

# SUSTAINABILITY POLICY

## ERG GROUP

### Introduction

The ERG Group is a producer of electricity from clean, renewable and sustainable sources. In recent years, ahead of the trends that are changing the global energy sector, it completed a radical process of transforming its business towards sustainability and decarbonisation: from a private Italian oil operator to the leading independent operator on the market of electricity from renewable sources.

The model of sustainable development of the ERG Group supplements the business activities conducted ethically and transparently, protecting the environment and ensuring safety, respecting people and establishing trusting relations with its various stakeholders.

Moral integrity, personal honesty, correctness and transparency in relations must form the basis of the conduct of all those that work with the Group.

ERG operates in the belief that:

- sustainability is the “driver” of a continuous improvement process that guarantees results over time and the strengthening of its economic performance, reputation and the health and safety of its workers, as well as enabling it to meet its goals in the environmental and social spheres;
- the creation of “shared value” for stakeholders represents one of the main features of the Group’s sustainability;
- merely respecting the law is not enough to guarantee its sustainability over time. For this reason, in its business activities, the Group also adheres to the principles of the Code of Ethics and the Organisation and Management Models pursuant to Legislative Decree No. 23101 adopted by the individual Companies, the Anti-Corruption Policy and the Human Rights Policy, as well as other internal policies on Health, Safety and Environment.

### Internal organisation

Through its governance system, comprised of board committees and internal committees, the Group has established an organisational structure that allows it to pursue its business goals.

The foundation of this system is risk analysis, a process that assesses the risks relating to the business, both those pertaining to sustainability and those considered essential for defining strategies for development, asset management and the related internal control systems.

Governance of sustainability is guided by the Sustainability Committee, which defines the Group’s strategies on the matter, steers and monitors activities, defines the goals and assesses the main action areas.

To maintain the alignment of the business strategy with the sustainability approach, the Sustainability Committee periodically approves the “Group Sustainability commitments”, which cover a time period matching that of the Business Plan. These commitments are naturally part of the wider scope of the Sustainable Development Goals (SDGs) defined in the 2030 Agenda of the United Nations.

## Goals and scope of application

The goal of the Sustainability Policy is to define the strategies and guiding principles of sustainability, with specific focus on:

- combating corruption;
- social issues and those regarding personnel;
- respect of human rights;
- attention to rights of the communities and legitimate stakeholders and protection of the environment.

This Policy applies to all companies that are part of the ERG Group, to employees and third party collaborators working at the Group's facilities and/or offices, in all countries where it operates.

## Sustainability Policy

The Sustainability Policy is implemented through the following action areas:

### A. Ethics, integrity and combating corruption

Ethics and integrity in managing relations with legitimate stakeholders are foundations of our way of doing business. Maintaining and protecting its reputation is essential in order for the ERG Group to be adequately perceived as an honest and reliable partner by all of its stakeholders. In particular, ERG commits to preventing corruption through a series of rules of conduct, control instruments and procedures for ex ante and ex post verification of the methods of conducting business, in order to prevent and eliminate any type of unethical conduct or corruption. To that end, the Group's operations respect the laws and the regulations of the individual countries in which it operates, in addition to the international conventions on the matter, implementing measures to prevent and combat corruption and illegal practices. In particular, it has adopted:

- the Organisation and Management Model pursuant to Italian Legislative Decree 231/01 and the Anti-Corruption Policy;
- the Code of Ethics and the Anti-Corruption Policy, adopted by Companies that fall under international law.

To this end, ERG:

- does not tolerate any form of corruption or unethical conduct, viewing it as a risk for a sustainable development economy, for good governance and fair practices;
- pledges to raise awareness and, where necessary, train all of its people, suppliers and partners, in addition to developing suitable procedures, particularly as regards relations with the community, the authorities and institutions, suppliers and customers.

### B. People

The Group's sustainable approach can be seen in its policies to protect and develop its Human Capital. For this reason, ERG commits to requiring compliance with the principles recognised in the "Human Rights Policy" and in the "Supplier Code of Conduct" for all those who work with Group companies, as employees, suppliers, contractors or partners. The achievement and maintenance of those principles are also pursued through:

- monitoring respect for the principles recognised by the Universal Declaration of Human Rights, the declarations of the International Labour Organisation and the principles of the UN Global Compact;
- recognising the importance of the consulting and participation of workers, including their representatives and social partners, as a counterparty to contribute to defining suitable labour management policies and procedures;

- adopting and applying processes and procedures, also supported by the adoption of Safety Management Systems certified according to recognised standards, aimed at minimising risks and eliminating the causes that can jeopardise the health and safety of its employees and third parties that work in the Group's sites and/or offices;
- the entire organisation committing to fully guaranteeing compliance with the applicable laws and all other commitments voluntarily subscribed by the Group;
- fully respecting legal obligations as regards involving employees, or their representatives, in company reorganisation processes; guaranteeing the equality of its people, understood as the desire to guarantee equal opportunities without any discrimination based on political opinions, nationality, age, sex, sexual orientation and/or any intimate personal characteristics;
- recognising its people's freedom to join and/or associate themselves with trade or workers' unions;
- defining policies and activities to help with the work-life balance;
- enhancing its people's contribution to achieving the company targets, using appropriate assessment systems and supporting professional development training initiatives.

In the awareness that the active contribution of all people is key to meeting the above goals, ERG pursues an ongoing targeted information, awareness and training programme.

### **C. Community and Stakeholders**

In order to guarantee and maintain an open dialogue with the local communities in which it works and with all stakeholders with whom it interacts (understood as "all legitimate stakeholders - implicit or explicit - influenced by its activities"), the Group pledges to:

- assess the specific economic, environmental and social impacts generated by its activities at local level;
- participate in the growth and development of the communities in which it works;
- establish, in respect for the principles of the Code of Ethics, constructive and transparent relations with stakeholders, engaging them in and informing them of the actions taken and the results achieved in relation to its economic-financial and social-environmental responsibility goals;
- publish an annual sustainability report, drafted in accordance with internationally-recognised standards, with the aim of communicating the actions taken and the results achieved in a clear, truthful and honest way.

In order to maximise the positive impact of its activities in the community in terms of growth and development, the ERG Group analyses the requests that arrive from the community and chooses the most deserving on the basis of the values they express and the positive effect they have on the community in question.

The selected activities generally belong to one of the following categories identified as priority action areas:

- culture, knowledge and scientific research;
- environment, health and safety and social;
- young people and sport.

### **D. Environment**

In terms of its business culture, environmental protection is one of the Group's key values.

For this reason, ERG pledges to adopt Environmental Management Systems certified according to recognised standards in its operating companies, with the aim of continuously improving its performance and mitigating risks.

In accordance with the principle the Group pledges to:

- prioritise the development of renewable sources and the use of fuels with low carbon intensity;
- minimise the environmental impact of its activities, reducing its energy consumption, atmospheric emissions and waste production, also by improving the quality and efficiency of its plants, recycling materials with a view to a “circular economy”;
- consider the protection of biodiversity, natural habitats and ecosystems as a key component of sustainable development when developing its projects;
- promote the informed and responsible use of all natural resources available to the Group: in particular, the territory and water resources are managed appropriately, judiciously and with the smallest possible impact, as they are necessary for the development of future generations.

## **E. Suppliers and business partners**

Responsible management of the supply chain and the creation of value for business partners are key values for ERG.

To ensure its suppliers and business partners are inspired by the same ethical-social and environmental principles and criteria that guide the Group’s operations, ERG pledges to:

- request that they adopt practices and conduct in line with the principles that inspire the ERG Group, as defined in the Code of Ethics, the Human Rights Policy, the “Supplier Code of Conduct”, the Organisation and Management Models pursuant to Legislative Decree 231/01, the Anti-Corruption Policy, the Human Rights Policy and this document;
- consider, environmental, safety and ethical criteria and standards when selecting, qualifying and assessing the Group’s business partners;
- adopt, among the assessment criteria for its suppliers and business partners, the level of compliance with said principles throughout their supply chain.

## **Method of dissemination and updating**

The ERG Group pledges to disseminate the principles herein both within and outside its organisation, among employees as well as suppliers, contractors and partners.

This Policy is approved by the Sustainability Committee, which periodically reviews it to assess its adequacy and define any improvement actions.

*December 2019*

*The Chairman*  
Edoardo Garrone

