote and protect the health of its employees, and to engage and support local realities with a view to their growth.



2

MATERIAL ISSUES RELATED TO THE DECREE 254/2016 AREAS

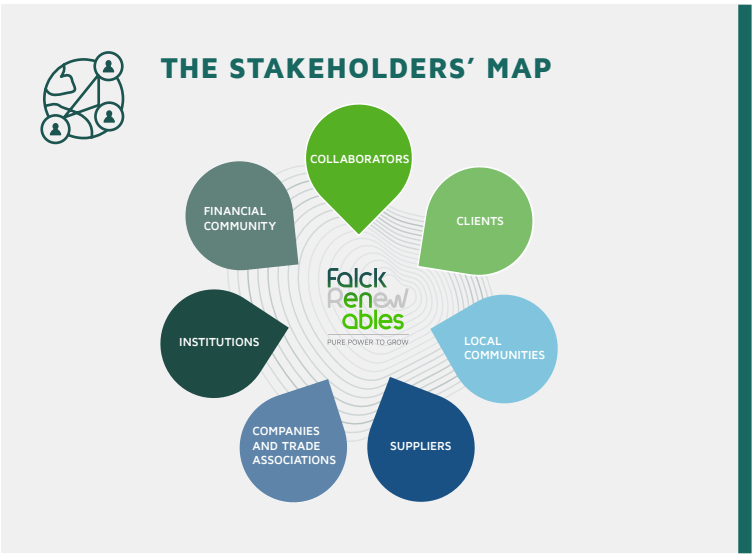
Material Issues related to the Decree 254/2016 Areas

Materiality analysis is the process that supports the identification of aspects on which to focus reporting in the areas provided for by Decree 254/2016.

For Falck Renewables, the periodic updating of the materiality analysis is a well-established good practice, which is performed whenever there are changes to elements of any external context or new internal assessments within the company.

At the time of the publication of the first edition of the NFS, the entire process was retraced starting from the results yielded by the previous analysis, which was included in the Sustainability Report "Sustainability at the Core - Our 2019 Shared Value". As part of the process of preparing the materiality analysis, the first activity required the involvement of the entire management of the Company, which carried out a critical review of both the taxonomy of relevant issues and their interpretation. A subsequent online survey was sent to 428 individuals belonging to all categories of the Company stakeholders, who were asked to express their opinions on the issues at hand. In addition, some stakeholders who are particularly relevant due to the nature of their relationship with the Company were interviewed individually, whose goal was to comment on issues and gather opinions on the main sector-relevant macro-trends.

Finally, Top Management summarized all the assessments and, as a final validation step, the entire process was shared with the Sustainable Strategy Committee, a body supporting the Board of Directors of Falck Renewables SpA in matters of sustainability, energy markets and technological innovation.

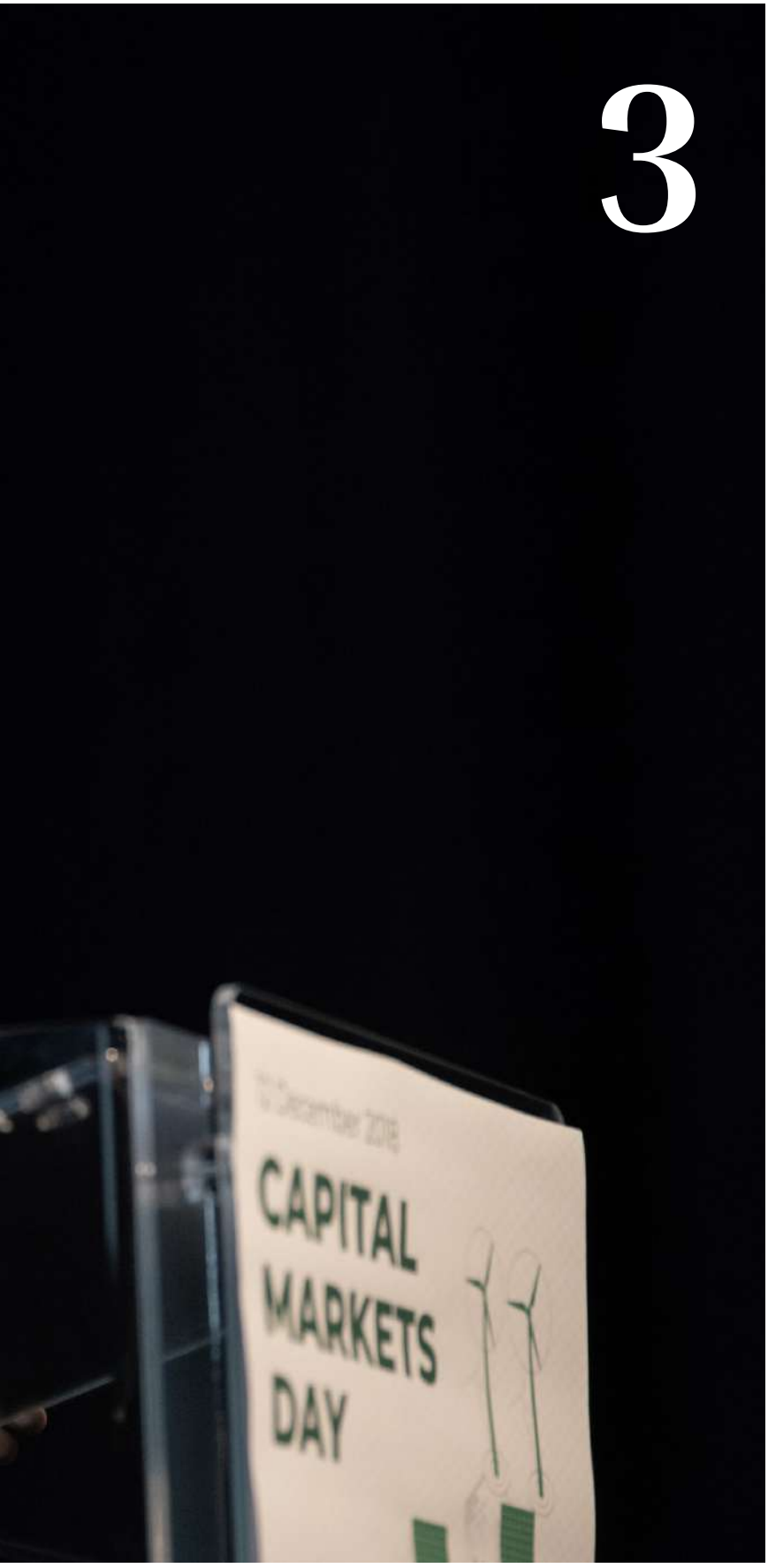


The table below shows the material issues that emerged as a result of the update, which can be linked to each area of Decree 254/2016, with information on the GRI standards selected to represent the management results.

DECREE 254/2016 AREA	FKR MATERIAL THEME	FORMALIZED POLICIES AND REFERENCE MANAGEMENT SYSTEMS (a)	RELATED RISKS (b)	GRI-RELATED ISSUES (c)
Personnel management concerns	Specialization and excellence of human resources	The Group operates according to consolidated practices in compliance with internal procedures	• Risk related to recruitment and retention of key resources • Change management and management of integration processes (also following M&A)	401 - Employment 404 - Education and Training
	Diversity and equal opportunities	• Diversity and Inclusion policy	The Group has not identified risks in this area	405 - Diversity and equal opportunity (d)
	Health, Safety and Wellness	• Group QHSE Policy • ISO 45001 certified Management System	• Biological hazards risk • Risk of non-compliance with Health & Safety aspects • Exposure to cyber-attacks and data privacy security	403 - Occupational Health and Safety (d) 414 - Supplier Social Assessment
Aspects related to social impact	Relationship (integration) with local communities and local development / Responsible supply chain	The Group operates according to consolidated practices in compliance with internal procedures	• Risk of sustainability strategies that are inconsistent with the Group's objectives • Risk of non-compliance with internal procedures and with the expectations / needs of relevant stakeholders	413 – Local communities 203 – Indirect economic impacts 204 – Procurement Practices
Corruption prevention	Business and governance integrity and transparency	• Organizational Model 231 and related protocols • Compliance program • Guidelines for relations with the Public Administration in Italy	The Group has not identified risks in this area	205 - Corruption prevention (d) 419 - Socioeconomic Compliance
Environmental Concerns	Fighting climate change / Environmental protection and management / Responsible supply chain	• Group QHSE Policy • ISO 14001 certified management systems • EMAS registrations[16]	Risk of non-compliance and monitoring of potential liabilities	302 – Energy (d) 303 – Water withdrawn (d) 305 – Emissions (d)) 307 – Environmental Compliance 304 - Biodiversity 308 - Supplier Environmental Assessment
Human rights	Scope of the Decree that does not correspond to a specific theme that emerged from the materiality analysis, but which is nevertheless linked to other issues dealt with in the document: non-discrimination, protection of health and safety, right to a healthy environment	The Group operates according to consolidated practices in compliance with internal procedures	The Group has not identified risks in this area	406 - Non-discrimination (d)

(a) a list of the certified management systems held by each company is provided on page 26
(b) a complete list of risks and how they are managed is on page 29
(c) the indicators reported for each issue are shown in the GRI table on page 76
(d) these issues have been selected in accordance with the minimum contents set forth in Art.3 c.2 of Decree 254/2016

[16] Eco-Management and Audit Scheme.



3

ORGANIZATION AND ACTIVITY MANAGEMENT MODEL

Organization and Activity Management Model

Falck Renewables is subject to management and coordination activities by its parent company Falck SpA (with reference to Art. 2497 of the Italian Civil Code), which belongs to the same family. Some of its members are in the Falck Renewables SpA Board of Directors, including Enrico Falck, who is the Chairman.

The parent company Falck SpA performs coordination activities, without prejudice to the autonomy and independence of the Company and its corporate bodies. In turn, Falck Renewables SpA exercises management and coordination activities over a number of subsidiaries. In consideration to the Group's international presence and the various technologies, there are subsidiaries whose governance systems, even in a context with uniform applicable principles and guidelines, are structured differently in order to better meet management requirements, in compliance with national and international regulations.

CORPORATE GOVERNANCE

Our corporate governance is based on the provisions of the law and the Articles of Association, supplemented by the good practice principles set out in the Corporate Governance Code for Listed Companies[17]. The system is organized according to the traditional model, characterized by the presence of a management body, the Board of Directors, and a supervisory body, the Board of Statutory Auditors.
On May 7, 2020, the Falck Renewables SpA Board of Directors was renewed after approval by the Shareholders' Assembly: the new Board will remain in office until the approval of the Financial Statements of December 31, 2022.
The Board of Directors is vested with the broadest powers for routine and extraordinary management of the Company and is currently made up of 12 members (7 men and 5 women), 58% of whom are independent: among the independent directors, one is the expression of the minority shareholders. The new Board of Directors includes members with diversified expertise in terms of management and other professional skills, as well as by diversity in terms of gender, age and seniority.
The Board of Directors operates with the support of the Sustainable Strategy Committee, which is made up of 6 internal members, 4 of whom are independent directors with sector expertise, in addition to the Chairman and the CEO, and which performs an advisory, preparatory and support function as it pertains to sustainability, energy markets and technological innovation for the purpose of defining the Group' strategic objectives.

Other advisory functions are referred to the Control and Risks Committee[18] and the Remuneration Committee[19], both made up exclusively of

[17] Approved in July 2018 by the Corporate Governance Committee and promoted by Borsa Italiana SpA, ABI, Ania, Assogestioni, Assonime and Confindustria. By resolution dated December 3, 2020, the Board of Directors revised its Corporate Governance Regulations to align them with the new contents of the Corporate Governance Code approved by the Corporate Governance Committee of Borsa Italiana SpA in January 2020, and which will come into force in the first financial year after December 31, 2020.
[18] Previously called Risk Control and Sustainability Committee.
[19] Previously called Human Resources and Appointments Committee. In addition to the support provided in terms of organization, compensation policies and development of human resources, the Falck Renewables SpA Board of Directors has also extended its support in terms of the succession of executive directors.

independent members with specific expertise.
The Board of Statutory Auditors, made up of 5 members (3 Statutory Auditors and 2 Substitute Auditors), and the Supervisory Committee, appointed pursuant to the provisions of Legislative Decree no. 231/2001, perform the functions provided for by law.
The organizational structure is consistent with the governance system and configured to ensure a streamlined and efficient supervision of the corporate activities. Both the functions involved in business development and management and the staff functions report to the CEO (who also holds the position of General Manager), with the exception of the Internal Audit structure, which reports to the Board of Directors, which has delegated the Chairman to coordinate operations.

COMPOSITION OF THE FALCK RENEWABLES SPA BOARD OF DIRECTORS (in office until approval of the Financial Statements as of 12.31.2022)		CONTROL AND RISK COMMITTEE	COMPENSATION COMMITTEE	SUSTAINABLE STRATEGY COMMITTEE
Name	**Qualification**			
Enrico Ottaviano Falck	Chairman (E)			X
Guido Giuseppe Maria Corbetta	Vice Chair			
Toni Volpe	CEO (E)			X
Federico Francesco Sergio Falck	Director			
Andrew Lee Ott	Director (I)			X
Elisabetta Caldera	Director (I)	X	X	
Nicoletta Giadrossi	Director (I)		X	X
Silvia Stefini	Director (I)	X		
Paolo Pietrogrande	Director (I) (L)	X	X	
Georgina Grenon	Director (I)			X
Marta Dassù	Director (I)			X
Filippo Marchi	Director			

(E) Executive Members
(I) Members meeting the requirements of independence pursuant to the Consolidated Law on Finance and the Corporate Governance Code of Listed Companies
(L) Lead Independent Director

AVERAGE AGE OF DIRECTORS	FEMALE MEMBER OF THE BOARD OF DIRECTORS	INDEPENDENT DIRECTORS	EXECUTIVE DIRECTORS
56 years	42%	58%	17%

COMPOSITION OF THE BOARD OF DIRECTORS AND OF COMMITTEES BY GENDER AND AGE GROUP (GRI 405-1)

	BOARD OF DIRECTORS	CONTROL AND RISK COMMITTEE	COMPENSATION COMMITTEE	SUSTAINABLE STRATEGY COMMITTEE
Men	58%	33%	33%	50%
Women	42%	67%	67%	50%
Under 30 years old	-	-	-	-
30 to 50 years old	33%	33%	33%	50%
Over 50 years old	67%	67%	67%	50%

CONDUCT OF ACTIVITIES

The activity of Falck Renewables is subject to laws and regulations, as well as provisions of control, supervisory or regulatory authorities, in Italy and abroad. The principles and guidelines for sound and correct management, in compliance with the reference regulatory framework and with the Company's values and objectives, are ensured by an internal regulatory system based on various instruments and applicable to the whole Group; they include:

- the Group's Code of Ethics;
- Organization and Management Model, pursuant to Legislative Decree 231/2001 adopted by Falck Renewables S.p.A. and the Italian companies of the Group[20];
- *Manual de Prevención y Detección de Delitos* adopted by Spanish companies;
- Compliance Program adopted by the Group's foreign companies;
- compliance with local corruption-prevention regulations applicable to foreign companies (e.g., UK Bribery Act, Spanish *Ley Orgánica*);
- compliance safeguards pursuant to legislation relating to slavery, human trafficking and human rights in the workplace (e.g. UK Modern Slavery Act);
- Procedural Body, which includes internal management documents applicable to the entire Group.

The Procedural Body, consisting of procedures and operating instructions, defines the role of the organizational units and individuals involved, provides details of the activities to be performed and establishes the controls and authorizations within each individual process. Procedures and operating instructions, including amendments and updates, are brought to the attention of all personnel by means of specific announcements, made available on the Company's Intranet network.

In 2020, the updated Falck Renewables SpA Model 231[21] was approved and provided to all 112 employees in Italy.
Moreover, during 2020, the entire Company population was informed of the update to the Code of Ethics, consisting of the revision and integration of some key principles for the ethical management of the Group's activities.
Moreover, the Guidelines for the management of relations with the Public Administration in Italy were adopted in 2020 including a practical/behavioral guide. A similar document is being prepared for foreign countries as well.

CERTIFIED MANAGEMENT SYSTEMS IN THE FALCK RENEWABLES GROUP

With a view to the progressive integration of the principles of sustainable development with its own activities, Falck Renewables has been committed to QHSE matters, in order to adapt to the new sector standards by certifying a large part of its sites and controlled companies. In this regard, the table below summarizes the status of the Group's certifications as of December 31, 2020:

CERTIFIED MANAGEMENT SYSTEMS OF THE GROUP

Scope	Certification flow	Certified companies (site)	Certificate issue date	Certificate expiration date
Quality of Services	UNI EN ISO 9001:2015	Ambiente 2000 Srl (Trezzo sull'Adda)	17/12/2020	03/10/2023
		Prima Srl (Trezzo sull'Adda)	28/06/2018	27/06/2021
		Falck Next	14/02/2019	13/02/2022
		Energy Team	24/05/2018	28/05/2021
		Vector Cuatro Slu	14/02/2020	24/01/2023
Companies providing energy services (ESCO)	UNI CEI 11352:2014	Energy Team	17/07/2019	16/07/2022
Asset Management System	UNI EN ISO 55001:2015	Vector Cuatro Slu	11/10/2019	11/10/2020

[20] The Model is provided by the Company to all its employees, as well as to its Italian subsidiaries, who must endeavor to adopt their own Model and appoint the Supervisory Committee, on the basis of the principles and contents of the Company's Model, without prejudice to their own specificities.
[21] The latest update of the Model was adopted by resolution of the Falck Renewables SpA Board of Directors on December 3, 2020. The update concerned the inclusion of tax offenses in the list of predicate offenses, insofar as they are potentially applicable to the Company, as a result of Legislative Decree no. 124 of Oct. 26, 2019, converted by Law no. 157 on Dec. 19, 2019, and of Legislative Decree no. 75 of July 14, 2020; it also provided clarifications on the requirements of composition, eligibility and honorability of the Supervisory Committee, as well as its functions, powers and information flows; and, detailed which conduct was subject to sanctions. It was also announced that the document "Guidelines for Managing Relations with the Public Administration" was adopted as an integral part of the Model.

Scope	Certification flow	Certified companies (site)	Certificate issue date	Certificate expiration date
Environment	UNI EN ISO 14001:2015	Ambiente 2000 Srl (Trezzo sull'Adda)	17/12/2020	03/10/2023
		Prima Srl (Trezzo sull'Adda)	14/07/2020	14/07/2023
		Ecosesto SpA (Rende)	13/11/2018	12/11/2021
		Eolica Sud Srl (San Sostene)	20/12/2019	19/12/2022
		Eolo 3W Minervino Murge Srl (Minervino Murge)	20/02/2019	19/02/2022
		Falck Next	14/02/2019	13/02/2022
		Geopower (Buddusò)	23/12/2020	22/12/2023
	EMAS Registration	Prima Srl (Trezzo sull'Adda)	26/06/2019	28/06/2021
		Eolo 3W Minervino Murge Srl (Minervino Murge)	13/11/2018	19/02/2021
Energy Management	UNI EN ISO 50001:2018	Energy Team	23/07/2018	22/07/2021
Health and Safety	UNI EN ISO 45001:2018	Falck Next	14/02/2019	13/02/2022
		Ambiente 2000 Srl (Trezzo sull'Adda)	17/12/2020	16/12/2023
		Ecosesto SpA (Rende)	13/11/2018	12/11/2021
		Falck Renewables SpA (Sesto San Giovanni offices in Milan)	22/12/2020	21/12/2023

CONTROL AND RISK MANAGEMENT SYSTEM

Falck Renewables has adopted a system that defines rules, procedures and organizational structures to monitor company management compliance with internal and external regulations, and to identify, measure, monitor and manage the risks to which the Group is exposed. The system is called the "Internal Control and Risk Management System" ("ICRMS").

The Board of Directors, supported by the Control and Risk Committee, plays a guiding role and assesses the adequacy of the ICRMS, while the CEO takes care of its establishment and maintenance.

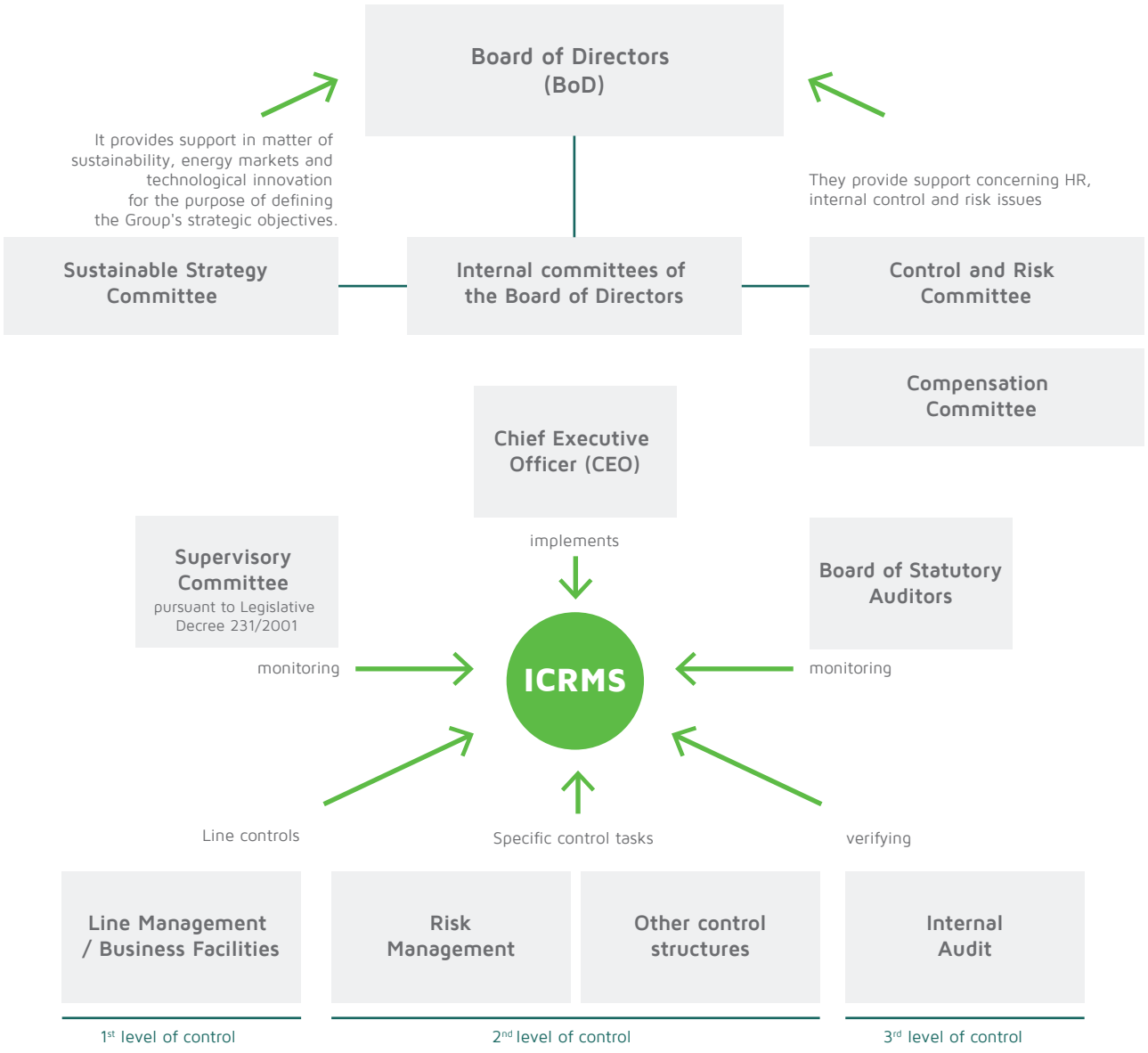
The Risk Management structure, which reports directly to the CEO, identifies, assesses and prioritizes risks and contributes to the development of actions to manage them, by means of an Enterprise Risk Management ("ERM") framework, which integrates the "Strategy - Risk - Business Performance" relationship.

The framework, developed around four methodological pillars (risk appetite, risk assessment, risk management, risk reporting), incorporates analytical technologies and greater use of data analytics to support the decision-making process, in order to strengthen the alignment between company performance and risk indicators, enabling the bodies responsible for strategic supervision (Board of Directors) and those responsible for management (CEO and top management) to assess and manage uncertainty (from which risks and opportunities derive) more effectively and consciously, with the aim of continuously improving the Company's ability to create sustainable value for the different stakeholders.
The Group's risk identification process entails the proactive involvement of management in the identification of risk scenarios on a half-yearly basis, and further analysis and assessment on a quarterly basis in the event of any significant changes to risk trends. The Group Risk Model provides for a classification of risk scenarios according to

the following categories: External Risks, Strategic Risks, Operational Risks, Financial Risks, and Compliance Risks.

The risk analysis and assessment process also takes into account the integration of the Risk Appetite Framework (RAF), which defines the risk profile that the Group is willing to accept in the pursuit of its business objectives, defined through a system of metrics and risk tolerance thresholds identified for each business area considered significant, and the Sustainability Framework (SUF), a dashboard that formalizes the annual sustainability objectives correlated with the actions to achieve them.

The table on the next page summarizes the main outcomes of the Risk Assessment process conducted by the Risk Management structure during 2020. The purpose of this process is to periodically analyze the evolution of all the risks deemed relevant to the Group's activities (Risk Universe). In particular, the table shows the main ESG risks having the greatest impact linked to the combined effect of their probability/impact (severity) on the Group's business, according to the ERM method.



RISK	DESCRIPTION	MANAGEMENT ACTIONS
Inconsistent sustainability strategies and non-compliance risk	Risk of failing to take advantage of opportunities linked to the implementation of investment-sharing models, based on the transparency and integrity of relationships established with local communities	• Adoption of specific participation plans and monitoring of the progress of individual actions related to community engagement programs
Change management and management of integration processes (also following M&A)	Risk of resistance and change management that may negatively affect business re-organization and business innovation, including those resulting from M&A activities	• Analysis of relevant processes in order to identify organizational gaps • Adoption of Operational Plans that define roles and responsibilities in managing critical areas • Establishment of teams with resources dedicated to managing the integration process • Implementation of training plans and appropriate communication to support organizational change
Recruitment and Retention of key resources	Risk of not being particularly attractive in the selection of high-potential resources and/or potential loss of key resources in relation to a variety of elements of the value chain and to technological and service supervision and at corporate level, with a consequent potential loss of skills and/or competitiveness of the Group	• Welfare policies with strategic focus on family, wellness and sports, work-life balance • Succession planning for key roles, defining and implementing leadership development plans • Periodic surveys and performance evaluation process aimed at identifying potential emerging risk factors
Biological hazards	Risk of spreading pathogens in the workplace with potential effects on human health or the environment	• Extended application of remote work model • Adoption of active policies of risk containment and management through the activation of the Crisis Team • Ongoing Employee Disclosure • Implementation of programs for the well-being of individuals
Risk of non-compliance with Health & Safety aspects	Risk of non-compliance with regulations governing occupational health and safety in relation to activities carried out by employees and contractors	• Adoption of a certified QHSE Management System • Conduct of periodic QHSE risk assessments and audits to identify deficiencies within the organization, ensuring compliance • Delivery of training, helping to develop a QHSE mindset to increase awareness in each person
Exposure to cyber-attacks and data privacy security	Risk of exposure to cyber-attacks or failure to maintain adequate security with potential loss of confidential information and data, and consequent adverse impact on the privacy of employees and third parties, as well as the Group's operations or reputation	• Creation of an organizational structure with resources and analysis tools dedicated to cyber security management • Strengthening of related management procedures, including: Information Security Policy, Logical Access Management, Monitoring and Control of Security Systems, Monitoring and Control of Third Parties • Delivery of cybersecurity courses through e-learning platform • Introduction of two-factor authentication on cloud resources to neutralize the risk of identity theft
Environmental compliance and monitoring of potential liabilities	Risk of non-compliance with local permits and regulations required by environmental legislation (the magnitude is more significant for thermoelectric plants than for renewable sources)	• Specific monitoring of risk areas for each thermoelectric plant • Planning of authorization requirements

As part of business development processes, the assessment of potential exposure to extreme weather events is among the parameters of the country risk analysis and is an integral part of the assessment of the area where the renewable project will be developed.

Supervision and checks on the functioning of the system and, more generally, on the accuracy of corporate management are entrusted to the bodies tasked with control activities: Board of Statutory Auditors, Supervisory Board and Internal Audit Department[22].
The Internal Audit Department operates on the basis of an Audit Plan approved by the Board of Directors, subject to the approval of the Control and Risk Committee and after consulting the Board of Statutory Auditors, as well as on the basis of specific requirements.
In terms of management and monitoring of the ICRMS, some specific tasks are assigned to dedicated corporate departments. In addition to these independent bodies, other corporate departments are entrusted with specific tasks regarding the management and monitoring of the ICRMS.
During 2020, 10 audits were carried out under the supervision of the team of internal auditors, who produced 16 audit reports, on the basis of a variety of issues considered and divided into three areas: operational[23], financial[24] and compliance[25]. Among these, 3 reports were on ESG topics.

INTERNAL AUDIT[26]	UM	2020	2019	2018
Number of internal audit reports carried out	no.	**16 (3** *operational*, **9** *financial*, **4** *compliance*)	15 (4 *operational*, 7 *financial*, 4 *compliance*)	14 (5 *operational*, 6 *financial*, 3 *compliance*)

Finally, alleged violations of laws, regulations, internal procedures, principles and ethical standards can also be monitored through the analysis of reports that can be submitted in any of the following ways:
- electronic mailboxes of the Supervisory Committees pursuant to Legislative Decree 231/2001 of the Group's Italian companies;
- e-mailbox codice.etico@falckrenewables.com;
- e-mailbox internal.audit@falckrenewables.com;
- through the Whistleblowing Portal, available in Italian and English, which can be accessed from the Company's website in no-log mode to prevent the identification of the whistleblower.

Reports are accepted even if submitted anonymously. All reports are kept confidential, by adopting suitable verification procedures to protect the reporting party from possible intimidation and retaliation, where he/she has provided his/her personal information, as well as the identity and integrity of the alleged violators[27]. Reports should not be of a commercial nature (i.e., complaints). Finally, if a report concerns or involves the Head or members of the Internal Audit Department, the report must be submitted by regular mail directly to the Company's Board of Directors, to the attention of the Chairman.

During 2020, through the established channels, only one non-anonymous report was received for alleged unethical behavior, which, following the verifications conducted, were not confirmed.

SOCIO-ECONOMIC COMPLIANCE[28]	GRI	UM	2020	2019	2018
Sanctions received for non-compliance in the socio-economic area	419-1 a	no.	**0**	3*	0
Monetary value of sanctions		k€	**0**	148.8	0
Cases handled with dispute resolution mechanisms		no.	**0**	0	0

*These penalties derive from the closure of tax and administrative assessments, 2 of which relate to facts dating back to previous years (€ 91,000 in 2014 and € 35,457.6 in 2011/2012).

[22] The Head of the Internal Audit structure is appointed and dismissed by the Board of Directors upon recommendation of the Chairman of the Board of Directors, in consultation with the Control and Risk Committee. This approach was taken to reinforce the independence required by the role.
[23] Audits aimed at verifying the effectiveness and efficiency of corporate operations. They may relate to strategic processes, business processes, or processes that support business operations.
[24] Audits aimed at verifying the reliability of accounting and financial information, and situations used for internal purposes (management reporting) or disclosed to the market (external reporting).
[25] Audits whose main objective is to verify the adherence of corporate processes and activities to external laws and regulations, as well as to internal procedures or policies.
[26] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.
[27] The reporting procedure is available on the Company website at https://www.falckrenewables.com/etica-governance/whistleblowing.
[28] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

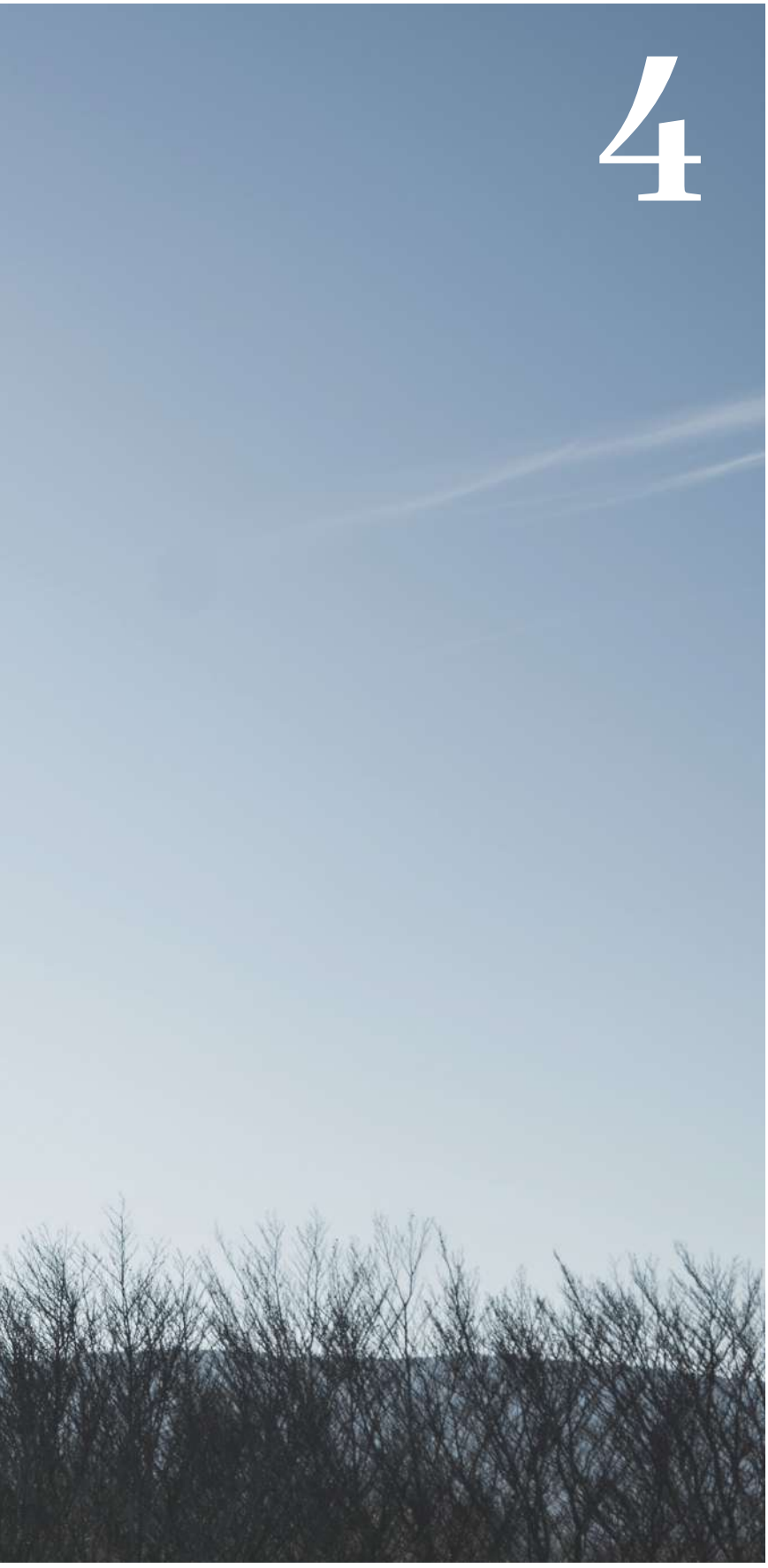
APPROACH TO TAXATION AND TAX GOVERNANCE, CONTROL AND RISK MANAGEMENT

A project is underway to streamline the Group's tax risk management process, i.e., to avoid the "risk of operating in violation of tax laws", or of operating contrary to the principles or purposes of the tax system in the various tax jurisdictions in which the Group operates[29]. Within this project, the Group will adopt a Tax Strategy document that aims to make explicit the principles that already govern its approach to taxation, summarized below:

1. business activities pursue real industrial and commercial objectives;
2. management choices are inspired by values of accuracy, transparency, integrity and professional diligence in order to responsibly manage fiscal risk, ensuring that processes and procedures used for this purpose are adequate;
3. implementing the principles of fair collaboration and full transparency, prior disclosure with the tax authorities and tax collection bodies is promoted through the use of the instruments provided for by the regulations, both in order to guarantee the correct assessment of taxes and to ensure transparent and accurate compliance, and in order to resolve situations of uncertainty regarding the interpretation of tax regulations;
4. tax rules are interpreted without manipulation and according to their original spirit.

Moreover, the project foresees the possibility of adopting a Tax Control Framework ("TCF"), i.e., an organized set of procedures and models for the detection, assessment, management, control and prevention of tax risks, which would complete the Internal Control and Risk Management System implemented by the Group.
The TCF model adopted by the Group is inspired by the principles set by international best practices[30], and is consistent with the requirements of the domestic regulations and practices governing access to the cooperative compliance regime set out in Legislative Decree 128/2015[31]. The results of the work will be taken into consideration and will enrich the contents starting from the next NFS.

[29] Definition of tax risk provided for in the order of May 26, 2017, No. 101573 of the Director of the Revenue Agency containing the "Provisions for the implementation of the cooperative compliance regime governed by Articles 3 et seq. of Legislative Decree no. 128 of August 5, 2015".
[30] Specifically, the model is informed by the OECD Report (2013) "Co-operative Compliance: a Framework from Enhanced Relationships to Co-operative Compliance", and the OECD Report (2016) "Co-operative Tax Compliance: Building Better Tax Control Frameworks", which defines the elements underlying the design of an effective TCF for companies that voluntarily participate in the "cooperative compliance" regime.
[31] In particular, with reference to the provision of April 14, 2016, no. 54237 of the Director of the Revenue Agency containing the "Provisions concerning the requirements for access to the cooperative compliance regime governed by Articles 3 et seq. of Legislative Decree of August 5, 2015, no. 128".
It should be noted that, at present, none of the Group companies meets the size requirements laid down by the regulations for application of the cooperative compliance regime.



4

FIGHT AGAINST ACTIVE AND PASSIVE CORRUPTION

Fight against Active and Passive Corruption

Falck Renewables considers business integrity to be a fundamental value [32] and considers corruption a serious threat to the development of economic and social relations.

The Company's approach is "zero tolerance" towards all forms of corruption in its dealings with both public and private parties. This implies that all actions, operations, negotiations and, in general, behaviors in conducting business, must be based on utmost fairness (with the exclusion of any corruption or favoritism), on completeness and transparency of information and legitimacy, on the basis of the laws and corruption-prevention regulations in force in the countries in which the Group operates, and on internal procedures.

Similarly, Falck Renewables complies with the provisions of the law on competition and refrains from deceptive, collusive and abuse of dominant position and from any form of unfair competition.

In 2020, there were no ascertained cases of corruption, nor were there any reports on the matter received through the whistleblowing tools activated (GRI 205-3).

GENERAL CORRUPTION-PREVENTION RULES OF CONDUCT

The main rules of conduct for the purposes of preventing corruption are contained in the Code of Ethics (updated in 2020), in the specific protocols of Model 231, in the guidelines for managing relations with the Public Administration (applicable to companies in Italy), in the Compliance Program (applied to all companies included in the Group perimeter), in the *Manual de Prevención y Detección de Delitos*, and in the Group's internal procedures that govern, among other things, certain specific areas of management, to include:

- Procedure for managing relations with the Public Administration;
- Charitable donations and sponsorships procedure;
- Gifts and gratuities procedure;
- Purchasing Procedure.

The Compliance Program is a tool designed specifically for the Group's foreign companies. It provides an analysis of each country's anti-corruption regulatory environment and specifies the requirements that must be met to ensure compliance. Its implementation has been approved by all the Boards of Directors of the Group Companies and entrusted to local management[33].

In terms of general principles of conduct, all Company representatives are required to report to their supervisor, without delay:

- any attempts at undue requests by representatives and/or employees of third parties with whom the Company has business relations, aimed, for example, at obtaining favors, illicit donations of money or other benefits;
- any critical issue or conflict of interest would arise in the context of relations with representatives and/or employees of third parties with whom the Company maintains business relations.

It is also forbidden to pay or offer, directly or indirectly, even under different forms of aid or contributions, payments or material benefits to representatives and/or employees of third parties with whom the Company has business relations, or to persons close to them, for the purpose of illegally influencing their behavior and ensuring advantages of any kind to the Company.

[32] The relevance of the risk of corruption in relation to company activities is specifically analyzed in Model 231 for Italian companies, as well as in the Compliance Program for foreign companies and in the *Manual de Prevención y Detección de Delitos* for Spanish companies.
[33] The countries included in the Compliance Program are Italy, Spain, France, United Kingdom, Germany, Poland, The Netherlands, Sweden, Norway, Bulgaria, Mexico, Chile, United Arab Emirates, United States, Japan and Australia.

AUDITS ON THIRD PARTIES AND IN THE M&A FIELD

With regard to third parties called upon to act in the name and on behalf of the companies of the Group (among these are agents, consultants and business partners), Falck Renewables carries out specific preventive controls (due diligence) that concern the possession of ethical and reputation requisites and checks on financial reliability.

The need to define a policy for the governance of any Counterparty Risk arises from the evolution of the Group's business along the value chain, through a business model that is increasingly vertically integrated along the entire chain of electricity production from renewable sources, which increases exposure of the Group to Counterparty Risks. The number and types of counterparties are changing, with increasing interest in industrial clients or the service sector, bringing with it an average increase in credit and reputation risk. Therefore, the objective of the policy is to define the main guidelines in line with the level of risk appetite defined in the Group RAF on Counterparty Risks for all the business lines.

In particular, as part of the qualification and selection of strategic suppliers and third parties, the Purchase Procedure provides for a policy for the management of Counterparty Risks through the identification of guiding principles, roles and responsibilities, as well as functional analysis activities such as:

- Financial and credit analysis, which aims to verify the financial soundness of the Counterparty in relation to the obligations arising from the specific contract under negotiation;
- "Background" analysis which verifies the existence of potential "Red Flags" against the Counterparty of a reputational nature, linked to legal, financial or commercial issues.

Depending on the scope and nature of the Counterparty, either both analyses are relevant or only one of them is relevant, and they can be conducted in-house or by relying on the services of external providers whose due diligence may focus on:

- the collection of useful documents for the purpose of assessing ethical-reputational integrity, including the self-declaration of honorability of the professional or the company's legal representative;
- analysis of any information available from open sources;
- local assessments (e.g., a supplier's registered office in offshore countries or countries with privileged tax regimes or banking secrecy, or in a country or region considered sensitive to certain political and economic risk factors, etc.);
- evaluation of any behavior of the supplier that may suggest possible red flags.

Mergers and acquisitions, on the other hand, require an assessment of the corruption-prevention compliance policies and programs, as well as any related control systems and the track record of companies to be purchased, also for the purpose of risk assessment. Following acquisition, integration into the Group's compliance and control systems and training for new employees begin.

In 2020, the Group provided corruption-prevention training courses to all members of the Board and to 154 employees in Italy.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION [34]	GRI	UM	2020	2019	2018
ANTI-CORRUPTION COMMUNICATION AT BOD LEVEL					
Total members of the BoD who have been notified of anti-corruption policies and procedures	205-2 a	no.	**12**	12	12
% of members of the BoD who have been notified of anti-corruption policies and procedures		%	**100%**	100%	100%
Total members of the BoD who have received training on anti-corruption policies and procedures	205-2 d	no.	**12**	10	0
% of members of the BoD who have received training on anti-corruption policies and procedures		%	**100%**	83%	0%
ANTI-CORRUPTION COMMUNICATION TO EMPLOYEES					
Total employees to whom anti-corruption policies and procedures have been communicated [35]	205-2 b	no.	**553**	95	0
% employees to whom anti-corruption policies andprocedures have been communicated		%	**100%**	19%	0%
EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED BY REGION (NUMBER)					
Italy	205-2 b	no.	**363**	95	0

[34] The data does not include the staff of BEHUS (USA), who joined the Group at the end of November 2020
[35] During 2020 a communication on the updating of the Group's Code of Ethics was sent by e-mail to the entire Company's population.

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION	GRI	UM	2020	2019	2018
UK	205-2 b	no.	29	0	0
Spain		no.	88	0	0
France		no.	8	0	0
USA		no.	13	0	0
Sweden and Norway		no.	7	0	0
other Countries		no.	45	0	0
EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED BY REGION (PERCENTAGE)					
Italy	205-2 b	%	100%	29%	0%
UK		%	100%	0%	0%
France		%	100%	0%	0%
Spain		%	100%	0%	0%
USA		%	100%	0%	0%
Sweden and Norway		%	100%	0%	0%
other Countries		%	100%	0%	0%
EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED BY POSITION (NUMBER)					
Senior managers	205-2 b	no.	58	26	0
Middle managers		no.	102	30	0
White collars		no.	362	39	0
Blue collars		no.	31	0	0
EMPLOYEES TO WHOM ANTI-CORRUPTION POLICIES AND PROCEDURES HAVE BEEN COMMUNICATED BY POSITION (PERCENTAGE)					
Senior managers	205-2 b	%	100%	47%	0%
Middle managers		%	100%	38%	0%
White collars		%	100%	12%	0%
Blue collars		%	100%	0%	0%
ANTI-CORRUPTION TRAINING FOR EMPLOYEES					
Total employees who received training on anti-corruption policies and procedures	205-2 e	no.	154	104	89
% of employees who have received training on anti-corruption policies and procedures		%	28%	21%	19%
BREAKDOWN OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY REGION (NUMBER)					
Italy	205-2 e	no.	154	104	89
UK		no.	0	0	0
France		no.	0	0	0
Spain		no.	0	0	0

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION	GRI	UM	2020	2019	2018
USA		no.	**0**	0	0
Sweden and Norway	205-2 e	no.	**0**	0	0
other Countries		no.	**0**	0	0
EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY REGION (PERCENTAGE)					
Italy		%	**43%**	31%	29%
UK		%	**0%**	0%	0%
France		%	**0%**	0%	0%
Spain	205-2 e	%	**0%**	0%	0%
USA		%	**0%**	0%	0%
Sweden and Norway		%	**0%**	0%	0%
other Countries		%	**0%**	0%	0%
BREAKDOWN OF EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY POSITION					
Senior managers		no.	**12**	8	18
Middle managers	205-2 e	no.	**17**	27	18
White collars		no.	**124**	65	53
Blue collars		no.	**1**	4	0
EMPLOYEES WHO HAVE RECEIVED TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES BY POSITION (PERCENTAGE)					
Senior managers		%	**21%**	15%	33%
Middle managers	205-2 e	%	**17%**	34%	26%
White collars		%	**34%**	19%	18%
Blue collars		%	**3%**	13%	0%
CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN					
Confirmed incidents of corruption	205-3 a	no.	**0**	0	0
Employees who received disciplinary action (including dismissal) for incidents of corruption	205-3 b	no.	**0**	0	0
Measures taken against business partners following confirmed incidents of corruption	205-3 c	no.	**0**	0	0
Proceedings against the organization or employees for incidents of corruption	205-3 d	no.	**0**	0	0
Reports collected through the whistleblowing system	205-3 e	no.	**0**	0	0
ANTI-COMPETITIVE BEHAVIOR AND ANTI-TRUST					
Pending or completed legal actions against the company relating to anti-competitive behaviour and breaches of anti-trust and monopolistic legislation	206-1	no.	**0**	0	0

5

PERSONNEL MANAGEMENT

Personnel Management

Falck Renewables considers its people to be of fundamental importance for long-term success.

With their skills, attitudes and sensitivity, employees enable the Company to grow, develop and contribute to the creation of transparent and valuable relationships with its stakeholders.

The Group's objective is to offer its employees opportunities for professional growth in a stimulating, inclusive, serene and safe environment, where diversity is respected and valued, and where teamwork and the culture of getting things done represent a distinctive feature of the Company, leading it to the achievement of the expected results.
In this context, transparency takes on great importance and this is why in 2020 the Group's commitment was strengthened by sharing and publishing the basic principles that govern its compensation policy, in order to make the process transparent, both in terms of methods and application criteria.
In terms of management processes, the Group operates in accordance with a specific procedure governing staff selection, recruitment, training and development.

During 2020, the Human Resources & Organization Department began the implementation of the Workday application, an innovative and interactive system that aims to improve the management of data and information managed by the Department. The goal is to better manage processes and provide employees and managers with a system that provides transparency and quick access to available data.

During 2020, the Human Resources & Organization Department, with the assistance of the Digital Transformation & IT Department, proactively supported the Group's employees in the daily performance of remote work, a practice widely used in order to manage the response to the pandemic crisis.
Due to the pandemic, the Company adopted from the beginning an attitude of maximum protection towards its employees, by extending its "smart working" policy, introduced in Italy since 2018, to the entire employee population that could benefit from it (over 90%), in a consistent and lasting way.

Among the initiatives introduced in April 2020, was the creation of the so-called "Growth Zone", a section within the company portal dedicated to accompanying employees in carrying out their work activities remotely, providing them with thematic and non-thematic training courses and food for thought on how best to manage their time.

EMPLOYMENT

The Group's employment has grown steadily over the past few years, following the dynamics of the Company's business expansion. This trend continued through 2020.
As of 31 December 2020, the Group has 553 employees, 66% of whom are employed in Italy and 34% abroad. At the end of 2019, the number of employees had grown by approximately 11%. During the year there were 112 new hires and 58 resignations, net of intra-group transfers[36].
The new hires met the needs of the business departments that reconfigured themselves in order to meet new initiatives pursuant to the business plan.
The female company population is 31% of total workforce and the majority is hired on the basis of permanent full-time contract.
In Italy, 4% of employees are members of a trade union organization. Falck Renewables maintains regular relations with the workers' representatives which in 2020 resulted in 6 meetings mainly dedicated to the definition of goal-achievement bonuses.

11 employees fall within protected categories.

EMPLOYMENT	GRI	UM	2020	2019	2018
INFORMATION ON EMPLOYEES AND OTHER WORKERS					
Number of employees as at 01/01	102-8	no.	**499**	464	345
Total starters		no.	**112**	128	194
Total leavers		no.	**58**	93	75
Total number of employees as at 12/31		no.	**553**	499	464
BREAKDOWN OF EMPLOYEES BY GENDER					
Men	102-8	no.	**384**	352	323
Women		no.	**169**	147	141
EMPLOYEES BY EMPLOYMENT CONTRACT AND BY GENDER					
Permanent contract	102-8 a	no.	**528**	472	431
of which women		no.	**164**	143	130
Fixed-term contract		no.	**25**	27	33
of which women		no.	**5**	4	11
Other types of employment (internships, etc.)		no.	**10**	17	14
of which women		no.	**3**	10	1
BREAKDOWN OF EMPLOYEES BY EMPLOYMENT CONTRACT AND BY REGION					
Permanent contract	102-8 b	no.	**528**	472	431
- of which in Italy		no.	**343**	306	280
- of which in the UK		no.	**27**	31	32
- of which in Spain		no.	**87**	79	74
- of which in France		no.	**7**	4	7

[36] The intra-group transfers involved 3 employees with business development skills passed from Vector Cuatro Srl to Falck Renewables Sviluppo Srl through the sale of a business unit.

EMPLOYMENT	GRI	UM	2020	2019	2018
- of which in the USA		no.	**13**	9	6
- of which in the Sweden and Norway		no.	**7**	6	4
- of which in other geographical regions		no.	**44**	37	28
Fixed-term contract		no.	**25**	27	33
- of which in Italy		no.	**20**	25	30
- of which in the UK	102-8 b	no.	**2**	0	0
- of which in Spain		no.	**1**	1	1
- of which in France		no.	**1**	1	2
- of which in the USA		no.	**0**	0	0
- of which in the Sweden and Norway		no.	**0**	0	0
- of which in other geographical regions		no.	**1**	0	0
BREAKDOWN OF EMPLOYEES BY EMPLOYMENT TYPE AND BY GENDER					
Full time		no.	**543**	489	454
- of which women	102-8 c	no.	**162**	141	133
Part time		no.	**10**	10	10
- of which women		no.	**7**	6	8
PERCENTAGE OF EMPLOYEES BY CATEGORY AND GENDER					
Senior managers		%	**10%**	11%	12%
- of which women		%	**16%**	16%	15%
Middle managers		%	**18%**	16%	15%
- of which women		%	**25%**	29%	31%
White collars	405-1 b, i	%	**65%**	67%	64%
- of which women		%	**37%**	34%	38%
Blue collars		%	**6%**	6%	10%
- of which women		%	**0%**	0%	0%
PERCENTAGE OF EMPLOYEES BY CATEGORY AND BY AGE GROUP					
Senior managers		%	**10%**	11%	12%
- of which <30		%	**0%**	0%	0%
- of which between 30 and 50	405-1 b, ii	%	**60%**	60%	62%
- of which >50		%	**40%**	40%	38%
Middle managers		%	**18%**	16%	15%

EMPLOYMENT	GRI	UM	2020	2019	2018
- of which <30		%	**2%**	1%	1%
- of which between 30 and 50		%	**80%**	85%	82%
- of which >50		%	**18%**	14%	16%
White collars		%	**65%**	67%	64%
- of which <30		%	**22%**	24%	23%
- of which between 30 and 50	405-1 b, ii	%	**63%**	62%	62%
- of which >50		%	**15%**	14%	15%
Blue collars		%	**6%**	6%	10%
- of which <30		%	**10%**	13%	7%
- of which between 30 and 50		%	**65%**	65%	63%
- of which >50		%	**26%**	23%	30%
OTHER DIVERSITY INDICATORS					
Employees belonging to protected groups	405-1 b, iii	no.	**11**	11	8
COLLECTIVE BARGAINING AGREEMENTS					
Percentage of employees covered by collective bargaining agreements	102-41	%	**83%**	67%	67%
Labor union membership		%	**4%**	4%	5%

SELECTION PHASE AND EQUAL OPPORTUNITIES

Falck Renewables helps its employees to develop abilities, skills and talent following merit and equal opportunities criteria. Therefore, at all levels of the Company's hierarchy, selection, hiring, performance grading, training, career paths, and compensation respond exclusively, without any discrimination, to objective considerations regarding professional and personal characteristics and the skills required to fill each position, regardless of race, religion, political opinion, country of origin, health status or physical abilities, age and sex.

In the selection phase, knowledge and ownership of sustainability skills are also specifically considered through specific questions posed to a candidate.
This commitment is supported by a corporate welfare system focused on initiatives and projects for the family, well-being and work-life balance. The Company's commitment to enhancing the role of women at corporate level is also demonstrated by its "Valore D" membership, which comprises an association of companies that promotes gender diversity, supports employee participation in training courses on inclusive organization, corporate welfare and social innovation.

11 female employees participated in the "Valore D" training activities delivered in 2020, for a total of 70 hours of training.

NEW STARTERS AND STARTER RATE	GRI	UM	2020	2019	2018
Total new starters	401-1 a	no.	**112**	128	194
New starters rate		%	**20%**	26%	42%
NEW STARTERS AND STARTER RATE BY GENDER					
Men	401-1 a	no.	**75**	93	136
Women		no.	**37**	35	58
Male starter rate		%	**20%**	26%	42%
Female starter rate		%	**22%**	24%	41%
NEW STARTERS AND STARTER RATE BY AGE GROUP					
Starters aged <30	401-1 a	no.	**32**	41	53
Starters aged between 30 and 50		no.	**68**	81	118
Starters aged >50		no.	**12**	6	23
Starter rate aged <30		%	**37%**	49%	73%
Starter rate aged between 30 and 50 years		%	**19%**	25%	39%
Starter rate aged >50		%	**12%**	7%	26%
NEW STARTERS AND TURNOVER BY GEOGRAPHICAL AREA					
Italy	401-1 a	no.	**55**	69	138
UK		no.	**7**	4	7
Spain		no.	**20**	33	25
France		no.	**5**	2	4
USA		no.	**9**	3	3
Sweden and Norway		no.	**1**	2	2
other geographical regions		no.	**15**	15	15
Italy starter rate		%	**15%**	21%	44%
UK starter rate		%	**24%**	13%	22%
Spain starter rate		%	**23%**	41%	33%
France starter rate		%	**63%**	40%	44%
USA starter rate		%	**69%**	33%	50%
Sweden and Norway starter rate		%	**14%**	33%	50%
Other geographical regions starter rate		%	**33%**	41%	56%
LEAVERS AND STAFF TURNOVER					
Total number of leavers	401-1 b	no.	**58**	93	75

EMPLOYMENT	GRI	UM	2020	2019	2018
Employee turnover	401-1 b	%	**10%**	19%	16%
LEAVERS AND TURNOVER BY GENDER					
Men	401-1 b	no.	**43**	63	52
Women		no.	**15**	30	23
Male turnover		%	**11%**	18%	16%
Female turnover		%	**9%**	20%	16%
LEAVERS AND TURNOVER BY AGE GROUP					
Leavers aged <30	401-1 b	no.	**10**	14	21
Leavers aged between 30 and 50		no.	**39**	62	46
Leavers aged >50		no.	**9**	17	8
Turnover aged <30		%	**12%**	17%	29%
Turnover aged between 30 and 50		%	**11%**	19%	15%
Turnover aged >50		%	**9%**	20%	9%
LEAVERS AND TURNOVER BY GEOGRAPHICAL AREA					
Italy	401-1 b	no.	**22**	47	37
UK		no.	**10**	5	3
Spain		no.	**13**	29	26
France		no.	**2**	6	1
USA		no.	**5**	0	1
Sweden and Norway		no.	**0**	0	0
Other geographical regions		no.	**6**	6	7
Italy turnover		%	**6%**	14%	12%
UK turnover		%	**34%**	16%	9%
Spain turnover		%	**15%**	36%	35%
France turnover		%	**25%**	120%	11%
USA turnover		%	**38%**	0%	17%
Sweden and Norway turnover		%	**0%**	0%	0%
Other geographical regions turnover		%	**13%**	16%	26%

HUMAN RESOURCES DEVELOPMENT

Falck Renewables promotes the professional growth and motivation of its people through the delivery of training courses on a variety of topics and the creation of opportunities for mutual exchange of knowledge and information on their respective work experiences. Each employee is also called upon to contribute to the creation of a work environment that is always stimulating and rewarding and that, therefore, promotes the growth of everyone's potential.

During 2020, 16,728 hours of training were provided, involving 567 employees, including personnel who left during the year. Compared to 2019, the increase in training hours is equal to 61.6% and is mainly due to the greater usability of the courses provided online. This result is linked to the progressive implementation of digitization processes within the Group and the simultaneous displacement of more than 90% of employees in remote working, following the emergency due to the pandemic crisis. The comparison with the previous year also shows an increase in the average hours of training per employee, which went from 20.7 in 2019 to 30.3 in 2020 with a significant increase of 46.4%. There was a marked increase in training hours for both middle managers and employees, which increased by 91.3% and 74.7% respectively compared to the previous year.

With the "Growth Zone" project, the Human Resources & Organization Department committed to increasing training opportunities by encouraging an open and sustainable culture, focusing on the person and not only on business results.
Increased opportunities for employee contact were created in order to foster experience-sharing.
Remote work management courses, virtual classrooms and online training modules have been organized in order to provide new tools that can be used according to the time and access possibilities of each individual employee. The Human Resources & Organization Department also held in-house workshops on managing emotions and webinars on managing work from home, while also providing training on the main digital tools available. In addition to feeding the e-learning "Matrix" platform with internal training initiatives, a managerial cross-cutting training project was launched to give all Company staff access to training content with a view to continuous improvement.

The issues addressed covered the most relevant areas and training needs for the Company business, articulated on the different roles and responsibilities at corporate level:
- Management training on leadership, communication, diversity management and negotiation (over 1,500 hours);
- Technical training, through courses provided on the basis of employee requests (over 5,000 hours);
- Language training, with courses in English, Spanish, Italian and French (over 200 hours);
- Cross-cutting training on digital skills and skills related to organizational needs (over 3,000 hours).

Finally, given the continuation of remote work and, particularly considering the current emergency, Falck Renewables has set up specific training courses on the following topics: stress management, time management and balance between professional and personal life, cyber security, mindfulness and yoga.

EVALUATION AND FEEDBACK

All personnel are invited to participate in an annual evaluation process in order to guide their growth and development in a manner that is aligned with the Company's objectives.
The evaluation process is divided into three phases that include the definition of objectives, an intermediate verification through engagement between evaluator and candidate, and a final evaluation. The evaluation focuses both on qualitative aspects of performance and on the results achieved against set objectives (MBO, management by objectives).

The entire corporate population was invited to participate in the annual performance evaluation process, called Feedback - Enable to Grow. Feedback consists of a conversation between manager and employee during which an exchange of views takes place on a variety of topics concerning performance, goals, commitments and behaviors. The feedback then covers all aspects that affect people within the Company, such as motivation and behavior. The feedback is considered for a compensation policy evaluation, given that such policy consistently rewards people on the basis of merit.

During 2020, 137 employees completed their evaluation.

TRAINING DELIVERED[37]	GRI	UM	2020	2019	2018
Total hours	102-8 b	no.	**16,728**	10,349	1,941
Employees who participated in at least one training course		no.	**567**	483	300
Average hours of training per trained employee		no.	**29.5**	21.4	6.5
Average hours of training per employee		no.	**30.3**	20.7	4.2
HOURS OF TRAINING BY GENDER					
Men	404-1 a, i	no.	**11,130**	7,565	485

[37] The data does not include the staff of BEHUS (USA), who joined the Group at the end of November 2020.

TRAINING DELIVERED	GRI	UM	2020	2019	2018
Women	404-1 a, i	no.	**5,599**	2,784	1,456
AVERAGE HOURS OF TRAINING BY GENDER					
Men	404-1 a, i	no.	**29.0**	21.4	1.5
Women		no.	**33.1**	18.9	10.3
HOURS OF TRAINING BY EMPLOYEE CATEGORY					
Senior managers	404-1 a, ii	no.	**1,705**	1,419	429
Middle managers		no.	**3,197**	1,671	506
White collars		no.	**11,619**	6,650	1,006
Blue collars		no.	**207**	609	0
AVERAGE HOURS OF TRAINING BY EMPLOYEE CATEGORY					
Senior managers	404-1 a, ii	no.	**29.4**	25.8	7.8
Middle managers		no.	**31.3**	21.2	7.4
White collars		no.	**32.1**	19.9	3.4
Blue collars		no.	**6.7**	19.6	0
HOURS OF HEALTH AND SAFETY TRAINING					
Total hours	403-5	no.	**4,517**	3,359	746
PERFORMANCE EVALUATION					
Employees subject to performance evaluation	404-3	no.	**137**	140	118
BREAKDOWN OF EVALUATED EMPLOYEES BY GENDER					
Men	404-3	no.	**98**	102	87
Women		no.	**39**	38	31
PERCENTAGE OF EVALUATED EMPLOYEES BY GENDER					
Men	404-3	%	**26%**	29%	27%
Women		%	**23%**	26%	22%
BREAKDOWN OF EVALUATED EMPLOYEES BY POSITION					
Senior managers	404-3	no.	**18**	15	9
Middle managers		no.	**29**	27	15
White collars		no.	**88**	96	90
Blue collars		no.	**2**	2	4
% OF EVALUATED EMPLOYEES BY POSITION					
Senior managers	404-3	%	**31%**	27%	16%
Middle managers		%	**28%**	35%	22%
White collars		%	**24%**	29%	31%
Blue collars		%	**6%**	6%	9%

6

HEALTH AND SAFETY

Health and Safety

The protection of the physical integrity and psychological well-being of people are values that have always distinguished Falck Renewables' corporate culture.

Through the Health and Safety Policy, which is the Group's main point of reference for health and safety management, the Company promotes integrated management of processes with the aim of preventing and minimizing risks to the safety and health of workers. The Policy defines the following Group commitments:

- continuous improvement in safety performance in the conduct of activities through careful risk assessment, compliance with health and safety regulations and requirements and commitment to prevent occupational injuries and illnesses, and to provide safe and healthy working conditions by eliminating dangers, to the extent possible, and reducing work hazards;
- ensuring that all workers have the necessary skills and resources for their assigned roles, enhancing their professionalism and ability to promote a culture of safety in the workplace;
- adoption of transparent communication and management of corporate activities, in synergy with local and national authorities and bodies, and the effective consultation and participation of workers, including through workers' safety representatives.

These commitments are expressed through dedicated procedures and certified management systems that determine how to implement the contents of the Policy in the various sites where the Group operates, and according to the specifics of the applicable regulatory contexts.

The most relevant Group Procedures and Documents applied to the entire corporate population are:

- Procedure for Handling Incident Reports and Initiating Investigations;
- Risk Assessment Document;
- Procedure for the management of Audits carried out by the QHSE Department;
- Procedure for Managing Contractors;
- Procedures for managing the pandemic crisis due to Covid-19 (Procedure for returning to the office; Procedure for managing site and customer visits; Rules for travel; Management of consultants, visitors, maintainers, and couriers; General rules and potential scenarios).

In addition to these procedures and with reference to the Italian context, health and safety management systems, certified by third party bodies, are also applied for the following:

- activities of Falck Renewables SpA at the Milan and Sesto S. Giovanni offices;
- activities of Falck Next Srl;

• thermal energy sites in Trezzo sull'Adda (Ambiente 2000 Srl) and Rende (Ecosesto SpA).

Certified health and safety management systems ensure:
• 100% "internally certified" coverage of the Group's employees;
• certified coverage by third parties for approximately 32% of employees.

Group Procedures and certified systems are a fundamental tool for the continuous improvement of the corporate safety standards; for this reason, the Company intends to expand their adoption: a five-year program for the implementation of health and safety management systems covering the entire Group has been prepared for 2020.

HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION

The QHSE Department constant monitors potential risks that may occur during the performance of the company's activities and implements the necessary actions to prevent accidents to employees and contractors.
Health and Safety Risk Assessment activities are defined by the Risk Assessment Document and are developed through:
• identification of risk factors related to workplaces, structures, plants, machinery, equipment, work activities and substances used for any reason on the corporate premises;
• identification of exposed workers related to the various tasks performed (administrative clerks, technical clerks, and wind energy technical clerks);
• risk degree determination;
• mapping of preventive and protective measures implemented, as well as use of personal protective equipment;
• planning of additional preventive and protective measures to ensure the improvement of safety levels over time, defining roles, times and responsibilities for their implementation.

The identification of hazards and the evaluation of the different risks at the Company are carried out through inspections in the working environments and an analysis of the available corporate documentation, including the risk assessment documents of the plants.
The types of accident risks that are monitored the most are related to specific activities, and in particular:
• risk associated with maintenance work (on wind, thermal and photovoltaic sites);
• risk associated with working at height (on wind, thermal and photovoltaic sites);
• risk associated with electrical work (on wind and photovoltaic sites);
• risk associated with the manual handling of loads (on thermal sites).

Among the most monitored health risks there are:
• noise risk (thermal sites);
• risk associated with dust (thermal sites);
• ergonomic risk and related stress (offices).

Underlying the process of hazard identification and risk assessment is the Group's approach to the specifics of the individual geographical contexts in which it operates, detailing, through the "Country Fact Sheets", the requirements of a variety of national regulations in terms of health and safety compliance.
The Company has also developed an Accident Management Procedure, applied to the entire Group, with the aim of regulating the individual phases of the accident management process, from reporting to identification of the different responsibilities.
During 2020, there were no work-related injuries among Group personnel; there was only one commuting injury.

Falck Renewables also pays utmost attention to the safety of contractors who perform maintenance activities or work at the construction sites of plants under construction.
The health and safety management system for contractors is differentiated by country, in order to ensure alignment with the specifics of each context.
However, starting with the management of procurement activities, the Group has defined minimum requirements that contractors must meet in terms of the health and safety of their workers.

These requirements are verified as early as the qualification of contractors, which occurs through the following steps:
• a Group General Supplier Qualification questionnaire;
• "Country Fact Sheets" that ascertain, for each individual geographic context, the specific requirements that contractors must meet.

Health and safety issues are among the most common contractual concerns in the standard agreements prepared by the Group.

The QHSE Department constantly monitors compliance with the health and safety procedures described above, and, during 2020, completed 3 site audits[38], organized in light of the operating conditions dictated by the pandemic crisis.

Two accidents occurred to contract staff (one at the thermal site in Trezzo sull'Adda, and one at a site for the construction of a wind farm in Sweden) during the year.

[38] Site audits were conducted at the Spinasanta photovoltaic plant in Italy, the Aliden wind farm in Sweden and third-party worksites where Falck Next Solutions operates.

HEALTH AND SAFETY[39]	GRI	UM	2020	2019	2018
WORK-RELATED INJURIES SUFFERED BY FALCK RENEWABLES EMPLOYEES					
Total injuries	403-9 a, iii	no.	**0**	2	0
Fatal injuries	403-9 a, i	no.	**0**	0	0
Serious injuries (more than 180 days of absence)	403-9 a, ii	no.	**0**	0	0
Hours worked	403-9 a, v	no.	**945,120**	810,943	712,847
WORK-RELATED INJURIES SUFFERED BY CONTRACTORS					
Total injuries	403-9 b, iii	no.	**2**	n.a.	n.a.
Fatal injuries	403-9 b, i	no.	**0**	n.a.	n.a.
Serious injuries	403-9 b, ii	no.	**1**	n.a.	n.a.
HEALTH AND SAFETY MANAGEMENT					
Employees covered by health and safety management policies or systems	403-8 a, i	no.	**553**	499	464
		%	**100%**	100%	100%
Employees covered by internally certified health and safety management policies or systems	403-8 a, ii	no.	**553**	499	464
		%	**100%**	100%	100%
Employees covered by externally certified health and safety management policies or systems	403-8 a, iii	no.	**177**	162	139
		%	**32%**	32%	30%

OCCUPATIONAL HEALTH SERVICES

Falck Renewables, pursuant to Italian laws, has developed a procedure to manage the process related to its Occupational Health Service, appointing a dedicated medical professional and identifying in detail the functions carried out and the management terms of access of the workers to this service.

The main aspects of this procedure include:
- identification of subjects under Periodic Health Surveillance;
- preparation of the Health Surveillance Plan by the corporate doctor;
- frequency of the Health Surveillance Plan review;
- organization of preventive and periodic medical exams.

In 2020, with reference to employees in Italy, agreements were entered into with private healthcare facilities Multimedica and Centro Diagnostico Italiano, in addition to the purchase of supplementary insurance stipulated from the AON insurance group, as discussed in the paragraph on the Covid-19 emergency.

[39]The data does not include the staff of BEHUS (USA), who joined the Group at the end of November 2020.

HEALTH PROTECTION DURING THE COVID-19

During the health Covid-19 health emergency, Falck Renewables worked to guarantee business continuity and, at the same time, ensure the protection of the health of its employees, aligning the measures to fight and contain the spread of the virus in the workplace with the provisions of the Memorandum of Understanding entered into by the Government and the concerned Stakeholders.

Specifically, employees at offices in Italy and abroad have been working remotely, and, in particular, Italian employees at offices in the Lombardy region began telecommuting as early as February 24, 2020.

Employees assigned to plants continued working on site, taking measures to fight and contain the spread of the virus at the workplace.

The agreements entered into with workers' representatives have provided for even more precautionary measures than those discussed in the Memorandum of Understanding between the Government and the concerned Stakeholders (for example, the requirement to comply with the minimum distance of 1.5 meters instead of 1 meter), and for shared operating procedures aimed to the containment of the virus.

All maintenance activities that could be postponed were scheduled for a later time. For the management of activities that cannot be postponed, procedures have also been prepared and shared with contractors, in order to safely manage all operations.

Finally, workers were informed and sensitized about all the protocols and operating procedures provided by the Istituto Superiore di Sanità [Italian Health Institute] for the containment of the spread of the Covid-19 virus, with reference to the increase in the frequency of cleaning and sanitization and the adoption of adequate hygiene practices.

The Company purchased a supplementary insurance from the AON insurance group in order to provide online medical assistance 24/7 to its employees and their families in Italy, given the critical situation and the difficulty in accessing the services provided by the National Health System. Services provided by the insurance company include the ability to receive a diagnosis through a "video visit" from a physician, the dispatch of a medical professional on-duty, or an ambulance to the employee's home. Other services provide specialist advice on issues outside of the Covid-19 crisis. From March 2020 until December 2020, there were about 180 medical and psychological support consultations provided by the insurance to the Group's employees in Italy and over 110 contacts involving requests for information.

Moreover, in order to inform and update its employees on constantly evolving regulatory developments and on the various initiatives and procedures implemented by the Group, the Company sent periodic updates by email and via the MEA application, which was also developed for managing attendance at work.

WORKER PARTICIPATION AND CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY ISSUES

Worker participation and consultation and any related communication regarding health and safety at work is implemented by the Group through the use of specific tools and approaches. In Italy, this communication is carried out primarily through the opportunity to proceed with the election of a Workers' Safety Representative (in Italian, "RLS"). Pursuant to Legislative Decree. 81/2008, workers can contact their RLS, who is also listed on the organization chart, by a dedicated e-mail address. The RLS can protect any worker who submits a risk report from possible retaliation. This figure is not currently foreseen in the other countries where the Group operates.

In the specific case of the Covid-19 emergency management, workers were consulted and participated in the implementation of health and safety prevention measures through the following means:
- internal protocol in partnership with a single union representation (in Italian, "RSU") and competent doctor for the thermal plants of Trezzo sull'Adda (Prima Srl) and Rende (Ecosesto SpA);
- fact-finding surveys to identify worker needs that have emerged as a result of measures taken with regard to the extensive use of remote working;
- targeted questionnaires to learn about employee needs and wants;
- targeted thematic meetings conducted online.

OCCUPATIONAL HEALTH AND SAFETY TRAINING FOR WORKERS

Information, education and training activities are aimed at ensuring that each worker is aware of his or her role and responsibilities, the actual or potential impact of his or her work and the correct behaviors to adopt.

All workers at the Company are subject to training, and in particular: newly hired workers, workers employed by Group companies, workers who change positions, temporary workers and interns.
Falck Renewables also pays particular attention to the training of new employees and employees joining the Company as a result of acquisitions, in order to ensure alignment in terms of skills and awareness of safe work.
Continuous training of workers in occupational health and safety was largely internalized to make the content more focused, often making use of the Company's online platform (Matrix), especially during the pandemic emergency. For courses taught by outside faculty, the Company turned to agencies that specialize in health and safety education.

Training is designed and delivered using easy-to-understand tools, such as Powerpoint presentations, videos, and visuals. Training effectiveness is assessed both through a special test (administered at the end of training) and through internal audits and interviews. Training is provided free of charge and during paid work hours, while duration and frequency vary depending on type and whether the course is mandatory.

The following courses were delivered in 2020 in order to increase workers' awareness of the risks existing in the company, as required by the Consolidated Act on Occupational Health and Safety (Italian Legislative Decree 81/08): mandatory general and specific training in accordance with the State-Regions agreement; refresher courses for managers of prevention and protection services (in Italian, "RSPP") and worker safety representatives; specific training courses for employees working at height; use of elevators and confined spaces; electrical risk for Expert Person (in Italian, "PES") and Informed Person (in Italian, "PAV"); construction site management; safety officers; first aid; external defibrillator (AED) training; fire prevention; safe and off-road driving; stress management.
In addition, during the year, the QHSE structure coordinated the course to become senior managers.

Below is a list of the main topics covered:
- Safety Management System: policy and objectives, organization chart, Risk Assessment results and delivery of the Occupational Health and Safety Disclosure (also available on the corporate intranet network);
- procedures pertaining to first aid, firefighting, and evacuation of workplaces;
- workers in charge of applying first aid and fire prevention measures;
- manager and employees of the prevention and protection service, worker safety representatives and competent doctor;
- specific risks to which a worker is exposed in relation to the activity performed, safety regulations and corporate provisions on the subject;
- hazards associated with the use of hazardous substances and preparations (based on the safety data sheets required by current regulations), good engineering practices and protective measures for working mothers;
- protection and prevention measures and activities implemented;
- serious and immediate hazards that may be produced by the natural sources in the area where activities are performed.

Ongoing health and safety training has been provided to all employees and contractors, with 4,517[40] hours delivered in 2020.
Contractor training was provided in the area of operational management of construction sites, and with a focus on compliance with regulations to contain the Covid-19 pandemic.

[40] The figure does not include 109 hours of QHSE training for interns delivered in 2020.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#falckrenewables #geopowersardegna
#parcoeolicobuddusoaladeisardi #sardinia

7 SOCIAL ISSUES

Social Issues

Social commitment to local areas and communities is ingrained in the Company's DNA.

Since the days when the Falck Group was one of the main players of the Italian steel production, this vocation concretely translated into the creation of services and facilities in the urban areas where the plants were located, through the management of a broad program of social and welfare benefits for its employees and their families.

Today, Falck Renewables, through its Sustainability Charter, remains equally committed to the areas where it operates its plants, to provide a concrete benefit to the local communities deriving from the presence of energy infrastructures.

The Group's aim is therefore to ensure that part of the value generated by renewable energy production is left where it is generated, thus creating a positive impact locally. This objective is pursued through a variety of initiatives that Falck Renewables carries out in concert with the local communities of the territories in which it operates: from the promotion of the local workforce and supplies to opportunities for plant financing and the support of concrete and tangible initiatives in the social, environmental, cultural and educational fields.

This commitment translates into community engagement programs[41], in accordance with the guidelines of the Sustainability Charter that are regularly monitored by the Company and assessed through specific Key Performance Indicators (KPIs).
At the end of 2020 there were 18 plants in operation with a significant community engagement programs in place, out of a total of 40 facilities, namely 45% of cases (GRI 413-1).

SUSTAINABILITY CHARTER

Community development

- We promote the use of the local labor force and a short supply chain
- We promote the economic participation of local communities in our plants, providing, where possible, the option to finance them (through local cooperative programs – so called "cooperative schemes")
- We support social, educational, environmental, or infrastructure initiatives in local communities (through community benefit programs - so called "community benefit schemes") and encourage the sharing of best practices

Training and education

- We support the creation of skills, competence and knowledge-sharing in relation to energy sustainability, including through training projects

Environmental protection

- We minimize the impact of our activities on the environment, in order to protect the ecosystem value of the territories that host us, as well as enhance their customs and traditions

[41] To be understood as the involvement of the local communities through cooperative, ownership and benefit programs, or with the local qualification of sustainable energy consumption services (i.e., community solar Power Purchase Agreement, access to net metering credit programs, etc.), for the benefit of the communities or public bodies/institution.

OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMS [42]	GRI	UM	2020	2019	2018
Number of assets (plants) with implemented local community engagement, impact assessments, and/or development programs	413-1	no.	**18**	16	15
Total number of assets (plants)	413-1	no.	**40**	39	31
Percentage of operations (plants) with implemented local community engagement, impact assessments, and/or development programs	413-1	no.	**45%**	41%	48%[43]

IMPACT ON LOCAL DEVELOPMENT

Interaction with local stakeholders begins in the early planning stages of facility development through consultation with project stakeholders (local authorities, landowners and residents).
Each step is agreed with local authorities, and the project is designed to minimize the impact on the environment and on local residents.

During the construction phase, a permanent communication channel is opened with local residents, and namely, the setup of a Construction Liaison Group, whose purpose is to offer continuous and transparent updates on the progress of work, and to promptly address any issues reported during the construction process.

Another pillar of its approach concerns Falck Renewables' propensity to opt for short supply chain procurement whenever technical and quality requirements and safety standards can be met by local companies. The work created is temporary in nature during the construction phase, and then permanent for ongoing maintenance or site surveillance activities.

A Contractors Open Day is organized in the area concerned, with the aim of illustrating to interested companies the standards required in terms of supply of goods or services. During 2020, due to the Covid-19 pandemic, the aforementioned event could not be held for the Okla wind farm project, which is currently under construction. In this case, the search for local suppliers, also supported by local business partners, was performed informally and proactively, through communication in the local press and a selection of contractors previously hired in the construction of the Norwegian Hennoy plant.

USE OF COOPERATIVE AND CO-OWNERSHIP PROGRAMS

Falck Renewables has designed innovative models for sharing the economic value generated by renewable plants with local communities, through two main schemes:
- Local cooperative scheme - is a local partnership for plant financing that involves the creation of cooperatives whose members are part of the local community. Cooperative members purchase a share of funding of the plant, and they are then remunerated annually through the interest earned by the financing, along with the final repayment of the invested share. This model has been adopted in the UK since 2005 and Falck Renewables was its pioneer on an international level. To date, the cooperative scheme is applied to 8 of the Group's wind farms in the UK.
- Co-ownership scheme - this model envisages the local community to be set up as a social enterprise or other legal form, in order to purchase a share equivalent of the plant owned by Falck Renewables, and from which the community earns income from the sale of electricity referred to a virtual plant turbine. This program is implemented in Scotland, in Fintry, a town of 700 inhabitants where, since 2007, Fintry Renewable Energy Enterprise (FREE) has signed an agreement with the British subsidiary of Falck Renewables that provides for the ownership by FREE of a share of the Earlsburn plant, equal to one turbine equivalent.

In Italy, with a view to extending this value-sharing practice, Falck Renewables is organizing an alternative financing opportunity for photovoltaic projects currently in the authorization phase.
The initiative being developed will allow citizens, mainly those residing where a renewable sources energy-producing plant will be built, to participate in the financing of the initiative, through an online lending crowdfunding platform. The loan will be repaid by the Group according to a multi-year repayment plan at a particularly interesting interest rate.

[42] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.
[43] The rate calculated on the 2018 values is higher if compared to the years 2019 and 2020 as the perimeter of the number of plants considered was lower.

SOCIAL COMMITMENT

Falck Renewables supports the implementation of social projects in the local communities where it operates through donations and sponsorships, or by creating community benefit trust funds (community benefit schemes) that are managed and administered independently by local associations. Falck Renewables' contribution to these funds is guaranteed for the entire active life of the plant.

In 2020, 2 new community benefit schemes were established:
- in the town of Svelgen (Municipality of Bremanger), in Norway, where the community benefit scheme powered by a portion of the proceeds from our Hennøy wind farm supports an independent, non-profit, community-run association - Hennøy VindForening - dedicated to implementing projects with a social, environmental and/or cultural impact;
- in the municipalities of Tordesillas and Velilla, in the region of Castilla y León, Spain, where the community benefit scheme, powered by part of the proceeds from the Carrecastro wind farm, supports an independent, non-profit association run by the local community, the "Asociación Cultural Palenque - Medieval".

In 2020, 15 wind or photovoltaic installations funded a community benefit scheme, including 12 in the UK, 1 in Sweden, 1 in Norway, and 1 in Spain. Over the course of the 2020, these funds have supported more than 170 projects developed by individual associations for the benefit of the communities concerned, spanning a variety of areas: education, culture, leisure, social impact, environmental protection, sustainable energy and, infrastructure.
The results of supported projects, as well as experiences and good practices in the use of funds are shared through the Falck Renewables Sustainable Communities network, which has been active since 2018, also through the web portal (www.community.falckrenewables.eu). These resources allow the populations living around the plants to exchange ideas and good practices on the topics of sustainable development and renewable energy, discussed at the Sustainable Communities Forum organized by Falck Renewables.

In 2020, a competition for ideas among local communities was launched in the United Kingdom; the goal was for the participants to come up with innovative plans for managing the Covid-19 crisis at the local level. The selected initiatives aimed to purchase social distancing equipment, digitize training courses for people in a fragile state, and provide psychological and social support services during lockdown.
The third edition of the "Falck Renewables Support Scheme for Sustainable Energy Studies", was also held in the United Kingdom in 2020. The initiative aimed at concretely supporting the development of professional skills linked to the renewable energy sector at a local level, provided for the creation of a scholarship with a maximum value of 6,000 pounds for the benefit of 5 students and young professionals, for the completion of a sector-related professional training course[44].
During the year, with a view to extending this approach to other geographical areas of operation, the "Falck Renewables Support Scheme for Sustainable Energy Studies" was launched in two new countries: Sweden and Spain.
Overall, including all the different forms of contribution, from benefit schemes to sponsorships and support for trust funds, the amount of investment for communities in 2020 was 3.1 million Euros, of which 77% was made in the United Kingdom.

SPONSORSHIPS AND INVESTMENT IN THE COMMUNITY [45]	GRI	UM	2020	2019	2018
INVESTMENT IN THE COMMUNITY					
Total investments	203-1	k€	**3,106**	2,631	2,916
TYPE OF INVESTMENT					
Sponsorships	203-1 c	k€	**76**	81	89
Donations (including funding to collective benefit schemes)		k€	**1,404**	1,384	1,313
International support program for the Covid19 crisis		k€	**783**	n.a.	n.a.
Interest for cooperative schemes and ownership scheme		k€	**843**	1,166	1,514
DISTRIBUTION OF INVESTMENTS BY AREA OF INTERVENTION					
Social commitment		k€	**2,745**	2,533	2,813
Sustainable energy		k€	**50**	0	0
Environment		k€	**59**	2	0
Local culture and traditions		k€	**0**	14	12
Education		k€	**32**	82	78
Sport		k€	**0**	0	0

[44] Residence in the areas adjacent to the Falck Renewables Group renewable plants (municipality/province, depending on the country of reference) was one of the eligibility criteria for scholarship award.
[45] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

SPONSORSHIPS AND INVESTMENT IN THE COMMUNITY	GRI	UM	2020	2019	2018
Health		k€	**221**	0	0
Other		k€	**0**	0	12
DISTRIBUTION OF INVESTMENT BY GEOGRAPHICAL AREA					
Italy		k€	**483**	131	102
UK		k€	**2,385**	2,489	2,807
Spain		k€	**56**	2	0
France		k€	**88**	0	0
USA		k€	**79**	0	0
Sweden and Norway		k€	**13**	9	7
Other countries (Mexico)		k€	**2**	0	0

COVID-19 EMERGENCY: THE INTERNATIONAL SUPPORT PROGRAM

During 2020, Falck Renewables, in addition to its existing initiatives, launched an international support program to alleviate the impact of the Covid-19 pandemic by targeted actions aimed at the local communities and territories in which it operates.

The program - worth 783 thousand Euros - has supported local communities living near Falck Renewables' wind and solar plants in the UK, Italy, France, Spain and the USA, where the pandemic has had significant health and social consequences.

In the UK, the Company donated to community benefit trusts linked to the Group's 12 wind farms, located in Scotland, England and Wales, enabling them to deal with health emergencies and providing support to people in fragile situations (psychological assistance, food collections and personal protection equipment).

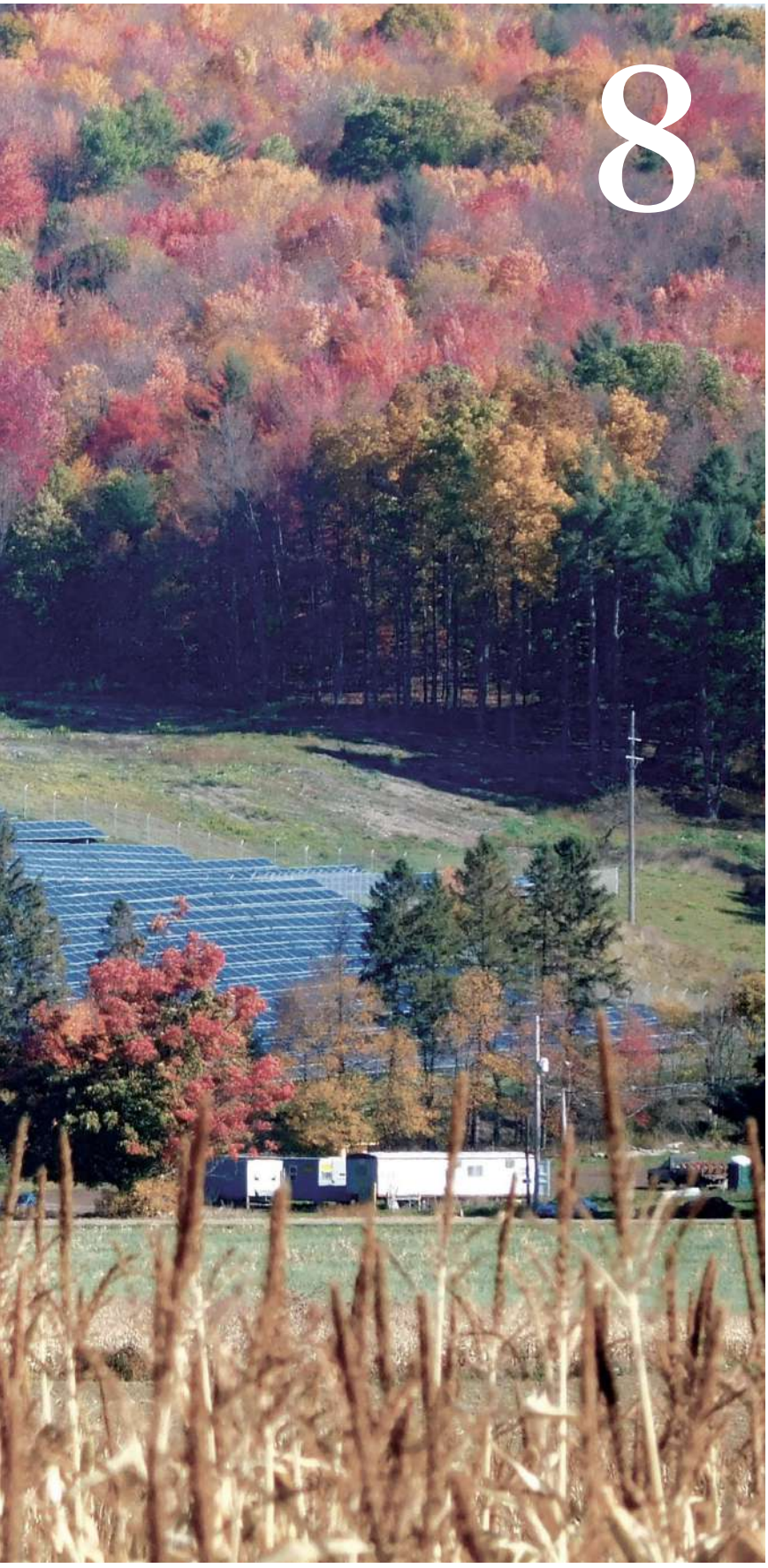
In Italy, support has been oriented to assist local communities living in the 9 municipalities near the 8 Falck Renewables plants in Sardinia, Apulia, Calabria and Sicily.

The funds were used to locally support Civil Defense, social services, hospitals and emergency services and to contribute to the Family Food Bank initiative. Also in Italy, Falck Renewables has supported two scientific studies carried out by the University of Milan on therapeutic solutions to fight the spread of the Covid-19 virus.

In France, the contribution was directed to the 15 municipalities in which Falck Renewables operates its 9 wind farms, located in the regions of Brittany, Centre-Val de Loire, Grand-Est, Hauts-de-France, Nouvelle-Aquitaine and Pays de la Loire. The funds helped support initiatives implemented by municipalities and the local population and economy, helping to contain the spread of the virus through the purchase of masks and other protective devices.

In Spain, Falck Renewables has donated to the municipalities around its two wind farms, located in the autonomous communities of Castilla y León and Aragon. The contribution was directed to the protection of the most vulnerable segments of the population, supporting them in the purchase of health equipment.

In the United States, Falck Renewables has supported communities closed to its solar plants in Massachusetts and North Carolina by funding a home delivery service of food for the elderly during the emergency.



8 ENVIRONMENTAL CONCERNS

Environmental Concerns

The protection and preservation of the environmental heritage and natural resources is a fundamental principle underlying the Company's mission, enshrined in the Group's Code of Ethics and in the Sustainability Charter.

In all the contexts in which it operates, Falck Renewables undertakes to act in full respect of the laws and regulations in force on the subject and aims at the continuous improvement of its environmental performance, through the application of advanced technologies, risk assessment and management, training, awareness and involvement of employees and collaborators, and the application of environmental sustainability criteria in the selection of suppliers.

ENVIRONMENTAL MANAGEMENT POLICIES AND TOOLS

The Group's QHSE Policy[46], together with the continuous monitoring and updating of the quality, environmental and safety management systems, defines the guidelines to implement at every stage of its environmental monitoring activities, and promotes the culture of respect for the environment within the Company. The implementation of the policy guidelines is managed centrally by the Group's QHSE department, which monitors the evolution of regulations at international, national and local level, provides advice and instructions to plant site managers, who are in turn responsible for environmental management at local level, and carries out periodic audits on the application of the relevant legal provisions and internal procedures.

The principles of environmental protection apply to the entire life cycle of the plants, from the design phase to the construction site, until decommissioning. All projects for the construction of new wind farms and photovoltaic plants are preceded by environmental impact studies and, if required by law, undergo an Environmental Impact Assessment (EIA) procedure which, in Italy, each region regulates within the parameters of and according to the principles of national legislation. In particular, the EIA considers visual and landscape impact, land consumption, acoustic impact, repercussions on birdlife and possible loss of biodiversity. The authorization process may give rise to specific commitments related to any requirements received. During 2020, the authorization process was completed for 4 plants under development in USA, for a total installed capacity of approximately 30 MW. With this in mind, the Company has also begun performing Life Cycle Assessments ("LCA") on the construction of wind power plants, with a pilot project carried out on the Hennoy plant, and Organization Environmental Footprint ("OEF") studies carried out in 2020 on the Rende and Trezzo thermal plants.

[46] The Group's QHSE policy is available on the Company's website.

ENVIRONMENTAL AUDITS[47]	UM	2020	2019	2018
Internal audits[48]	no.	21	55	157
External audits carried out (third party, for recertification, etc.)	no.	13	13	6
Total audits	no.	34	68	163

EXTERNAL INSPECTIONS[49]	UM	2020	2019	2018
Carried out by ASL, ARPA, the Municipality, the Province, the Region and other bodies within the scope of Falck Renewables	no.	8	2	3

ENVIRONMENTAL COMPLIANCE[50]	GRI	UM	2020	2019	2018
Sanctions received for non-compliance with environmental regulations	307-1 a	no.	0[51]	1	1
Monetary value of sanctions	307-1 a, i	k€	0	6.5	6
Number of non-monetary sanctions	307-1 a, ii	no.	0	n.a.	n.a.
Cases handled with dispute resolution mechanisms	307-1 a, iii	no.	0	0	0

A number of operating plants are also covered by ISO 14001:2015 certified management systems, which require context analysis aimed at identifying risks and opportunities related to environmental aspects in areas near the plants, as well as the monitoring of data trends and performance indicators.
The Trezzo sull'Adda thermoelectric plant, which serves the north-eastern area of the province of Milan, and the Minervino Murge wind farm are also EMAS registered and subject to the publication of an Environmental Statement in which all the plant's operating and environmental impact data are reported.
One of the Group's objectives is to increase the number of certified plants. During 2020, the environmental management system of the Buddusò/Alà dei Sardi wind farm of Geopower Srl was implemented, thus obtaining ISO 14001:2015.
The significance of the environmental impacts of the Group's activities, with reference to the operating phase, is shown in the following diagram.

MAIN ENVIRONMENTAL IMPACTS BY TYPE OF ACTIVITY[52]

	Production of electrical energy from wind/ photovoltaic source	Production of thermoelectric energy	Production of electrical energy (Biomass - Rende site)	Headquarters Activities
Consumption of energy resources		X	X	X
Atmospheric emissions		X	X	
Land Use/Biodiversity	X			
Water consumption and discharge		X	X	X

[47] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.
[48] It refers to Falck Renewables staff visits for plant monitoring and O&M.
[49] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.
[50] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.
[51] Penalties and fines of less than € 5,000 are not included. In 2020 there were penalties for a total value of € 1,300.
[52] Following the internal assessments and materiality analysis, the issue related to waste management did not emerge as a relevant issue for the Group, net of the Trezzo d'Adda plant.

The application of environmental protection principles is extended to the supply chain. For product categories that present critical environmental, health and safety issues, the Group's purchasing procedure not only requires due diligence on a supplier's technical and management capacities, but also the collection and validation of information relating to the possession of authorizations and certified management systems or, as an alternative to these, the presence of applicable procedures on the subject.
Suppliers who are critical to environmental issues are then audited before they become service providers for the Group and then periodically to verify compliance with the required standards.
During 2020, provider audits were not conducted due to the health situation.

ENERGY AND ATMOSPHERIC EMISSIONS

Energy consumption is concentrated in the activities of waste-to-energy of municipal solid waste and special non-hazardous waste and biomass (virgin wood and waste from short supply chain), for which diesel oil and natural gas are used as fuels respectively, and in the activities of the head offices, where electricity is consumed and, in the case of the Sesto San Giovanni office, heat from the district heating network.

As far as combustion plants, Falck Renewables has chosen combustion technologies that minimize the production of pollutants by promoting upstream interventions over downstream purification. Atmospheric emissions are continuously monitored at these plants.
In the case of the Trezzo sull'Adda thermal plant, the Emissions Monitoring System (EMS) also provides real-time emission data to the control body, as a greater guarantee of compliance with environmental parameters.

On the other hand, energy consumption for the operation of wind farms and photovoltaic plants is almost irrelevant. It is estimated, moreover, that in nine months a turbine has already produced the energy necessary for its entire life cycle, from extraction of the raw materials necessary for the construction, until the disposal of the last component.

Over 824 thousand MWh of energy was consumed during 2020 by the Group globally, with a decrease in consumption of 11.4% respect to previous year. The reduction is almost entirely attributable to the reduced activity at Rende biomass plant, due to a shut down for maintenance.

Direct emissions (scope I) related to waste-to-energy and biomass combustion activities, and indirect emissions (scope II) of CO_2, linked instead to electricity consumption, amounted to a total of 158.4 thousand tons, increasing by 40.7% respect to previous year. The significant increase is entirely attributable to the change of the specific emission factor provided by the Ministry of the Environment and used to calculate the amount of emissions from the waste incineration at Trezzo sull'Adda waste-to-energy plant.

ENERGY CONSUMPTION [53]	GRI	UM	2020	2019	2018
Total energy consumption (B+C)	302-1 e	MWh	**824,314**	930,375	888,460
of which from renewable energy sources (A1+D)		MWh	**524,280**	623,401	592,236
BREAKDOWN OF DIRECT PRIMARY ENERGY CONSUMPTION BY SOURCE AND TYPE					
Direct consumption of primary energy from renewable sources (A1)	302-1 b	MWh	**523,777**	622,856	592,236
of which biomass (Rende)		MWh	**341,262**	434,005	409,000
of which waste (Trezzo)		MWh	**182,515**	188,851	183,236
Direct consumption of primary energy from non-renewable sources (A2)	302-1 a	MWh	**293,627**	302,848	294,132
of which natural gas (Rende)		MWh	**5,903**	7,922	11,199
of which diesel (Trezzo)		MWh	**9,721**	12,215	8,628
of which waste (non-renewable component) (Trezzo)		MWh	**273,226**	282,711	274,305

[53] The 2020 data includes the energy consumption of the Group's plants, of all the offices in Italy and of the foreign offices with more than 9 employees. Furthermore, starting from 2020, the energy consumption relating to the company car fleet was tracked. Compared to 2019 data, the electricity consumption of photovoltaic plants in the USA was considered, with the exception of the BEHUS (USA) plants, which entered the Group's perimeter at the end of November 2020. For the calculation of the 2020 data of the energy consumption of biomass (Rende plant) and waste (Trezzo sull'Adda plant) a specific Lower Calorific Value (LCV) was used, calculated indirectly on the basis of the productions relating to the reference calendar year. For the calculation of 2020 data of the energy consumption of natural gas (Rende plant) and diesel (Trezzo sull'Adda plant) the LCV reported in the "National Standard Parameters Table" published by the Ministry of the Environment of the year 2019 was used.

ENERGY CONSUMPTION	GRI	UM	2020	2019	2018
of which gas for heating offices		MWh	**4,600**	n.a.	n.a.
of which gasoline for automotive[54]	302-1 a	MWh	**98**	n.a.	n.a.
of which diesel fuel for automotive[55]		MWh	**79**	n.a.	n.a.
Total direct energy consumption (B=A1+A2)	302-1	MWh	**817,404**	925,704	886,368
PURCHASE OF ELECTRICITY					
Electricity purchase (C)		MWh	**6,910**	4,671	2,093
for powering wind farms	302-1 c	MWh	**3,750**	3,530	1,014
for operating the offices		MWh	**736**	646	609
for powering photovoltaic plants		MWh	**1,143**	252	253
for powering thermal plants		MWh	**1,281**	243	216
For automotive	302-1 a	MWh	**n.a.**	n.a.	n.a.
Share purchased from renewable (D)		MWh	**503**	545	n.a.
Self-produced energy consumption (E)		MWh	**34,351**	38,113	36,858
of which from renewable energy sources (F)	302-1	MWh	**26,822**	27,234	26,291

CARBON FOOTPRINT	GRI	UM	2020	2019	2018
Direct CO_2 emission - Scope I[56]	305-1 a	tCO_2	**156,665**	111,450.5	112,781.4
Indirect CO_2 emissions - Scope II[57] (location based)	305-2 a	tCO_2	**1,824.5**	1,176.9	662.1
Total CO_2 emissions		tCO_2	**158,489.5**	112,627.3	113,443.5
AIR EMISSIONS[58]					
NOx (Trezzo)	305-7 a, i	t	**76.3**	79.8	78.1
NOx (Rende)	305-7 a, i	t	**148.0**	159.5	149.2
SOx (Trezzo)	305-7 a, ii	t	**3.9**	5.5	4.0
SOx (Rende)	305-7 a, ii	t	**0.070**	0.050	0.031
CO (Trezzo)	305-7 a, vii	t	**14.9**	14.3	12.02
CO (Rende)	305-7 a, vii	t	**62.6**	76.04	71.4

[54] The figure takes into consideration the mixed use of the company car fleet (70% of consumption is attributed to the company).
[55] The figure takes into consideration the mixed use of the company car fleet (70% of consumption is attributed to the company)..
[56] For the calculation of emissions, the emission factors reported in the "National Standard Parameters Table" of the United Nations Framework Convention on Climate Change (UNFCCC), published annually by the Ministry of the Environment, were adopted. The increase in scope 1 emissions is due to a significant change in the emission factor, which went from 0.733 tons to 1.081 tons of CO2 emitted per ton of waste treated.
[57] References of the emission factors applied for the 2020 calculation: EU and UK: "Atmospheric emission factors of greenhouse gases in the national electricity sector and in the main European countries "(ISPRA, 2020); Norway: "Electricity disclosure 2018" (NVE-RME, 2019); Mexico: "*Factor de Emisión del Sistema Eléctrico Nacional 2019*" (CRE, 2020); Japan: "Japan's current progress of GHG reduction" (UNFCCC, 2019); USA: "Emission Factors for Greenhouse Gas Inventories" (table 6), (US Environmental Protection Agency, 2020).
[58] In 2020 the value of atmospheric emissions generated by the use of the company car fleet was 0.104 t NOx and 0.165 t CO. The average emission factors relating to road transport by ISPRA were adopted to calculate the emissions. The value of atmospheric emissions generated by natural gas for heating offices was 0.281t NOx, 0.004 tSOx and 0.331 tCO. The 2018 average emission factors for combustion sources in Italy by ISPRA were adopted to calculate the emissions.

Below is the detail of indirect CO2 emissions - Scope II (305-2), divided by country according to the location based and market-based approach. The value of market-based emissions takes into account the certified supply from renewable sources in France and the UK.

INDIRECT CO_2 EMISSIONS - SCOPE II (305-2)	UM	2020	
		Location based	*Market based*
Spain	tCO_2	123.0	not applicable
France	tCO_2	24.7	11.8
Italy	tCO_2	1,035.1	not applicable
Norway	tCO_2	8.0	not applicable
Sweden	tCO_2	3.6	not applicable
UK	tCO_2	208.1	186.1
Mexico	tCO_2	3.1	not applicable
Japan	tCO_2	16.9	not applicable
US	tCO_2	402.1	not applicable
Total	tCO_2	1,824.5	

WATER

Water is primarily used in thermoelectric cycles, and residually for firefighting, landscape irrigation, and sanitary use.

During 2020, water usage totaled over 658,489 m^3 (approximately -14.7% over 2019). Discharges, on the other hand, totaled 253,198 m^3.

In thermoelectric plants, most of the water used is lost to the atmosphere in the form of water vapor, while wastewater from the process is largely reused for process needs.

WATER [59]	GRI	UM	2020	2019	2018
Water withdrawn					
Total water withdrawn	303-3 a	m^3	**658,489**	772,331	729,240
BREAKDOWN OF WATER WITHDRAWN BY SOURCE AND WATER QUALITY					
From surface water (lakes, rivers, etc.)	303-3 a, i	m^3	**531,242**	660,395	614,108
of which freshwater	303-3 c, i	m^3	**531,242**	660,395	614,108
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From groundwater	303-3 a ii	m^3	**88,685**	74,460	81,328
of which freshwater	303-3 c, i	m^3	**88,685**	74,460	81,328
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From seawater	303-3 a, iii	m^3	**0**	0	0
of which freshwater	303-3 c, i	m^3	**0**	0	0
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From produced water	303-3 a, iv	m^3	**0**	0	0
of which freshwater	303-3 c, i	m^3	**0**	0	0
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From third-party water (from municipal water or other public or private water services)	303-3 a, v	m^3	**38,562**	37,476	33,804
of which freshwater	303-3 c, i	m^3	**38,562**	37,476	33,804
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
WATER WITHDRAWALS FROM AREAS WITH WATER STRESS BY SOURCE AND WATER QUALITY					
Water withdrawals from areas with water stress	303-3 b	m^3	**0**	0	0
From surface water (lakes, rivers, etc.)	303-3 b, i	m^3	**0**	0	0
of which freshwater	303-3 c, i	m^3	**0**	0	0
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From groundwater	303-3 b, ii	m^3	**0**	0	0

[59] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.

WATER	GRI	UM	2020	2019	2018
of which freshwater	303-3 c, i	m^3	**0**	0	0
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From seawater	303-3 b, iii	m^3	**0**	0	0
of which freshwater	303-3 c, i	m^3	**0**	0	0
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From produced water	303-3 b, iv	m^3	**0**	0	0
of which freshwater	303-3 c, i	m^3	**0**	0	0
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From third-party water (from municipal water or other public or private water services)	303-3 b, v	m^3	**0**	0	0
of which freshwater	303-3 c, i	m^3	**0**	0	0
of which other water (non-freshwater)	303-3 c, ii	m^3	**0**	0	0
From surface water	303-3 b, v	m^3	**0**	0	0
From groundwater		m^3	**0**	0	0
From seawater		m^3	**0**	0	0
From produced water		m^3	**0**	0	0
WATER DISCHARGE					
Total water discharge	303-4 a	m^3	**253,197**	313,178	370,227
in areas with water stress	303-4 c	m^3	**0**	0	0
BREAKDOWN OF WATER DISCHARGES BY DESTINATION					
of which into surface water (lakes, rivers, etc.)	303-4 a, i	m^3	**252,819**	312,826	368,728
into groundwater	303-4 a, ii	m^3	**0**	0	0
into seawater	303-4 a, iii	m^3	**0**	0	0
of which into municipal sewers or into other public or private water services	303-4 a, iv	m^3	**378**	352	1,499
into third-party water (from municipal water or other public or private water services)		m^3	**0**	0	0
A BREAKDOWN OF TOTAL WATER DISCHARGE TO ALL AREAS BY THE FOLLOWING CATEGORIES					
of which freshwater	303-4 b, i	m^3	**253,197**	313,178	370,277
of which other water (non-freshwater)	303-4 b, ii	m^3	**0**	0	0
BREAKDOWN OF TOTAL WATER DISCHARGE TO ALL AREAS WITH WATER STRESS BY CATEGORIES					
of which freshwater	303-4 c, i	m^3	**0**	0	0
of which other water (non-freshwater)	303-4 c, ii	m^3	**0**	0	0

LAND USE AND BIODIVERSITY PROTECTION

The protection of biodiversity is mainly related to the presence of wind farms and photovoltaic plants on given areas.

Among the plants in operation, 2 are adjacent to protected areas with a high biodiversity value:
- the Minervino Murge wind farm adjacent to the Alta Murgia National Park in Puglia (Italy);
- the San Sostene wind farm located near the Serre regional park in Calabria (Italy).

The impact on fauna and vegetation of a given area is mostly attributable to site works during construction (or decommissioning) of the plant, which require the construction of an access road to the site, as well as service and storage and assembly areas, foundation works for turbines, and construction of power lines. Once the work is completed, the site is then upon the completion of greening works and the regrowth of any previously removed vegetation, generally facilitated also by high ventilation. For environmental restoration and re-qualification works, the Company relies on techniques, methodologies and materials that are adapted to the specific case and allow a quick and effective restoration of the original conditions, or, in some cases, go even further, enhancing a local area through the creation of natural habitats in areas around the plants.
While the LCA analyses discussed in the previous paragraphs provides useful information to identify areas for improvement, they also provide important benchmark data with other renewable technologies and a variety of reference sectors.

BIODIVERSITY[60]	GRI	UM	2020	2019	2018
OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS[61]					
Minervino Murge wind farm	304-1 v	km^2	**8**	8	8
San Sostene wind farm	304-1 v	km^2	**7**	7	7

One example is the Auchrobert wind farm in Scotland, 25 km south of Glasgow, consisting of 12 turbines integrated into the partially wooded hilly area of South Lanarkshire, where a solution has been promoted to return 18.2 hectares of farmland to its original woodland environment, on the banks of two nearby waterways, and the aim of recreating a diverse woodland habitats.

With regard to running wind turbines, the most significant impact is on birdlife, which may collide with the wind turbine blades. Bird activity is greatest on calm or low wind days, and tends to decrease to the point of cessation for some bird species on excessively windy days. At the same time, flight altitude decreases with increasing wind speed.

Large wind turbines operate at a fairly low RPM, which makes the movement of the blades sufficiently visible to birds. Rotation speed increases as windiness increases, but at near-zero or excessive windiness activity ceases, thanks to the activation of control and safety systems, greatly reducing or eliminating collision risks.
During the design phase, the main measure to protect birdlife is the mitigation of the barrier effect, which is implemented through the evaluation of the correct spacing and positioning of the towers.

[60] The data does not include the BEHUS plants (USA), which entered the Group's perimeter at the end of November 2020.
[61] The calculation of the surface was carried out by measuring the area enclosed in the perimeter that joins the outermost perimeter towers of the plant. The Minervino Murge wind plant is about 300m from the borders of the Alta Murgia National Park and the San Sostene wind plant is about 500m from the Serre Regional Park (as a reference, the turbine closest to the Park is considered).

9

PROTECTION OF HUMAN RIGHTS

Protection of Human Rights

Falck Renewables is aware of the importance of the protection of human rights in relation to the performance of its activities.

In particular, in carrying out its activities, the Group pays attention to:
- The fundamental rights of the individual;
- labor rights as they are referred to in the conventions of the International Labor Organization (ILO);
- the right to health, safety and protection of personal data;
- the right to a healthy environment and access to energy and natural resources, in the interest of the individual and the community, as well as of future generations.

In the analysis of materiality, the protection of human rights has not emerged as a material theme in its own right because it is connected to other material themes, already dealt with in this Declaration, to which we refer for more details.

As far as individual rights are concerned, the Group's Code of Ethics and Diversity and Inclusion Policy promote:
- focus on the person, respect for fundamental rights, protection of moral integrity and guarantee of equal opportunities, both within and outside the Group;
- commitment to ensure that all racist, sexist, homophobic, biphobic and transphobic attitudes are immediately countered in the workplace and that no episodes of mobbing or stalking occur;
- protection of the personal data of employees, in compliance with the regulations.

The protection of human rights also extends to the supply chain and third parties. In particular, contractors, sub-contractors and business partners acting on behalf of the Group are required to comply with the principles and provisions set forth in the Diversity and Inclusion Policy, and the Company may verify their conduct in this regard.

Furthermore, in cases where suppliers operate in "at-risk" countries, recognized as such by international bodies, Falck Renewables foresees specific contractual clauses that commit the supplier to respect human rights with the possibility to carry out controls at the premises or production units concerned.

In connection with the foregoing, Falck Renewables publishes an annual report in accordance with the provisions of 2015 The Modern Slavery Act.

The Company encourages employees to take an active stance against any form of discrimination and to report any suspicious acts or discriminatory practices through its whistleblowing portal. In this regard, no reports of incidents of discrimination were received during 2020 (GRI 406-1).

GRI Standard Correlation Table

GRI STANDARD	DISCLOSURE	PAGE	NOTES - OMISSIONS
GRI 102 – GENERAL DISCLOSURE			
102-1	Organisation name	Falck Renewables S.p.A.	
102-2	Brands, products and services	pages 8, 9	
102-3	Location of headquarters	page 8	
102-4	Location of operations	page 8	
102-5	Ownership structure	page 24	
102-6	Markets served	page 9	
102-7	Scale of the organisation	page 8	
102-8	Information about employees and other workers	page 41	
102-9	Supply chain	page 12	
102-10	Significant changes in the organisation and its supply chain	n.a.	
102-11	Precautionary approach or principle	pages 28-30	
102-12	Subscription to charters, principles or other external initiatives	page 15	
102-13	Membership of associations	page 15	
102-14	Statement from the Chairman	n.a.	
102-16	Values, principles, standards and norms of behaviour	page 26	
102-18	Governance structure	page 24	
102-40	List of stakeholders	page 20	
102-41	Collective agreement	page 43	
102-42	Identification and selection of stakeholders	page 20	
102-43	Approach to stakeholder engagement	page 20	
102-44	Key topics and concerns that have been raised through stakeholder engagement and how the organisation has responded (stakeholder engagement)	page 21	
102-45	Entities included in the consolidated financial statement	pages 80, 81	
102-46	Defining the report content and the aspect boundaries	pages 20, 21	

GRI STANDARD	DISCLOSURE	PAGE	NOTES - OMISSIONS
102-47	List of the material aspects	page 21	
102-48	Restatements of information	page 21	
102-49	Changes in reporting	n.a.	
102-50	Reporting period	page 5	
102-51	Date of most recent previous report	n.a.	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	Back cover	
102-54	Statement of compliance with the GRI Standards	page 5	
102-55	GRI Content Index	pages 76, 77	
102-56	External assurance	page 84	
GRI 200 – ECONOMIC DISCLOSURE			
203 – Indirect economic impacts			
103-1;103-2;103-3	Management approach	pages 58-61	
203-1	Sponsorship and investment in the community	page 60	
204 - Procurement practices			
103-1;103-2;103-3	Management approach	pages 12, 13	
204-1	Value and location of supplies	pages 13, 14	
205 – Anticorruption			
103-1;103-2;103-3	Management approach	pages 34, 35	
205-2	Communication and training on anti-corruption policies and procedures	pages 35 - 37	
205-3	Confirmed incidents of corruption and actions taken	page 37	
207 - Tax			
103-1;103-2;103-3	Management approach	page 31	
207-1	Approach to tax	page 31	
207-2	Tax governance, control and risk management	page 31	
207-3	Stakeholder engagement and management concerns related to tax	page 31	
GRI 300 - ENVIRONMENT			
302- Energy			
103-1;103-2;103-3	Management approach	pages 64 - 68	
302-1	Energy consumption within the organisation	pages 66, 67	

GRI STANDARD	DISCLOSURE	PAGE	NOTES - OMISSIONS
303 – Water			
103-1;103-2;103-3	Management approach	pages 64, 65, 69	
303-1	Interactions with water as a shared resource	pages 64, 65, 69	
303-2	Management of water discharge-related impacts	pages 64, 65, 69	
303-3	Water withdrawn by source	pages 69, 70	
303-4	Water discharge	page 70	
304 - Biodiversity			
103-1;103-2;103-3	Management approach	pages 64, 65, 71	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	page 71	
305 – Emissions			
103-1;103-2;103-3	Management approach	pages 64 - 66	
305-1	GHG Direct Emissions (Scope 1)	page 67	
305-2	Indirect GHG emissions from energy consumption (Scope 2)	pages 67, 68	
305-7	Air emissions	page 67	
307 – Environmental compliance			
103-1;103-2;103-3	Management approach	pages 64, 65	
307-1	Cases of non-compliance with environmental laws or regulations	page 66	
308 – Supplier environmental assessment			
103-1;103-2;103-3	Management approach	pages 12, 13, 66	
308-1	New suppliers that were screened using environmental criteria	page 14	
GRI 400 - SOCIAL			
401 – Employment			
103-1;103-2;103-3	Management approach	page 41	
401-1	New employees hires and employee turnover	pages 41 - 45	
403 – Occupational health and safety			
103-1;103-2;103-3	Management approach	pages 50, 51	
403-1	Occupational health and safety management system	pages 50, 51	
403-2	Hazard identification, risk assessment, and incident investigation	page 51	
403-3	Occupational health services	page 52	

GRI STANDARD	DISCLOSURE	PAGE	NOTES - OMISSIONS
403-4	Worker participation, consultation, and communication on occupational health and safety	page 55	
403-5	Worker training on occupational health and safety	page 55	
403-6	Promotion of worker health	page 52	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	n.a.	
403-8	Workers covered by an occupational health and safety management system	page 51	
403-9	Work-related injuries	page 52	
404 – Training and education			
103-1;103-2;103-3	Management approach	page 46	
404-1	Average annual training hours per worker	pages 46, 47	
404-2	Programs for upgrading employee skills and transition assistance programs	page 46	
404-3	Percentage of employees receiving regular performance and career development reviews	pages 46, 47	
405 – Diversity and equal opportunities			
103-1;103-2;103-3	Management approach	page 43	
405-1	Diversity of governance bodies and employees	pages 25, 42, 43	
406 – Non-discrimination			
103-1;103-2;103-3	Management approach	page 74	
406-1	Incidents of discrimination and corrective actions taken	page 74	
413 – Local communities			
103-1;103-2;103-3	Management approach	pages 58 – 61	
413-1	Operations with local community engagement, impact assessments, and development programs	page 59	
414 – Supplier social assessment			
103-1;103-2;103-3	Management approach	pages 12, 13	
414-1	New suppliers that were screened using social criteria	page 14	
419 – Socioeconomic Compliance			
103-1;103-2;103-3	Management approach	pages 30, 31	
419-1	Non-compliance with laws and regulations in the social and economic area	page 30	

Scope

COMPANY	COUNTRY
Vector Cuatro Australia Pty Ltd	Australia
Vector Cuatro EOOD	Bulgaria
Vector Cuatro Chile Spa	Chile
CEP Tramontane 1, Sas	France
Parc eolien de Bois Ballay Sas	France
Parc eolien des Coudrays Sas	France
Parc eolien de Mazeray et de Bignay Sas	France
EOL Team Sas	France
Ferme éolienne de Noyales Sas	France
Esquennois Energie Sas	France
Falck Energies Renouvelables Sas	France
Parc Eolien du Fouy Sas	France
Parc Eolien des Cretes Sas	France
Parc Eolien d'Illois Sarl	France
Se Ty Ru Sas	France
Vector Cuatro France Sarl	France
Vector Cuatro Japan KK	Japan
Actelios Solar Spa	Italy
Falck Renewables Spa	Italy
Ambiente 2000 Srl	Italy
BIG FISH SPV S.R.L.	Italy
Consorzio Energy Aggregator	Italy
Consorzio Energy Cloud	Italy
Ecosesto Spa	Italy
Elettroambiente SpA (under liquidation)	Italy
Energy Team Spa	Italy
Eolica Sud Srl	Italy
Falck Next Srl	Italy
Falck Next Energy Srl	Italy
Falck Renewables Sicilia Srl	Italy
Falck Renewables Sviluppo Srl	Italy
Geopower Sardegna srl	Italy
Iron SpV Srl	Italy
Eolo 3W Minervino Murge Srl	Italy
NUO Srl	Italy
Palermo Energia Ambiente ScpA (under liquidation)	Italy
Eolica Petralia Srl	Italy

COMPANY	COUNTRY
Platani Energia Ambiente ScpA (under liquidation)	Italy
Prima Srl	Italy
Solar Mesagne Srl	Italy
Tifeo Energia Ambiente ScpA (under liquidation)	Italy
Vector Cuatro Srl	Italy
Windfor Srl	Italy
Vector Cuatro Energias Renovables Mèxico SA de CV	Mexico
Falck Renewables Vind AS	Norway
Falck Renewables Nederland B.V.	The Netherl
Winssen Wind Energy B.V.	The Netherl
Waalwijk Wind Energy B.V.	The Netherl
Elektrownie Wiatrowe Bonwind yszkowice Sp.Z.o.o.	Poland
Assel Valley Wind Energy Ltd	UK
Auchrobert Wind Energy Ltd	UK
Ben Aketil Wind Energy Ltd	UK
Boyndie Wind Energy Ltd	UK
Cambrian Wind Energy Ltd	UK
Earlsburn Mezzanine Ltd	UK
Earlsburn Wind Energy Ltd	UK
Falck Next Energy UK, Ltd	UK
Falck Renewables Finance Ltd	UK
Falck Renewables Wind Ltd	UK
FRUK Holdings (No.1) Ltd	UK
Kingsburn Wind Energy Ltd	UK
Kilbraur Wind Energy Ltd	UK
Mochrum Fell Wind Energy Ltd	UK
Millennium South Wind Energy Ltd	UK
Millennium Wind Energy Ltd	UK
Nutberry Wind Energy Ltd	UK
Spaldington Airfield Wind Energy Ltd	UK
Vector Renewables UK Ltd	UK
West Browncastle Wind Energy Ltd	UK
Eolica Cabezo San Roque SAU	Spain
Energia Eolica de Castilla, Slu	Spain
Falck Renewables Power I, SL	Spain
Falck Renewables Power 2, SL	Spain
Falck Renewables Power 3, SL	Spain

COMPANY	COUNTRY
Falck Nuo Spain SL	Spain
PV Diagnosis Fotovoltaica SLU	Spain
Sol Occidental SL	Spain
Vector Cuatro SLU	Spain
Falck Renewables DLP MA, LLC	United States
SPME Dartmouth Holdings, LLC	United States
Fisher Road Solar I, LLC	United States
Falck Renewables CH-1, LLC	United States
Falck Renewables IS 42 LLC	United States
Falck Middleton Generation, LLC	United States
Falck Middleton, LLC	United States
Falck Renewables North America Inc	United States
Falck Renewables North America Development Services & Construction Management, LLC	United States
HG Solar Development, LLC	United States
Lake Osiris Road Solar Farm, LLC	United States
SPME Holdings 2015, LLC	United States
Syncarpha Palmer, LLC	United States
Syncarpha Massachusetts, LLC	United States
Novis Renewables Holdings, LLC	United States
NC 42 LLC	United States
NC 42 Solar LLC	United States
NC 42 Energy LLC	United States
Innovative Solar 42 LLC	United States
Route 23A Solar Farm, LLC	United States
Vector Cuatro USA, LLC	United States
TLS Holdco, LLC	United States
WMC Solar Holdings, LLC	United States
NOV RF Holdings, LLC (posseduta al 100% da Novis Renewables Holdings, LLC)	United States
NOV RF Lessee, LLC (posseduta al 100% da NOV RF Holdings, LLC)	United States
Westmoreland County Solar Project, LLC", posseduta al 100% da WMC Solar Holdings, LLC.	United States
Building Energy Holding US	United States
Building Energy Holdco I, LLC	United States
Green Cyclones, LLC (Capital One, Na-tional Association tax equity investor owns 100% of Class A shares granting protective rights)	United States
Michelangelo Wind 1, LLC	United States
Michelangelo Wind 3, LLC	United States
Michelangelo Wind 4, LLC	United States
Venus Wind 3 ,LLC	United States

COMPANY	COUNTRY
Leonardo Wind 1, LLC	United States
Optimum Wind 3, LLC	United States
Optimum Wind 4, LLC	United States
Optimum Wind 5, LLC	United States
Optimum Wind 6, LLC	United States
Optimum Wind 7, LLC	United States
Calypso Solar 3, LLC (owned 5% by Distributed Sun, LLC)	United States
Odyssey Solar 3, LLC	United States
Daphne Solar, LLC (owned 99% by Nationwide Sol-I, LLC tax equity investor)	United States
Apollo Solar, LLC (owned 49% by Apollo Solar, LLC)	United States
Laertes Solar, LLC	United States
Artemis Solar, LLC	United States
Odyssey Solar 2, LLC (owned 5% by Distributed Sun, LLC)	United States
Telemachus Solar, LLC (owned 99% by Nationwide Mutual Fire Insurance Company tax equity investor)	United States
Argos Solar, LLC (owned 49% by Telemachus Solar, LLC)	United States
Building Energy Asset Management, LLC	United States
Calypso Solar 1, LLC (owned 5% by Distributed Sun, LLC)	United States
Odyssey Solar 1, LLC	United States
Penelope Solar, LLC (owned 99% by Nationwide Mutual Fire Insurance Company tax equity investor)	United States
Ulysses Solar, LLC (owned 49% by Penelope Solar, LLC)	United States
Annapolis Solar Park, LLC	United States
Cassiopea Solar, LLC	United States
Andromeda Solar, LLC	United States
Perseus Solar, LLC	United States
Building Energy Development US, LLC	United States
Mistral Wind, LLC	United States
Taku Wind, LLC	United States
Admiral Wind, LLC	United States
Grizzly Wind, LLC	United States
Brave Wind, LLC	United States
Black Bear Wind, LLC	United States
Åliden Vind AB	Sweden
Brattmyrliden Vind AB	Sweden
VC Renewables AB	Sweden

Acronyms and Abbreviations

ABI: Associazione Bancaria Italiana
AED: Automated external defibrillator
ANIE: National Federation of Electronic and Electrotechnical Companies
ARPA: Regional Agency for the Protection of the Environment
Art.: Article
ASL: Local Health Authority
Assogestioni: Italian Association of Asset Management Companies
Assonime: Italian Association of Joint Stock Companies
BEHUS: Building Energy Holdings US
BoD: Board of Directors
CEO: Chief Executive Officer
CO: carbon monoxide
CO_2: carbon dioxide
COVID-19: Corona Virus Disease 2019
CPPA: Corporate Power Purchase Agreements
CRE: Comisión Regularora de Energía
e.g.: exempli gratia (for example)
EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization
EIA: Environmental Impact Assessment
EMAS: Eco-Management and Audit Scheme
EMS: Emissions Monitoring System
EN: European standard
EPA: Environmental Protection Agency
ERM: Enterprise Risk Management
ESCO: Energy Service Company
ESG: Environment, Social, Governance
et seq.: et sequentes (and the following)
ET: Energy Team
Etc.: et cetera
EU: European Union
FKR: Falck Renewables
FREE: Fintry Renewable Energy Enterprise
FTSE: Financial Times Stock Exchange
GHG: Green-House Gas
GRI: Global Reporting Initiative
HR: Human Resources
i.e.: Id est
ICRMS: Internal Control and Risk Management System
IFRS: International Financial Reporting Standards
ILO: International Labor Organization
Inc.: Incorporated
IRENA: International Renewable Energy Agency
ISAE: International Standard on Assurance Engagements
ISO: International Organization for Standardization
ISPRA: Institute for Environmental Protection and Research
IT: Information Technology
KPI: Key Performance Indicator
LCA: Life Cycle Assessments
LCV: Lower Calorific Value
LLC: Limited Liability Company
M&A: Mergers and acquisitions
MBO: Management by objectives
MEA: My Enabler App
Mid Cap: Middle Capitalisation
n.a.: not available / not applicable
NFS: Non-Financial Statement
NOx: Nitrogen oxides
NVE: Norwegian Water Resources and Energy Directorate
O&M: Operations and Maintenance
OECD: Organisation for Economic Co-operation and Development
OEF: Organization Environmental Footprint
OEF: Organization Environmental Footprint
PAV: Informed Person
PES: Expert Person
PPA: Power Purchase Agreement
PV: Photovoltaic
QHSE: Quality, Health, Safety and Environment
RAF: Risk Appetite Framework
RLS: Workers' Safety Representative
RME: Energy Regulatory Authority of Norway
RPM: Revolutions per minute
RSPP: Managers of prevention and protection services
RSU: Single Trade union representation
ScpA: Joint-Stock Consortium Company
SDG: Sustainable Development Goal
SL: Sociedad Limitada
SLU: Sociedad Limitada Unipersonal
SOx: sulfur oxides
SpA: Joint Stock Company
SPV: Special Purpose Vehicle
S.r.l.: Limited Liability Company
STAR: High Requirements Securities Segment
SUF: Sustainability Framework
TCF: Tax Control Framework
UK: United Kingdom
UM: Unit of measure
UNFCCC: United Nations Framework Convention on Climate Change
UNI: Italian National Unification Body
US/USA: United States of America
WtE: Waste to Energy
WTGs: Wind Turbine Generators

Units of measurement

%: percentage
€: Euro
GW: gigawatts
GWh: gigawatt hour
k€: thousand euros
km: kilometer
km^2: square metre
kW: kilowatt
kWh: kilowatt hour
M: millions
M€: million Euro

m^2: square meter
m^3: cubic meter
MW: megawatts
MWh: megawatts hour
n./no.: number
t: tonne
tCO: tonne of carbon monoxide
tCO_2: tonne of carbon dioxide
tNOx: tonne of nitrogen oxides
tSOx: tonne of sulphur oxides

FALCK RENEWABLES SPA

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY 2018

YEAR ENDED 31 DECEMBER 2020

Independent auditor's report on the consolidated non-financial statement

pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018

To the Board of Directors of Falck Renewables SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have undertaken a limited assurance engagement on the consolidated non-financial statement of Falck Renewables SpA and its subsidiaries (the "Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on 11 March 2021 (the "NFS").

Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2019, by the GRI - Global Reporting Initiative (the "GRI Standards"), identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

Auditor's Independence and Quality Control

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International

PricewaterhouseCoopers SpA

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Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

Auditor's responsibilities

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In detail, we performed the following procedures*:*

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standard adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with the information reported in the Group's consolidated financial statements;
4. understanding of the following matters:
   - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
   - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
   - key risks generated and/or faced by the Group with reference to the matters specified in article 3 of the Decree.

   With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;
5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS.

   In detail, we held meetings and interviews with the management of Falck Renewables SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level,
  a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the company Falck Renewables SpA and for sites Rende (Ecosesto SpA) and Trezzo sull'Adda (Prima Srl and Ambiente 2000), which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out meetings and interviews during which we gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Falck Renewables Group for the year ended 31 December 2020 is not prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Other Matters

The comparative information presented in the NFS in relation to the financial year ended 31 December 2019, has not been subjected to any assurance procedures.

Milan, 31 March 2021

PricewaterhouseCoopers SpA

Signed by

Marco Sala
(Partner)

Signed by

Paolo Bersani
(Authorised signatory)

This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2020 translation.

Falck Renewables

PURE POWER TO GROW

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