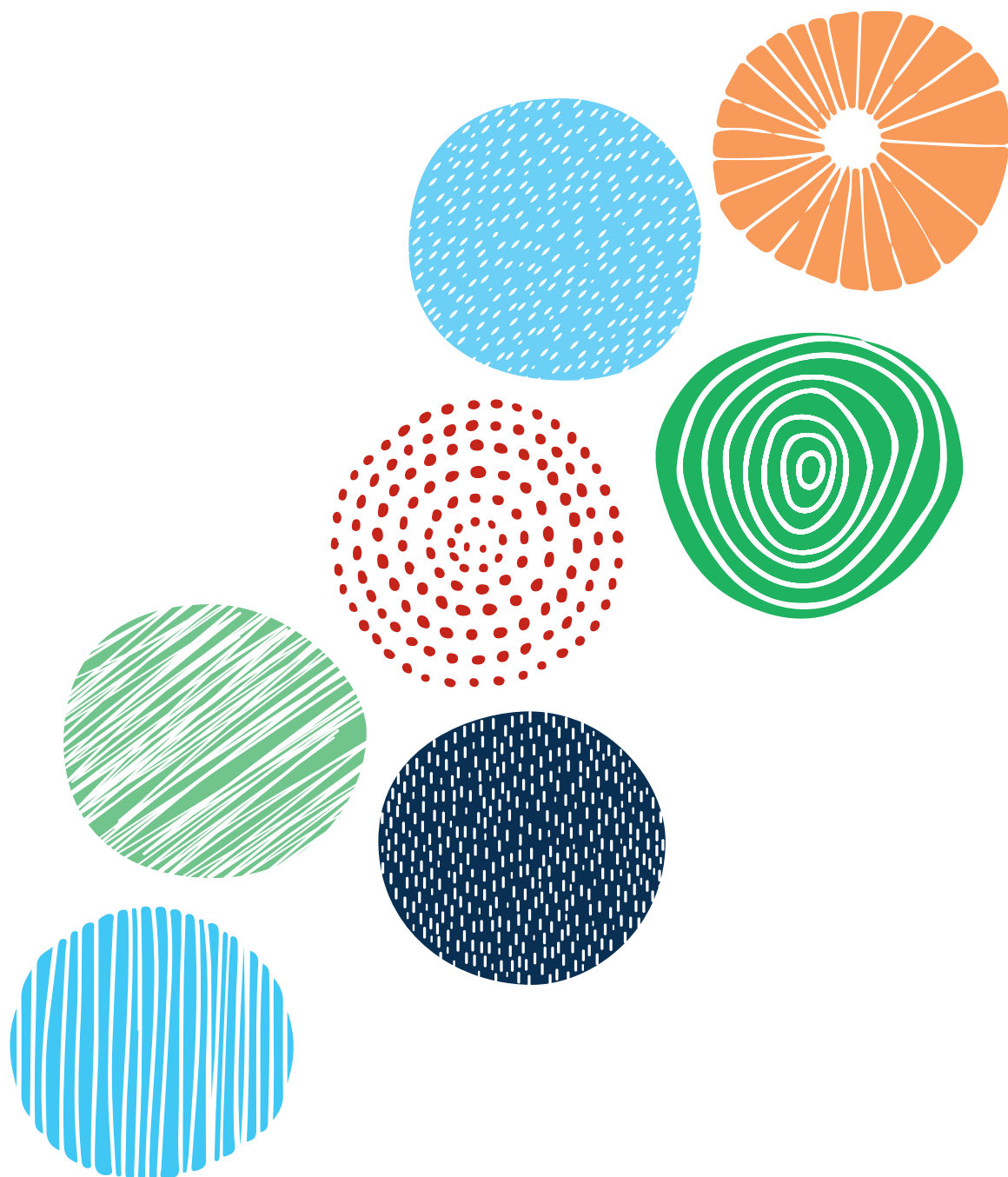


2021 Sustainability Report



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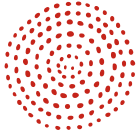
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CEO'S LETTER



Dear stakeholders,

The Ansaldo Energia Sustainability Report for the year 2021 reaffirms the Company's commitment to pursue its sustainability strategy with determination in accordance with the ten principles and goals of sustainable development of the UN in the context of Agenda 2030.



We cannot hide the fact that, particularly in the energy sector, this is a crucial moment. If a year ago we focused on the ambitious challenge of energy transition, now the issues that we found ourselves to deal with are multiple: the conflict in Ukraine, the gas emergency and the resulting cost of energy, price volatility. A situation that is creating unimaginable difficulties only a year ago at local and world level. However, we believe that the energy transition cannot be a subject to question: precisely, in time of trouble, an approach must emerge that sets in motion virtuous processes, taking into account the most critical factor: time.



We need to hurry and get back on track right now.



The current energy crisis has led to a different implementation scenario than the objectives set by the European Community, such as the re-ignition of coal-fired power plants. A necessary choice, but one that must be temporary. We need to set in motion processes that lead both to reducing the level of climate-altering emissions and to increasing the level of energy autonomy.



Ansaldo Energia is working hard to offer just this: an overall redesign of the production and distribution of energy.



However, we cannot, in order to deal with the energy transition, take no account of gas: The European Union has also established this by inserting it into the taxonomy of the transition. Our commitment is to continue our technological investments in turbines and higher-performing plants capable of ensuring efficiency, flexibility – of combustion, of ignition speed, of response to the network – so that it can accompany the path toward net zero.



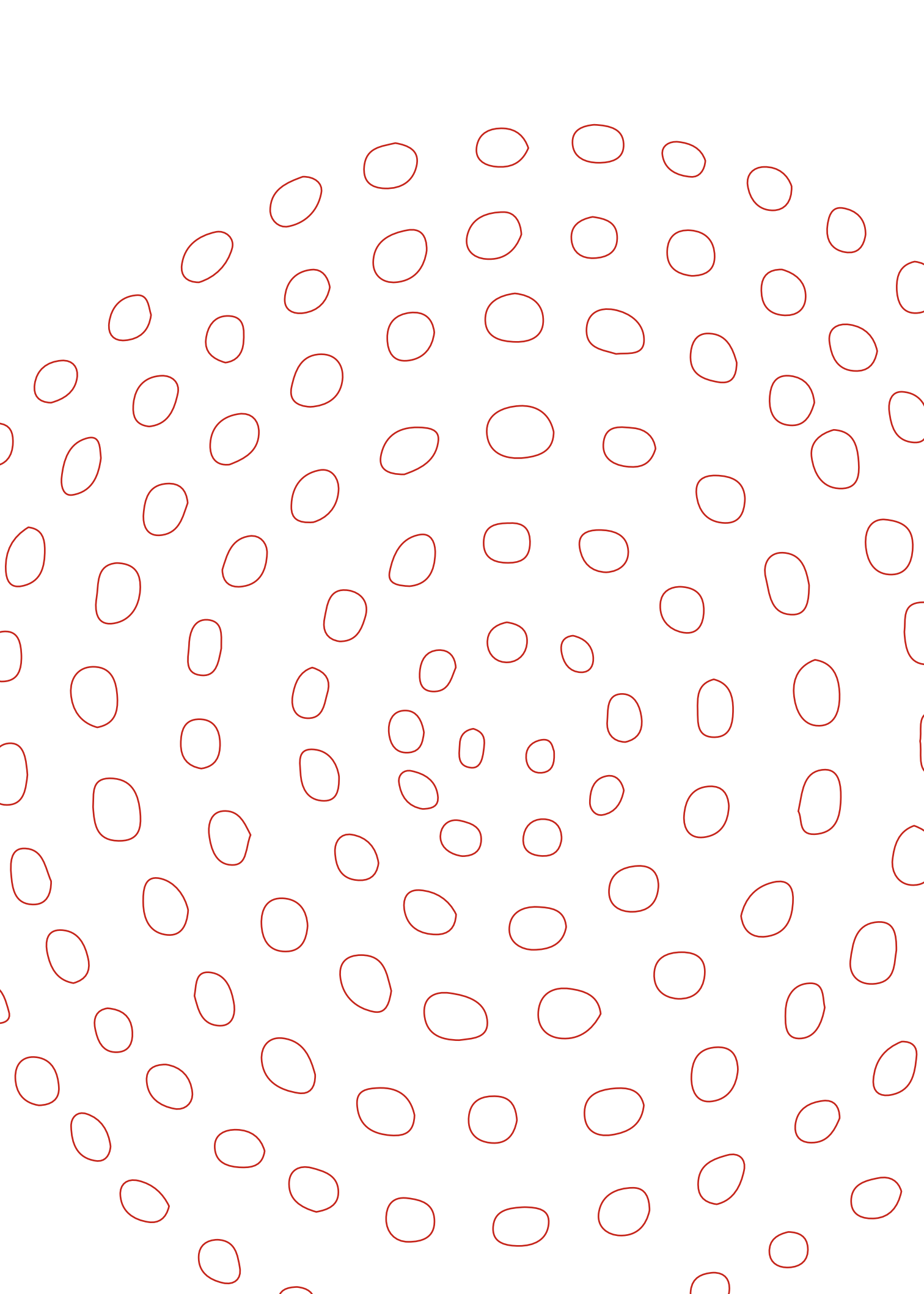
Meanwhile, we continue the diversification of our business, with important investments in Ansaldo Green Tech and Ansaldo Nucleare, two companies of our group that aim to take themselves a leading role in the energy transition.

For Ansaldo Green Tech, among other things, storage agreements, the key to the move to renewables, are continuing.

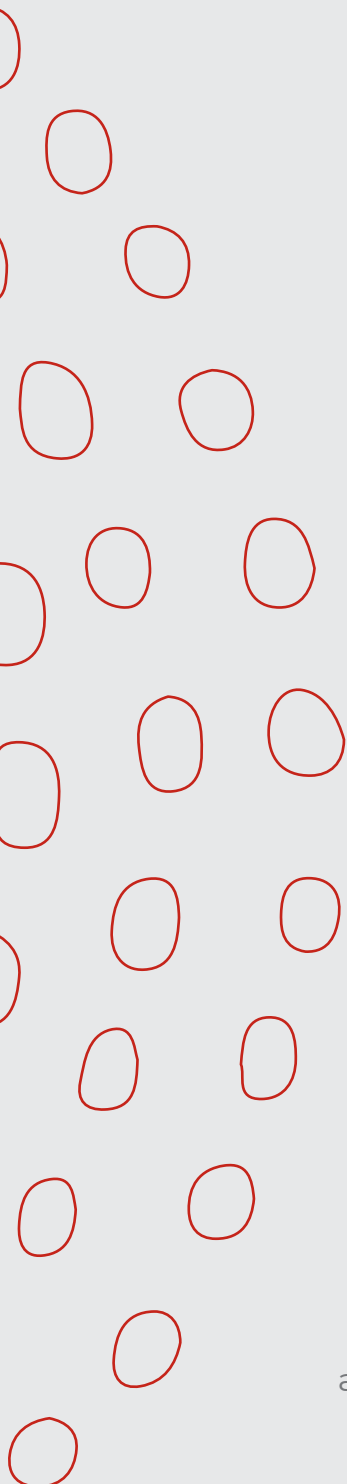
Ansaldo Nucleare strengthens its global cooperation with participation in the development of IV generation fission and nuclear fusion projects.

Our commitment is concrete and you will see it, among the pages of this Report: for the first time we have decided to put in writing our sustainability plan: specific objectives - in a well-defined time frame - to be achieved with measurable and concrete actions.

Giuseppe Marino, Chief Executive Officer



ANSALDO ENERGIA



Ansaldo Energia S.p.A.

is an international leader in the field of power generation, providing components, turnkey plants, support services and, as the parent company, plays a key role in the energy transition both in its traditional business and with specific initiatives in the field of renewable energy.

HIGHLIGHTS

ENVIRONMENTAL



Innovation for the energy transition.
Diversification of the product portfolio in the fields of hydrogen production, energy storage and renewable energy.



- 6.5%
total energy consumption
per hour worked by the site staff



- 11.6%
total of special waste
per hour worked by the site staff



- 787.6
tons of CO₂e
Of direct greenhouse gas emissions (scope 1)



- 121.1
tons of CO₂e
greenhouse gas emissions for reduced packaging usage



- 42.6%
tCO₂e per million revenues
Reduction in the intensity of direct greenhouse gases emission (Scope 1)



- 23.5%
tCO₂e per million revenues
Reduction in the intensity of indirect greenhouse gases emission for energy consumption (Scope 2 location based)



- 20.8%
tCO₂e per million revenues
Reduction in the intensity of other indirect greenhouse gases emission for energy consumption (Scope 3)

GOVERNANCE



Ethics
Organization, Management and Control Model, Code of Ethics, Code of Conduct



Environment Management
Certified management system
In compliance with ISO 14001



Research and development
over **2.000 patents** active
over **200 brands**

SOCIAL



Contract types
99.2%
 permanent employees



Recruitment
18.9%
 of new hires < 30 years of age



Parental leave
100%
 return rate



Job System
 role and skills management for professional families



Training
“trAENing” Project
 (Digital & Technical, Economics, Smart working and Soft Skills and Sustainability)
106,525 hours delivered
47.9 hours per capita



Health and safety
+ 55.0% training hours provided.
 Worker participation, near miss analysis and EHS observations. Monitoring activities extended to contractors and third-party companies



Health surveillance
 extended to third-party companies working in Genoa



Supply Chain
80.7% of purchases from Italian suppliers.
 Integrating SMEs into the value chain



Voice of Customer
 Highly structured and innovative process for managing customer/partner relationships



Community
 Conventions with Universities and Research Centres, support for Associations and charitable initiatives protection for the artistic, environmental heritage and the spread of culture



Anti-corruption
 Certified management system in compliance with ISO 37001



Quality Management
 Certified management system in compliance with ISO 9001



Biosafety Trust Certification obtained for best practices
 of minimization of the risks of spreading epidemics in places of aggregation

The absolute and percentage changes here reported are a comparison between 2021 and 2020 data.

HISTORY

Founded in **1853** in Genoa, Ansaldo contributes significantly to the history of Italian industrialization. It starts its business with the construction of steam locomotives and then expands its business with shipbuilding and war production of cannons. Subsequently, also through industrial collaborations, it extends its range of products and skills and moves from a production of war to a production of peace that covers different sectors.

The company joined the Iri Group since the establishment of the Institute and, also from its founding, it began to be part of Finmeccanica, where it remained, in the form of a group of companies, until the **1990s** when, gradually, the various constituent sectors began to follow different paths.

Its vocation for energy was rooted in **1912** when the first steam turbine was produced and in **1923** when the first power generation plant was built.

Subsequently, it also proceeds through innovation and technology and develops in the mechanical and electrical industry. Ansaldo Energia was founded in **1991**.

In **1995** Ansaldo Energia built the first combined cycle plant entirely based on gas turbine technology and achieved total technological independence in **2005**. Since then, Ansaldo Energia has grown and is one of the world's leading suppliers of power generation components, and a leading player in the energy transition.

From **2011** onwards, the shareholder structure changes to reach the current structure in which Ansaldo Energia is a company owned 88% by CDP Equity (Gruppo Cassa Depositi e Prestiti) and 12% by Shanghai Electric.

Recent significant events include the acquisition of Alstom's heavy-duty advanced gas turbine business in **2016** and the establishment of Ansaldo Green Tech in **2021**.

MISSION

Ansaldo Energia has always been committed to **sustainable, innovative power generation**, ensuring mitigation of environmental impact and more flexible energy generation

2021

Ansaldo Green Tech established



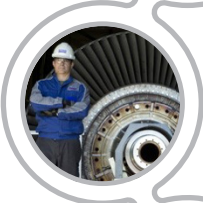
2020

First GT36



2016

Acquisition of Alstom Advanced gas turbine technology



2005

Total technological independence



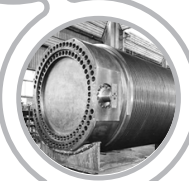
1991

Ansaldo Energia established



1966

Ansaldo Nucleare established



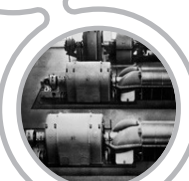
1962

First Supercritical 600W power plant



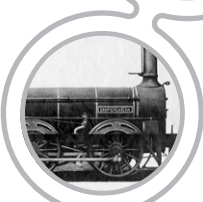
1923

First Power plant



1853

Giovanni Ansaldo & Co. established



VISION

Ansaldo Energia is committed to pursuing the objective of carbon neutrality for energy that preserves the environment and allows universal access to sources.

Not only an energy evolution awaits us, but also a technological, social and cultural evolution – which we face thanks to our flexibility and ability to work in synergy, with the passion and innovation that are in our DNA.

Based on the experience of 170 years of history, we work today looking at the technologies of the next decades in order to offer the new generations a sustainable future.

VALUES

- Dependability and responsibility
- Tradition and innovation
- Passion and competence
- Collaboration and agility/flexibility

WORLD PRESENCE

Ansaldo Energia operates all over the world, providing components for power generation plants, turnkey plants and service support activities.

The Headquarters is located in Genoa

where the company has its main production plant where mechanical processing of new components, repairs, laboratory activities and the final assembly (in a sea-outlet hub) are carried out.



There are **two more operational sites** in Genoa:

- the first where the laboratory activities and the microturbine assembly are carried out,
- the second, located in the port area, where large gas turbines are assembled.





Company Headquarters



Subsidiary Companies and JVs

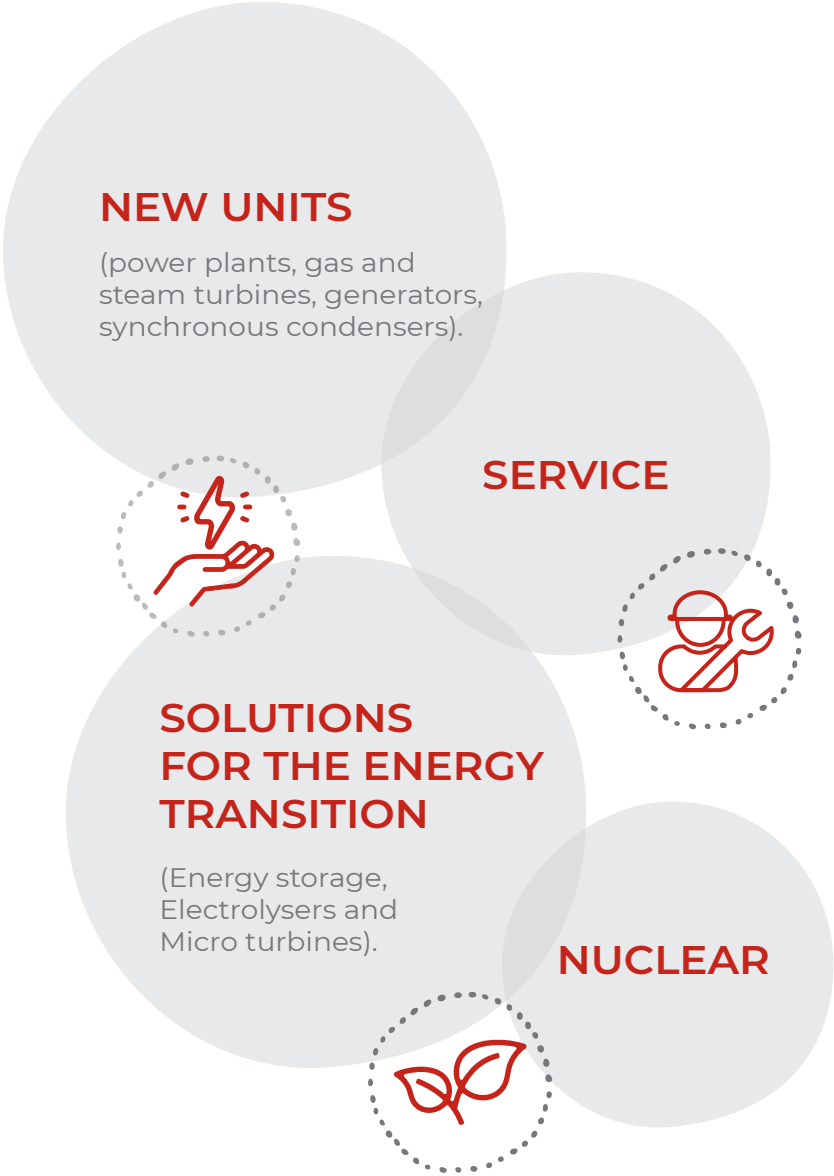


Branches and Offices

There are numerous branches and operational sites that allow a capillary presence in the various geographical areas.

INTEGRATED BUSINESS MODEL FOR THE ENERGY INDUSTRY

Ansaldo Energia focuses on the following main business lines:



With the development and diversification of its product portfolio, **the company is set to be a leader in the national and European energy transition process.**



NEW UNITS

POWER PLANTS

Ansaldo Energia has a wide portfolio of innovative and tested products, which allow it to build power plants able to reduce the environmental impact and offer architectural solutions that meet the customer's expectations and integration with the territory. Open cycle plants and advanced combined cycles, steam, hydroelectric and geothermal power plants.

Model	Module power Size, MW	Total power, MW	Scope of Supply
Thermal PP	40 ÷ 1,000	13,500	Power Island, EPC
Open Cycle PP	> 80	8,000	Power Island, EPC
Combined Cycle PP	> 120	26,000	Power Island, EPC
Total		47,500	

The data in the table is updated at the report exit date

GAS TURBINES

Ansaldo Energia gas turbines feature advanced technology and a robust and proven design, ensuring high performance and low environmental impact, high flexibility and reliability, making them suitable for multiple applications and environmental conditions – for open-cycle or combined-cycle systems – and fuel diversification, specifically, the focus is on increasing hydrogen combustion capacity with 100% target for 2030; currently GT36 is able to use fuel mixtures containing up to 70% hydrogen.

Hydrogen capability	Model	Standard offering (up to)
Heavy-duty turbines	GT36-S5	70%
	GT26	45%
	AE94.3A	40%
	AE94.2	40%
	AE64.3A	40%
Microturbines	AE T100	80%

The data in the table is updated at the report exit date

Ansaldo Energia's gas turbines cover power segments from 80 to over 500 MW: from Class E gas turbines (AE 94.2) to class F (AE 64.3A, AE94.3A and T26) and finally to class H, with the GT36 turbine.

The following table shows the range expressed, depending on the configuration, also in combined cycle plants.

Model	ISO power (MW)		Frequency (Hz)
	Symple cycle	Combined cycle	
GT36-S5	538 (42.8%)	760÷1,525	50
GT26	370 (41.0%)	540÷1,083	50
AE94.3A	340 (40.3%)	495÷992	50
AE94.2	191 (36.8%)	287÷578	50
AE64.3A	80 (36.4%)	120÷243	50/60

The data in the table is updated at the report exit date

STEAM TURBINES

Ansaldo Energia's steam turbines include models for superheated (reheat) and non-superheated (non-reheat) steam, with powers ranging from 40 to 1,000 MW for fossil fuels, combined cycle, cogeneration and nuclear power plants.

Current production includes large power for supercritical and ultra-critical applications, compact modules for smaller power and single body and dual body models for non-reheat thermal cycles. The design can also suit district heating and cogeneration applications. All models are fully assembled in Ansaldo Energia, with the exception of the larger, fast and easily field installable low-pressure sections. The geothermal steam turbines are based on reaction design.

Type	Series	Power range (MW)	Applications
Reheat	RT30	150-1,000	Thermal Fossil-fired Steam Cycles Combined Cycles
	MT15	100-300	
Non-Reheat	MT20	100-350	Cogeneration Plants Solar Plants
	MT10	40-250	
Geothermal	GT	40-150	Geothermal Cycles

The data in the table is updated at the report exit date

GENERATORS

Ansaldo Energia produces a proven range of generators covering various applications, including combined cycle, steam, geothermal and nuclear plants, as well as rotating synchronous condensers with sizes ranging from 40 to 1,200 MVA.

Type	Range (MVA)	Applications	
Hydrogen/ water-cooled turbogenerators	Up to 1,200	Gas / Steam turbines	All Generators can operate as Synchronous Condensers
Hydrogen-cooled turbogenerators	Up to 700		
Air-cooled turbogenerators	Up to 440	Gas / Steam / Geothermal turbines	
Hydrogenerators	Up to 420	Hydroelectric plants	

The data in the table is updated at the report exit date

SYNCHRONOUS CONDENSERS

In an energy context which, from a panorama consisting of concentrated programmable sources, is evolving toward distributed non-programmable sources, synchronous condensers are an important instrument in the field of energy transition, an irreplaceable element for the stabilization of the network with respect to the drawbacks inherent in the intrinsic intermittence of renewable sources.

The synchronous condenser is a particular application of electric generators which, connected to the transmission network, increases the short-circuit power of the network. Ansaldo Energia has finalized the manufacture, installation and commissioning of synchronous compensation units that are capable of regulating reactive power in a continuous manner and able to contribute to the maintenance of network inertia.

These devices are already today the answer to the need to guarantee high standards of quality and safety of the network, a key tool for the management of the electrical system, especially in conditions of reduced residual load, avoiding, in particular, the launch of traditional thermoelectric generating groups at the expense of generating from renewable sources.

All Ansaldo Energia generators can be used as synchronous condensers, either in a simple or combined cycle, or as *stand-alone* equipment.

Rating	Up to 850 MVAR
Rated Voltage	Max. 27 kV
Inertia	As required by grid
Excitation	Static
Starting	SFC or as required

The data in the table is updated at the report exit date

The Ansaldo Energia synchronous condensers offer a fast dynamic response to react immediately to the frequency regulation, they are also optimized for complete remote control and thus allow a quick and efficient management of the electric power grid.



SERVICE

Service is a key element of Ansaldo Energia's commitment to sustainable and innovative energy generation, capable of ensuring low environmental impacts and a high degree of flexibility.

Ansaldo Energia is a global, cross-platform service provider that supports safe, reliable interventions and improvements for power generation machines and plants.

As a proactive partner, it provides *one-stop shop services*, multi-technology solutions for efficiency, reliability, safety and emissions compliance.

The proposal is based on the ability to develop the right solution for each specific customer.

The portfolio extends from individual components, new and repaired, to field service activities, to complete upgrade packages. These include the *balance of plant changes* needed to fully exploit the potential of improvement, increase flexibility and safely manage new fuels such as hydrogen.

The entire Service offering, including 24 service through the integrated plant support system, is made available worldwide through the Group's global organization.

A specific line of Sustainability Services has also been developed to accompany operators in the process of renewing energy sources and reducing carbon footprint.

Renewable energy production is being broadened on a large scale, to the extent that it is expected to dominate the energy mix in the near future. Given the intermittence of nature sources, this will pose problems of stability and security of supply.

By optimizing the uptime and life expectancy of the plant, the value of existing assets is increased.

With the electricity network still relying on the conventional power generation for continuity, the preservation of existing plants is, in fact, fundamental and will depend on their updating to ensure maximum flexibility of the operating profile and use of fuel in full compliance with emission limits.

Ansaldo Energia has the know-how and the ability to implement solutions for the new market needs.

REMOTE MONITORING AND DIAGNOSTICS

Ansaldo Energia's *Integrated Plant Support* brings together all customer support functions into a global operating platform.

Expert groups dedicated in Genoa and Abu Dhabi manage routine monitoring, diagnostics and 24/7 service for all Service Contract customers.

Advanced remote monitoring and diagnostics enable real-time connection for vibration, performance and combustion analysis and generator diagnostics.

Ansaldo Energia's *Extended Engineering Support* uses expert staff, a structured methodology and a vast database of resolved events to quickly find qualitative and/or data-driven solutions for any inconvenience.

The *Ansaldo Energia Predictive Expert System (APEX M&D)*, based on smart, internally developed algorithms, provides predictive diagnostics and alert notifications for early failure identification (minimizing downtime).

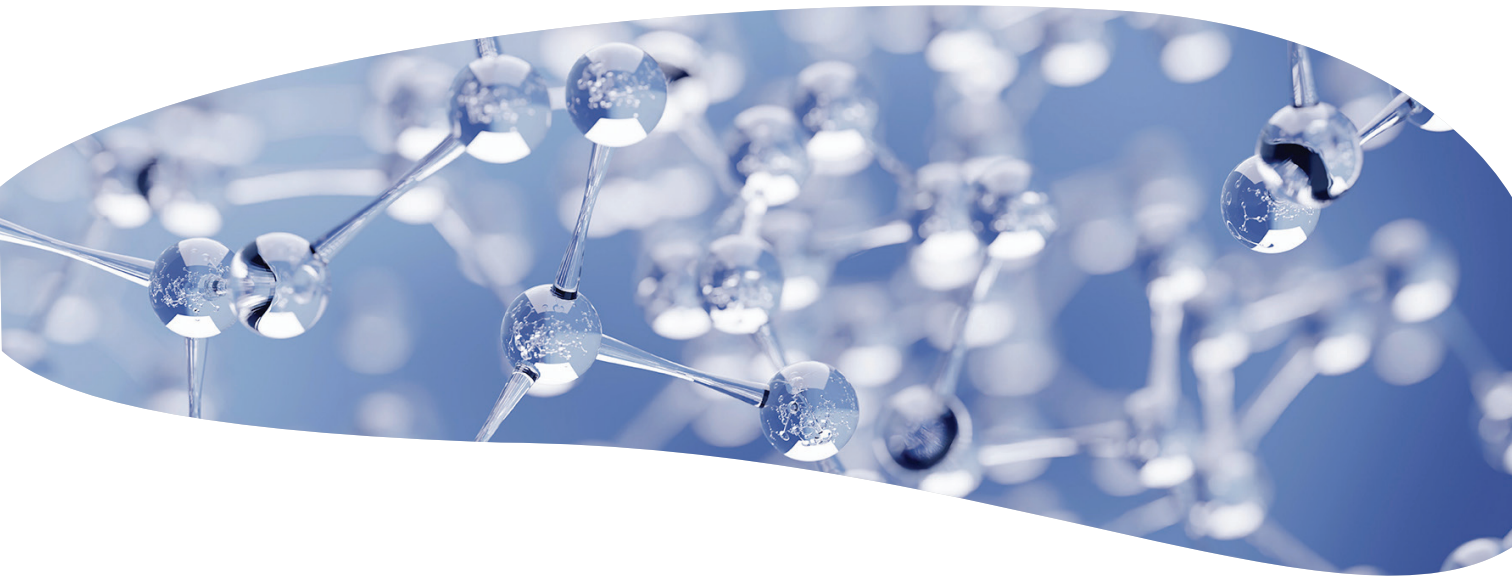
Through secure remote connections and standard procedures, operational problems, combustion instabilities and rotor imbalance can be solved with remote intervention packages.

SERVICE PLATFORMS

The platforms allow emissions and performance optimization along with a wide range of activities to ensure the efficiency over time of the gas turbine, steam turbine, generator and their auxiliary systems.

Integrated technological skills allow Ansaldo Energia to operate on different machinery and to offer technical solutions for the entire plant.

Updates and improvements are available for rotary machines, auxiliaries and control systems. These can be targeted at reducing emissions by further increasing the power, efficiency, and flexibility of installed assets and extending their lifespan.



SOLUTIONS FOR THE ENERGY TRANSITION

Ansaldo Energia, through direct partnerships and the specific activities of Ansaldo Green Tech, intends to develop the technological strands of energy storage and hydrogen in support of the energy transition.

Storage is the primary requirement of the energy sector, and in Italy, too, in order to achieve the goals, set for 2030, the amount of energy produced will have to be significantly increased from renewable sources, but, above all, to achieve a high energy storage capacity **estimated 20 times higher than the current one**, creating systems that are capable of not wasting the energy produced from renewable sources.

In particular, through agreements being developed or concluded for energy storage and collaborations for the emerging hydrogen market, Ansaldo Energia proposes itself as *solution provider* in larger contexts, such as *hydrogen valley*, also developing solutions for the control and integration of different energy infrastructures.

Hydrogen is an important driver for decarbonization and energy efficiency and synergies enable us to work on developing low-carbon solutions to find answers to the challenges of climate change.

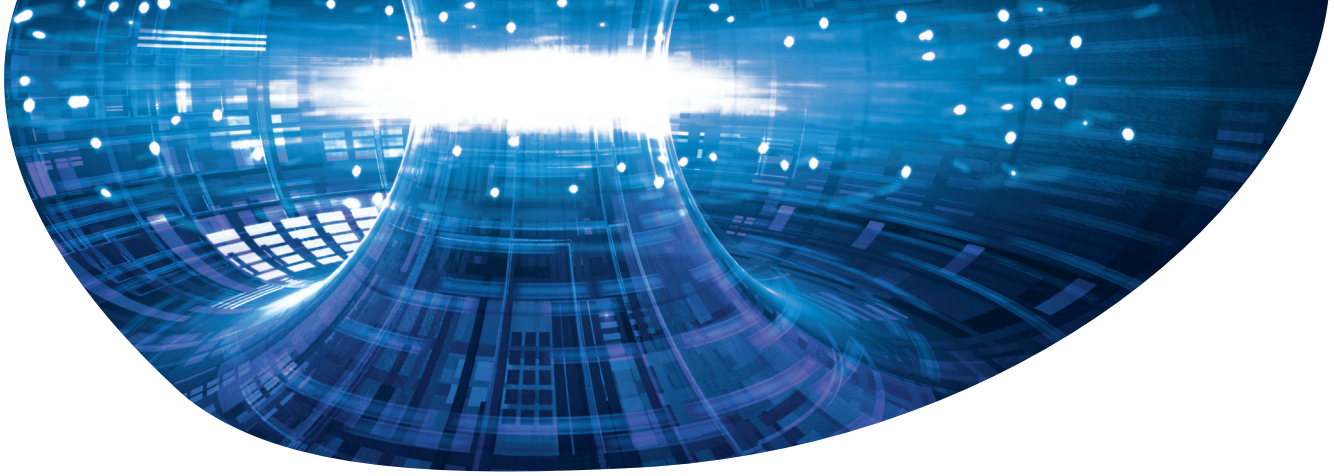
MICRO TURBINES

Gas microturbines are the leading energy system through which small distributed generation is currently implemented. The main installation contexts concern both industrial and civil applications, such as: food industries, drying in general, chemical and petrochemical plants, industrial laundries, carpentry, wastewater treatment plants, retirement homes, hospitals, swimming pools, hotels, recreation centres, condominiums.

In 2022, the fuel range was extended through the validation of methanol following the process started in 2021.

Micro Gas turbines	Performance	Main features
AE-T100NG	100 KW 30 %	<ul style="list-style-type: none"> • Indoor/Outdoor • Hot water/flue gas applications • With/without flue booster • Pollutants abatement systems not needed
AE-T100B	105 KW 30 %	<ul style="list-style-type: none"> • Indoor/Outdoor • Hot water/flue gas applications • Flue booster not included • Pollutants abatement systems not needed • Wide biogas composition range accepted
AE-T100E	50+75 KW 30 %	<ul style="list-style-type: none"> • Indoor/Outdoor • Externally fired machine (EFMGT technology) • Party completed machinery layout • External heat exchanger and/or biomass boiler and/or solar concentrator not included

The data in the table is updated at the report exit date



NUCLEAR

Half of the *CO₂-free electricity* generated in the European Union comes from more than 120 operating nuclear reactors. The contribution of these plants to the reduction of total carbon emissions amounts to 700 million tons of CO₂ per year. Nuclear power is thus, today, an essential component of the low-carbon economy.

Ansaldo Energia, through its subsidiary Ansaldo Nucleare, provides dedicated engineering, design, manufacturing, assembly, testing, commissioning, on-site installation and integrated logistics for the market segments in which it operates: new builds, fusion, plant operation assistance, decommissioning and waste management.

INNOVATION FOR FUTURE NUCLEAR TECHNOLOGIES

Safety, Quality and Sustainability guide our vision of *New Clear*, the nuclear of the future and for the future.

What Ansaldo Nucleare expects is a new nuclear one, which will provide carbon-free energy through advanced, modular technologies for reliable and competitive fission reactors and future fusion reactors.

The objective of efficient and reliable energy production is to reduce radioactive waste and to develop innovative solutions for early, efficient and safe decommissioning of end-of-life systems. In this perspective Ansaldo Nucleare invests in the development of new enabling technologies and products for the sustainable generation of nuclear energy.

With the specific contribution of Ansaldo Energia, Ansaldo Nucleare is also integrating innovative solutions for the storage of thermal energy, cogeneration and high-temperature electrolysis applications for the production of hydrogen as a clean energy carrier into nuclear plants.

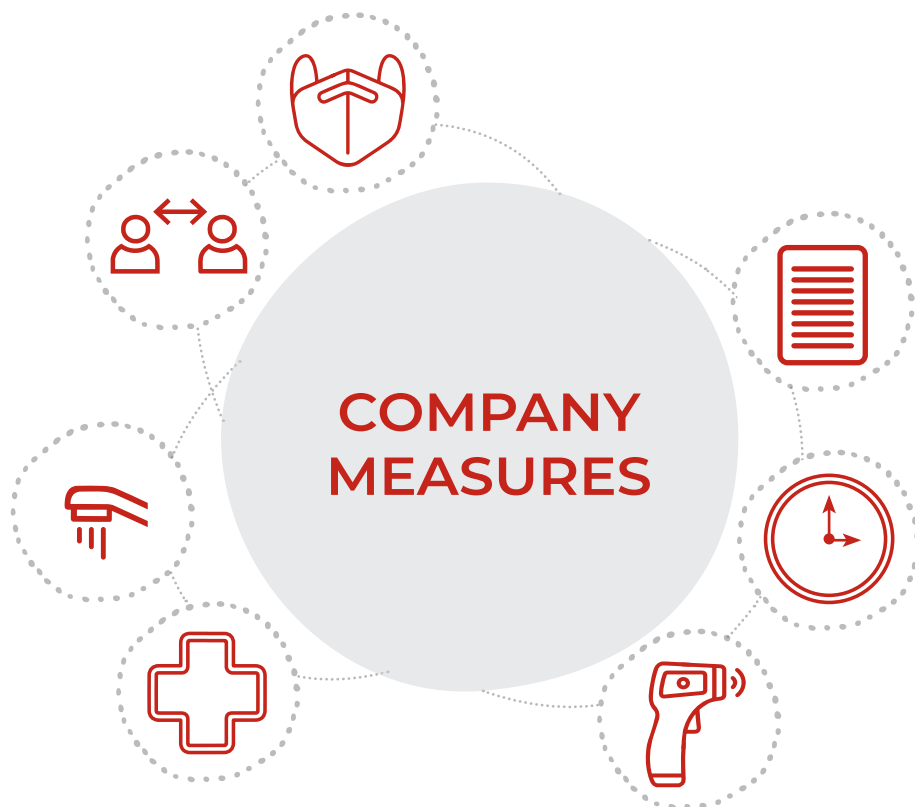
ANSALDO ENERGIA AND THE CORONAVIRUS EMERGENCY

The spread of SARS-COV-2 infection was also a public health emergency in 2021 and the management of preventive and protective measures must follow the special measures adopted by the competent institutions in accordance with the evolution of the epidemiological scenario.

In view of this need to protect public health, Ansaldo Energia shall cooperate by ensuring compliance with the measures taken by the competent institutions with a view to promoting the containment of the spread of the virus; in this respect, the mere internal dissemination of information and recommendations produced exclusively by institutional actors is also a useful tool for combating the epidemic.

For this reason, the information service prepared by Sicuritalia (updating of foreign yards, updating of Covid-19, Daily report Covid-19) in Italian and English, concerning the updating of the measures planned in the different countries of the world has been distributed throughout the company. In order to prevent and control the Covid-19 pandemic, the company has continued to invest in a number of activities.

- 1 Toolbox talk** about the rules and practices to be followed within the company.
- 2 Plexiglass** (Anti droplet) bulkheads mounted on desks at offices and tables of canteens.
- 3 Gel dispensers** located close to the refreshment areas, toilets and clothes booths in the workshop and entrance/exit buildings.
- Provision of **personal kits distributed to employees** (gels, wipes, surgical masks and K95 or FFP2 masks).
- 5 Sanitisation of all environments** with a focus on the most sensitive areas and points (office handles, taps, refreshment areas and other common areas).
- Use of specific **bio-boxes used to collect special coronavirus waste** (Covid-19).
- Factory personnel divided into **3 shifts with exit entry staggered** at a time level of 30 minutes to avoid entry and use of changing rooms.
- 8 Additional changing rooms** (container modules) to prevent overcrowding.
- 9 Public memorandum** with the indications to be followed.



COMPANY ORGANIZATION

The Control Committee set up in 2020 consists of some corporate functions (HR, RSPP, Facility and Security), competent physician, RLS and RSU, continued its monitoring of the following of the rules of the shared protocol; the committee monitored, in particular, the trend of attendance within the company and the compliance with all measures introduced to combat and contain the spread of the infection.

HEALTH SURVEILLANCE



Periodic health surveillance has not been interrupted, paying particular attention to fragile individuals also in relation to their age. The company infirmary was able to monitor it and prevent any infection or the proliferation of infections. Several screenings have been made from the beginning of the pandemic: serological tests, antigenic buffers and molecular buffers (PCR). The administration of the tests on a voluntary basis, the costs of which were borne by the company, was made available in addition to the employees also to the personnel of third-party companies present on the Genoa site. The same possibility has been given to the staff on the road or in the yard, through local structures.

As a further strategy of contrast to the Covid-19, the company, through its internal hub, has made available and administrated

the flu vaccine if requested. This option has also been extended to third-party companies that collaborate assiduously on the Genoa site.

INFORMATION TO EMPLOYEES

Ansaldo Energia has delivered informative sessions on these topics: “prevent infections by proper hand washing”; “some simple recommendations for containing coronavirus infection”; “New Coronavirus, 10 behaviours to follow.” Numerous infographics have also been produced on this subject, displayed in the public areas.

It has been prepared and updated in view of the pandemic developments and the subsequent UN legislative changes



Memorandum for all employees: “Rules to be observed for the entire health emergency Covid-19”. Published on the company intranet and also distributed through other channels, the document contains detailed information on: Entry to the company; Hygiene precautions; Organization of the company spaces; Organization of the company; Health surveillance; Contact Analysis; Scenario Management.

HOW TO ENTER/EXIT THE COMPANY



Staggered timetables for the entrance and exit of the employees are encouraged to avoid contacts as much as possible in the common areas (entrances, canteens, changing rooms) and guaranteed **the presence of hygienizing gel** properly reported.

All employees, third-party, interim, administered, interns, trainees, occasional external visitors are subjected, in dedicated areas adjacent to the access doorkeepers, to **the control of the body temperature**; the same constitutes a treatment of personal data and must take place according to the existing privacy discipline; If the temperature is above 37.5 °C, the personnel, insulated and provided with a mask, should immediately contact their physician, acting accordingly to their directions. With the introduction, from October 15th, 2021, of the mandatory green pass certification to also access the company’s workplaces, in collaboration with A.C.S.I, has allowed employees **to use a swab service** at their own expense directly at the main entrance.



CLEANING AND SANITIZING

In addition to **daily cleaning**, the company has ensured the **periodic sanitization of the spaces, environments, work stations and common leisure areas** (refreshment areas, drink and snack dispensers, including the contact points with the hands of the machines themselves, lifts and stamping machines). Specific products based on chlorine have been identified to achieve sanitization.



In case of need (for example following the acknowledgment of positivity), the company, in compliance with the indications of Ministry of Health, organizes special and specific cleaning interventions, according to the procedures considered most appropriate.

PERSONAL PROTECTIVE EQUIPMENT

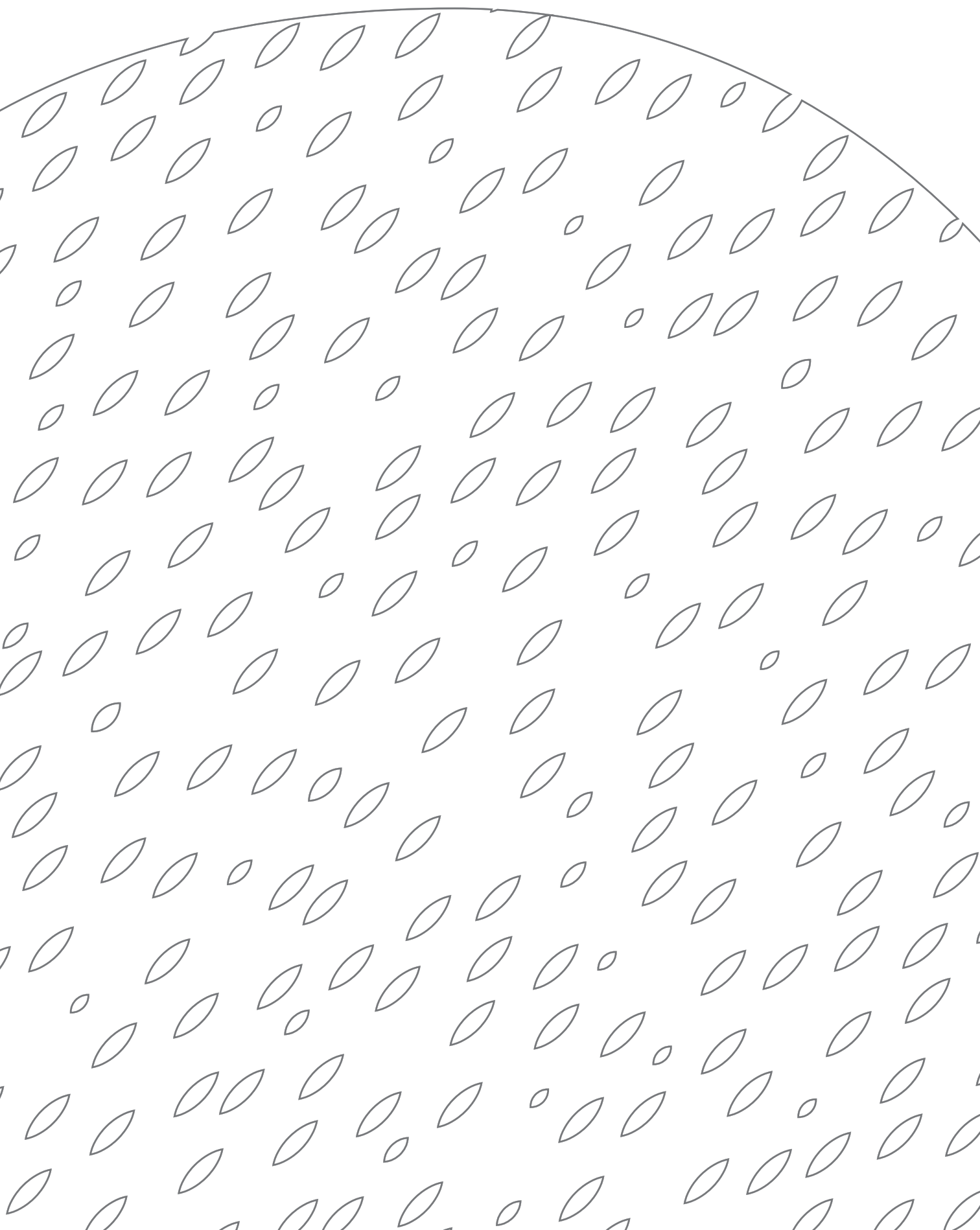


Where the work requires working at a distance of less than one meter between people and other organizational solutions are not possible, **FFP2, KN95, N95, FFP3 masks without valves and other protective devices (gloves, goggles, overalls, etc.)** complying with the provisions of the scientific and health authorities shall be used. We have prepared the creation of specific Kits for the job site workers. All management and distribution of the anti-Covid-19 devices is carried out at a point specially set up in the plant.

COMMON AREAS MANAGEMENT



Common areas - including company canteens - smoking areas, refreshment areas, changing rooms, must be ventilated or aerated and must be used for a short time, keeping **safety distance between the occupants and respecting the spacing signs on the floor**. Staggered enter/exit times contribute to avoid contact as much as possible.



SUSTAINABILITY AT ANSALDO ENERGIA



On September 25th, 2015, the United Nations endorsed the Global Agenda for Sustainable Development and 17 aims– the Sustainable Development Goals (SDGs) – divided into 169 targets to reach by 2030. The implementation of the Agenda requires a strong involvement of all components of society, from business to the public sector, from civil society to universities and research centres, from information operators to the world of culture.



Ansaldo Energia contribution to the achievement of the *Sustainable Development Goals (SDGs)* takes place by:

- The **achievement of its mission**, that is to say, by creating innovative systems for the generation of sustainable energy that guarantee a lower environmental impact and a high flexibility in its production, contributing to the **ENERGY TRANSITION**
- The **management methods adopted** that allow the company to follow a path of sustainable growth and solidarity, having as objective the continuous improvement of its social and environmental performance: **SUSTAINABILITY IN THE COMPANY**

GOAL 7: AFFORDABLE AND CLEAN ENERGY.

7 AFFORDABLE AND
CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all.

7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

ENERGY TRANSITION

For Ansaldo Energia, a manufacturing company with 170 years of history, the global challenges that cyclically arise, particularly in the energy market, are an impetus toward the future; with this belief and with the development and diversification of its business, the company wants to play a leading role in the national and European energy transition.

In this direction, Ansaldo Energia is responsible, in particular, for the development of its synchronous condensers, the hydrogen supply of its gas turbines and, through Ansaldo Green Tech, established on July 1st 2021 and fully owned, it focuses on initiatives for diversification of the energy transition product portfolio and in particular in the field of hydrogen production and energy storage.

A COMPLEX INTEGRATION OF SYSTEMS

Energy storage



- Innovative Electrochemical Storage solutions for Utility Scale
- CO₂ Battery Systems (*)
- Energy Transition combined cycle (ETCC) (*)

**Licensed by Energy Dome*



Green Hydrogen

- Electrolysers Manufacturing



Transition ready

- Multi-fuel Microturbines (H₂, Biogas, Methanol, etc.)
- 2nd Life Turbomachinery (CO₂ expanders, synchronous condensers)

In order to ensure an orderly and efficient energy transition in addition to the new technologies listed in the table, a key role is in the digitization processes.

OUR APPROACH TO DIGITIZATION



Goal
Maximize asset return



Outcome
Well-being & resilience - Smarter decisions - Boost Cyber Security



Enabling
Tailored Solutions - Energy transition - Sustainable Assets



Features
SMART EPC SMART FACTORY SMART PRODUCT & SERVICE

CUSTOMER

Health & Safety Solutions

- Man Down Platform
- Near Miss App

Robotics

- Advanced Measurements/inspection methods
- Advanced repair
- Additive Manufacturing
- Augmented Reality

Cybersecurity

- Factory/Plant
- Network Segregation and Monitoring

Predictive

- Autotune
- Plant Optimizer
- APEX

Simulation tools

- Whole Engine Model
- SimCenter

IoT

- SAP
- TeamCenter
- OpCenter (MES)
- Tracking Platform
- Smart Plant Construction

Data Analytics

- Condition Based Predictive Maintenance
- Factory equipment monitoring
- KPI process for management
- Financial dashboard (ALTERIX)
- Quality data system

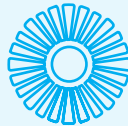
DIGITIZING AND NET ZERO

The energy system that will reach the *Net Zero goal* is of great complexity, being delegated to integrate the power generation and storage plants and this implies the achievement of a deep digital transformation widespread.

As a Plant Integrator, Ansaldo Energia already has solutions available to integrate and optimize the various components of the *Net Zero Energy System*.



LowC
Turbine



Synchronous
Condenser



Energy
storage



Hydrogen
Production



Digitally integrated resources

- Energy production
- Energy storage
- Grid stability
- CO₂ emission

Digitally optimized assets

- Digital twin
- Reliability / availability enhancement
- Predictive maintenance
- Performance optimization
- Lifetime extension

INTELLECTUAL PROPERTY AND PATENTS

Intellectual property is a key asset in a high-innovation market like the Power Generation.

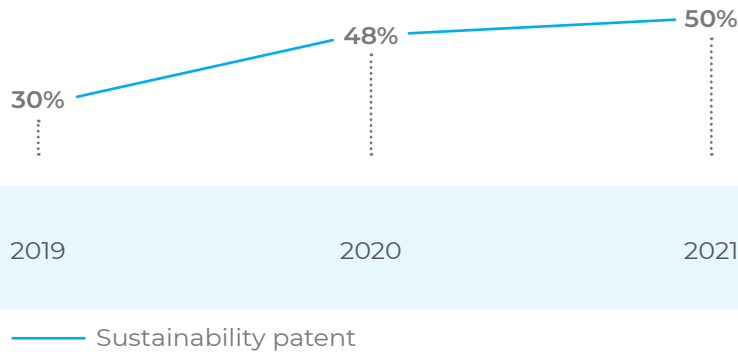
With a portfolio of over 2,000 patents currently active and over 200 brands, the Ansaldo Energia Group is one of the few companies in the sector that cover all technologies with its own know-how.

The Intellectual Property Unit of Ansaldo Energia follows the various business units and all companies of the Ansaldo Energia group, manages the patent filing process and the management of the patent portfolio according to strategic priorities, identifies risks and opportunities in the reference technology scenario, promotes innovative ideas, develops specific actions for technology transfer, and negotiates licensing agreements.

Lower emissions, higher efficiency, new energy sources and digitization have been among the main drivers in innovation processes.

The Group's patent portfolio is still strongly based on technology and gas turbine plants, for historical reasons, but the following table shows that in recent years patents have grown in the areas of sustainability and in 2021 this area represents more than half of the new deposits.

IP FOR SUSTAINABILITY



In 2021 Ansaldo Energia was awarded the title of Best IP department 2020 in the Italy, Spain and Portugal category by the Innovation&IP Forum and Awards and previously received a Silver Award (2018) and a Special distinction (2019) in the same category.

AWARDS



2020 GOLD AWARD

Category: Best IP Department in the "Italy, Spain and Portugal"



2019 SPECIAL DISTINCTION

Category: Best IP Department in the "Italy, Spain and Portugal"



2018 SILVER AWARD

Category: Best IP Department in the "Italy, Spain and Portugal"

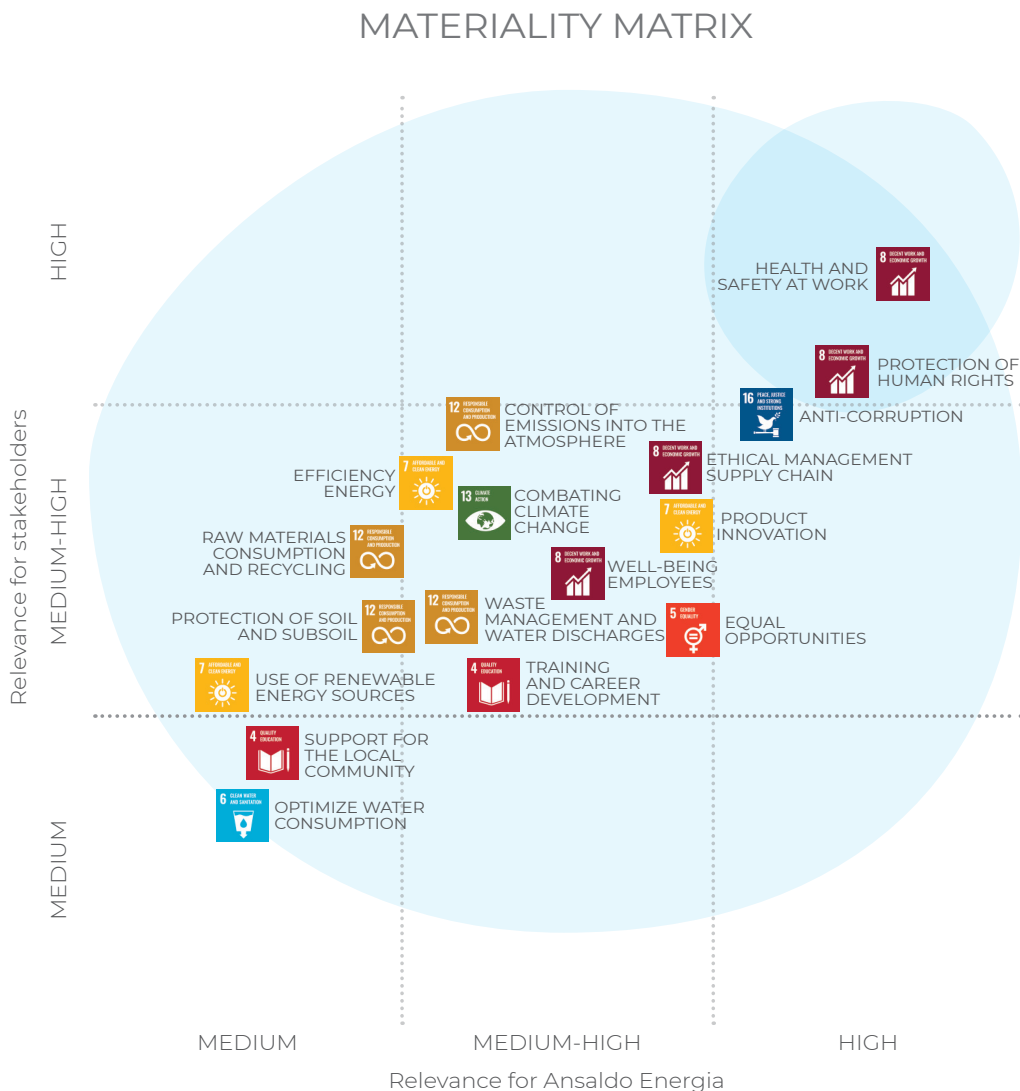
During the drafting of the present report, Ansaldo Energia, in June 2022, received the "Best EMEA IP Department Patent Silver Award" from the International Legal Alliance Summit and Awards and the confirmation of the Gold Award as "Best Italy IP Department" from the Innovation&IP Forum and Awards.

CORPORATE SUSTAINABILITY

The commitment to improve its social and environmental performance starts from the definition of the sustainability aspects that are relevant for Ansaldo Energia and its stakeholders.

In this second edition of the Sustainability Report, the company did not consider it significant to repeat Materiality's analysis in anticipation of its updating in the next reporting cycle, due to the setting up of the new Board of Directors and the widening of the perimeter of the companies considered in the analysis.

The following are the results of the analysis carried out in the first edition of Report¹ represented in the Materiality matrix.

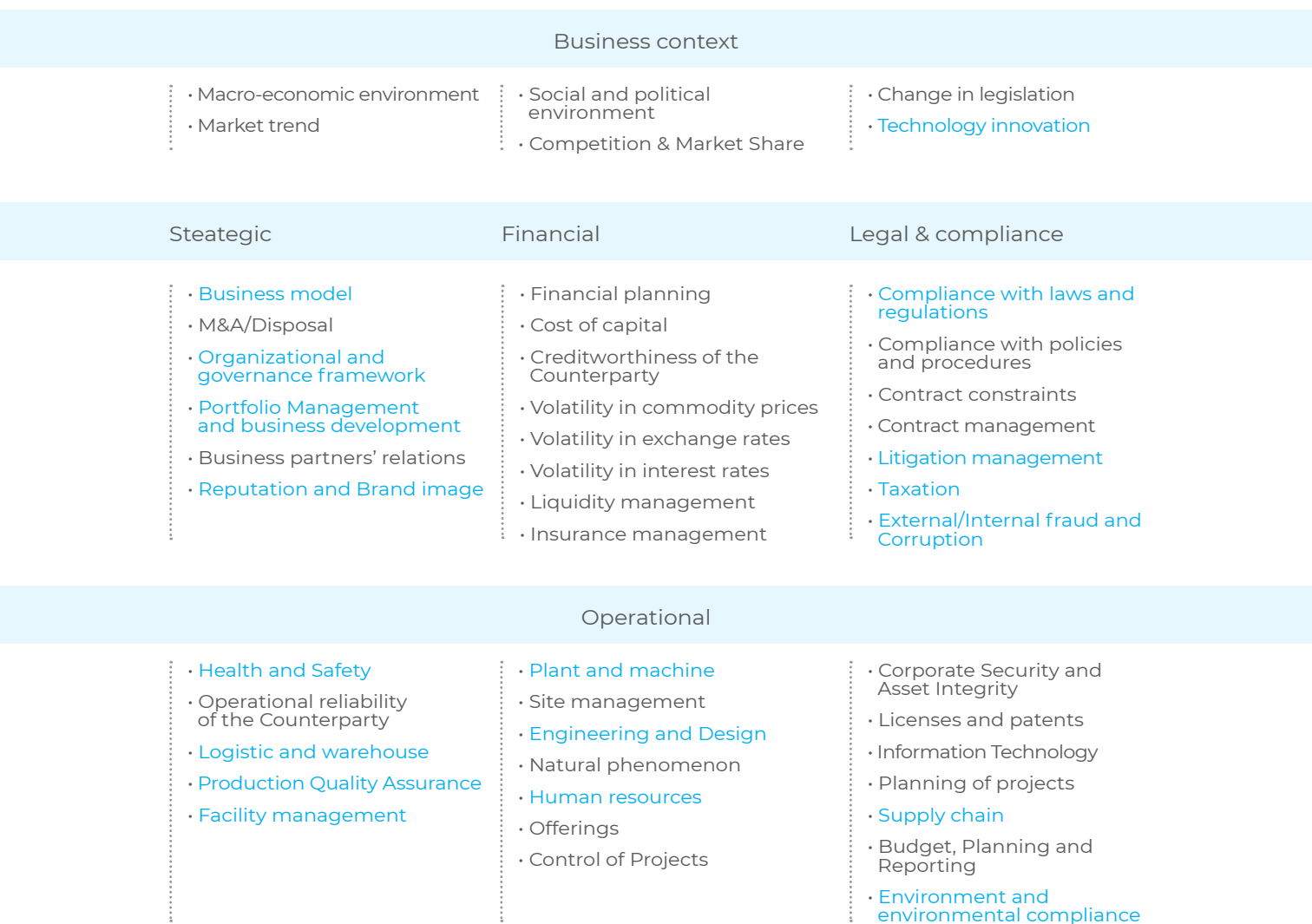


¹ For the methodology used and further details, please refer to the 2020 Sustainability Report, pages 25: <https://www.ansaldoenergiasustainability.com/wp-content/themes/ansaldo-report-2021/documents/2020-sustainability-report-web-ENG.pdf>

RISK MANAGEMENT

In order to face the internal and external challenges and to seize the market opportunities that an international business entails, Ansaldo Energia has developed an integrated Risk Management system to support the Group's decision-making processes and to involve all the company functions. The enhancement of the Risk Management system allows the company to assess and manage potential risk events that could influence the achievement of business objectives within the ongoing business plan.

The Enterprise Risk Management system includes analysis, prioritization and monitoring of Environment, Social and Governance (ESG) issues. The following image represents the universe of risks in which those relating to the aspects present in the Company materiality – sustainability matrix have been highlighted and those related to Ansaldo Energia's strategic role in the energy transition – sustainability process.



In the next ERM update, the ESG risks will be further deepened, also as a result of the definition of the Ansaldo Energia **sustainability plan** in which objectives* and actions for their achievement have been detailed.

SUSTAINABILITY PLAN

Environmental program

Actions

Objectives

FIGHTING CLIMATE CHANGE

Solutions for the energy transition



Carbon footprint certifications



Development, production, installation, commissioning and maintenance of new technologies and products for the energy transition and adoption of new technologies and solutions for the expansion of the product portfolio (energy storage and hydrogen).

Reduction of environmental impact through innovation of existing products with the aim of reducing consumption and emissions while ensuring their efficiency.

Monitoring of product environmental impact and launching of product certification processes.

- **2022-2023** Consolidate partnerships and reference technologies for energy storage in order to achieve the targets set out in the strategic business plan
- **2022-2026** Start-up of sites for production processes related to selected hydrogen reference technologies according to the strategies of the European Union
- **2023-2026** Launch of gas turbine upgrades development programmes aimed at:
 - Increasing efficiency through natural gas and 100% hydrogen fuelling to reduce the carbon footprint of Class H gas turbines;
 - Development of high hydrogen combustion systems for Class F gas turbines
- **2022** Product carbon footprint assurance process (GT36 turbine)
- **2023** Achievement of the ISO 14067 certification
- **2023** Starting/obtaining Environmental Product Declaration (EPD) GT36 turbine

ENERGY EFFICIENCY



Modernization of plant energy systems and production systems and machinery (internal and external lighting, compressed air, refrigeration unit) in order to reduce the consumption of electricity sources in particular.

Start of the process of obtaining ISO 50001 certification.

- **2022-2023** Plant Energy assurance process
- **2023** Reduction of electricity consumption by at least 300 MWh through reduction of losses along the compressed air distribution network.
- **2023** Achievement of the ISO 50001 energy certification.
- **2024** Thermal/electrical consumption savings of at least 1,800 MWh through replacement of the refrigeration unit with a new generation air-condensate model in place of a water-condensed absorber.
- **2026** Electrical energy consumption saving of at least 400 MWh for indoor and outdoor lighting, by replacing lighting bodies with equivalent LED technology

USE OF RENEWABLE ENERGY SOURCES



Extention of the existing photovoltaic system.

- **2022** Non-renewable Electrical energy savings of at least 50 MWh
- **2023** Non-renewable Electrical energy savings of at least an additional 40 MWh
- **2024** Non-renewable Electrical energy savings estimated at 2.000 MWh

Environmental program

Actions

Objectives

OPTIMIZE WATER CONSUMPTION



Modernization of plant facilities

- **2023** water consumption savings of 200 mc through closed cycle oil cooling system
- **2024** Estimated water consumption savings of 11,000 mc through the replacement of the cooling absorption unit planned for 2023

WASTE MANAGEMENT AND WATER DISCHARGES



Regeneration of exhausted activated carbons from air emission abatement systems internal study for the launch of the End of Waste route for recoverable/recyclable waste

- **2022** Reduction of waste sent to disposal of 20,000 kg [-8.9t CO₂: As Δ between disposal and recovery]
- **2023-2024** Waste water reduction equal to the water consumption savings estimated in the previous point (water consumption optimization)

REDUCED MATERIAL USAGE, RECYCLING AND RECOVERY



Reduced plastic and aluminium volumes (replacement of water bottles and cans in the canteen service with water dispensers and drinks in washable glasses. Replacement of plastic cups and spoons with others of compostable material at hot drink dispensers)

- **2022** Expected – 4,631 kg of plastic
- **2022** Expected – 1,552 kg of aluminium [-24.4 tCO₂: For plastic and aluminium production and elimination from the waste stream]

Environmental program

Actions

Objectives

HEALTH AND SAFETY AT WORK



Increase prevention, awareness, communication and monitoring through KPIs of health, safety and environmental aspects

- **2022** Introduction Emergency Card
- **2022** Change of company stretcher type in order to be able to intervene more effectively also in vertical recovery
- **2022** Procedure and actions for monitoring the parameters related to the risk of heat stroke
- **2023** Increase in number of business defibrillators (DAE) and training of personnel in charge of use
- **2023-2024** Training path of development Management and organizational skills of the factory managers
- **2023** Operational training during evacuation tests
- **2022** Race for reorganization of the company to improve accessibility to the vehicles, even possible rescue, and visibility key points in the company
- **2023** New toponomastic experimentation

CAREER DEVELOPMENT TRAINING



Development of internal skills to relay group companies, upskilling and/or reskilling skills from product diversification/ innovation

- **2022** Job Posting
- **2022** on-going training Key/Core skills
- **2023** "Green" specialized training

Environmental program

Actions

Objectives

EQUAL OPPORTUNITIES



Formal commitment to equal opportunities and participation in guidance initiatives with particular attention to the promotion of STEM disciplines.

- **2022-2023** Subscription of the Charter for equal opportunities and equality at work and information for all employees
- **2023** Specific training activities on equal opportunities
- **2022-2023** Promoting STEM disciplines in schools through ELIS_School4Life2.0 project

PROTECTION OF HUMAN RIGHTS



Collaboration to external initiatives aimed at the prevention of school dispersion and orientation to the choice of the training path.

Combating and preventing gender-based violence also in collaboration with local realities.

- **2022** The project for young people in the company and the project ELIS_School4Life2.0 (8 high schools and 6 middle schools)
- **2023** The project for young people in the company and the project ELIS_School4Life2.0 (8 high schools and 6 middle schools)
- **2023** Webinar on gender-based violence prevention, aimed at first levels and people in charge in collaboration with local associations
- **2024** Webinar extended to all employees
- **2025** Webinar extended to employee families

ETHICAL SUPPLY CHAIN MANAGEMENT



Extension of application of ESG policies in the Supplier Qualification and Audit process.

- **2022** Supplier mapping and KPI set definition of supply chain
- **2023** Implementation of Supplier Qualification processes, procedures and request for quotation through the implementation of the supporting tool
- **2023-2024** On-site audits of "risk" suppliers

ANTI-CORRUPTION



Permanent focus on the Anti-Corruption Management System.

- **2022** Renewal of ISO 37001 certification

SUPPORT FOR LOCAL COMMUNITIES



Initiatives to support local organizations engaged in preventing and counteracting discomfort.

- Continuing cooperation with Food Bank (average 60 meals per day)
- **2023** Identification of the local realities with which to pursue paths of collaboration

* for the same conditions for the objectives of reducing energy and water consumption, using energy from renewable sources, reducing waste produced and reducing consumption of plastic and aluminium, the baseline is the reported figure for 2021



ANSALDO ENERGIA STAKEHOLDERS

Ansaldo Energia is committed to developing ethical relationships with its stakeholders and works to better understand their needs and expectations and to try and meet them in the achievement of common goals.

The expectations of its stakeholders also have effects or potential effects on the organization's ability to constantly supply more and more advanced products and processes capable of meeting legal and regulatory requirements, which are also in continuous evolution: the relevant needs and expectations are therefore requirements that become input for the Quality, Health and Safety and Environmental Management systems.

The information that comes from its stakeholders such as complaints, disputes, non-compliance, assessments, is promptly analysed during regular internal meetings and reviewed by management.

For each stakeholder category, the requirements that must be met to satisfy them are summarized below.

Stakeholder

Relevant expectations / requirements

Shareholders	<ul style="list-style-type: none"> • Improved efficiency in management, including environmental and safety • Budget-conscious and improvements
Personnel and their representations	<ul style="list-style-type: none"> • Adequate wages/production premiums • Protection of workers' rights • Health and safety • Adequate work environments and infrastructure • Compliance with general and supplementary agreements and contractual requirements • Economic, social and environmental sustainability
Customers	<ul style="list-style-type: none"> • Compliance with the contractual conditions: Technical characteristics of the product and packaging • Environmental and safety certification • Positive checks of management during audits • Continuity and punctuality in the provision of services • Economic, social and environmental sustainability
Suppliers	<ul style="list-style-type: none"> • On-time payments • Continuity of work orders
Banks and insurance	<ul style="list-style-type: none"> • Compliance with mandatory requirements • Compliance with commitments made
Citizens and community	<ul style="list-style-type: none"> • Environmental protection • Protection of sensitive receptors and workers • Economic, social and environmental sustainability
Supervisory institutions and bodies	<ul style="list-style-type: none"> • Compliance with regulatory requirements • Compliance with commitments undertaken • Economic, social and environmental sustainability
Scientific community ...	<ul style="list-style-type: none"> • Availability to host internships, internships, conferences and seminars
Competitors	<ul style="list-style-type: none"> • Performance requirements for environment and safety

ECONOMIC VALUE GENERATED AND DISTRIBUTED TO STAKEHOLDERS

Ansaldo Energia recognizes the importance of balancing the distribution of the value generated by its activities to Stakeholders who have directly or indirectly contributed to its creation.

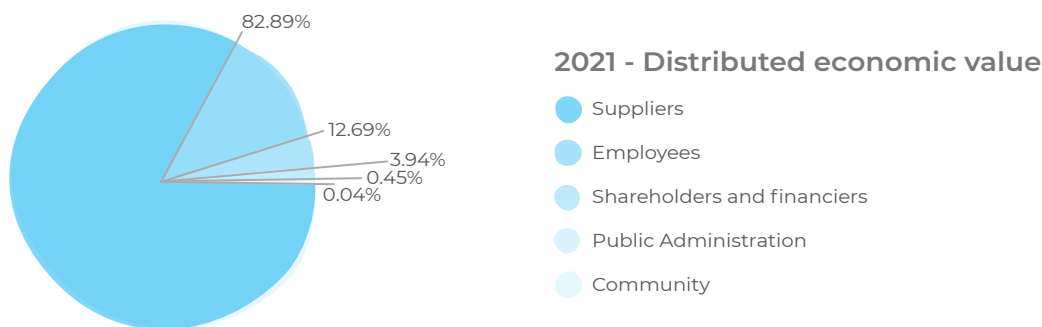
The analysis of the economic value generated and distributed highlights the flow of resources produced by Ansaldo Energia and addressed to its Employees, Suppliers, Shareholders and Public Administration, Financiers and Community, as well as those retained by the company for self-financing.

Generated and Distributed economic value	2019	2020	2021
A. Generated economic value	827,359,068	930,561,823	1,311,178,887
Total revenues	820,440,971	920,338,958	1,306,281,196
Financial income	6,918,098	10,222,866	4,897,691
B. Distributed economic value	861,718,709	855,403,126	1,332,284,920
Operating expenses	629,833,794	624,109,328	1,104,302,838
Employee wages and benefits	173,599,836	166,443,362	169,091,166
Payments to capital providers	45,308,910	60,683,904	52,487,454
Payments to Public Administration	12,661,556	3,638,636	5,934,099
Investment in the community	314,613	527,897	469,363
(A-B) Retained economic value	-34,359,640	75,158,697	-21,106,033

The **company's economic** value in 2021 amounted to EUR 1,311.2 million (+40.9% compared to 2020). The production volume in 2021 registered a significant increase compared to 2020 due mainly to the New Units segment, driven by the advance of the main plant construction orders in Italy and Germany, the result of the acquisition volumes recorded in 2019 and 2020. The Service recorded an increase in sales driven by orders, growing compared to 2020, deriving from the European market above forecasts and from sales and upgrades on existing fleet.

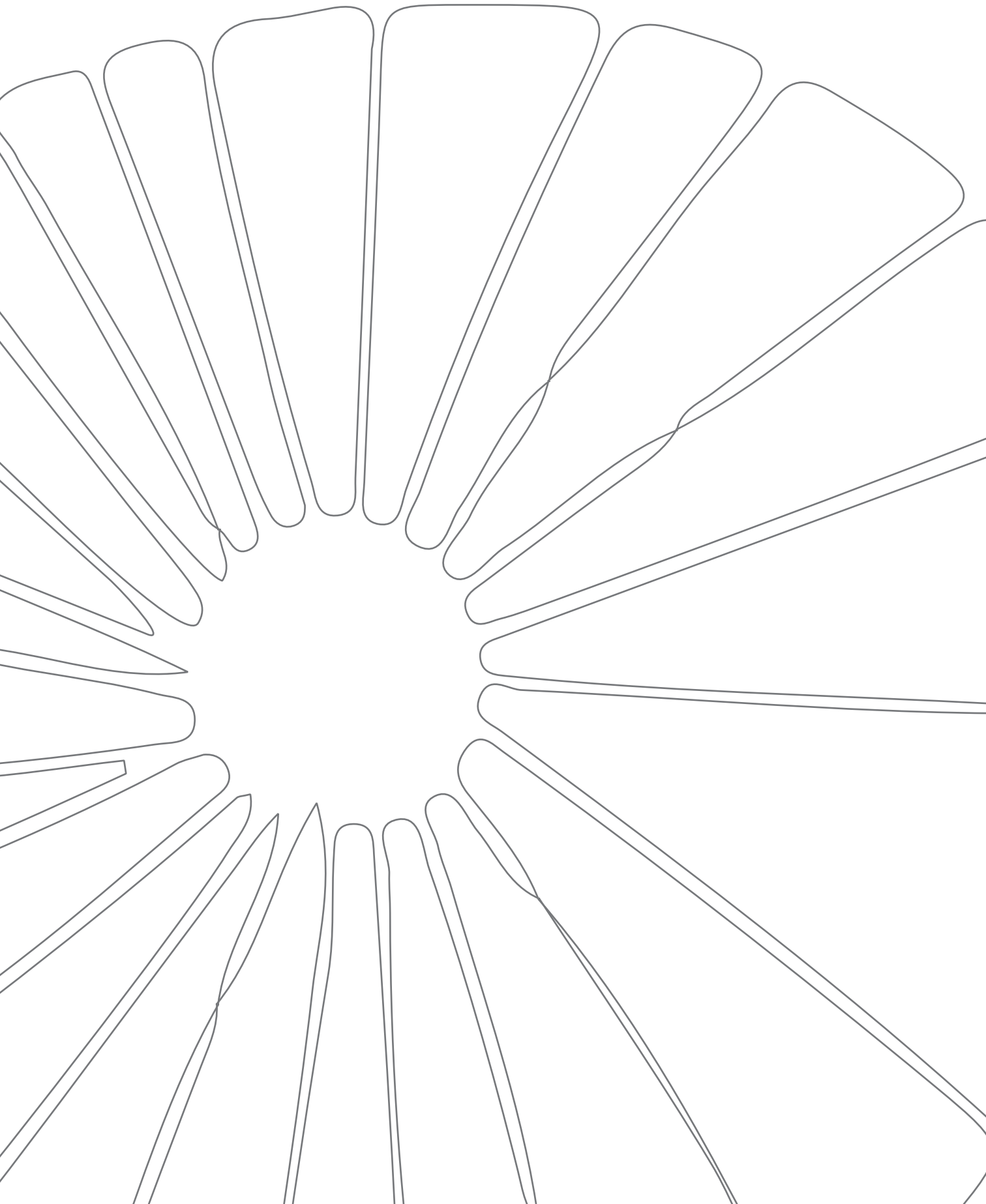
The **Distributed economic value** amounted to EUR 1,332.4 million (+55.7% compared to 2020).

The **Retained economic value**, - EUR 21.1 million, is the difference between generated value and distributed value.



The Distributed economic value in 2021 is divided among the following stakeholders:

- The largest amount, EUR 1,104.4 million (+77.0% compared to 2020) relates to the costs incurred for the purchase of materials and services necessary for the company's activities: **Suppliers** of mechanical components, electronics, procurement, transport and general services;
- To **Employees** were distributed around EUR 169.1 million (+1.6% compared to 2020) for salaries, social security contributions and pensions;
- EUR 52.5 million relates to payments to capital suppliers, **Shareholders and Financiers**, in the form of profit and interest liabilities;
- EUR 5.3 million were paid to the **Public Administration** in the form of taxes on income and property;
- EUR 469 thousand to the **Community** to contribute to scientific and technological development through conventions with universities and research centres (scholarships, traineeships, doctorates and research grants), to support charitable associations and initiatives for the protection of artistic and environmental heritage and the diffusion of culture.



GOVERNANCE, ETHICS AND INTEGRITY

The governance model adopted by Ansaldo Energia SpA

reflects its long-term strategy and is based on principles of integrity, transparency and responsibility that the Company undertakes to apply at all levels. In this context, Ansaldo Energia gives great importance to compliance with not only mandatory legal standards but also internationally accepted best practices.

CORPORATE GOVERNANCE

Today, Ansaldo Energia S.p.A. is owned 88.29% by CDP Equity, a holding company of shareholdings of the Cassa Depositi e Prestiti Group, which has the objective of investing risk capital in companies of considerable national interest and in companies in economic, financial and capital balance, with adequate prospects for profitability and development, and 11.69% from Shanghai Electric, the world's leading manufacturer of power and mechanical equipment. The Corporate Governance of Ansaldo Energia S.p.A. is articulated according to the traditional model which requires:

- Shareholders' Meeting;
- Board of Directors;
- Board of Statutory Auditors;
- Supervisory Board;
- Independent Auditors.

BOARD OF DIRECTORS AND COMMITTEES

The Administrative Body of the Company is multi-personal and collegial, meets in the form of a Board of Directors and is appointed for a period of three financial years.

It expires on the date of the Shareholders' Meeting convened for the approval of the report relating to the last financial year of the office. The Advisors may also be non-members and may be re-elected. The Chairman of the Board of Directors and the Chief Executive Officer are appointed to the Board of Directors. The current President is non-executive.

Members of the Board of Directors, as required by an internal directive of Ansaldo Energia², meet the following requirements:

- a high degree of professionalism and managerial experience;
- did not hold other external positions of the Ansaldo Energia Group at the time of the assignment, and for the entire duration of the assignment, except those that have been previously communicated and evaluated compatible by Ansaldo Energia S.p.A.;
- have not held duties as Director or Statutory Auditor in companies subject to a concerted procedure for events related to the period of their office;
- are in possession of the necessary professional and honorary requirements and, where applicable, the independence requirements required by law.

² Delegation of Authority_ Directive no. AE-DI-010

The Chairman and Chief Executive Officer must attend at least eighty percent (80%) of the Board meetings held during a financial year. The other Advisors must attend at least sixty percent (60%) of these meetings. Holdings to a lesser extent than those indicated above constitute a reason for disqualification from office.

BOARD OF DIRECTORS IN OFFICE AT 31/12/2021

Role	Name	In charge from	In charge up to	Executive	Non-executive	Independent	Participation to the Board of Directors
President	Giuseppe Zampini	14.10.2019	2021 Financial statement approval		X		100%
Vice president	Jianhua Yuan ³	14.10.2019	2021 Financial statement approval		X		40%
CEO and DG	Giuseppe Marino	18.10.2019	2021 Financial statement approval	X			100%
Advisor	Giovanni Zetti	20.04.2020	2021 Financial statement approval		X		100%
Advisor	Giampietro Castano	14.10.2019	2021 Financial statement approval		X	X	100%
Advisor	Fabiola Mascardi	14.10.2019	2021 Financial statement approval		X	X	100%
Advisor	Fabio Massoli	14.10.2019	2021 Financial statement approval		X		100%
Advisor	Fufang Wang	14.10.2019	2021 Financial statement approval		X		50%
Advisor	Xiaohong Zheng	14.10.2019	2021 Financial statement approval		X		0%

COMMITTEES IN OFFICE AT 31/12/2021

RELATED PARTIES COMMITTEE – appointed by the Board of Directors on October 9th 2020. President: Federico Luciano; Members: Luca Cidda and Alessandro Comola.

The Committee is responsible for giving its opinion on the operations with Related parties.

REMUNERATION COMMITTEE – appointed on November 15th 2019. President: Giuseppe Zampini. Members: Yuan Jianhua, Fabio Massoli, Fabiola Mascardi and Zheng Xiaohong.

The Committee has the task of overseeing remuneration policies and the activation of incentive plans for senior directors and managers.

³ Jianhua Yuan resigned on October 12 and was replaced by Antonella Baldino for the remaining four BOARD OF DIRECTORS with 100% presence

SUSTAINABILITY COMMITTEE – Board of Directors, appointed on July 27th 2021. President: Giovanni Zetti, members: Fabiola Mascardi and Gianpiero Castano.

The Committee has the task of assisting the Board of Directors with preparatory and advisory functions in the evaluation and decision-making of sustainability issues.

BOARD OF AUDITORS

Each member of the Supervisory Body (Board of Statutory Auditors) owns a high degree of professionalism, has not held positions as Director or Statutory Auditor in companies subject to bankruptcy proceedings for facts related to the period of his office, has the necessary professional and honorary requirements and, where applicable, the independence requirements required by law.

Moreover, the members of the Control Body are not shareholders, even indirect ones, of any company of the Ansaldo Energia Group nor do they have any role other than that of Control Body in the Ansaldo Energia Group companies.

BOARD OF AUDITORS IN OFFICE ON 31/12/2021

Load	Name	In charge from	In charge up to	Participation to the Board of Directors
President	Michele Casò	14.10.2019	2021 Financial Statement approval	100%
Statutory Auditor	Federica Fiorani	14.10.2019	2021 Financial Statement approval	100%
Statutory Auditor	Paolo Biancone	18.10.2019	2021 Financial Statement approval	100%

On May 16th, 2022, the Shareholders' Meeting of Ansaldo Energia met to decide on the appointment of the new Board of Directors of the company, which will remain in office until the approval of the annual financial report for 2024. President was appointed Lorenza Franca Franzino.

The new Board of Directors appointed Giovanni Zetti as Vice-President and confirmed Giuseppe Marino as Chief Executive Officer.

The following table shows the composition.

BOARD OF DIRECTORS IN OFFICE SINCE 16/05/2022

Role	Name	In charge from	In charge up to	Executive	Non-executive	Independent
President	Lorenza Franca Franzino	16.05.2022	2024 Financial Statement approval		X	
Vice president	Giovanni Zetti	16.05.2022	2024 Financial Statement approval		X	
CEO and DG	Giuseppe Marino	16.05.2022	2024 Financial Statement approval	X		
Advisor	Chiara Bisagni	16.05.2022	2024 Financial Statement approval		X	X
Advisor	Paola Girdinio	16.05.2022	2024 Financial Statement approval		X	X
Advisor	Gaetano Massara	16.05.2022	2024 Financial Statement approval		X	X
Advisor	Fabiola Pellegrini	16.05.2022	2024 Financial Statement approval		X	X
Advisor	Fabio Barchiesi	16.05.2022	2024 Financial Statement approval		X	
Advisor	Maurizio Dainelli	16.05.2022	2024 Financial Statement approval		X	

At the same meeting the Board of Statutory Auditors was appointed, consisting of:

BOARD OF AUDITORS IN OFFICE SINCE 16/05/2022

Role	Name	In charge from	In charge up to
Presidente	Carlo Corradini	16.05.2022	2024 Financial Statement approval
Sindaco effettivo	Elena Gazzola	16.05.2022	2024 Financial Statement approval
Sindaco effettivo	Pietro Del Fabbro	16.05.2022	2024 Financial Statement approval

FIGHT AGAINST CORRUPTION

In light of the wide geographical context in which the Ansaldo Energia Group operates, the Company has strongly wanted a global anti-corruption policy, to establish principles and rules applicable to the Ansaldo Energia Group in the conduct of its business with public and private entities, in order to ensure full compliance with anti-corruption legislation.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

The first important step is the adoption of an Organization, Management and Control Model by Ansaldo Energia S.p.A. on March 3rd, 2004 – and in continuous updating – and all the Italian companies of the Ansaldo Energia Group.

The adoption of the above model had (and still has) among its primary objectives to ensure a behaviour always in conformity with the principles of correctness and transparency of all personnel working on behalf and in the interests of the Company,

In line with the requirements of Legislative Decree 231/2001 and with the indications of the relevant case law, as well as on the basis of the Guidelines issued by Confindustria. The Organization, Management and Control Organization, Management and Control Model, always available on the Group website <https://www.ansaldoenergia.com/> consists of a general part, which describes the principles, functions and essential components of the aforementioned, and special parts, which are distinguished by the types of offense considered to be relevant, in which the activities at risk of crime are identified, business and group control principles and procedures.

The Company is always engaged in information and training activities involving all internal staff, through differentiated paths, also in order to allow a targeted dissemination of information according to the role of the actors concerned. An important role is recognized for the Company's Supervisory Board, a body with autonomy and independence in respect of other social bodies required by law, with the primary purpose, among others, of monitoring the observance of the model and the correct application of internal protocols. Among the tools for preventing the risk of corruption, the Company has adopted a system for reporting violations to the Supervisory Board (known as whistleblowing), defined in the Organizational, Management and Control Model and by the Code of Ethics. The warning system introduced by the Model allows employees and third parties to report illegal conduct that they have become aware of due to their employment relationship, ensuring the confidentiality of the reporting agent and the alleged infringer.

CODE OF ETHICS

Attached to the Organization, Management and Control Model, the Code of Ethics expresses the ethical commitments and responsibilities in the conduct of the business and business activities undertaken by Ansaldo Energia and by all those who maintain any kind of relationship with Ansaldo Energia S.p.A.

The Company promotes knowledge of its Code, available on its website <https://www.ansaldoenergia.com/> by the employees and all those who work for the Ansaldo Energia Group and ensure that it is properly complied with, ensuring the transparency of the operations and behaviours put in place, by providing appropriate means of information, prevention and control. At the request of the Parent Company, each Ansaldo Energia Group company has its own code.

CODE OF CONDUCT

The path of integration of social responsibility and sustainability issues into its business, undertaken by Ansaldo Energia, also led in 2021 to the adoption of a Code of Conduct (the “Code”) which summarizes the principles of behaviour applied within the Company and in its relations with its stakeholders, with the aim of ensuring that every activity can be carried out with honesty, fairness, integrity and in accordance with the law and principles it embraces.

In the drafting of the Code, which can be consulted on the website of Ansaldo Energia <https://www.ansaldoenergia.com/>, oriented to high standards of integrity, social responsibility and sustainability in carrying out its business activities with the aim of a balance between the social, environmental and economic dimension, it was inspired by the fundamental principles and themes set out in UNI ISO 26000 “Guidelines on the social responsibility of organizations”, taking into account the values and principles contained in the Code of Ethics to which all the behaviours of the members of the social bodies of administration and control, employees and all persons (natural and/or legal persons) who have any kind of relationship with the Company (in the document called “business partners”) are constantly inspired.

ISO 37001 CERTIFICATION

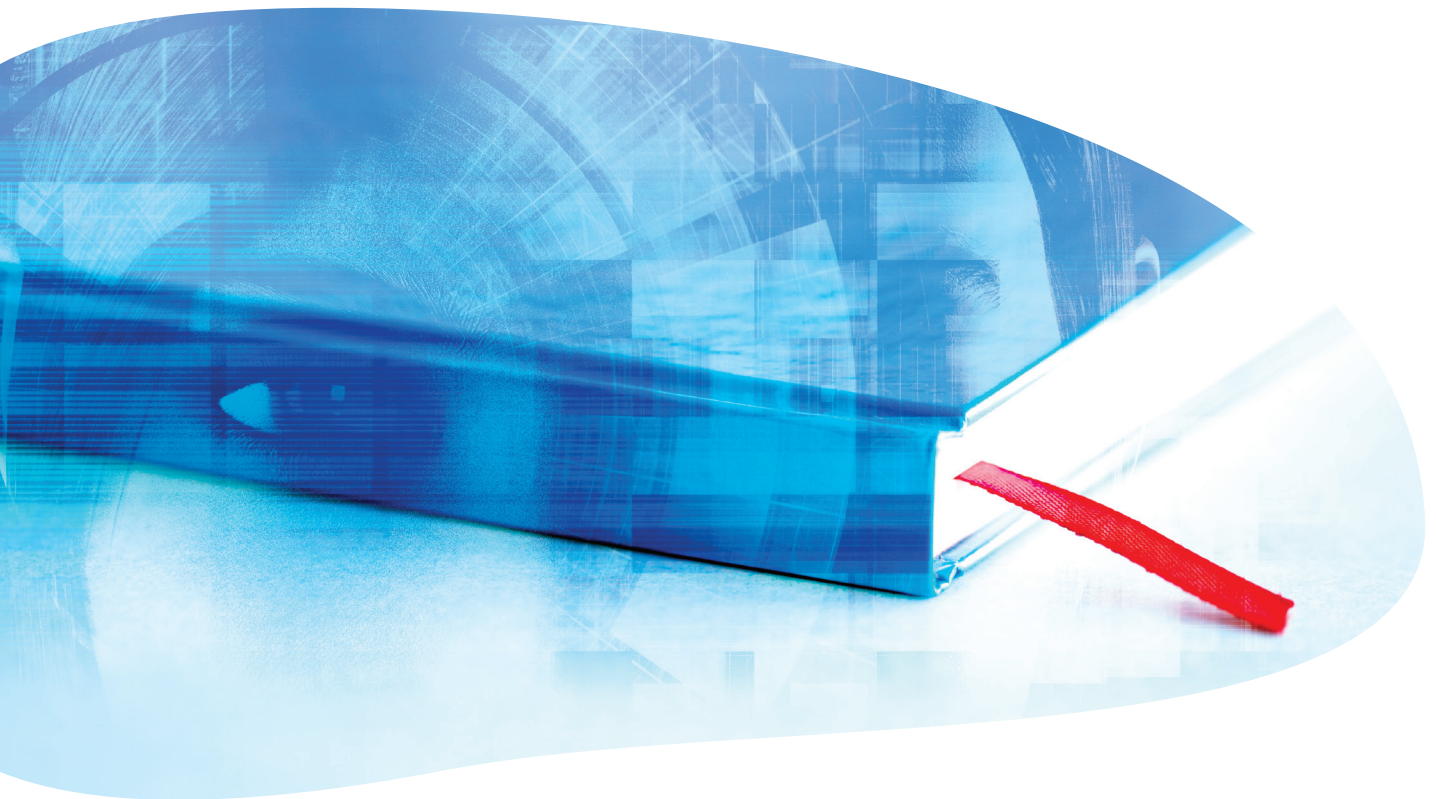
In 2019 the Company obtained the ISO 37001 certification for management systems for the prevention of corruption – certification confirmed in 2020 and 2021. This certification identifies a management standard to help organizations fight corruption by establishing a culture of integrity, transparency and compliance, and is an important goal the Company has achieved.

COMPLIANCE WITH ANTITRUST RULES

An in-depth knowledge of anti-competitive illicit rules is essential for all businesses, regardless of the business sector. Ansaldo Energia S.p.A. intends, therefore, to ensure that the conduct of the business of the companies of its group takes place in compliance with the antitrust rules.

The Company has adopted its own internal procedure, with the purpose of describing the limits imposed by the regulations on the National and EU and international competition in the field of agreements and abuses of dominant positions, on the one hand, and explain the conduct to be taken and/or the conduct not to be held in order to ensure full compliance with antitrust rules, on the other hand.

In view of the above, Ansaldo Energia requires that, in the performance of its professional activity, all employees and directors of the Group companies strictly comply with the limits imposed by the antitrust regulations and also carefully comply with the requirements of their company policies.



PROTECTION OF HUMAN RIGHTS

In the awareness of the benefits of an international and social order in which rights and freedoms are fully realized, Ansaldo Energia strives to:

- apply the necessary diligence in identifying circumstances and environments in which the risk of human rights violations can be exacerbated (e.g. situations of political instability, operations in countries characterized by a lack of political or civil rights);
- contribute to the promotion and defence of the complete fulfilment of human rights;
- overcoming all forms of discrimination, corruption, the exploitation of child or forced labour and, more generally,

Promoting the dignity, health, freedom and equality of workers, in accordance with the United Nations Universal Declaration, the Fundamental Conventions of the International Labour Organization (“ILO”) and the OECD Guidelines.

SITUATIONS OF RISK TO HUMAN RIGHTS

The Company does not maintain any kind of relationship, even if indirect or through an intermediary, with subjects (natural or legal persons) that:

- operate in violation of the law;
- participate in or carry out support activities in any form in Italy or abroad for criminal organizations of any kind, including mafia-style organizations, human trafficking, or arms trafficking, or otherwise exploitation of child labour;
- employ personnel in an irregular manner or in any event that operate in breach of laws and regulations on the protection of workers’ rights;
- work for the purpose of terrorism.

Particular attention is given in the context of relations with persons operating in countries where there is no legislation that sufficiently protects workers, in terms of view of child labour, women and immigrants, and ensuring the actual recurrence of adequate health and safety conditions.

AVOID COMPLICITY

In providing enterprise security services, it is required to:

- respect the human rights of the people with whom you contact, including the rights to freedom of expression, association and peaceful assembly;
- treat all people in a human way and in respect of their dignity and privacy. In particular, arbitrary or illegal interference with the privacy of employees and third parties is prohibited.

The use of repressive measures and the use of force, except in cases of legitimate defence, during the surveillance of site and/or establishments, is not tolerated. Any use of force must in any case be in accordance with the applicable law, in no case it may exceed what is strictly necessary and it must be proportionate to the threat and appropriate to the situation. In order to help ensure proper behaviour toward third parties, particularly with regard to the use of force, Ansaldo Energia undertakes to ensure that personnel receive adequate training in the field of human rights.

DISCRIMINATION AND VULNERABLE GROUPS

In belief that the full and effective participation and integration into society of all groups, including those that are vulnerable, provides and increases the opportunities of all organizations and all persons involved, Ansaldo Energia is contrary to any form of discrimination, direct or indirect, to employees, partners, customers, stakeholders and anyone else with whom it is also indirectly in contact.

The management of staff is inspired by principles of fairness and impartiality, avoiding favouritism or discrimination, while respecting the professionalism and skills of the worker.

For this purpose, Ansaldo Energia:

- in the selection of employees and collaborators – carried out without discrimination on the private sphere and on the opinions of the candidates – works to ensure that the acquired resources correspond to the profiles actually necessary to the business needs, avoiding favouritism and any kind of facilitation, and inspiring their choice exclusively to criteria of professionalism and competence;
- safeguards workers from acts of stalking, violence, even psychological, or mobbing, and counteracts any attitude or behaviour that is discriminatory or detrimental to the person, his beliefs and inclinations;
- requires that harassment or attitudes arising from harassment practices of mobbing which are all, without exception, prohibited do not take place in internal and external working relations;

- offers equal work opportunities, ensuring equal treatment on the basis of individual skills and abilities by adopting a policy based on recognition of merits and equal opportunities in the development of employment.

In accordance with the terms of law and principles set out above, medical examinations for pregnancy and in other cases prohibited by the rules in force are prohibited.

CIVIL AND POLITICAL RIGHTS

Ansaldo Energia is committed to protecting the moral integrity of all employees and/or non-subordinate collaborators, guaranteeing them the right to working conditions respecting the dignity of the person and the full exercise of trade union and political rights.

Ansaldo Energia, moreover, in full respect of the rules on the protection of personal data and of the law placed to protect the privacy of all the recipients and, more generally, of all those who have in any way contacts with the Company, adopts specific rules aimed at providing, in particular, the prohibition of undue communication and/or dissemination of personal data in absence of the prior consent of the person concerned. In particular, respect for the dignity of the worker must also be ensured through respect for privacy in correspondence and interpersonal relations between employees, through the prohibition of illicit interference in conferences or dialogs and through the prohibition of unlawful intrusions or control.

ECONOMIC, SOCIAL AND CULTURAL RIGHTS

Ansaldo Energia exercises the necessary diligence to ensure that it is not involved in activities that violate, obstruct or prevent the enjoyment of economic, social and cultural rights by employees, partners, customers and other stakeholders on which they may have influence. For this purpose, it shall take due account of the possible impacts of its decisions, activities, products and services and new projects on these rights, including the rights of local populations in the countries in which it operates.

The Company shall refrain from undertaking initiatives that may, directly or indirectly, restrict or preclude access to a product or essential resource or impair the supply of scarce essential resources and undertake to explore new ways, in relation to its activities, to contribute to the respect of these rights.

FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

Ansaldo Energia guarantees respect for fundamental labour rights enshrined by the ILO.

In particular, the following shall be guaranteed:

- freedom of association and the recognition of the right to collective bargaining by its employees. Workers' representatives shall be provided with appropriate means to enable them to perform their work effectively and to play their role without interference;
- the elimination and combating of all forms of forced or compulsory labour and the exploitation of child labour. The Company does not permit and does not tolerate the establishment of employment relations – even by business partners – in violation of the current rules on child, female and immigrant labour and it protects from labour exploitation practices;
- the elimination of discrimination in employment. Ansaldo Energia's employment policies are not discriminatory by race, colour, gender, religion, nationality, social origin, political opinion, age or disability.

The Company undertakes to take initiatives to support the balancing of private life and work of its personnel. The Company also strives to promote the respect of these rights by its business associates and business partners.

REPORTING VIOLATIONS: WHISTLEBLOWING PROCEDURE

Those who believe there have been violations of their human rights are required to bring this to the attention of the Company through the system for reporting violations to the supervisory body (known as whistleblowing), defined in the Organizational, Management and Control Model and by the Code of Ethics.

In 2022, a Whistleblowing procedure dedicated to reporting of violations is also planned, and is also visible on the Ansaldo Energia website <https://www.ansaldoenergia.com/>.

The dedicated reporting channels are: (i) the e-mail address report@ansaldoenergia.com; (ii) the mail to the attention of the Compliance Officer of the AEN Group at the registered office of Ansaldo Energia S.p.A.. If the report concerns the Group Compliance Officer, the report must be sent to the e-mail address of the Ansaldo Energia S.p.A. Supervisory Board: odv.dlgs231-01@ansaldoenergia.com.

Ansaldo Energia, the Group Companies and the Supervisory Body ensure the protection of the confidentiality of the information and of its processing in compliance with the current privacy legislation. The staff of Ansaldo Energia or the staff of the Group Companies and the members of the Supervisory Board ex Legislative Decree 231/01 which receive a report and/or are involved, in any way, in the management of the report, must ensure the maximum confidentiality of the information contained therein and of the identity of the signalling agent.

MANAGEMENT SYSTEMS AND CERTIFICATIONS

Performance and behaviour in the areas of quality, health and safety, environmental protection and information safety are considered by Ansaldo Energia as a fundamental value.

In order to guarantee a coherent approach and to define a systematic management of the processes underlying the governance of these aspects, Ansaldo Energia S.p.A. has been equipped with management systems certified and in conformity with UNI EN ISO standards.



UNI EN ISO 9001

For quality



UNI EN ISO 45001

For safety



UNI EN ISO 14001

For the environment



BIOSAFETY CERTIFICATE

QUALITY MANAGEMENT

Ansaldo Energia is committed to continuously improving and innovating its processes to increase customer satisfaction and market competitiveness. Ansaldo Energia:

- takes a flexible and proactive approach to responding to customers' needs and ensuring their satisfaction with their portfolio of product and service offerings;
- involves all staff and stakeholders to achieve and maintain a high level of quality and innovation of their products and services;
- is committed to the continuous improvement of the effectiveness of the Group Quality Management System;
- ensures compliance with all applicable laws, regulations and other requirements in each country where the Group's products and services are offered.

Ansaldo Energia addresses these commitments with complete integrity, following a governance process that includes documented quality goals, performance monitoring, and periodic management reviews.

HEALTH AND SAFETY MANAGEMENT, ENERGY MANAGEMENT AND ENVIRONMENTAL MANAGEMENT

Protection of workers' health and safety - including prevention and protection from infections - and protection of the environment, are a fundamental principle of Ansaldo Energia's social responsibility.

In all its activities, the company ensures the most appropriate environmental, health and safety standards at work and acts to ensure sustainable development. For Ansaldo Energia these principles are a founding value. In relation to the principles stated, Ansaldo Energia demonstrates its commitment, ensuring the use of the resources necessary to act and maintain its Management System.

Ansaldo Energia imposes ethical and socially responsible behaviour, monitoring and respecting the environment, health and safety of all stakeholders: employees, customers, suppliers, investors, communities. In this context, the Ansaldo Energia Management System for Environment, Health and Safety and infection Control, integrated into the business model and Certified according to ISO 14001 and ISO 45001 and in line with the requirements of the Biosafety Trust Certification, it goes beyond the national and international regulations in force and commits the Group to adopt more and more advanced technologies and processes. For many years Ansaldo Energia has been working with commitment to create a strong culture of safety and of the environment involving all its employees and all its suppliers, through continuous improvement programs.

In 2022 the process for obtaining the energy certification in compliance with ISO 50001 was started.

CYBER & INFORMATION SECURITY

Ansaldo Energia established an Enterprise Security Architecture (ESA) in 2017 with the aim of improving its overall security position and of efficiently and effectively addressing the management, control and protection of the company's information assets. The security vision and strategic objectives have been put into practice by creating the ESA, which represents a defined and agreed framework that is implemented and periodically reviewed and evaluated to ensure that it continues to be suitable for the purpose.

The ESA is modelled and developed through the Information and Cyber Security capability Framework, based on four main capabilities – Governance, Prevention, Detection, Response & Recovery – and related domains. This framework provides a holistic approach to all information security topics based on the following key components:

- The Information and Cyber Security organizational model, which defines the main roles and responsibilities in computer security

within the company.

- Information and computer security process and rules, defining rules and procedures for dealing with information security issues.
- Information and Cyber Security Control and Monitoring Framework, which provides a template for monitoring/verifying compliance with Group-wide security controls.

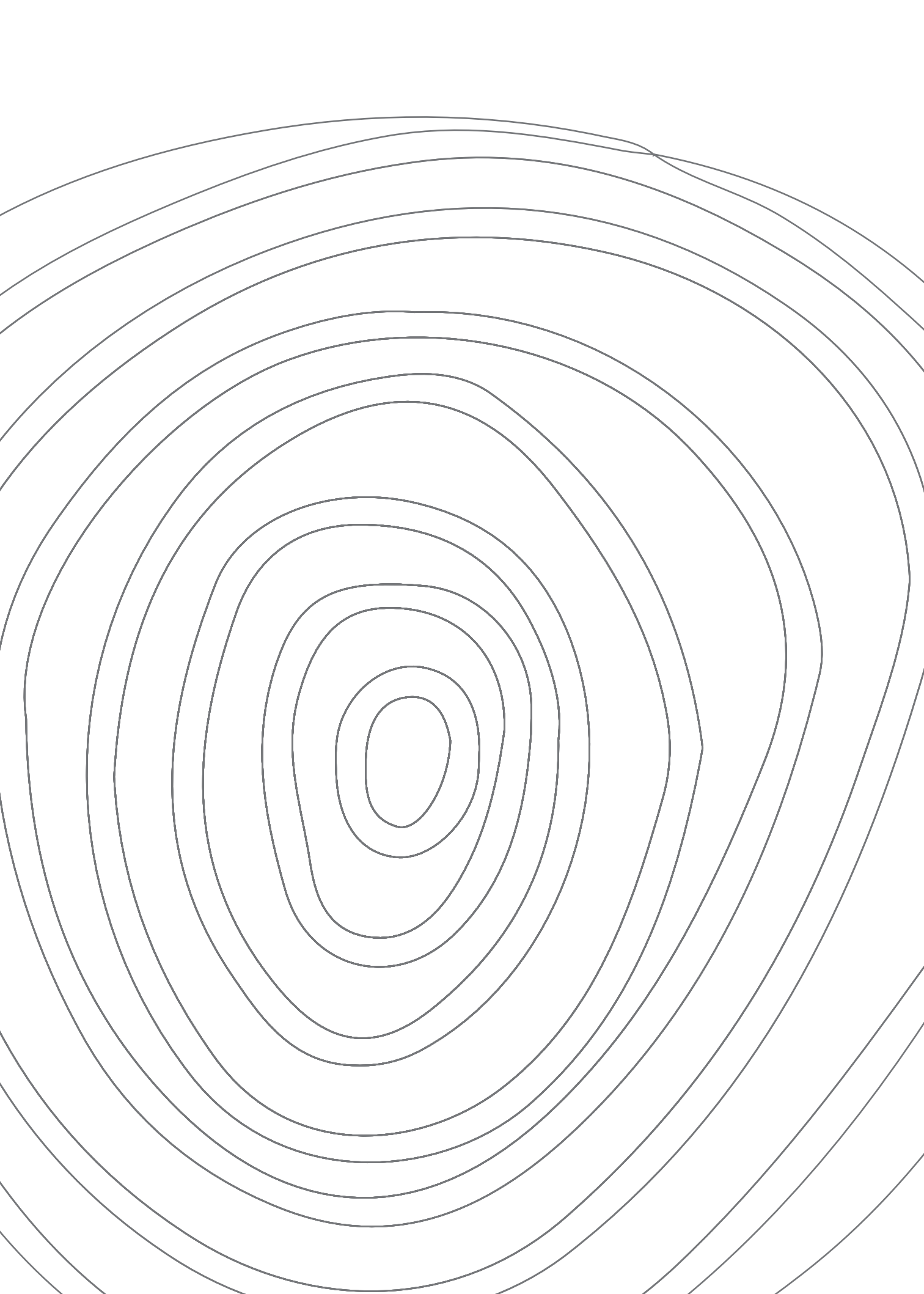
INFORMATION SYSTEMS

Ansaldo Energia has implemented several projects, activities and tools, mainly in the Network, System, Application, Data and Enterprise Security areas.

All activities and projects are implemented in response to a precise strategy that Ansaldo Energia defines in line with the best framework in this area, including COBIT, ISO 27001, ISO 27002, NIST, ISA/IEC 62443 AND NERC CIP.

During 2021 Ansaldo Energia carried out a significant technological renewal of its data centre in order to guarantee high reliability of systems and availability of data and applications.

In the context of the company Risk Assessment and the findings of 2021 on the actions necessary for Business Continuity, the IT function also prepared a mitigation plan in 2022 for the implementation of a Disaster Recovery Plan, which is expected to be released at the end of 2022.



ENVIRONMENT

Ansaldo Energia expresses its attention to the protection of the environment through **the continuous improvement of the environmental/energy performances** of its production cycle and the development of an increasingly more sustainable product.

ENVIRONMENTAL AND ENERGY POLICY

Ansaldo Energia has been engaged for several years in creating a deep awareness of the proactive role that must be played in protecting the environmental sector.

Through programs of continuous improvement of its environmental performance and reduction of energy consumption, it involves both its employees and all its suppliers.

The common commitment is to:

- comply with the legal requirements and other requirements adopted by the Organization;
- respect the Organization, Management and Control Model, the Ansaldo Energia Code of Ethics and its entire procedural system;
- prevent any significant environmental impact arising from production processes;
- promote energy efficiency and reduce CO₂ emissions;
- constantly promote the performance of the energy management system through collaboration and coordination between company resources for the correct use of energy sources ensuring the reduction of the environmental impact generated by company activities;
- ensure that contractors also comply with the requirements of management systems for the environment;
- work closely with the customer for the development of power plants, gas turbines, steam turbines and generators designed to be environmentally friendly;
- constantly train and inform all staff, as well as consult and involve all interested parties, starting with their own employees and their representatives;
- optimize the parameters of production processes with the goal of reducing energy consumption, the consumption of materials and natural resources, emissions into the atmosphere and waste;
- establish and monitor measurable improvement targets related to energy and environmental performance;
- maintain alignment between business objectives and those of environmental sustainability, through the adoption of innovative technologies.

ENVIRONMENTAL AND ENERGY PERFORMANCE

The reporting of the environmental and energy performance illustrated in this Sustainability Report is represented by the activities carried out in the three permanent sites in Genoa.

The environmental aspects are essentially those related to mechanical processing carried out using operating machines, including large machines, combined with assembly and other manual processing.

A significant contribution is also made by technical and administrative office activities involving more than one thousand employees.

RAW MATERIALS AND MATERIALS

The main raw materials used to manufacture Ansaldo products are metals and alloys.

In particular steel and cast iron for gas and steam turbines, steel and copper for generators.

The percentage of secondary raw material at the origin of the material purchased by Ansaldo Energia is up to 95% for steel and copper⁴ and 50% for cast iron.

It is company policy to request from suppliers materials consisting of higher and higher percentages of secondary raw materials whose value currently exceeds 85%. In view of this policy, the total percentage of secondary raw material is subject to fluctuations which depend on the variation in the production mix.

Raw materials	2019	2020	2021
Copper [t]	1,315.1	2,370.7	2,000.9
recycled material	95.0%	95.0%	95.0%
new material	5.0%	5.0%	5.0%
Steel [t]	2,100.0	4,421.9	5,700.5
recycled material	90.3%	92.1%	91.6%
new material	9.7%	7.9%	8.4%
Cast iron [t]	556.9	1,009.4	1,673.6
recycled material	50.0%	50.0%	50.0%
new material	50.0%	50.0%	50.0%
TOTAL RAW MATERIALS [t]	3,972.0	7,802.0	9,375.1
recycled material	86.2%	87.5%	84.9%
new material	13.8%	12.5%	15.1%

⁴ Estimated data

Upstream and downstream of the production activity Ansaldo Energia monitors the consumption of wood, plastic (film and bag) and cardboard packaging.

Other materials of which the company monitors the consumption are paper, plastic and aluminium used in canteens, offices activities and drink vending machines.

Packaging and other materials	2019	2020	2021
Wood packaging [t]	762.6	989.9	813.2
Plastic packaging [t]	137.5	37.4	6.3
Cardboard packaging [t]	0.6	0.7	18.0
Paper consumption [t]	28.1	21.1	25.7
Plastic consumption [t]	11.0	7.5	6.9
Aluminium consumption [t]	5.7	4.8	5.8

The packaging consumption data refer to both incoming and outgoing packaging.

The company is committed to optimizing the use of packaging.

In particular through the Milk Run ('milk run' or 'milk tour', which takes its inspiration from the milk supply of American families in the 1950s and 1960s who used to leave empty bottles at the front door) Ansaldo Energia reuses the plastic boxes used for transporting turbine blades, a strategic company product which involves several production steps, both within Ansaldo's perimeter both and outside of it involving various suppliers.

Since the boxes have standardized dimensions, this packaging method is allowing Ansaldo Energia to obtain other benefits in addition to the waste reduction:

- optimization in the volumes occupied in Ansaldo's warehouses;
- optimization in transport;
- optimization of packaging costs (against an initial 'non-recurring' investment, 'recurring' packaging costs have been reduced to zero)
- significant reduction in handling damage.

Evaluations are also under way to extend this strategy to other product classes. At the end of 2021, an important initiative to reduce disposable plastic was carried out at the Ansaldo Energia production site: at the two canteens, the bottles of water, the cans of soft drinks, and the disposable plastic glasses were entirely removed and replaced by automatic dispensers for water and drinks and washable glasses. The positive impact will therefore be appreciable 2022.

The plastic wrappers that contained the cutlery were replaced by paper wrappers.

In the refreshment areas present in the offices and in the operative areas, dispensers of filtered water withdrawn by the municipal aqueduct have been installed in place of as many vending machines distributing water in plastic bottles.

The cups of the coffee machines have been replaced with compostable cups.

Plastic bottles and glasses	2019	2020	2021
Canteen			
Plastic bottles [t]	3.77	2.86	3.06
Plastic beakers [t]	1.51	0.82	0.78
Vending machines			
Plastic bottles [t]	1.65	1.24	0.79
Plastic beakers [t]	1.78	0.56	0.00

MANAGEMENT OF DANGEROUS SUBSTANCES

Ansaldo Energia's production lines involve the use of hydraulic oils and lubricants for processing with machine tools, resins and solvents in the the generator line activities, degreasers, penetrant and detection liquids for non-destructive testing.

The management of dangerous substances is regulated by procedures that ensure compliance with the requirements of worker health and safety protection as well as the provisions of sector regulations such as REACH and CLP European Regulations. All the substances used in the company are registered on specific databases: the entire cycle of evaluation and authorization for the use in the company of each chemical product is entirely computerized.

ENERGY CONSUMPTION

The supply of electricity, guaranteed by the National Electrical Service, is mainly aimed at feeding the production activities.

A part of the energy requirement is self-produced through photovoltaic plants present in the sites of Genoa.

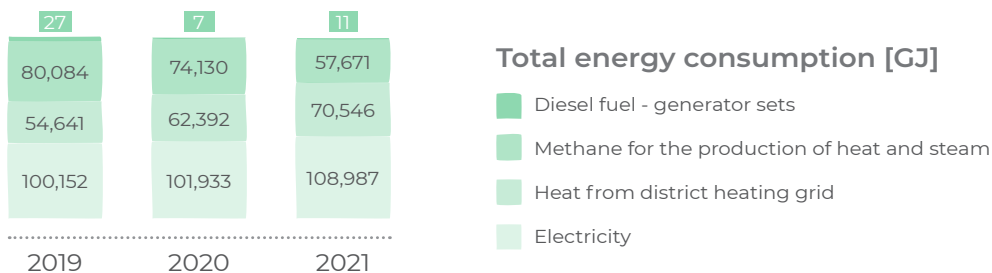
To guarantee the pursuit and development of a sound energy policy Ansaldo Energia is equipped with an Energy Manager that coordinates a dedicated cross-sector team.

With reference to the requirements of Legislative Decree 102/2014, Ansaldo Energia periodically carries out an energy diagnosis from which a targeted consumption reduction plan is derived. Every year, the company communicates what it has achieved in the previous year with regard to the energy consumption reduction projects.

In 2021 the total energy consumption in absolute value amounted to 237,214 GJ, a decrease of 0.5% compared to 2020. The result was determined by a reduction in methane consumption for the production of heat and steam (-2.2%) which is more significant than the increase in heat consumption drawn from the grid of district heating (+13.1%) and electricity consumption (+6.8%).

Power consumption - from non-renewable source	2019	2020	2021
Electricity drawn from the grid [GJ]	97,095	98,945	106,149
Heat from district heating grid [GJ]	54,641	62,392	70,546
Methane for heat and steam production [GJ]	80,084	74,130	57,671
Diesel fuel for energy production [GJ]	27	7	11
TOTAL POWER CONSUMPTION [GJ]	231,847	235,373	234,377
<i>from non-renewable source</i>			

Energy consumption - from renewable source	2019	2020	2021
Electricity produced and consumed by photovoltaic system [kWh]	849,259	857,864	788,180
TOTAL ENERGY CONSUMPTION [GJ]	3,057	3,088	2,837
<i>from renewable source</i>			
TOTAL ENERGY CONSUMPTION [GJ]	234,904	238,461	237,214



The energy intensity indicator calculated as the total energy consumption per hour worked has been reduced by 6.5%; this is due to the 0.5% decrease in total energy consumption, plus the effect of the increase in hours worked by the site staff (+6.3%).

ENERGY INTENSITY

Total energy consumption per hour worked

[GJ per hour worked by site staff]



WATER WITHDRAWALS

Water, which is entirely withdrawn from the municipal aqueduct, is mainly for civil use. During production activities water is mainly used to supply cooling systems and during washing processes or treatments in aqueous solutions.

Water consumption is systematically the subject of improvement programs aimed at reducing waste (e.g. installation of timers in all facilities' toilets and favoring closed-cycle plants).

Water withdrawal	2019		2020		2021	
	All areas (ML)	Water stress Area (ML)	All areas (ML)	Water stress Area (ML)	All areas (ML)	Water stress Area (ML)
Type						
Water withdrawal by source	95.8	0	66.5	0	104.2	0
Third-Party water (aqueduct) [ML]						
Fresh water (≤1000 mg/L total dissolved solids) [ML]						
TOTAL	95.8	0	66.5	0	104.2	0
Water withdrawal from aqueduct [ML]						

In 2021, water withdrawal amounted to approximately 104.2 Megalitres (ML), with an increase of 56.8% over the previous year.

A considerable increase in water consumption identification on the was caused by copious hidden leaks on the district heating underground distribution network, as well as by an increase in the number of staff present at the company.

The water withdrawal per hour worked indicator also followed a similar increase, slightly mitigated by the increase in hours worked.

KPI - water withdrawals per hour worked

[Litres per hour worked by site staff]



AIR EMISSIONS

The emissions in the atmosphere resulting from the production processes carried out in Ansaldo Energia are essentially characterized by dust, VOCs and oxides of carbon and nitrogen from thermal plants.

These emissions originate respectively from mechanical processing activities and the use of resins or other preparations containing volatile organic compounds, mainly used in the generator production line and from heat generation both for production and working environment heating.

All the emissions conveyed into the atmosphere are regulated and authorized within the scope of the Italian "Autorizzazione Unica Ambientale" (A.U.A.) procedure issued to Ansaldo Energia by the Metropolitan City of Genoa. Within the scope of this measure, the solvent management plan is also managed.

The following table shows the emissions of Volatile Organic Compounds, Carbon Monoxide, and Nitrogen Oxides deriving from the production process, the thermal systems and the fugitive emissions of refrigerant gases from air conditioning systems.

Emissions into the atmosphere	2019	2020	2021
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Production process emissions and thermal plants

VOC [Kg]	2,399.0	2,006.4	2,285.9
CO [Kg]	5,372.6	7,347.5	5,344.2
NOx [Kg]	20,458.2	27,306.9	20,580.2

Fugitive emissions – refrigerant gases⁵

R407C [Kg]	7.0	2.5	26.5
R134A [Kg]	0.8	1.8	15.0
R404A [Kg]	5.1	9.2	8.7
R410A [Kg]	6.0	13.3	18.2
R422D [Kg]	5.5	3.0	6.0
R22 [Kg]	1.6	0.5	0.0

The state of efficiency of abatement plants of emissions into the atmosphere is ensured by the internal maintenance service, the chimney concentrations of the pollutants are verified in accordance with the prescribed sampling plan.

In 2021, none of the measurements of dust concentrations (mg/m³), taken at the stack at the same number of emission points exceeded the authorized values, since these emissions were largely below the threshold.

The control and the progressive efficiency of the systems of collection and subsequent reduction of emissions in the atmosphere is however an integral part of the constant attention that the company places to the quality of air and of the working environments.

WASTE AND WASTE MANAGEMENT

The management of waste, both urban (coming from offices and canteens) and special, is centred both on the reduction upstream of waste production and on the maximization of recovery/recycling practices.

Particular attention is paid by the organization to the management of a careful differentiation of the product waste, through a capillary distribution of dedicated containers, and an efficient collection system. The entire collection cycle is managed by a dedicated internal service that guarantees the systematic emptying of the containers and waste disposal. The management of urban waste is carried out in collaboration with the Municipal Service.

⁵ Fugitive emissions of refrigerant gases have been integrated with those from the factory, completing the reporting perimeter, and therefore those for 2019 and 2020 have been recalculated.

In order to guarantee efficiency and control in the correct management of waste materials, the main plant located in Via Lorenzi, is equipped with a temporary storage area for the special hazardous and non-hazardous waste of its own production, authorized by the executive act of the Metropolitan City of Genoa. Dedicated operational and administrative staff follows the entire process.

The special waste deriving from the production lines is essentially made up of iron and steel, ferrous filings and shavings, packaging, emulsions and solutions for machinery, washing waters.

A careful selection of raw materials and substances used in the factory has allowed the quantities of special hazardous waste to be progressively reduced over the years.

In 2021, the total amount of special waste produced was 3,450.5 tons. The non-hazardous fraction amounts to 74.8% of the total and the dangerous fraction to 25.2%, in line with the previous year.

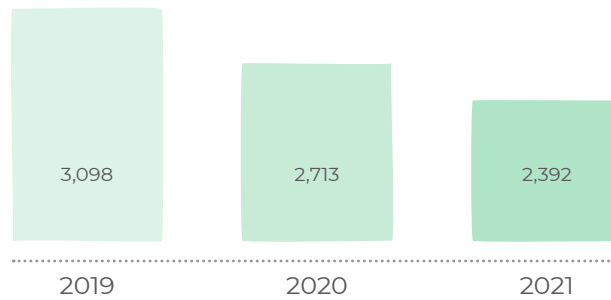
Waste diverted from disposal	2019	2020	2021
Total waste diverted from disposal [t]	2,608.8	2,410.4	2,547.1
Non-hazardous waste [t]	1,831.0	1,807.2	1,941.9
Preparation for reuse [t]	0.0	0.0	0.0
Recycling [t]	1,831.0	1,807.2	1,941.9
Hazardous waste [t]	777.8	603.1	605.2
Preparation for reuse [t]	0.0	0.0	0.0
Recycling [t]	777.8	603.1	605.2

Waste directed to disposal	2019	2020	2021
Total waste directed to disposal [t]	964.7	793.7	903.4
Non-hazardous waste [t]	685.0	574.9	637.8
Energy recovery [t]	0.0	0.0	0.0
Incineration [t]	3.3	3.4	5.5
Disposal [t]	681.7	571.6	632.3
Hazardous waste [t]	279.7	218.7	265.6
Energy recovery [t]	55.3	69.2	70.9
Incineration [t]	201.4	146.9	191.6
Disposal [t]	23.0	2.6	3.1

It should be pointed out that during the three-year period 2019 – 2021 the company carried out an extraordinary activity of disposal of non-hazardous materials and components accumulated in warehouses in the previous years, activity that ended in 2021.

The following graphs represent the actual development of the annual production of special waste, thus purified from extra disposal.

TOTAL SPECIAL WASTE - net of extra disposal [t]



The figures show a constant reduction in waste production in absolute value over the three-year period considered; a similar reduction is noted for the indicator total production of special waste per hour worked, demonstrating the increasingly careful management of Ansaldo Energia of the efficiency of the production process.

KPI - Kg of special waste produced per hour worked by site staff [kg/h]

[Net of extra disposal]



WASTEWATER

Discharges of industrial origin from production plants are generated by hydraulic testing, parts washing, cooling water, and oil separators.

The cycle of wastewater is completed by discharges of civil origin into the public sewer system and the network of rainwater discharged into surface water bodies in compliance

with the requirements of the Regional Regulations on the management of the same.

All discharges are duly authorized by the competent bodies and subjected to the periodic analytical controls prescribed.

The management of prescriptions and updates related to changes in the activities is monitored through specific verifications and deadlines established by the appointed body (e.g. analytical samples).

Water discharge	2019		2020		2021	
	All areas (ML)	Water stress Area (ML)	All areas (ML)	Water stress Area (ML)	All areas (ML)	Water stress Area (ML)
Water discharge by destination						
Domestic waste water and public sewage [ML]	74,9	0	47,1	0	87,9	0
Fresh water (≤1000 mg/L total dissolved solids) [ML]						
Industrial waste water in public sewage [ML]	0,4	0	1,2	0	0,8	0
Fresh water (≤1000 mg/L total dissolved solids) [ML]						
Industrial waste water in surface/soil/subsoil water body [ML]	20,5	0	18,2	0	15,5	0
Fresh water (≤1000 mg/L total dissolved solids) [ML]						
TOTAL THIRD-PARTY WATER (PUBLIC SEWERAGE) [ML]	75,3	0	48,3	0	88,7	0
TOTAL WATER DISCHARGE [ML]	95,8	0	66,5	0	104,2	0

GREENHOUSE GAS EMISSIONS

Ansaldo Energia monitors the direct and indirect emissions of greenhouse gases according to the provisions of the Greenhouse Gas Protocol distinguishing the emissions into categories or Scope:

- **Scope 1:** emissions from sources owned and controlled by the organization due to the production of heat and steam and those due to fugitive emissions of greenhouse gases;
- **Scope 2:** indirect emissions from the production of electricity and heat consumed by the organization and supplied from the grid;
- **Scope 3:** other indirect emissions. This category includes other sources which are not under the direct control of the company, but whose emissions are indirectly related to the company's activity. Ansaldo Energia has included in this category the emissions deriving from corporate travel, disposal of waste produced, water consumption (withdrawal and treatment), fuels used (extraction and transport), and consumption of materials (paper, plastic, and packaging).

DIRECT EMISSIONS

The heating of the buildings in the main plant of Ansaldo Energia is guaranteed by the city district heating service.

To ensure the continuity of air conditioning even when the district heating system is down (for example, for maintenance activities), Ansaldo Energia maintains an efficient methanefired boiler system capable of coping with network interruptions.

Some other boilers with a much lower capacity complete the heat production needs of the production site.

Because of the total installed power, the plant is subjected to the so called ETS scheme, i.e. the European Greenhouse Gas Emission Trading Scheme, the main tool adopted by the European Union to achieve CO₂ reduction targets in the main industrial sectors.

On an annual basis, an Approved Body certifies Ansaldo Energia's emissions, based on the procedure that the company has developed to manage the process. Due to the small amount of CO₂ emissions, Ansaldo Energia belongs to the "small emitters" category and is therefore classified as "opt out" plants for which the Italian national system provides simpler rules compared to the normal ETS system.

Greenhouse gas emissions⁶

2019 2020 2021

Scope 1

Emissions from Stationary combustion (methane) [tCO ₂ e]	4,485.0	4,169.0	3,304.1
Fugitive emissions (F-gas) [tCO ₂ e]	64.0	80.0	157.0
Emissions from Stationary combustion (diesel generator sets) [tCO ₂ e]	2.0	0.5	0.8
TOTAL Scope 1 [tCO₂e]	4,551.0	4,249.5	3,461.9

Scope 2

Emissions for electricity from the grid - location based [tCO ₂ e]	7,818.8	7,959.7	8,548.0
Emissions for heat from district heating grid- location based [tCO ₂ e]	2,672.2	2,991.5	3,345.6
Emissions for electricity and heat from the grid - market based [tCO ₂ e]	19,636.7	20,866.2	22,507.5
TOTAL Scope 2 location based [tCO₂e]	10,491.0	10,951.2	11,893.6
TOTAL Scope 2 market based [tCO₂e]	19,636.7	20,866.2	22,507.5

Scope 3

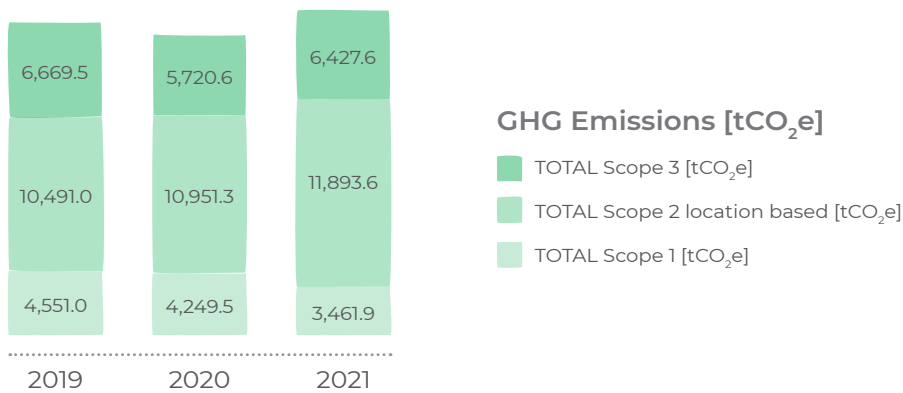
Air Transport [tCO ₂ e]	2,143.4	2,485.7	2,452.2
transport by road [tCO ₂ e]	870.1	1,150.8	1,510.7
INBOUND LOGISTICS [tCO₂e]	3,013.5	3,636.5	3,962.9
Air Flights [tCO ₂ e]	1,411.8	268.6	560.6
Car Travel [tCO ₂ e]	310.5	342.8	487.5
Train Travel [tCO ₂ e]	9.9	4.5	7.8
BUSINESS Travel [tCO₂e]	1,732.2	615.9	1,055.9
Methane [tCO ₂ e]	599.1	552.6	565.5
Diesel fuel [tCO ₂ e]	0.4	0.1	0.2
FUELS USED - extraction and transport [tCO₂e]	599.5	552.7	565.7
Wood packaging [tCO ₂ e]	315.9	309.4	254.2
Plastic packaging [tCO ₂ e]	354.1	96.2	16.1
Paper packaging [tCO ₂ e]	0.5	0.5	14.7
PACKAGING [tCO₂e]	670.5	406.1	285.0
Waste disposed [tCO ₂ e]	416.7	331.9	388.8
Recovered waste [tCO ₂ e]	56.9	52.9	55.8
WASTE PRODUCED - disposed of and recovered [tCO₂e]	473.6	384.8	444.6
Water withdrawn from aqueduct [tCO ₂ e]	34.9	22.9	15.5
Treated waste water [tCO ₂ e]	57.4	34.1	24.1
WATER CONSUMPTION - Aqueduct withdrawal and treatment [tCO₂e]	92.3	57.0	39.6
Paper [tCO ₂ e]	26.7	19.4	23.6
Aluminium [tCO ₂ e]	42.5	29.5	27.4
Plastic [tCO ₂ e]	24.7	18.5	22.9
NON-PRODUCTION MATERIALS [tCO₂e]	93.9	67.4	73.9
TOTAL Scope 3 [tCO₂e]	6,675.5	5,720.4	6,427.6
TOTAL GREENHOUSE GAS EMISSIONS (Scope 1, 2 location based and 3)	21,717.5	20,921.4	21,783.1

⁶ The following changes and additions have been made to the data presented in the 2020 Sustainability Report, resulting in a recalculation of some values. Scope 1: Fugitive emissions have been integrated with those from the factory, completing the reporting perimeter. Scope 3: emissions from inbound logistics were introduced (estimated 2019 and 2020), water consumption was recalculated to reflect actual water consumption no longer compared to those invoiced, and paper, plastic and aluminium consumption from canteens was recalculated more precisely.

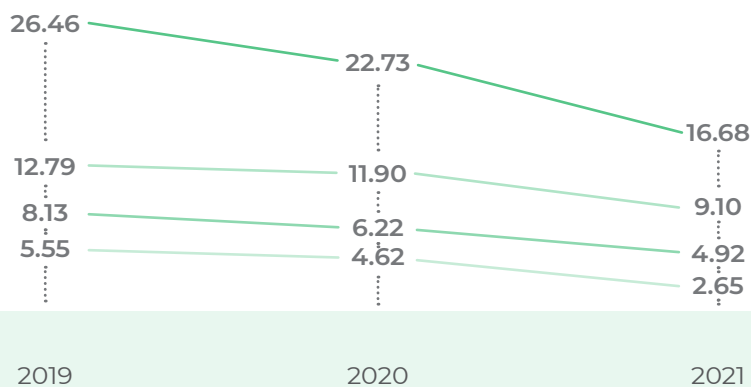
Total greenhouse gas emissions in 2021 amounted to 21,783.1 tCO₂e.

An increase of 861.7 tCO₂e (+4.1%) was observed compared to 2020. This increase was mainly determined by the **Scope 2** emissions as a result of the increased electricity and district heating heat consumption and by an increase in emissions of **Scope 3** due in particular to an increase in those linked to the movement of people and materials (business travel and inbound logistics).

On the contrary, direct emissions, corresponding to 787.6 tCO₂e, are reduced by 18.5%, thanks to the reduction of methane consumption for the direct production of heat.

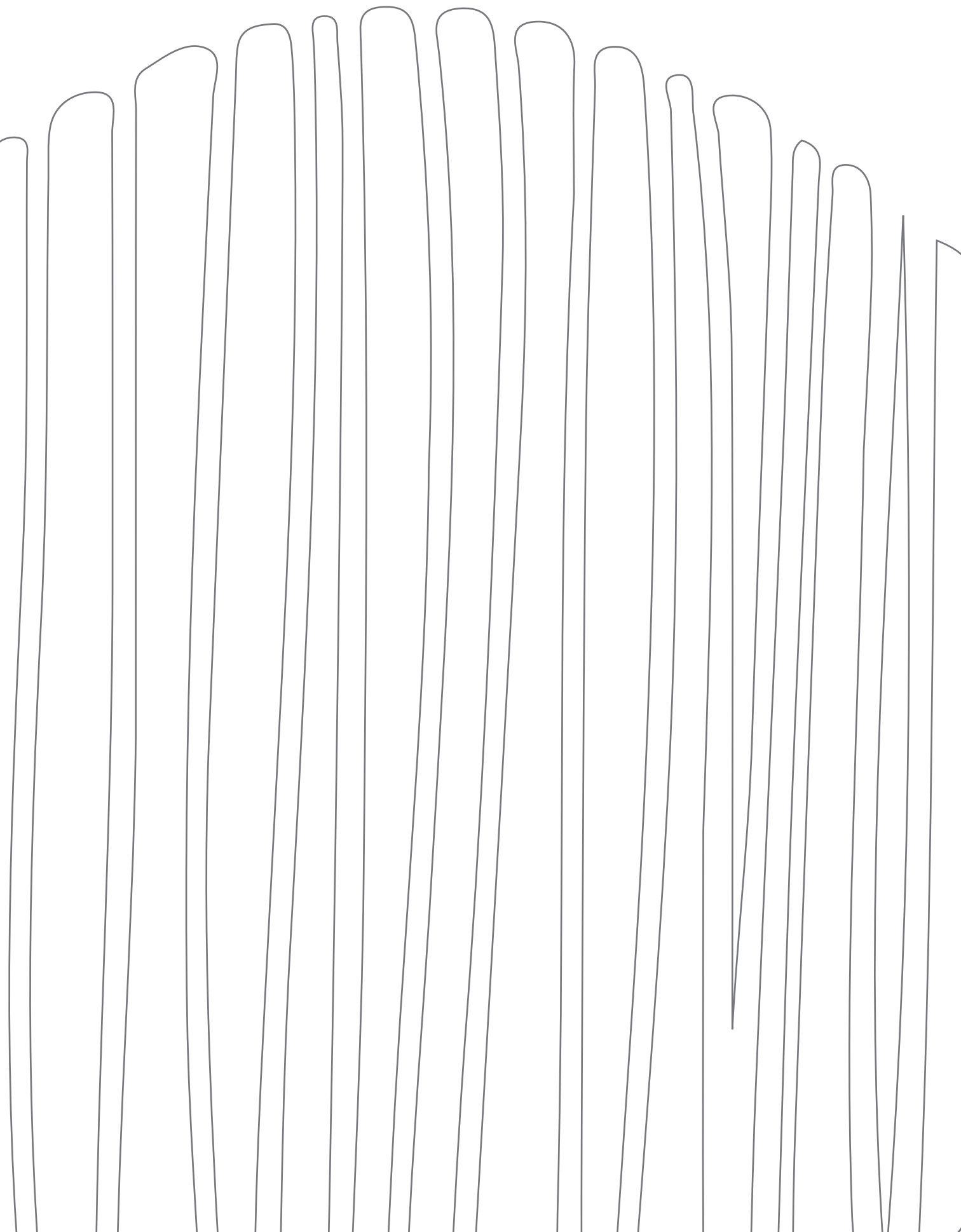


GHG emissions intensity indicators (GHG emissions intensity), defined as tons of greenhouse gas emissions per million revenues, are reduced as a result of the steady increase in revenues over the three-year period.

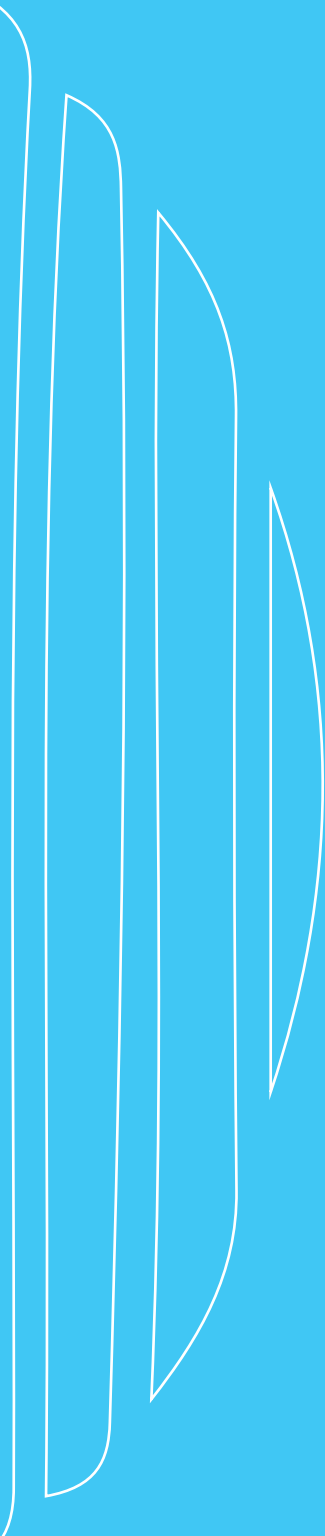


GHG Emissions Intensity [tCO₂e/mln revenues]

- GHG - Emission Intensity Scope 1
- GHG - Emission Intensity Scope 3
- GHG - Emission Intensity Scope 2 - location based
- Totale GHG - Emission Intensity



PEOPLE



The centrality of the people for Ansaldo Energia is an undisputed principle that has never changed in the history of the company since its establishment; it addresses not only within its own organization, but it has always also concerned the stakeholders of its own system of relations.

The attention and respect toward employees are constant features of Ansaldo Energia from the recruitment phases until the time they leave. The contents which regulate the working relationship integrate, through the second level negotiation, those defined by the national collective bargaining (CCNL Industria Metalmeccanica e della Installazione di Impianti). Compatibly with the business needs and the specific characteristics of the individual roles, Ansaldo Energia applies flexibility tools both in working hours and in the way of execution (so-called smart working).

As of 31.12.2021, Ansaldo Energia counted **2,224** employees. The female percentage of middle managers and executives rose from 16.6% to **22.0%** from 2019 to 2021.

Professional categories	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	46	3	49	39	4	43	40	4	44
Middle Managers	200	46	246	179	50	229	166	54	220
White collars	976	262	1.238	919	222	1.141	920	212	1.132
Blue collars	777	2	779	809	3	812	825	3	828
TOTAL	1,999	313	2,312	1,946	279	2,225	1,951	273	2,224

The percentage of employees employed on a permanent contract remained at 99.1% for the year 2021, confirming the importance to Ansaldo Energia of establishing stable employment relationships.

Contract type	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Permanent employees	1,980	313	2,293	1,925	279	2,204	1,932	273	2,205
Fixed-term employees	19	-	19	21	-	21	19	-	19
TOTAL EMPLOYEES	1,999	313	2,312	1,946	279	2,225	1,951	273	2,224

At the end of 2021, 28 people were part-time employed, 1,3% of the company's population.

Part-time employees	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Middle Managers	1	2	3	1	2	3	-	1	1
White collars	2	33	35	3	29	32	2	25	27
Blue collars	1	-	1	-	-	-	-	-	-
TOTAL	4	35	39	4	31	35	2	26	28

Almost all employees are based in Italy and the personnel living abroad work in the company's numerous branches on the different continents.

Geographical distribution	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Italy	1,924	313	2,237	1,901	279	2,180	1,903	273	2,176
EMEA	65	-	65	37	-	37	38	-	38
APAC	8	-	8	7	-	7	9	-	9
Americas	2	-	2	1	-	1	1	-	1
TOTAL	1,999	313	2,312	1,946	279	2,225	1,951	273	2,224

As of 31.12.2021, employees in the 30-50 age group accounted for 73.4% of the total workforce. The under-30 age group, which was 2.9% in 2019, is maintained at 3.6%.

Employees by age groups	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	58	8	66	73	8	81	75	4	79
30-50	1,422	217	1,639	1,435	207	1,642	1,428	204	1,632
>50	519	88	607	438	64	502	448	65	513
TOTAL	1,999	313	2,312	1,946	279	2,225	1,951	273	2,224

The overall average age and average seniority remain substantially in line with 2020.

Average age and average seniority	2019		2020		2021	
	Av. Age	Av. Sen.	Av. Age	Av. Sen.	Av. Age	Av. Sen.
Executives	56.3	21.6	55.3	19.9	54.8	19.3
Middle Managers	51.5	18.3	51.4	18.0	51.2	18.2
White collars	44.6	14.6	43.7	13.0	44.2	13.0
Blue collars	42.3	13.3	41.8	11.9	42.2	12.2
GENERAL AVERAGE	44.8	14.7	44.0	13.2	44.4	13.4



RECRUITMENT

The recruitment process is formalized in a procedure and involves close collaboration between HR and business lines. The first selection filter consists of the adequacy of the candidate's skills detected through the analysis of the CV, with the skills required by the job profile and job description. The first interview is conducted by HR and is about motivational aspects and related to interdisciplinary skills: the overall assessment of these aspects and the adequacy of the CV leads to the technical interview.

Most of the selections refer to specialized technical profiles, particularly focused on the plant engineering sector and the mechanical and electrical design of rotating machines.

The complexity of the required technical profiles strongly influences the recruitment process, which ensures rigorous technical assessments through in-depth interviews and often leads to a significant reduction in the shortlist of candidates.

Interview assessments are saved and stored on a dedicated platform and managed in accordance with privacy regulations, ensuring that the process is properly tracked.

Particular attention is given to providing all the interviewed candidates with an explicit, reasoned and timely response.

The process is uniform for all categories and forms of insertion (recruitment, temporary work and traineeship).

The candidates frequently come from Liguria and lower Piemonte and gender distribution is influenced by the presence of fewer women among graduates in scientific and technical matters.

Ansaldo Energia is a reference point in its territory in terms of competence, professionalism and job stability and this is a very strong element of employer branding, ensuring good attractiveness for even the most complex profiles.

The selection is mainly due to the need to strengthen the staff in numerical or competence terms.

In particular, as for new graduates, the company has a long

experience in insertion through group and funded training courses. In these cases, the selection is organized according to the mandatory rules required by the funding or, in any case, with a level of formalization of the process and of the evaluations adequate to guarantee total transparency and fairness.

During 2021, the selections focused on key roles and skills for the business, particularly in the technical areas of Service and Construction and in the Engineering areas.

It has been possible to continue the experience of remote job interviews which, in particular regarding construction site professionalism, are very efficient and however effective in establishing a first contact with the candidates without committing them to a costly trip.

In the context of the, unfortunately, still persistent health emergency, this solution has also ensured better health protection. However, the company continues to favour the choice of allowing all candidates have a meeting in person and to get in touch with our reality, at least in a last interview, before making a decision regarding their future work.

In 2021, despite the fact that the number of people recruited is falling compared to 2020, the overall recruitment rate remains significant, particularly for people under the age of 30.

Recruitment*	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	8	0	8	33	3	36	18	0	18
recruitment rate	9.0%	-	7.7%	56.9%	37.5%	54.5%	24.7%	-	22.2%
30-50	21	1	22	80	2	82	54	11	65
recruitment rate	1.5%	0.5%	1.3%	5.6%	0.9%	5.0%	3.8%	5.3%	4.0%
>50	4	0	4	12	2	14	12	0	12
recruitment rate	0.7%	-	0.6%	2.3%	2.3%	2.3%	2.7%	-	2.4%
TOTAL	33	1	34	125	7	132	84	11	95
recruitment rate	1.6%	0.3%	1.4%	6.3%	2.2%	5.7%	4.3%	3.9%	4.3%

Termination*	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
<30	4	0	4	2	0	2	2	1	3
termination rate	4.5%	-	3.8%	3.4%	-	3.0%	2.7%	12.5%	3.7%
30-50	29	3	32	26	7	33	33	5	38
termination rate	2.0%	1.4%	1.9%	1.8%	3.2%	2.0%	2.3%	2.4%	2.3%
>50	71	17	88	143	35	176	44	11	55
termination rate	13.2%	17.5%	13.8%	27.6%	39.9%	29.3%	10.0%	17.2%	11.0%
TOTAL	104	20	124	171	42	213	79	17	96
termination rate	5.0%	6.0%	5.2%	8.6%	13.4%	9.2%	4.1%	6.1%	4.3%

*Recruitment and termination rates are calculated as the ratio between the number of employees recruited and terminated in the year and the number of employees present at the beginning of the year in that age group.

TRAINING ACTIVITIES

The training of personnel is a distinguishing feature of Ansaldo Energia and its attention to people, not only in matters relating to legislation and safety at work, toward which there has always been a great deal of commitment, but also for the more technical topics or for the development of soft skills, indispensable factors enabling a correct and aware management style. The provision of training courses to its employees is accompanied by a constant dialogue with the social parties carried out through a specific Training Committee which meets periodically to share and continuously exchange ideas and information. The committee also evaluates the trade union agreements required by the use of the Interprofessional Funds, or, sometimes, by dedicated public funds used by the company.

In 2021, the provision of courses planned downstream of the survey of training needs continued, integrated by the modules foreseen in the **“trAENing” project** presented by Ansaldo Energia in December 2020 in response to the public notice issued by ANPAL (Agenzia Nazionale Politiche Attive del Lavoro) under the Fondo Nuove Competenze.

After approval in March 2021, the training activity planned in “trAENing” was started from the beginning of April 2021 through two-hour distance training modules each, and ended in September 2021.

The project falls within the scope of the measures identified to combat the economic effects of the outbreak caused by Covid 19, in line with the regulatory framework defined by the Italian Government.

Ansaldo Energia, within the framework of the industrial plan aimed at strengthening its competitive structure, participated in the call by presenting a project based on different modules for more than 1,000 (thousand) employees among middle managers and white collars, providing up to 102 hours of training per capita.

The training proposal, articulated on macro-intervention areas (Digital & Technical, Economics, Smart working and Soft Skills and Sustainability) and based on an up-skill approach, has therefore foreseen both technical topics and themes related to the world of digitization and economics and in-depth analysis on smart working



and soft skills, including the module “We are all different” focused on D&I themes and a specific 10-hour path dedicated to Sustainability issues, as detailed in the following table.

Details of modules program “trAENing” FNC		
Area	Modules	(hours)
Digital&Technical	Power Point, Excel, Office 365, Sharepoint, Teamcenter, BIM, SAP, Autocad	32
	Energy Transition	2
	Cyber Security	4
TOTAL AREA HOURS	38
Economics	Business Economics	20
	KPI and Quality Economics	2
	Intellectual property	4
TOTAL AREA HOURS	24
Smart working and Soft Skills	Organizational awareness	12
	Generation Gap	2
	The psycho and social impact of Covid 19	2
	Stress	2
	Introduction to soft skills	2
	Change for digital transition	2
	Foundations of digital communication, digital non-verbal communication digital presentation skills, organize, manage, participate in Remote meetings, working in remote and virtual teams	12
	Colleagues, customers, suppliers: Communication to agree	2
	We are all different	2
	Working well-being in a context of widespread use of smart working	2
	Emergency: How the human being reacts and the impact on behaviour	2
	Problem Solving and Decision Making	4
	TOTAL AREA HOURS
Sustainability	Sustainability: The importance of sustainability, sustainability as engine for Development, the SDGs, telling sustainability and a Reporting case history	10
TOTAL AREA HOURS	10

The sessions saw the teaching of external professional experts and, in some cases, the enhancement of the skills of colleagues who have played the role of teachers or co-teachers, as specialists of the contents foreseen by the training plan.

Below are the summary tables for training delivered in 2021:

Training hours	2019			2020			2021		
	Men	Women	Av. Hours	Men	Women	Av. Hours	Men	Women	Av. Hours
Executives	1.398	75	30,1	141	79	5,1	392	147	12,2
Middle Managers	3.280	873	16,9	1.692	595	10,0	17.521	5.969	106,8
White collars	22.051	5.495	22,1	7.554	1.662	8,1	75.713	21.004	85,4
Blue collars	8.439	16	10,8	3.850	12	4,8	3.636	44	4,4
Average hours per Gender	18,2	20,1	//	6,8	8,4	//	49,8	99,5	//

Training hours by type	2019			2020			2021		
	Men	Women	Av. Hours	Men	Women	Av. Hours	Men	Women	Av. Hours
"traAENing" project*	//	//	//	//	//	//	82,141	24,384	47,9
Informatics*	880	336	0,5	1,072	400	0,7	*	*	*
Health and Safety	9,980	434	4,5	7,285	606	3,5	10,488	1,573	5,4
Technical Specialist	11,849	1,379	5,7	3,419	833	1,9	3,073	600	1,6
Management	5,911	1,359	3,1	1,177	289	0,7	1,176	295	0,7
Linguistic	6,548	2,952	4,1	284	220	0,2	384	312	0,3
TOTAL	35,168	6,459	17,9	13,237	2,348	7,0	97,262	27,164	55,9

*in 2021, the "Informatics" courses have been provided as part of the "traAENing" project

SKILLS DEVELOPMENT

Ansaldo Energia has been using direct assessment and development tools (Development and Assessment Centre, individual and group) for almost twenty years, with the use of external Assessors, sometimes supported by internal ones, thanks to the availability, within its HR staff, of very consolidated professional expertise.

In this regard, the evidence that has emerged from initiatives that have been activated over the years has sometimes been of support for the promotion processes in terms of career (typically from white-collar to middle manager or from middle manager to executive), but it is precisely in the development of soft skills that is the distinctive element of the style of the HR team of Ansaldo Energia.

The diagnoses resulting from these initiatives, in fact, together with the individual development plans that each participant has had the opportunity to draw up, are discussed with the HR Development Manager who, together with the person concerned, defines the best way to implement the plan. Among the possible options, in addition to traditional training courses, there are also experiential initiatives in groups (development laboratories).

For about 10 years, the HR team at Ansaldo Energia has further expanded the possibility of having various "views" of the person in relation to the managerial and organizational skills model.

In addition to the performance assessment – how the person applies the competencies concerning the achievement of the objective – and the assessment of potential – how the person could express those skills in prospective and more complex roles - the evaluation of social recognition (organizational reputation) has been added, that is how skills are acted in the everyday working environment and what leadership is recognized by colleagues. This latter "view" is activated only in some cases because it presents some element of onerousness, having the characteristic that human interaction is needed, which makes this multisource feedback very different from a traditional 360° evaluation system.

JOB SYSTEM

In recent years the company has increased the level of transparency toward its employees by defining the common Job System, a tool for human resources management, structured to promote the development of people and to promote the growth of skills over time.

The Job System provides people with a clear picture and identity concerning their role, skills and belonging to a professional family, beyond the geographical location, in accordance with the needs of the organization and in coherence with the national and corporate contractual framework.

All white-collars and middle managers are matched with a single Macro Role, which defines their professional figure in the Group and shows the required skills.

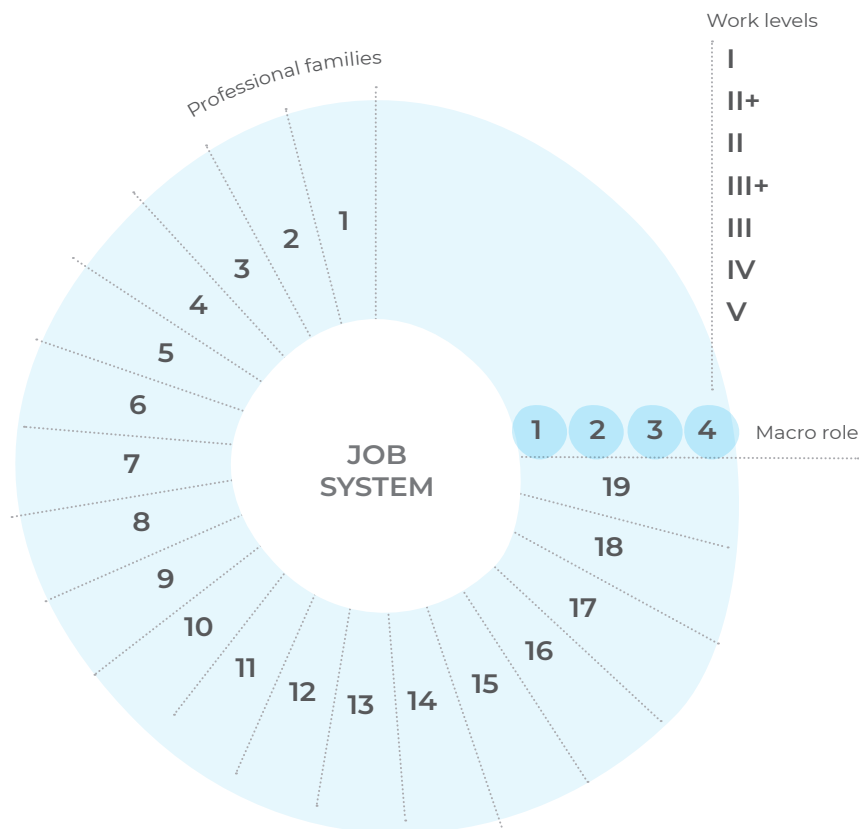
People are also matched with a Work Level, which describes the level required in terms of autonomy, decision making and managed complexity.

The Macro Role match is updated whenever the person changes roles. A positioning check against the Work Level is planned cyclically, in order to follow the growth and development of people over time.

The objectives and opportunities of the Job System can be summarized as follows:

- to enable people in different countries to refer to the same vocabulary, beyond the titles and definitions in use;
- mapping the necessary technical and cross-cutting skills and facilitating their development at a global level;
- to raise awareness of growth opportunities;
- to promote the pride of belonging to a wider professional community than one's own organizational unit or company;
- to provide a clear map of the roles, responsibilities and skills in the Group, with a cross-sectional view of the organization, the different businesses and the products;
- to strengthen awareness of each one's responsibilities toward the Group.

The Job System is published entirely on the Intranet, where employees can find all the information about Professional families, Macro Roles, Skills and Work Levels and it provides periodic reviews.



PERFORMANCE MANAGEMENT

The process of performance management has known different phases in the history of the company: processes oriented to the achievement of macro business objectives that are found in systems of collective incentive (which still concern 100% of the population of blue collars, white collars and middle managers), and in short incentive plans (involving 100% of executives and some middle managers in relevant positions) and in long incentive plans (which currently involve a small percentage of the management population), the use of specific tools, the involvement of all or part of the company population and the harmonization with the approaches used in subsidiaries in Italy or abroad.

The overall approach to performance management is focused not only on “what” is needed, but also on “how” it is done. In fact, in addition to identifying the “performance focus” and communicating it to the staff member who can more easily pursue their results if supported by regular feedback, the manager will also evaluate the behaviour at the end of the observation period.

The process is accompanied by a manual that is reviewed annually and, where appropriate, aligned to new needs and distributed to managers who can always rely on the HR team’s availability for the necessary support.

INTERNAL MOBILITY

The internal mobility realized in 2021 has allowed the coverage of a large number of vacant positions, and in most cases it has succeeded in finding a synthesis between the organizational needs of the individual structures and the demands of the resources themselves for change and professional growth.

The internal mobility realized has taken into account the technical capacities possessed by the resources and their potential for further growth, drawing the information from the evaluation of the performances that the direct managers gave them, from the individual professional path – in the company and/or previous - and from the resources themselves that, over the years, have expressed a general desire for change to other organizational units or to more responsible roles within their structure.

The business areas most involved in this process have been Factory, Service, Production Planning and Logistics, confirming those that we can define as virtuous paths of “fertilization” between adjacent structures, consolidated in the company for many years.

In addition, there have been some shifts between Ansaldo Energia and its subsidiary Ansaldo Nucleare, which have allowed to obtain a greater synergy and organizational efficiency also of the Group.

Mobility type	Number
Intragroup	4
Internal Ansaldo Energia (between different entities)	79
OVERALL TOTAL	83

In December 2021, to confirm the focus on the exploitation of the Group's internal competences, it was also launched a specific internal mobility campaign, managed according to the Job Posting rules, to cover several open positions within the newly-established Ansaldo Green Tech.

EMPLOYEES WELL-BEING

The theme of Welfare plays an important role in Ansaldo Energia and has always played it, even in times when the focus on employees' "private life-work balance" was not as important as it is today.

Ansaldo Energia is in fact one of the two founding companies of a historical Centro Sociale Interaziendale (A.C.S.I.) born in Genoa in 1927 as "Dopolavoro" (recreational club) with the aim of contributing to the mass encouragement of Sport and Tourism.

Over the years, adapting itself to social changes, the A.C.S.I. has expanded its activities by offering a wide range of services and agreements for the purchase of goods or services, in particular education and family, health, sport, as well as various services of ticketing, subscriptions and group purchasing. Through these services, all Ansaldo Energia employees have always had the possibility to buy goods and/or services using strong discounts or other facilitations.

Finally, in the first months of 2021, in collaboration with A.C.S.I. and the BASKO local supermarkets, the company has identified an internal area of the plant where to place suitable "refrigerated lockers" that allow all the staff to have delivered the shopping, carried out on-line, near their office. The same agreement has been established with Amazon to position a dedicated locker within the company perimeter that employees can use.

In addition, the company has consolidated the possibility of using Welfare Services also through a Web Portal through which each employee has the right to spend the credit earned annually by choosing among the various services offered.

In order to facilitate greater usability of these services, the company has recently established that each employee may apply to convert,

in whole or in part, the amount of the Result Bonus into welfare credit, which can be used in the services offered to the employee through the Portal.

In order to encourage this, the company decided to increase by 10% the amount that can be converted.

The ACSI members as of 31.12.2021 were 1.734.

SMART WORKING

The use of smart working in Ansaldo Energia, introduced in 2018 in an experimental way and subsequently extended and regulated also in emergencies such as the collapse of the Morandi Bridge and the pandemic situation, saw in 2021 its consolidation through specific union agreement.

It remains a fundamental element of the company's offer for the balancing of private life and work, in particular to favour family management and the reduction of travel for those who do not live near the workplace.

In 2021, also with the occasion of the trAENing project within the framework of the FNC, a significant training campaign was carried out to support both skills and tools, with a particular focus on the awareness of working remotely.

Smart working	2019			2020*			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
N. employees who worked in smart working	207	129	336	976	282	1,258	846	271	1.117
% that used smart working on the total	11%	42%	15%	51%	100%	58%	44%	100%	51%
Total days worked in smart working	5,157	3,573	8,730	86,039	28,755	114,794	44,192	16,129	60,321
% of days in smart working on total days worked	6%	4%	10%	38%	44%	39%	22%	25%	23%

*The 2020 data has been recalculated

EQUAL OPPORTUNITIES AND GENDER EQUALITY

Ansaldo Energia is committed to removing all forms of discriminatory obstacles from the participation of individuals in the world of work. The company wants to achieve a condition of substantial equality in order to ensure equal treatment for all people and to prevent discrimination based on gender, age, sexual preferences, ethnicity, disability, religious and political orientation. In particular, the company adopts policies to combat the unequal treatment of men and women, with particular reference to occupational and pay discrimination.

The policies adopted to implement the principle of equal opportunities focus mainly on banning and eliminating all discriminatory components in terms of access to work, pay and the level of employment. Staff management is therefore inspired by principles of fairness and impartiality, avoiding favouritism or discrimination, while respecting the professionalism and skills of the worker.

Basic salary ratio* women/men by category	2019 W/M	2020 W/M	2021 W/M
Executives	1.04	1.05	0.96
Middle Managers	0.93	0.92	0.92
White collars	1.0	1.01	1.00
Blue collars	0.98	0.98	0.89

** minimum fixed amount paid to an employee for the performance of the duties assigned, excluding any additional remuneration such as payment of overtime or bonuses.*

Among the measures to overcome adverse conditions for gender equality in the workplace, those applied by Ansaldo Energia relate in particular to flexibility in working hours and permits to reconcile family and working life, as well as maternity and parental leave protections.

The table below shows that 100% of those who have taken parental leave have returned to work and 98% are still employed 12 months after their return.

Parental leave	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
N. of employees entitled to parental leave	234	63	232	63	367	89
N. of employees who have taken parental leave	117	44	136	55	90	46
Total number of employees who, after parental leave, are expected to return to work during the reference period	117	44	136	55	90	46
Total number of employees who returned to work after parental leave	117	44	136	55	90	46
Number of employees returned to work at the end of parental leave and were still employed twelve months after return	113	41	133	53	88	45
RETURN TO WORK RATE*	100%	100%	100%	100%	100%	100%
RETENTION RATE**	97%	93%	98%	96%	98%	98%

* Total number of employees who actually returned to work after parental leave/Total number of employees who would have to return to work after having taken parental leave X 100

** Total number of employees still employed 12 months after return to work at the end of parental leave/ Total number of employees returned to work after parental leave in the previous reporting period(s) X 100

DIALOG WITH THE SOCIAL PARTS

The dialog with the social parts in Ansaldo Energia has always been a key element useful to favour both the sharing of the business objectives and the methods to be implemented to achieve them with actions toward the company organization and toward the resources operating in the company.

Through dialog with the social parts, Ansaldo Energia has also sought to enhance human capital, a key element for the production of products and the necessary technological innovation of an important sector of Italian industry.

Historically representative of the dialog with the social parts, important second-level agreements have allowed the introduction of collective management systems and the change in the corporate structure of the Ansaldo Energia Group in view of the business needs. In relation to the industrial plan started in 2019, in 2021 as well, the company had to introduce actions aimed at reducing the structural costs and reducing the cost of labour.

In addition, in view of the ongoing health emergency, the company continued its dialog with the RSUs in order to ensure the correct implementation of measures for containment and the countering of the spread of Covid-19 arranged by the Ministry of Health and the competent authorities.

The official trade union meetings have an approximate frequency of twice a month for a total of about 30 in 2021.

COMMUNICATION ACTIVITIES

In an age where communication flows are ubiquitous and pervasive, Ansaldo Energia has different communication tools operating, no longer labelable between external and internal and one social media policy that suggests employees the correct use and behaviour in social media.

Followers are obviously dynamic and interactions are also significant, below are reported followers and impressions of the three main social tools (LinkedIn, Facebook and Instagram) as of 31/12/2021 and for the followers is also reported the evidence of the increase with respect to the month preceding the survey.



69.820 followers
at the end of 2020

+8.004 followers
in 2021

77.824 followers
at the end of 2021

2.280.928 impressions
in 2021



5.388 followers
at the end of 2020

+706 followers
in 2021

6.094 followers
at the end of 2021

446.634 impressions
in 2021



960 followers
at the end of 2020

+459 followers
in 2021

1.419 followers
at the end of 2021

88.872 impressions
in 2021

HEALTH AND SAFETY AT WORK

Safeguarding workers' health and safety – including prevention and protection from infections – is a fundamental principle of Ansaldo Energia's social responsibility.

In all its activities, the company carries out ethical and socially responsible behaviours, monitoring and protecting the health and

safety of its stakeholders: employees, customers, suppliers, investors, communities. In this context the Environment, Health and Safety and Infections Prevention and Control Management System of Ansaldo Energia, integrated into the business model in compliance with ISO 14001 and ISO 45001 standards and in line with the requirements of Biosafety Trust Certification, the company is committed to the adoption of more and more advanced technologies and processes.

For many years Ansaldo Energia has been committed to creating a strong culture of safety involving all its employees and all its suppliers, through continuous improvement programs. Each of them, depending on their role and responsibilities, undertakes to:

- comply with the legal requirements and regulations adopted by the Organization;
- respect the Organization, Management and Control Model, the Code of Ethics, the Ansaldo Energia Code of Conduct and its procedural system;
- eliminate or minimize the risks of accidents and occupational diseases, ensuring safe and healthy workplaces;
- constantly improving the investigation process of accidents, near miss and any other risk behaviour in order to eliminate the causes and prevent recurrence;
- ensure that contractors comply with the requirements of health and safety management systems;
- work closely with customers to develop power plants, gas turbines, steam turbines and generators that are design-safe and have a low environmental impact;
- continuously train and inform all staff and consult and involve all stakeholders, starting from the workers themselves and their representatives;
- establish and monitor measurable health and safety improvement targets also to prevent and control infections within the Group;
- maintain alignment between business objectives and health and safety objectives through the adoption of innovative technologies.

Ansaldo Energia has a robust process for identifying and assessing risks to Health and Safety, at all organizational levels and in all business activities, to ensure that risks to people, equipment and property are adequately assessed and monitored in order to maintain them within acceptable levels. The system of risk assessment and management adopted in fact requires a permanent and careful control and a continuous updating in order to guarantee its compliance with the legislative evolutions and the processes of the company. For this reason, specific risk assessments are updated annually and/or every six months.

The following tables show the data for the last three years concerning injuries and occupational diseases.

Injuries	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
N. of injuries at work by gender	30	2	32	29	0	29	41	0	41
N. of days lost due to injuries	691	32	723	734	0	734	731	0	731
Injury frequency index (per million hours worked)*	9.25	4.21	8.61	9.29	0	8.12	12.1	0	10.70
Injury severity Index (for a thousand hours worked)*	0.21	0.07	0.19	0.24	0	0.20	0.22	0	0.19

*Including transfer staff Ansaldo Energia

Occupational diseases	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executives	0	0	0	0	0	0	0	0	0
Middle Managers	0	0	0	0	0	0	0	0	0
White collars	0	0	0	0	0	0	0	0	0
Blue collars	9	0	9	2	0	2	3	0	3
Occupational disease rate (no. of cases/per million hours worked)	2.78	0	2.42	0.64	0	0.56	0.89	0	0.78

NEAR MISS

Ansaldo Energia is committed to continuously improving the investigation processes of accidents, near-miss and any unsafe behaviour, in order to eliminate the causes and avoid the possible recurrence of such events.

The purpose of the analysis and treatment of near-miss is precisely to identify whether the measures envisaged and implemented following the risk assessment are adequate and effective and can prevent recurrence of adverse events.

Ansaldo Energia, through a no blame policy of “non-guilt”, has established a climate of mutual trust and cooperation in order to be able to emerge as much as possible and analyse near-accidents. The trend of the near miss recorded is shown in the table that shows the company’s effort to bring out and record such events in the last three years.

Near miss	2019	2020	2021
Total factory near miss	14	26	21
Total sites near miss	15	5	14

In addition to *near miss* Ansaldo Energia uses EHS observations, a tool which identifies, analyses and records observations reported by workers, officers, RLS or verified by EHS and which relate to different situations that however require a faster resolution time.

The year 2021 demonstrates the growing corporate focus on the use of this important prevention tool focused on behaviour.

EHS Observation	2019	2020	2021
Total EHS observations	219	296	759

CONTRACTORS SAFETY

Ansaldo Energia has a procedure that defines how to monitor and assess the performance of contractors and outsourcers (subcontractors) to comply with the requirements of management systems, to ensure the safety and health of workers and to respect the environment, while carrying out the activities assigned to them.

The table shows the accidents and frequency and severity indexes recorded over the last three years.

Injuries, contractors and subcontractors	2019	2020	2021
No injuries at work	20	16	12
Injuries frequency index (per million hours worked)	36.43	28.18	21.20
Injuries severity Index (for a thousand hours worked)	14.05	0.60	0.43

TRAINING ACTIVITIES

Training is an integral and input element for the growth of corporate culture. Constantly training and informing all personnel, consulting and involving all stakeholders, starting with their own workers and their representatives, is a continuous process involving the whole organization according to a process that leads to the improvement of skills and the enhancement of human capital.

In 2021, general and specific training courses were provided on the basis of the job of the workers and of the risks to which they are exposed (crane operators, confined spaces, work at altitude, etc.) for a total of 12,061 hours developed.

The number of training hours provided in the three-year period, even in spite of the Covid-19 emergency, is always significant and, in particular, 2021, when the emergency is still in place, has seen a significant increase also compared to 2019 (10,234).

Training activities	2019	2020	2021
Number of participants	1,346	1,069	1,591
Hours delivered	10,234	7,783	12,061

HEALTH SURVEILLANCE

With regard to emergencies and in particular with regard to first aid, Ansaldo Energia has chosen to have an internal nursing facility where professional health nurses, present from Monday to Saturday with continuous hours, assisted by two occupational doctors, provide services (Coordinating Doctor and Site Doctor), a licensed doctor and medical specialists such as the ophthalmologist and otolaryngologist. In addition, both the company's competent physician and the authorized physician perform periodic inspections.

The service is guaranteed and free for all third-party companies operating in the headquarters of Genoa.

Activities*	2019	2020	2021
First medications	322	227	252
Nursing Consultancy	1.618	883	931
Medical Consultancy	572	325	218
Indispositions detected	491	257	452
Dermatological examinations/consultations	184	-	-
Eye examinations/consultations	192	104	91
ENT examinations/consultations	221	101	160

* The table has been reclassified from that presented in the 2020 Sustainability Report

AUDITS AND CERTIFICATIONS

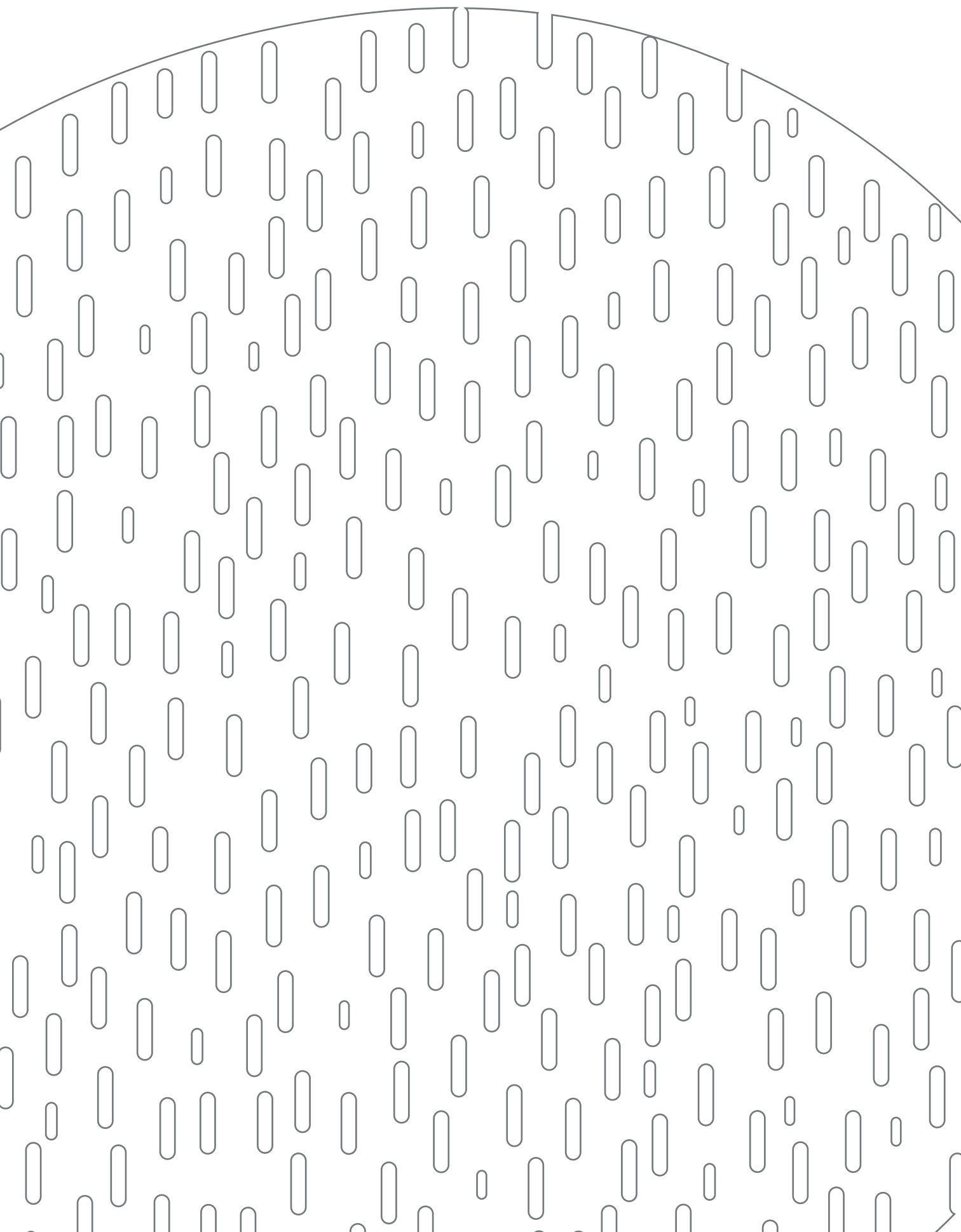
In 2021, the maintenance audit of the occupational safety certification was carried out with reference to the new ISO 45001 scheme, from which no non-conformity emerged and the Biosafety Trust certification was maintained according to the new RINA standard.

Biosafety Trust certification values a set of best practices to minimize the risk of outbreaks spreading in public and private aggregation locations. This scheme, based on the systemic approach of ISO standards on management systems, also has a particular focus on the analysis of the behaviours of Organizational Behavior Management (OBM), the discipline based on scientific laws that explain human behaviour and that allow its prediction and control.

PROJECTS

In 2021 the activities of the project “5+1S” introduced experimentally from October 2017 continued. The “5+1S” method is the result of the integration of the 5S method, already adopted in the factory for some years, with a series of instruments aimed at the continuous improvement of safety in the workplace; with the introduction of a sixth pillar focused on safety, *Lean production methodology* is enriched by extending toward a *Lean Safety perspective*. The “5+1S” method has been jointly developed by Ansaldo Energia internal departments in order to coordinate their continuous improvement of initiatives and maximize their impact in terms of factory safety.

The aim was to introduce operating methodologies in a systematic way and to induce an overall improvement, both in terms of awareness and participation of operators, and in terms of objective performance of factory safety KPIs, through a widespread action plan.



VALUE CHAIN MANAGEMENT



The quality of the relationships among the people and the ethical and responsible action is at the base of the culture of Ansaldo Energia and the management of its *Value Chain*, the set of activities and processes having the purpose of producing value for the customers and for the society as a whole.

CUSTOMER SATISFACTION

Ansaldo Energia identifies customer satisfaction and loyalty as a primary objective for achieving better competitiveness in the energy market. For this reason, Customer Satisfaction plays a fundamental role within the company as an indicator for measuring customer satisfaction.

Since 2012, Ansaldo Energia has set up a Customer Satisfaction process with the aim of measuring the satisfaction of its Customers by identifying actions to improve the quality of its products and services and, consequently, the satisfaction of its Customers, both external and internal.

The Customer Satisfaction process has evolved over the years, becoming, since 2016, a real group process, applied to all Ansaldo Energia companies in Italy and abroad, to all customers and all business sectors. Since then, the evolution of Customer Satisfaction in Ansaldo Energia has led to a highly structured process focused on collecting the *Voice of the Customer* (VOC), with characteristics recognized by our customers as an innovative element in the relationship between customer and partner. The process guarantees an integrated survey of the entire value chain, from New Units projects to Service activities, with surveys dedicated to the evaluation of maintenance operations or of entire LTSA contracts.

The process is based on specific questionnaires for the different types/phases of the contract. These questionnaires maintain a single structure, with a summary part of general questions introducing nine sections called “macro factors”:

- FEEDBACK ADEQUACY AND PROMPTNESS
- MANAGEMENT CAPABILITY
- INTEGRATED PLANT SUPPORT
- QUALITY OF EXECUTION - STAFF PERFORMANCE
- INNOVATION ATTITUDE
- OUTPUT QUALITY (MATERIALS/SERVICES/DOCUMENTATION)
- ENVIRONMENT, HEALTH&SAFETY
- MARKET PRESENCE
- FLEXIBILITY

The process involves self-assessment and a comparison with the customer’s evaluation, both of which are collected through one-to-one interviews and must take into account both the level of satisfaction (*rating*) and the priorities (*ranking*). As a result of these assessments, the process established in Ansaldo Energia is to launch

targeted improvement initiatives that involve all entities based on specific indications from a single customer or recurring feedback.

During 2021, and effective from 2022 questionnaires, explicit sustainability-related questions were also introduced in the general section and in the macro-factor “Market Presence”.

CUSTOMER TRAINING

In combination with the awarding of contracts, especially in the case of turnkey, but not only, it is normally included the training of the Customer Staff that will then have to run the Power Plant: training is therefore provided for the operation and maintenance, but sometimes also with project and management contents. The training activity can include on-site visits to support theoretical lessons and “in-house” ones, at the Workshops, Engineering Design and Diagnostic, Simulation and Remote Control departments.

The courses are carried out by staff with great technical and didactic experience, preferably internal to the company, and they are entrusted to loyal external staff only when the workload and the contemporaneity of several training sessions make it necessary.

As in previous years, during 2021 the company coordinated the training activities for the Customer’s staff in accordance with the contractual agreements; the activities were carried out remotely from January to September, it was therefore an experiment because in the previous year there had been only a few sporadic interventions lasting up to one day, while in 2021 it was necessary to provide several days of remote training with different teachers and suppliers involved.

Since September 2021, when the pandemic situation from Covid-19 seemed slightly improved, training was carried out with a traditional approach exclusively on site, the teachers then went to the client and taught in the classroom and/or on the job. In full compliance with the rules against the spread of Covid-19, training has therefore been carried out both in Italy and abroad. In total, **146 days of training were provided between remote and presence modes for a total of 13,020 person hours.**



SUPPLY CHAIN

The Ansaldo Energia supply chain is made up of more than 1,000 suppliers, which daily contribute to increase the competitiveness of the business, guaranteeing the respect of the products quality and safety requirements, and collaborating in the development of skills and technologies.

Ansaldo Energia suppliers are key players in the process that sees the Company as a world's leading entity in the production of rotating machines and in the construction and maintenance of power plants. Thanks to lasting relationships, based on mutual trust and years of collaboration, Ansaldo Energia's suppliers have shared a common objective of sustainable development, also through their subscription to the Company's Code of Ethics.

The importance of the relationship with the suppliers is even more high due to the fact that the main final product is characterized by an important level of customization, being designed on the specific needs of each customer. It follows the importance of defining procurement strategies during each single phase of business development, from the offer phase to the execution phase, through the constant involvement of strategic suppliers in the identification of high efficiency solutions.

INTEGRATING SMEs INTO THE VALUE CHAIN

Thanks to its deep and historical roots in the Italian industrial reality, Ansaldo Energia counts in its supply chain of the support of an important number of small and medium-sized enterprises (SMEs) within the national territory, which this way can have access to projects of wide scope and considerable technical and economic value.

The SMEs that collaborate with Ansaldo Energia are characterized by a high level of specialization and know-how of their products: Suppliers of mechanical components, electrical and electronic systems, strategic suppliers for the processing of rotating machines. In addition, thanks to the construction sites opened in Italy and abroad, Ansaldo Energia has the support of several local organizations, with reference to logistic, services, contracts and small supplies. The total amount ordered in 2021 was approximately 903 million euros (861 million euros in 2020).

The following table shows the subdivision by product class and by geographical area.



% value ordered by product class	2019	2020	2021
Electrical components	4.0%	8.1%	7.3%
Mechanical components	14.5%	23.7%	17.4%
Rotary machines components	47.8%	39.6%	33.0%
Procurement/Transportation/Site	24.1%	17.6%	31.4%
Services General Services	9.6%	11.0%	10.9%

% value ordered by region	2019	2020	2021
Italy	68.2%	72.1%	80.7%
Europe	21.4%	21.8%	15.0%
America	9.4%	5.0%	3.8%
Asia	0.6%	1.0%	0.3%
Africa	0.4%	0.1%	0.2%

It can be noted that the percentage of the orders value in Italy rose from 68.2% in 2019 to 80.7% in 2021.

SUPPLIERS SELECTION AND MANAGEMENT

In the context of the digitization processes of the Supply Chain, started in the first years 2000 and merged in the AENet 4.0 project in 2018, Ansaldo Energia has implemented for itself and for the main companies of its group the platform for selection and management of the suppliers “AE Vendor Hub”, accessible to any supplier that wishes to join the Ansaldo Energia suppliers’ list, just following the link: <https://www.ansaldoenergia.com/> This tool has enabled the development and management of the relationship with suppliers while ensuring the highest level of transparency and traceability of information.

Commitments and requirements

Portal Registration	<ul style="list-style-type: none">• Code of Ethics	<ul style="list-style-type: none">• Privacy Policy
EHS pre-requirement	<ul style="list-style-type: none">• Compliance with labour standards and social security• Compliance with plant and site management regulations	<ul style="list-style-type: none">• Compliance with environmental regulations (emissions, wastes, discharges) and hazardous substances management (REACH)• Compliance with standards on regular EHS risk assessment of processes
Qualification	<ul style="list-style-type: none">• Selection of product classes and signing of non-dispose Agreement• Economic and financial requirements• Technical-professional requirements	<ul style="list-style-type: none">• EHS/quality certification• No criminal trials and no registration to any international black list• EHS qualification (contractor/outsourcer)

Supply allocation

Selection/tender	<ul style="list-style-type: none">• Check specific requirements for the tender	<ul style="list-style-type: none">• Supply conditions and regulatory compliance on dangerous substances (REACH)
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Supplier management and monitoring

Management	<ul style="list-style-type: none">• Monitoring activities (documentation and on-site audits for suppliers in Ansaldo Energia plant)	<ul style="list-style-type: none">• Criticality management
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REGULATORY ADJUSTMENTS, REGULATIONS AND ESG CRITERIA

At the beginning of 2022, in order to keep on doing the continuous and constant improvement of its processes and the adaptation to national and international regulations, Ansaldo Energia launched a specific project regarding its own Supply Chain, with the aim to improve the processes with reference to the following topics.

CONFLICT MINERALS

As a result of the entry into force of REGULATION (EU) 2017/82 Ansaldo Energia undertakes to verify its purchases in order to ensure and communicate, in accordance with the provisions of the standard, that such purchases, whether direct or indirect, are free of minerals (such as tin, tungsten, tantalum and gold, also known as 3TG) from conflict zones, in order to fight their trade. The reference to this regulation and its application will be included in the Ansaldo Energia General Conditions of Purchase.

In 2022, the reference to the EU Regulation 995/2010 and EU implementing Regulation 607/2012 will also be included in the Company General Conditions of Purchase, with regard to the obligations of wood and wood products trading operators.

CODE OF CONDUCT

In 2022, in addition to the Code of Ethics, the Code of Conduct will also be submitted to the suppliers (during the registration on the AE Vendor Hub) in order to clearly define the ethical and moral standards of Ansaldo Energia, in relation to human rights, environment, health and safety issues, fight against corruption.

CYBER SECURITY IN THE SUPPLY CHAIN

In order to comply with the European Directive “Network Information Security - NIS” (Directive 2016/1148 on the security of information networks and systems, transposed into our law through the Legislative Decree of May 18th 2018, which came into force on June 24th 2018) it will be included in the General Conditions of Purchase in 2022 the concept of responsibility in the supply chain with regard to the cyber security.

CSR AND AE VENDOR HUB PLATFORM

In order to carry out a more in-depth evaluation of suppliers regarding CSR issues, Ansaldo Energia will further develop its supplier’s platform.


This will bring the following benefits:

- to integrate in a practical and systematic way the results of sustainability assessments into the procurement process, ensuring compliance of suppliers with international regulations by means of a third-party evaluator;
- to align the purchasing strategy with the company’s sustainability vision and with the commitments undertaken with the main customers;
- to define in a concrete way the opportunities for improvement of each supplier and to manage their plans for improvement;
- monitor the most critical suppliers (by product class, by volume of activity), through an on-site audit or self-checks program.

In the meantime, at the end of 2021, a letter was sent to approximately 100 suppliers explaining the commitments undertaken by Ansaldo Energia with regard to sustainability, while also anticipating the areas that will directly involve them.



COMMUNITY



The communities to which Ansaldo Energia is addressed include not only the territory in which the company is located and operates, but also those ideally constituted by suppliers and customers and by scientific and technological community.

In the conviction that synergies are the engine of development, with each of its reference communities **Ansaldo Energia is committed to establishing relationships of dialog, confrontation and collaboration**, in the most appropriate forms, on themes of common interest.

Ansaldo Energia believes that the development of strong skills is an essential component of promoting employment and helping individuals to ensure decent and productive work, vital to the economic and social development of a community. In this logic, the company is committed to confirming the vocation to formation aimed at employment, which has always been distinctive of the company, as well as the strengthening of scientific and technological development through conventions with universities and research centres.

UNIVERSITIES, RESEARCH CENTERS AND PROJECTS

Among the more in-depth relations Ansaldo Energia has a long tradition with universities, in particular relations with some engineering departments of the University of Genoa, where the company's headquarters is based, that have been the reference in the years for the construction of further relations with other universities.

The relations are governed by conventions which, in view of the identification of common interests, cover different fields of application.

In the years characterized by strong development for the company, numerous conventions have been activated with different Universities, especially for the development of internships for the drafting of degree theses or postgraduate internships aimed at coming into contact with future candidates for the insertion in the company.

The years of growth have alternated with downturns, but relations with universities have never lost importance; in particular, those with some universities have been and continue to be not only a reference for attracting young graduates, but a cornerstone for the development of Ansaldo Energia products.

Below is the number of traineeships for 2021.

Non-curricular trainees	72
Curricular trainees (for training credits or tesists)	8
TOTAL TRAINEES	80

Among the fundamental relationships, besides the University of Genoa, with which the company is linked by "deep" collaborations, the Politecnico di Torino on important specialized aspects, the Politecnico di Milano and the University of Florence for aerodynamics and secondary air and support for all aspects linked to the energy transition should be mentioned.

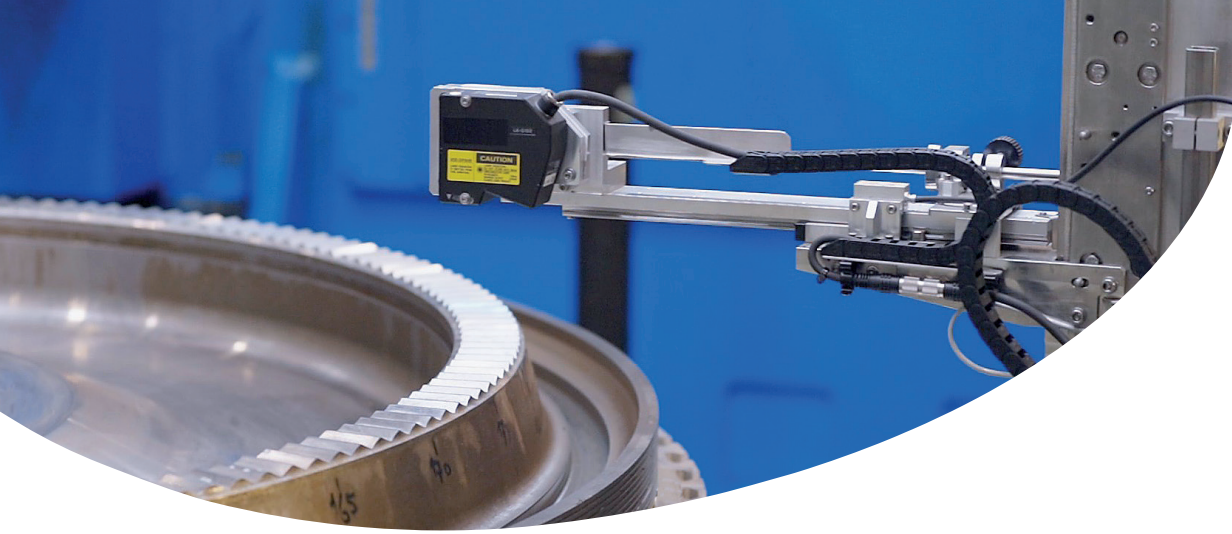
The Conventions are therefore managed by providing in addition to traineeships, and in periods prior to Covid-19 visits to the company, the financing of Courses of Doctorate and Research grants, the joint development of activities and testimonies or business docences by the staff of Ansaldo Energia.

A focus on two initiatives:

- Support for the higher School of the University of Genoa IANUA-ISSUGE, since the date of its establishment, Both in the selection and in the courses aimed at deserving students who can access integrated paths characterized by openness to comparison and cooperation with the world outside the University and with the economic, cultural and institutional fabric of the territory. In the last editions the theme proposed and managed by Ansaldo Energia has concerned sustainability and in particular the modules managed by the company are articulated in two paths: students enrolled in the three-year degree course are explained how the design skills must be spent so that the most valuable components of turbomachines are exploited for as long as possible before being alienated, while for students enrolled in the Master's degree course, it is described how a combined cycle power plant is built, focusing on the Life Cycle Assessment (LCA) of the plant itself in terms of environmental sustainability;
- The collaboration, especially through seminars held by company experts, within STRATEGOS, the Master's degree International University of Genoa in Engineering Technology for Strategy & Security of which Ansaldo Energia has been a partner since the early stages, also participating in the definition of the curriculum. STRATEGOS, one of the first courses in the world to tackle the new discipline of Strategic Engineering, it prepares young engineers to master the combined use of simulation, modelling, data analysis, AI/IA (intelligent agents/artificial intelligence) to support strategic decision-making. This degree provides advanced skills in Industrial Engineering and Information, along with Mathematical Modelling Human behavior Modelling, International Affairs, and Economic Strategies, creating professionals who use modern technologies to deliver quantitative, dynamic, and responsive data to support organizations' decision makers and top managers.

Cooperation for the development of know-how is also ensured through research bodies; the following points are emphasized:

- The relationship with the Italian Institute of Technology (IIT), an excellence in the territory of Genoa, with which themes of robotics and machine learning are developed for the inspection and repair of gas turbine components, and those with CNR and CSM, together with others, with which the company collaborates mainly for the characterization of materials and to help address the research themes to be pursued where the industry has the greatest interests;
- The presence of Ansaldo Energia managers in the START 4.0 competence Centre Board, one of the eight national centres dealing with business guidance and training activities and support in the implementation of innovation, industrial research and experimental development projects aimed at implementation, by the recipient enterprises, in particular SMEs, of new products, processes or services (or their improvement) through advanced technologies in Industry 4.0



Ansaldo Digital Hirth Assessment by Measurement (ADHAM)

The collaboration of Ansaldo Energia with the University of Genoa, Politecnico di Milano and Scientia Machinale, *spin-off* of the Scuola Superiore Sant'Anna di Pisa, led in 2021 to the validation of the prototype of a mechatronics system that improves quality control in the production of turbine disks. Such processing, in fact, requires a guaranteed coupling with very high quality standards and ADHAM allows to move from an analogue to a digital quality control process, reducing the times by almost 80% and achieving near surgical precision.

DIGITAL VOLUNTEERS-MENTORS PROGRAM

In 2021 Ansaldo Energia participated in the pilot phase of the Digital Volunteers-Mentors program, an EU initiative to support the digital transformation path of SMEs in the framework of the strategy aimed at contributing to the objectives set by Digital Decade Communication: target 75% of European enterprises with cloud computing, big data and artificial intelligence services and over 90% of European SMEs with at least one basic level of digital intensity.

The SME selected was ATLA, an Italian company specializing in the production and repair of high-tech gas turbine components for aerospace, defence and industrial applications.

The program took place between May and November 2021 through 10 meetings of about one hour each and involved a Team composed of two people of Ansaldo Energia and two of ATLA.

The technological “challenge” was, in short, the transformation of a consolidated 2D-based procedure into a visual and digital procedure with 3D output and digital native data to be stored in a centralized Database.

In the mutual exchange of experience, the transfer of skills focused on enhancing the internal capacity of SMEs to collect, interpret and manage 3D data and models, and developing a digitization strategy for future investments in tools to automate Step-by-Step's internal processes.

ACTIVITIES TO SUPPORT THE TERRITORY AND ASSOCIATIONS

Ansaldo Energia promotes or collaborates in initiatives of solidarity toward the territory, the communities or also people and families in case of situations of difficulty created following sudden events and it is committed to supporting projects that feed local activities focused on the care of vulnerable situations, the protection of artistic and environmental heritage and the spread of culture.

Ansaldo Energia is also a member of numerous associations, at regional, national and international level, active in its business and in the Research and development. In some associations, members of Ansaldo Energia management also have leadership roles, helping to guide their choices and policies. Moreover, at events and rallies organized by these associations, Ansaldo Energia often plays an active role. In recent years, an important role in the themes and policies pursued by the various associations has been that of sustainability and ecological transition, with its repercussions in the various sectors. Here again Ansaldo Energia has brought its experience and contribution to the energy transition.

MURAL

Ansaldo Energia has collaborated on the creation of a mural dedicated to the fire brigade on the northern facade of the Iren building in via Greto di Cornigliano, in Campi. The place is very significant, both because it is below the area of the collapse of the Morandi Bridge, which took place on August 14th 2018, and because it is adjacent to one of the company's entrances.

The mural, renamed "VVF", has been realized by two street artists very well known and active in the west of Genoa, Drina A12 and Giuliogol. It's been promoted by the Municipio Medio Ponente, which wanted to reserve to the firefighters the 180 square meters: A tribute not only to what was done during the tragedy of the collapse of the Morandi Bridge, but also to the daily hard work done by the National Fire Department , no less extraordinary.





CAMPETTO

During 2021 Ansaldo Energia resumed contacts with Music for Peace, a Genoese Onlus who is dedicated to supporting people in difficulty. The company had already collaborated with this organization and, in resuming the ranks, Ansaldo Energia decided to support a targeted project specifically to the young people of the city: the realization of a football field within the association area that could be a meeting point and a gathering point for the youngsters of the neighbourhood, especially those coming from the most disadvantaged groups.

The construction work of the camp began in the autumn of 2021 and were completed in June 2022, when this area was inaugurated and formally handed over to the organization and to the citizens.

Ansaldo Energia also works with Music for Peace together with the company's RSUs for company collection days. In 2021 two days of non-perishable food collection were held at a facility provided by the company, to which workers responded generously and enthusiastically.

GASLINI

On the occasion of the Christmas holidays of 2021, Ansaldo Energia, together with other important entrepreneurial realities active in the territory (Carige, IREN, RINA) decided to support the project to renew the Aula Magna of the "Giannina Gaslini" pediatric hospital in Genoa. An important point where numerous initiatives take place, both of medical and scientific importance and of relief for small patients.

The renovation works of the structure took place in the first half of 2022 and the area opened in autumn 2022.

BANCO ALIMENTARE (FOOD BANK)

In 2012 Ansaldo Energia started a joint project with the Banco Alimentare Onlus Foundation to recover food surpluses produced in canteens and send them to charity organizations. Cooked and fresh food not consumed by the company canteens is labelled and packaged to keep it ready for collection by Food Bank volunteers, who take it to their destination as part of the Siticibo program.

Specifically, the food surplus generated in the canteens of the Genoa site is collected and used by the Sole and Luna Association, a charity based in the former premises of the railway station Genoa Cornigliano, a few kilometres from Ansaldo Energia, in order to promote social relations with the territory and the population. Every day, “Sole e Luna” volunteers collect leftover food from the evening and that day meal, for distribution to those in need in the next 24 hours, as required by the “Legge del Buon Samaritano” (L-155/2013). Every day about 70 portions of uneaten food are collected from the canteens of Ansaldo Energia.

MASCHERONA ANTI-VIOLENCE CENTER

In 2021, on the occasion of #Women, the first widespread exhibition in the company areas in collaboration with the Fondazione Ansaldo and dedicated to women in the world of work, Ansaldo Energia started a collaboration with the Mascherona Anti-violence Center in Genoa, where women who are victims of violence are offered all the support they need to get back in their hands their life plans in autonomy. For every person with a dramatically difficult past and perhaps even a present, work is one of the key points toward self-determination and economic and relational emancipation. Specifically, Ansaldo Energia has supported the activation of the “work in progress” project, which aims to support the career paths of women assisted through traineeships financed by labour exchanges with the aim of facilitating their job insertion.

SCHOOLS

Ansaldo Energia in normality welcomes visits of students from the region and from other parts of the country, an activity that has been severely limited since 2020 due to the pandemic. According to the needs of age and studies, visits to the productive areas of the company are organized, with experienced companions who tell, speaking a language appropriate to the students' age, the design, operation and development of the machines made in the factory.

Most of the visiting students are from the last classes of high schools (both lyceums and technical institutes) and universities. Visits by primary and secondary school students are scarcer and are part of specific programs.

PROJECT SCHOOL4LIFE 2.0

In 2021 Ansaldo Energia joined the biennial School4Life project.

School4Life is a project promoted by ELIS in collaboration with 11 large companies that provide orientation activities for young people and initiatives to support families and teachers with the overall involvement of 15,000 students throughout the national territory, with particular attention to the regions of Sardegna, Campania, Sicilia, Lombardia and Liguria where, according to the data of the Ministry of Education, the phenomenon of school leaving is more widespread.

ELIS is a non-profit training institution and a consortium strongly engaged in initiatives that promote the collaboration between school and companies and the initiative, lasting two years and with operative start in 2022, sees companies and schools as allies and alongside students, teachers and families in the perspective of orientation and the fight against school dispersion.

The staff of Ansaldo Energia met, for the school year 2021-2022 via teams, the students of 8 high schools and 6 middle schools distributed between Liguria and Piemonte for a total of 717 students, with numerous hours of intervention planned also for the school year 2022/2023 divided among Inspirational Talk, Mentoring, Training Lab, Project work.

The professionals employed by Ansaldo Energia and Ansaldo Green Tech who talk to students as role Model, Mentor or Masters

In particular, deal with the themes of innovation, energy transition and sustainability and, in the orientation aimed at the choice for the continuation of school, particular attention is given to STEM disciplines.

YOUNG PEOPLE IN THE COMPANY AND STEAM WEBINARS

Among the initiatives promoted in the context of student training, Ansaldo Energia has been collaborating for years on the initiative "**Young people in the Company**", born from the synergy of Confindustria Liguria and the Regional School Office with #Designed the future.

The initiative's target are students of secondary schools of I and II degrees and is aimed at making them aware of the company realities of the territory and helping them in the choice of training courses.

In the context of orientation, always together with the Regional School Office, #Progettiamocilfuturo also promotes initiatives aimed at raising awareness on the so-called STEAM disciplines and, in the context of the Webinars organized for 2021, Ansaldo Energia took part in the one held on March 8: "**STEAM: An opportunity also for young girls and girls – Success stories to fight stereotypes and prejudices.**"

VOGLIO FARE IL MANAGER

With Confindustria and Federmanager the company also collaborates with the project “Voglio fare il Manager” where selected groups of university students discuss with different managers and apical figures of large companies to understand “a day in the life” and begin building a network of contacts in the world of work.

In 2021 Ansaldo Energia, as part of this project, issued a certificate of merit for the role played in favour of young people in the important shift from the world of study to the world of work.

FONDAZIONE ANSALDO

Closely linked to the Foundation for its history, tradition and geographical relevance, Ansaldo Energia has supported the Ansaldo Foundation in its activities of collection and dissemination of corporate culture. The initiatives taken jointly are innumerable, aimed at spreading this culture not only in companies, but throughout the city. In particular, the exhibition **#Women**, the first exhibition in Ansaldo Energia’s business areas, made enjoyable by all employees.

The exhibition, realized in time of pandemic, was also made available on the company’s website.

PRESENCE IN ASSOCIATIONS

As of 31.12.2021 Ansaldo Energia joined the following main external initiatives and/or associations, both in category and non-category:

- AEIT - Electrotechnical, Electronics and Automation Italian Association
- AIM - Italian Metallurgy Association
- AIPPI - International Association of Intellectual Property
- ANIE - National Federation of Electrotechnical and Electronic Companies (member of the General Council)
- ANIMA Confindustria - Federation of the National Associations of the Mechanical Industry and Allied (member of the Board) and in the following areas:
 - ANIMP - National Association of Industrial Plants (member of the General Council)
 - UCT – Turbine Manufacturers Union
- Metapprendo Association
- CEI - Italian Technical Electronic Committee (members of the Committee)
- START4.0 Competence Centre (Member of the Board of Directors)
- Conseil de Coopération Economique (Member)
- Pisa Engineering University Consortium
- CO.RE.PLA. (Collection and Recycling Consortium)
- Consorzio Rilegno - Cesenatico
- Digital Innovation Hub (members of the Technical Scientific Committee)

- DIXET – Gruppo di imprese ad Alta Tecnologie (Board of Directors)
- Energy&Data Valley (MOU signed)
- ETN - European Turbine Network (Members of Committees)
- EU Turbine (members of the Board of Directors)
- Hydrogen Alliance
- Hydrogen Europe (presence on the Board of Directors)
- MIP - Politecnico di Milano
- SIIT- Ligurian Technological District on Integrated Technological Systems
- UNI - Italian Standards Board (Commission Members)
- World Energy Council (members of the Council)

RECOGNITION

In December 2021, Ansaldo Energia renewed its assessment of its approach to sustainability through EcoVadis, an initiative that had already taken part in the previous year and achieved a significant improvement by obtaining the silver medal (the previous year had obtained the bronze medal).

METHODOLOGICAL NOTE

The second edition of the Sustainability Report of Ansaldo Energia S.p.A. was prepared according to the “GRI Sustainability Reporting Standards” of the Global Reporting Initiative, using the “in accordance – core” reporting option.

To define the content and quality of reporting, Ansaldo Energia has followed the principles of GRI Standards, which provide a set of criteria for selecting the information to be included in the report and how it is represented.

PRINCIPLES FOR DEFINING THE CONTENTS OF THE REPORT

Stakeholder inclusiveness - the content of the report is based on the results of a stakeholder engagement process undertaken specifically for its drafting. The application of the principle has led the company to describe, in the chapter “stakeholders of Ansaldo Energia”, their expectations set at the basis of responsible and sustainable management for the creation of shared value.

Sustainability context - Ansaldo Energia describes how environmental, social, and economic issues are linked to its strategy, risk and opportunity assessment, and growth objectives.

In the “Sustainability for Ansaldo Energia” chapter, the company reports on its contribution to the energy transition; “integrating SMEs into the value chain” describes the roots of its supply chain in the national territory; In “Community” the promotion of employment and assistance to the individuals that the company is committed to carrying out to ensure a decent and productive job, vital for economic and social development in the reference “communities”.

Materiality - the sustainability aspects considered in the report and the relative level of relevance, are the result of a specific analysis carried out by Ansaldo Energia that has taken into account a wide range of interests, whose stakeholders are the carriers. The company wanted to highlight the close link between the sustainability issues reported and the UN Sustainable Development Goals (SDGs) and their targets.

Completeness - the report has been designed to allow stakeholders to have a complete picture of the activities carried out by the company. The information contained refers to Ansaldo Energia S.p.A.

In the following table, to facilitate comparison, the aspects defined by the GRI Standards and the material themes identified by the company were crossed with the relative perimeter, highlighting, for the latter, any limitations in reporting.

Material Topics for Ansaldo Energia	Material Aspects GRI Standards	Aspects' Boundary		Limitations of Reporting Boundary	
		Internal	External	Internal	External
HEALTH AND SAFETY AT WORK	Occupational Health and Safety	Ansaldo Energia S.p.A.	Suppliers	-	-
PROTECTION OF HUMAN RIGHTS	Human Rights Assessment; Child Labour; Forced or Compulsory Labour; Rights of Indigenous Peoples; Freedom of Association and Collective Bargaining	Ansaldo Energia S.p.A.	Suppliers	-	Partially extended reporting to suppliers
PRODUCT INNOVATION	-	Ansaldo Energia S.p.A.	-	-	-
ANTI-BRIBERY	Ethics and Integrity; Anti-Corruption	Ansaldo Energia S.p.A.	-	-	-
GENDER EQUALITY	Diversity and equal opportunity	Ansaldo Energia S.p.A.	-	-	-
SUPPLY CHAIN ETHICAL MANAGEMENT	Procurement Practices; Supplier Environmental Assessment; Supplier Social Assessment	Ansaldo Energia S.p.A.	-	-	-
EMPLOYEE WELFARE	Employment; Non-discrimination	Ansaldo Energia S.p.A.	-	-	-
CAREERS TRAINING AND DEVELOPMENT	Training and Education	Ansaldo Energia S.p.A.	-	-	-
SUPPORTING LOCAL COMMUNITIES	Local communities	-	-	-	-
CONTROL OF THE AIR EMISSION	Emissions	Ansaldo Energia S.p.A.	-	-	-
FIGHTING CLIMATE CHANGE	Emissions	Ansaldo Energia S.p.A.	Suppliers	-	-
WASTE MANAGEMENT AND WATER DISCHARGES	Effluents and waste	Ansaldo Energia S.p.A.	-	-	-
ENERGY EFFICIENCY	Energy	Ansaldo Energia S.p.A.	Suppliers	-	Reporting not extended to suppliers
MATERIAL REDUCTION, RECYCLING AND RECOVERY	Materials	Ansaldo Energia S.p.A.	-	-	-
SOIL AND SUBSOIL PROTECTION	Environmental Compliance	Ansaldo Energia S.p.A.	-	-	-
USE OF RENEWABLE ENERGY SOURCES	Energy	Ansaldo Energia S.p.A.	-	-	-
WATER USE EFFICIENCY	Water and effluents	Ansaldo Energia S.p.A.	-	-	-

PRINCIPLES FOR DEFINING THE QUALITY OF THE REPORT

Accuracy - Economic data refer to consolidated audited financial statements, while the accuracy of environmental, health, and safety data stems from the existence of ISO 14001 and ISO 45001 certified management systems. Social data are mainly extracted from Ansaldo Energia operating systems. The estimated data are indicated in the text with footnotes. The emission factors used for the calculation of greenhouse gases are as follows:

- Direct emissions Scope 1: Reporting of annual EU ETS Italia emissions; UK Government GHG Conversion factors for Company Reporting (DEFRA - Department for Environmental, Food & Rural Affairs / DBEIS - Department for Business, Energy & Industrial Strategy);
- Indirect emissions Scope 2 (location based): Report Ispra 317/2020 - Table A1.19 - Greenhouse gas emission factor from the electricity sector for electricity production (g CO₂eq / kWh);
- Indirect emissions Scope 2 (market based): AIB - European residual Mix;
- Indirect emissions Scope 3: UK Government GHG Conversion factors for Company Reporting (DEFRA - Department for Environmental, Food & Rural Affairs / DBEIS - Department for Business, Energy & Industrial Strategy).

Balance – the emphasis on the various themes of the report reflects its priority. In the description of the results of the activities carried out by Ansaldo Energia, an attempt was made to reflect both positive and negative aspects to allow a balanced evaluation of the overall performance.

Clarity - the structure of the report has been defined to make the contained information easy to identify by stakeholders. The Sustainability Report opens with the letter of the Chief Executive Officer and consists of six sections: Ansaldo Energia; Sustainability for Ansaldo Energia; Governance Ethics and Integrity; Environment; people; Value Chain Management; Community.

The document closes with the methodological note, the GRI context Index, and the limited review report by an independent third party. The level of detail of the information has been chosen to make the report understandable, accessible, and usable by the different stakeholders.

Comparability - to allow stakeholders to analyse changes in the company's performance, the Sustainability Report presents data for the three-year period 31.12.19 to 31.12.21. Information about events after 31.12.21 is reported to the reader with footnotes. To ensure comparability with the data set out in the 2020 Sustainability Report, where there have been some recalculations for the years 2019 and 2020 has been reported with appropriate footnotes.

Reliability – the Sustainability Report as of 31.12.21 was approved by the Board of Directors and submitted for verification by an independent third party (Deloitte & Touche S.p.A.) according to the principles and the information contained in the International Standard on Assurance engagements 3000 – Assurance engagement other than audits or Reviews of Historical Financial Information (ISAE 3000 revised) of the International Auditing and Assurance Standard Board (IAASB).

Timeliness - the 2021 Sustainability Report is the second report produced by Ansaldo Energia S.p.A., published in December 2022 and will be annual.

GRI CONTENT INDEX

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102-3	Location of headquarters	p. 12
102-4	Location of operations	pp. 12-13
102-5	Ownership and legal form	p. 46
102-6	Markets served	p. 13
102-7	Scale of the organization	pp. 13; 42; 78-79
102-8	Information on employees and other workers	pp. 78-79
102-9	Supply chain	pp. 102-103
102-10	Significant changes to the organization and its supply chain	p. 31
102-11	Precautionary principle or approach	p. 36; 50-52; 53; 57-59
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102-13	Membership of associations	pp. 115-116
2. STRATEGY		
102-14	Dichiarazione di un alto dirigente	p. 5
102-15	Impatti chiave, rischi e opportunità	pp. 21-22; 30-33; 35-36
3. ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behavior	pp. 10-11; 51; 53-56
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4. GOVERNANCE		
102-18	Governance structure	pp. 46-49
102-19	Delegating authority	p. 48
102-22	Composition of the highest governance body and its committees	In 2020, Ansaldo Energia began to set up a working Group, coordinated by Irma Belardi, Head of Corporate HR, dedicated to defining and implementing sustainability programmes and reporting on behalf of the Sustainability Committee.
102-23	Chair of the highest governance body	pp. 46-49
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GENERAL ACTIONS

		Page/ Direct Response	Any omissions and reasons for the omission
102-25	Conflicts of Interest	pp. 46-47	
102-26	Role of the highest governance body in setting purpose, values, and strategy	p. 48	
102-32	Highest governance body's role in sustainability reporting	p. 48. The Board of Directors approves the Sustainability Report	
102-33	Communicating critical concerns	pp. 40; 56	
5. STAKEHOLDER INVOLVEMENT			
102-40	List of stakeholder groups	pp. 40-41	
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102-42	Identifying and selecting stakeholders	p. 40	
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102-44	Key topics and concerns raised	pp. 35; 95	
6. REPORTING PRACTICES			
102-45	Entities included in the consolidated financial statements	p. 117	
102-46	Defining report content and topic boundaries	pp. 35; 117-118	
102-47	List of material topics	pp. 35	
102-48	Restatements of information	pp. 69; 74; 84	
102-49	Changes in reporting	pp. 70-71	
102-50	Reporting period	p. 119	
102-51	Date of the most recent report	2020 Sustainability Report	
102-52	Reporting cycle	Yearly	
102-53	Contact point for questions regarding the report	sostenibilita@ansaldoenergia.com (back cover)	
102-54	Claims of reporting in accordance with GRI Standards	p. 117	
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SPECIFIC INFORMATION

ECONOMIC		Page/ Direct Response	Any omissions and reasons for the omission
ECONOMIC PERFORMANCE			
103-1	Explanation of the material topic and its boundary	Theme not present in the Materiality matrix but reported indicator 201-1.	
103-2	The management approach and its components	pp. 42-43; 55; 91-92	
103-3	Evaluation of the management approach	pp. 42-43	
201-1	Direct economic value generated and distributed	pp. 42-43	

ECONOMIC

Page/ Direct Response

Any omissions and reasons for the omission

PROCUREMENT POLICIES

103-1	Explanation of the material topic and its boundary	pp. 35; 118
103-2	The management approach and its components	pp. 39; 102-103
103-3	Evaluation of the management approach	p. 103
204-1	Proportion of spending on local suppliers	p. 103

ANTI-CORRUPTION

103-1	Explanation of the material topic and its boundary	pp. 35; 118
103-2	The management approach and its components	pp. 36; 39; 50-52
103-3	Evaluation of the management approach	pp. 50; 56. Annual report of the SB. Review of the senior management for the OS 37001
205-3	Confirmed incidents of corruption and actions taken	No corruption has occurred in the reporting period considered

ANTI-COMPETITIVE BEHAVIOR

103-1	Explanation of the material topic and its boundary	p. 36. Theme not present in the Materiality matrix but also reported
103-2	The management approach and its components	pp. 36; 52
103-3	Evaluation of the management approach	pp. 36; 52
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No antitrust violations occurred during the reporting period

SPECIFIC INFORMATION

ENVIRONMENTAL

Page/ Direct Response

Any omissions and reasons for the omission

MATERIALS

103-1	Explanation of the material topic and its boundary	pp. 35; 63; 118
103-2	The management approach and its components	pp. 38; 63-65
103-3	Evaluation of the management approach	p 58; Review of the High Directorate for ISO 14001
201-1	Materials used by weight or volume	pp. 63-65

ENERGY

103-1	Explanation of the material topic and its boundary	pp. 35; 63; 118
103-2	The management approach and its components	pp. 30-33; 37; 62; 65-67
103-3	Evaluation of the management approach	p 58. Review of the High Directorate for ISO 14001
302-1	Energy consumption within the organization	p. 66
302-3	Energy intensity	p. 67

AMBIENTALI	Pagina/ Risposta diretta	Eventuali omissioni e motivi dell'omissione
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103-1 Explanation of the material topic and its boundary	pp. 35; 63; 118	
103-2 The management approach and its components	pp. 38; 62; 67-68; 71-72	
103-3 Evaluation of the management approach	p 58. Review of the High Directorate for ISO 14001	
303-3 Water withdrawal	pp. 67-68	
303-4 Water discharge	pp. 71-72	
EMISSIONS		
103-1 Explanation of the material topic and its boundary	pp. 35; 63; 118	
103-2 The management approach and its components	pp. 37; 62; 68-69; 73-75	
103-3 Evaluation of the management approach	p 58. Review of the High Directorate for ISO 14001	
305-1 Direct (Scope 1) GHG emissions	pp. 74-75	
305-2 Energy indirect (Scope 2) GHG emissions	pp. 74-75	
305-3 Other indirect (Scope 3) GHG emissions	pp. 74-75	
305-4 GHG emissions intensity	p. 75	
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	pp. 69	
WASTE		
103-1 Explanation of the material topic and its boundary	pp. 35; 63; 118	
103-2 The management approach and its components	pp. 38; 62; 69-71	
103-3 Evaluation of the management approach	p 58. Review of the High Directorate for ISO 14001	
306-3 Waste generated	p. 70	
306-4 Waste diverted from disposal	p. 70	
306-5 Waste directed to disposal	p. 70	
ENVIRONMENTAL COMPLIANCE		
103-1 Explanation of the material topic and its boundary	pp. 35; 63; 118	
103-2 The management approach and its components	pp. 36; 58; 62	
103-3 Evaluation of the management approach	p 58. Review of the High Directorate for ISO 14001	
307-1 Non-compliance with environmental laws and regulations	No non-compliance with environmental laws and regulations occurred during the reporting period considered	
ENVIRONMENTAL ASSESSMENT OF SUPPLIERS		
103-1 Explanation of the material topic and its boundary	pp. 35; 118	
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103-2	The management approach and its components	pp. 80-81; 88-89; 90-91	
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401-1	New employee hires and employee turnover	p. 81;	
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103-2	The management approach and its components	pp. 24-27; 38; 58; 92-97	
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403-1	Occupational health and safety management system	pp. 92-93; 95	
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403-5	Worker training on occupational health and safety	p. 96	
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403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp. 95; 100-101; 104-105	
403-8	Workers covered by an occupational health and safety management system	p. 58. All employees of Ansaldo Energia S.p.A. are covered by the Health and Safety Management System (ISO 45001)	
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	Pagina/ Risposta diretta	Eventuali omissioni e motivi dell'omissione
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SOCIAL EVALUATION OF SUPPLIERS		
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There is currently no detailed information available regarding what the indicator requires. Ansaldo Energia will undertake to collect the data necessary for full coverage of the indicator

INDEPENDENT AUDITOR'S REPORT ON THE SUSTAINABILITY REPORT

To the Board of Directors of
Ansaldo Energia S.p.A.

We have carried out a limited assurance engagement on the Sustainability Report of Ansaldo Energia S.p.A. (hereinafter the "Company") as of December 31, 2021.

Responsibility of the Directors for the Sustainability Report

The Directors of Ansaldo Energia S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" established by GRI – Global Reporting Initiative ("GRI Standards"), as stated in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible for such internal control which they determine is necessary to enable the preparation of a Sustainability Report that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible for the definition of the Company's objectives in relation to the sustainability performance and for the identification of the stakeholders and the significant aspects to report.

Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the *International Ethics Standards Board for Accountants*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our auditing firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion, based on the procedures performed, about the compliance of the Sustainability Report with the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Report is free from material misstatement.

Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with the *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the Sustainability Report are based on our professional judgement and included inquiries, primarily with Company personnel responsible for the preparation of information included in the Sustainability Report, analysis of documents, recalculations and other procedures aimed to obtain appropriate evidence.

Specifically, we carried out the following procedures:

- analysis of the process for the definition of the material aspects disclosed in the Sustainability Report, with reference to the methodology used for the identification and prioritization of material aspects for stakeholders and to the internal validation of the process results;
- comparison between the economic and financial data and information included in the "Economic value generated and distributed to stakeholders" paragraph of the Sustainability Report with those included in the Company's Financial Statement;
- understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the Sustainability Report.

In particular, we carried out interviews and discussions with management of Ansaldo Energia S.p.A. and we carried out limited documentary verifications, in order to gather information about the processes and procedures, which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the Sustainability Report.

In addition, for material information, taking into consideration the Company's activities and characteristics:

- at the Company's level:
 - with regards to qualitative information included in the Sustainability Report, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.
- for Ansaldo Energia S.p.A. and the for the production sites in Via Lorenzi, Corso Perrone e Via S.G. d'Acri in Genoa, which we selected based on their activity, their contribution to the performance indicators at the consolidated level and their location, we carried out remote meetings, during which we have met with management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusions

Based on the work performed, nothing has come to our attention that causes us to believe that the Sustainability Report of Ansaldo Energia S.p.A. as of December 31, 2021 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph "Methodological Note" of the Sustainability Report.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Laganà
Partner

Genoa, Italy
December 23, 2022

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

Published by:
Ansaldo Energia S.p.A.
December 2022
Graphic design: Petercom

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