

2020 SUSTAINABILITY REPORT

FORWARD-THINKING ENERGY

**ANSALDO
ENERGIA**

2020 SUSTAINABILITY REPORT
FORWARD-THINKING ENERGY



CONTENTS



Ceo's letter

ANSALDO ENERGIA

6

History	10
Mission	11
World presence	12
Business model	13
New Units	13
Service	16
Ansaldo Energia and the coronavirus emergency	18



SUSTAINABILITY AT ANSALDO ENERGIA

20

Energy sustainability	23
Corporate sustainability	24
Risk management	28
Ansaldo Energia Stakeholder	29
Economic value produced and distributed	30



GOVERNANCE, ETHICS, AND INTEGRITY

32

Corporate Governance	34
Anti-corruption	36
Human rights protection	37
Management systems and certifications	39
Quality management	39
Health, safety and environmental management	40
Cyber & Information Security	40



ENVIRONMENT

42

Environmental policy	44
Environmental performance	44
Materials	44
Energy consumption	45
Water withdrawal	47
Air emissions	47
Waste and effluent management	48
Greenhouse gas emissions	51



PEOPLE

54

Recruitment	58
Training activities	60
Skills development	61
Job System	61
Performance management	63
Employees well-being	63
Remote working	64
Equal opportunities and gender equality	64
Dialogue with labor unions	65
Communication activities	66
Health and safety at work	67
Near Miss	69
Contractors safety	69
Training and participation activities	70
Health surveillance	70
Audits and certifications	71
Projects	71



VALUE CHAIN MANAGEMENT

72

Customer satisfaction	74
Customer training	74
Supply chain	75
Integration of SME's in the value chain	75
Suppliers selection and management	76
Legislative adaptations, regulations, and esg criteria	77



COMMUNITIES

78

Relations with the territory	80
Universities and research institutes	80
Activities in support of the territory and associations	81
Disadvantaged subjects	81
Youth and culture	82
Methodological note	84
GRI Content index	87

CEO'S LETTER

Dear stakeholders,

Ansaldo Energia plays a leading role in the clean energy transition, thanks to the technological development of its products, increasingly focused on the respect for the environment and a sustainable business model, which originates in the relationship of trust with its stakeholders, and on the ability to create value.

With this report, Ansaldo Energia establishes, before all its stakeholders, its commitment towards the environment, its people, and community. It is no coincidence that the company's first sustainability report is in 2020: The year that has changed the way we live, socialize, and work, increasing the urgency of committing to the United Nations Sustainable Development Goals (SDGS), such as social and economic development of the planet, human wellbeing and ecosystem protection.

To this end, we have analyzed and improved our processes, actions, business approach, and relationships with our stakeholders, that will provide rewarding sustainability results for years to come. We are convinced that the path taken will enable us to deal more consciously and responsibly with the challenging future that we face.

In April 2020, as part of a relaunch and support operation, CDP Equity intervened with an important capital increase, making a strategic choice for the Country System, with the declared will to protect and further develop our industrial and technological heritage. Despite the difficulties caused by the pandemic, in 2020 the GT36, the largest gas turbine ever built in Italy, was delivered on schedule in our plants thanks to the contribution and passion of all the Ansaldo. A turbine ready for the ecological challenges of the future, ready to operate on hydrogen, the fuel of the future, CO₂ free. It has also been the year in which we laid the foundations for the new company, Ansaldo GreenTech, the group's new division, which, together with Ansaldo Energia, will operate in the field of energy transition with renewable sources and innovative solutions.

This choice confirms the company's commitment to supporting the carbon-neutrality objectives set by the European Union on the path toward just and inclusive

energy, which preserves the environment and allows universal access to energy sources. The transition that awaits us is not only ecological: It is a real energy, technological, social, and cultural revolution. The actions we are carrying out today have, of course, consequences for the immediate future, but the real effects will be evident in twenty or thirty years. We have the challenging responsibility of laying the foundation for a new generation, to be born as a generation of sustainable natives. Only with everyone's commitment we can be part of this mission, to build a truly sustainable development that makes our company and the contexts in which it operates more inclusive and respectful.

*Thank you,
Giuseppe Marino*



Giuseppe Marino, CEO



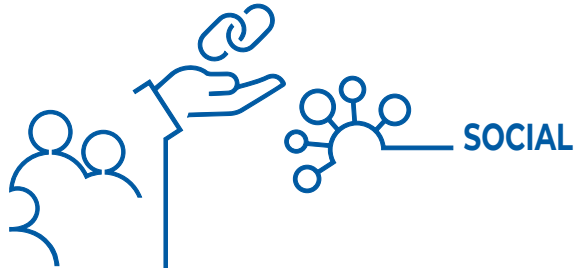
**Key player
towards energy transition**

ANSALDO ENERGIA



HIGHLIGHTS

Ansaldo Energia S.p.A. is an international leader in the field of power generation and a key player in the energy transition. It provides an integrated business model, offering turnkey plants, components - gas turbines, steam turbines, generators, micro turbines - and support services.



SOCIAL



+ 68% resources invested in the community

(528 thousand euros): conventions with Universities and Research Centers, support for Associations and charitable initiatives for the protection of the artistic and environmental heritage, and the diffusion of culture



99.1%

employees hired with a permanent contract

27.3%

of new hires < 30 years of age

Health and safety

workers training and participation activities and analysis of near-miss events. Monitoring activities extended to contractors and sub-contractors. Zero noncompliances during audits for the maintenance of the occupational safety certification

Health surveillance

extended to third-party companies working in Genoa

100%

return rate from parental leave

Job System

role and competency management for professional families

72.1% of purchases from Italian suppliers:

integration of SMEs into the value chain

Supply Chain Digitalization

AE Vendor Hub, vendor selection and management platform with ESG policy implementation

Voice of customer:

highly structured and innovative management process for the relationship with customers/partners



ENVIRONMENTAL



Business Model

and innovation for energy transition



-20.2%

water withdrawals per hour worked (liters/h)



-10.5%

special waste produced per hour worked in workshops (Kg/h)

77.4%

special waste sent for recovery (+2.8 p.p.)



-280.6 tCO₂e

direct greenhouse gas emissions (Scope1)

-1,563.8 tCO₂e

indirect greenhouse gas emissions (Scope 3) for the reduction of fuels used; business travel; packaging and materials; waste products; water consumption

-6.9% tCO₂e per million of turnover

reduction of the intensity of greenhouse gas emissions for power consumption



GOVERNANCE



Organization, Management and Control Model and Code of Ethics

Biosafety Trust Certification

new certification obtained for best practices on the minimization of the risks of spreading epidemics in places of aggregation

Security management

certified system following ISO 45001

Quality Management

certified system following ISO 9001



Environmental management

certified system compliant with ISO 14001



Anti-corruption

certified management system compliant with ISO 37001

HISTORY

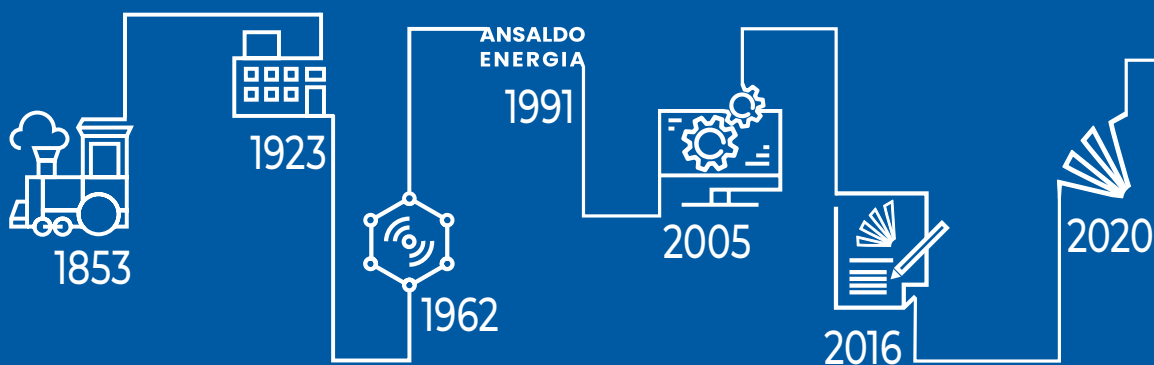
Founded in 1853 in Genoa, Ansaldo made a decisive contribution to the history of Italian industrialization. It began its business with the construction of steam locomotives and then expanded into shipbuilding and the production of war cannons. Subsequently, through industrial collaborations, it broadened its range of products and skills and switched from war production to peace production, covering various sectors.

It became part of the IRI structure as soon as the Institute was established and, from the date of its foundation, it became part of Finmeccanica, of which it continued to be a member, in the form of a group of companies, until the 1990s when, little by little, the various sectors and the companies that constituted them began to follow different paths. Ansaldo's passion for energy dates back to 1912, when its first steam turbine was produced, and 1923

when the first electricity generation plant was built. Subsequently, Ansaldo developed its mechanical and electrical engineering businesses through alliances and licenses, increasingly focusing on innovation and technology.

Ansaldo Energia was established in 1991. In 1995 Ansaldo Energia built its first combined-cycle plant based entirely on gas turbine technology and achieved total technological independence in 2005. Since then, Ansaldo Energia has grown to become one of the world's leading suppliers of components for power generation and a key player in the clean energy transition.

Since 2011, the ownership structure has changed and 88% of Ansaldo Energia is currently owned by CDP Equity (Cassa Depositi e Prestiti Group) and 12% by Shanghai Electric.



MISSION

Ansaldo Energia has always been committed to sustainable and innovative power generation to ensure lower environmental impacts and a high degree of flexibility in energy production.

The transition towards **a highly energy-efficient and low-carbon economy** and the creation of a secure and competitive sustainable energy market as a base for our future economic and social growth, has motivated Ansaldo Energia to increasingly focus on innovation.

The company's objective is **to prioritize green and digital transitions, thus helping to restore Italy's growth potential**, fostering job creation in the aftermath of the COVID-19 crisis, **and promoting sustainable growth.**

On the green transition front, Ansaldo Energia is moving towards **diversifying its portfolio to include renewable sources such as wind power, hydrogen, and energy storage.** Ansaldo Energia is introducing innovation in segments adjacent to its existing products, leveraging the experience gained in turbomachinery and bringing specific know-how to new green technologies.

This will enable new job creation and a robust supply chain to be set up throughout Italy, from north to south, which will help to reduce employment gaps and generate opportunities in compliance with the European Green Deal for the next generation.

For this reason, that in 2020 the company created a group dedicated to this mission, reporting directly to the CEO, exclusively devoted to promoting innovation and catalyzing the abundant opportunities that our country offers.



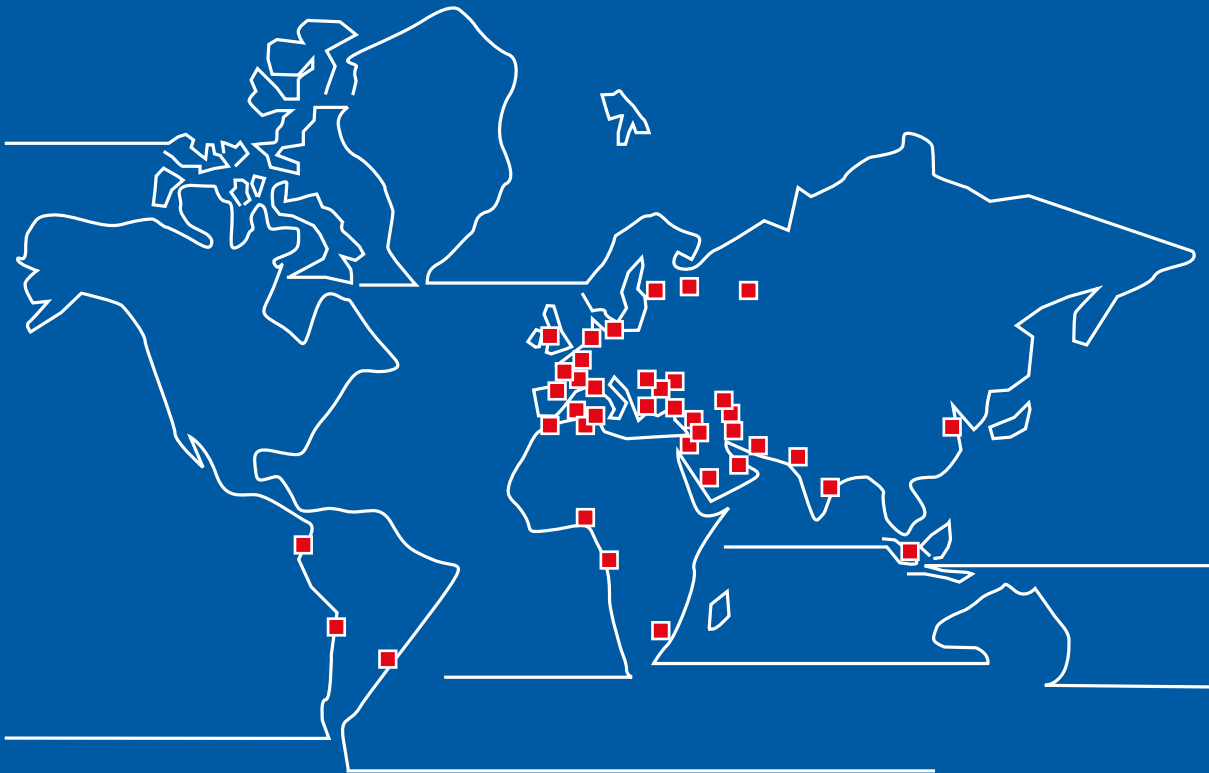
WORLD PRESENCE

Ansaldo Energia operates globally providing components for power generation plants, turnkey plants, and supporting service activities.

The Headquarters is located in Genoa, where the company has a production plant where the mechanical processing activities of components for

gas turbines, steam turbines, and electric generators are carried out.

There are two other operational sites in Genoa: the first is where the laboratory and micro turbine assembly activities are carried out, the second, located in the harbor area, is where the large gas turbines are assembled.



There are numerous branches and operational sites in different geographical areas.

BRANCHES

Algeria	Finland	Jordan	Spain
Argentina	France	Lebanon	Tunisia
Azerbaijan	Germany	Morocco	United Kingdom
Chile	Greece	Russia	Pakistan
Congo	Indonesia	Saudi Arabia	Hungary
Egypt	Iran	Serbia	UAE United Arab Emirates
Ecuador	Jebel Ali (Dubai)	South Africa	

BUSINESS MODEL

Ansaldo Energia's activities are focused on two main business lines:



New Units: Ansaldo Energia offers a broad portfolio of turbomachinery for every power generation application;

Service: Ansaldo Energia provides high-tech service solutions that offer greater reliability and lower life-cycle maintenance costs for our customers' equipment.

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

NEW UNITS

PLANTS

Ansaldo Energia has a broad portfolio of innovative and tested products that enable the development of plants capable of reducing environmental impacts and offering architectural solutions that meet the customer's expectations and integration with the

local area. The products portfolio includes: simple cycle and advanced combined cycle plants, steam, hydroelectric, geothermal, and power generation plants from renewable sources.

Model	Power Size, MW	Total Power, MW	Scope of Supply
Thermal PP	40 ÷ 1000	13,500	Power Island, EPC
Open Cycle PP	> 80	7,000	Power Island, EPC
Combined Cycle PP	> 120	23,000	Power Island, EPC

GAS TURBINES

Ansaldo Energia's Gas Turbines are characterized by advanced technology, and robust and proven design and feature high performance and low environmental impacts, high flexibility, and

reliability, making them suitable for a wide range of applications and environmental conditions - for open or combined cycle plants - and fuel diversification.

Model	Iso Power (MW)	Frequency (Hz)
GT36-S5	538	50
GT36-S6	369	60
GT26	370	50
AE94.3A	340	50
AE94.2	190	50
AE64.3A	80	50/60

Ansaldo Energia's gas turbines cover power segments from 70 to 500 MW: from class E gas turbines (AE 94.2) to class F (AE 64.3A, AE94.3A, and GT26) and finally to class H, with the launch of the flagship GT36 turbine.

STEAM TURBINES

Ansaldo Energia's steam turbines include models for superheated (reheat) and non-superheated (non-reheat) steam, with powers ranging from 40 to 1000 MW for fossil fuels, combined cycle, cogeneration, and nuclear power plants. Current production includes large power ratings for supercritical and ultra-supercritical applications, compact modules for lower power ratings, and single and double body models for non-reheat

thermal cycles. The design can suit district heating and cogeneration applications.

All models are fully assembled at Ansaldo Energia, except for the larger low-pressure sections, which are quickly and easily field installable. The geothermal steam turbines are based on the reaction design.

Type	Series	Power Range (MW)	Application
Reheat	RT30	150-1000	Thermal Fossil-fired Steam Cycles
	MT15	100-300	
Non reheat	MT20	100-350	Combined Cycles
	MT10	40-250	Cogeneration Plants
Geothermal	GT	40-150	Solar Plants
			Geothermal Cycles

GENERATORS

Ansaldo Energia manufactures a tested range of generators covering various applications, including combined cycle, steam, geothermal and nuclear

plants, as well as rotating synchronous compensators with sizes ranging from 40 to 1,200 MVA.



Ansaldo Energia's new plant in Genoa: large gas turbines are assembled here

Type	Range (MVA)	Application
Hydrogen - Water Cooled Turbogenerators	Up to 1200	Gas/Steam turbines Synchronous Condensers
Hydrogen Cooled Turbogenerators	Up to 700	Gas/Steam turbines Synchronous Condensers
Air Cooled Turbogenerators	Up to 440	Gas/Steam/Geothermal turbines Synchronous Condensers
Hydrogenerators	Up to 420	Hydroturbines Synchronous Condensers

SYNCHRONOUS COMPENSATORS

The synchronous compensator represents a particular application of electric generators which, when connected to the transmission grid, increase the grid's short-circuit power.

Ansaldo Energia has recently finalized the manufacture, installation, and commissioning of synchronous compensators on behalf of Terna, an important tool in energy transition. In fact, in an energy context that is evolving from concentrated programmable sources towards distributed nonprogrammable sources, synchronous compensators are the answer to the demand of high standards of grid quality and safety.

These devices are capable of continuously regulating reactive power and can contribute to sustaining grid inertia. Synchronous compensators consist of a rotating electrical machine (alternator), which is very similar to the one used for rotating generators but without the primary engine. These devices are already a key tool (and will be more so in the future) for the safe management of the Electrical System, especially in conditions of reduced residual load, supporting inertia, voltage regulation, and short-circuit power at the nodes of the grid, avoiding the launch of traditional thermoelectric generation units at the expense of generation from renewable sources.

MICROTURBINES

Gas micro turbines represent the leading energy system through which 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, recreational centers, residential buildings.

Micro gas turbine	Micro gas turbine performance	Main features
AE-T100NG	100 kW 30%	Indoor/Outdoor Hot water/flue gas applications With/without flue booster Pollutants abatement systems not needed
AE-T100B	105 kW 30%	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	Indoor/Outdoor Externally fired machine (EFMGT technology) Partly completed machinery layout External heat exchanger and/or biomass boiler and/or solar concentrator not included

SERVICE

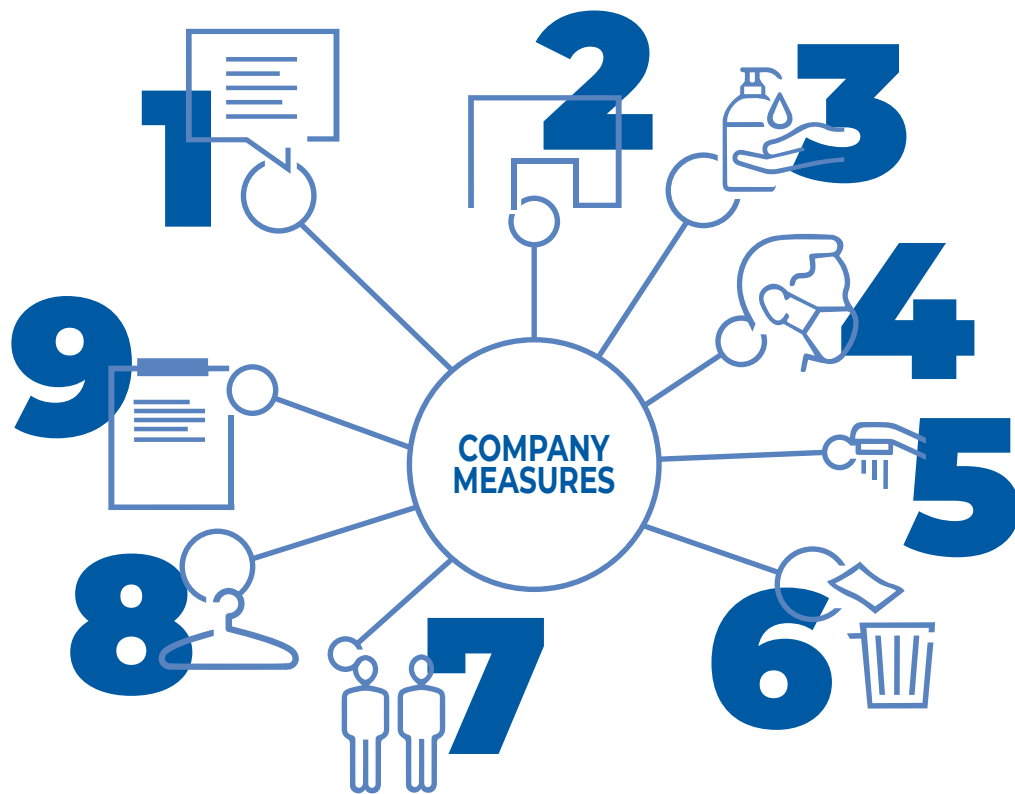
Ansaldo Energia's Service aims to support the customer in the management and maintenance of gas and steam turbines, generators, and plants. An experienced network providing advanced component repair, outage management, and a 24/7

remote monitoring and diagnostic center, enabled with predictive maintenance tools, provides the final complement to the business value proposition of Ansaldo Energia Service.

Flexibility is at the heart of the continuous efforts for the development of Ansaldo Energia's Service, to ensure that the solutions offered always meet the needs of the customers.



ANSALDO ENERGIA AND THE CORONAVIRUS EMERGENCY



The spread of the SARS-CoV-2 pandemic represents a public health emergency and the management of the preventive and protective measures must follow the special measures adopted by the competent institutions in accordance with the evolution of the epidemiological scenario.

As a result of the need to protect public health, Ansaldo Energia cooperates by enforcing the measures taken by the competent institutions to help contain the spread of the virus; in this sense, even the simple internal sharing of information and recommendations produced exclusively by institutional entities is a useful tool to combat the epidemic.

For this reason, the e-mail service provided daily by Sicuritalia (Foreign Sites Update, Covid-19 Update, Daily Covid-19 Report) in both Italian and English languages was widely distributed throughout the company. The service included updates in the different countries of the world. To prevent and control the COVID-19 pandemic, the Company has invested in several activities including:

- 1** Toolbox talk regarding the rules and practices to be observed within the Company.
- 2** Plexiglass panels installed on desks in offices and canteen tables.
- 3** Gel dispensers located close to refreshment areas, toilets, and garment cabins in the workshop and entrance/exit of buildings.
- 4** Personal kits distributed to employees (gel, wipes, surgical masks, and K95 or FFP2 masks).
- 5** Rooms sanitization with particular attention to the most sensitive points (office handles, taps, refreshment area machines).
- 6** Use of specific bio-boxes for the collection of special waste traceable to the Coronavirus (Covid-19).
- 7** AEN factory staff is divided into 3 shifts with staggered entry/exit of 30 minutes to avoid crowds in the access routes and use of changing rooms.
- 8** Additional changing rooms (container modules) to prevent overcrowding.
- 9** Public memorandum with instructions to be followed during the COVID-19 emergency with operational scenarios.



COMPANY ORGANIZATION

A Control Committee was set up in the Company to verify the application of the rules of the Shared Protocol, with the participation of the Human Resources unit, the “RSPP” (head of prevention and protection service), the Competent Doctor, the “RLS” (Workers’ safety representatives), the trade union representatives and the Facility and Security Officer. Remote working has been enhanced for all those roles whose presence in the Company is not strictly necessary.

HEALTH SURVEILLANCE

The periodic health surveillance was not interrupted, with particular attention being paid to vulnerable people, concerning age. Through the company infirmary, it was possible to monitor and prevent possible contamination or the proliferation of infections. Since the beginning of the pandemic, various screening tests have been carried out: serological tests, antigenic tests, and molecular tests (PCR). The tests were provided voluntarily, their costs were covered by the company, and they were made available to employees on a fortnightly or monthly basis, as well as to the staff of third-party companies present at the Genoa site. A similar possibility was given to the traveling or on-site personnel, through local structures.

INFORMATION TO EMPLOYEES

Ansaldo Energia provided information sessions on the following topics: “Prevent infections by washing your hands properly”; “Some simple recommendations to contain the infection from the Coronavirus”; “New Coronavirus, 10 behaviors to follow”, as well as numerous infographics concerning the instructions in common areas. A Memorandum for all employees: ‘Rules to be observed in all COVID-19 health emergencies’ has been prepared and updated according to the pandemic and subsequent legislative changes. Published on the company’s intranet and disclosed through other channels, the document contains detailed instructions on: Access to the company; Hygiene precautions; Organisation of company spaces; Health surveillance; Contact analysis; Scenario management.

WAYS OF ENTERING AND LEAVING THE COMPANY

Employees are encouraged to enter and exit at different times to avoid as much as possible contact in common areas (entrances, canteens, changing rooms) and the presence of appropriately marked sanitizing gel is guaranteed. All employees, third-party company staff, temporary workers, trainees, interns, occasional external visitors are subjected to body temperature checks in dedicated areas adjacent to the entrance gates; this constitutes the processing of personal data and must be carried out following existing privacy regulations; if the registered body temperature is higher than 37.5 °C, staff are isolated and provided with a mask; they must immediately contact their doctor and follow his instructions. When an employee first enters the company, a Tool Box Talk will be carried out by the SPP staff, explaining the actions carried out by the company, the rules, procedures to be respected, and clarifying any doubts.

CLEANING AND SANITISING

The company ensures the daily cleaning and periodic sanitization of the spaces, workstations, and common leisure areas (refreshment areas, drinks, and snack machines, including hand contact points of the machines themselves, lifts, and clocking). For sanitization, specific chlorine-based products have been identified. In case of need (e.g. following the detection of a positive test result), the Company, in compliance with the Ministry of Health’s instructions, organizes special and specific cleaning operations, according to the methods considered most appropriate.

PERSONAL PROTECTIVE EQUIPMENT

If the work requires working at a distance of less than one meter between people and no other organizational solution is possible, FFP2, KN95, N95, FFP3 masks without a valve, and other protective equipment (gloves, safety goggles, protective coveralls, overalls, etc.) following the provisions of the scientific and health authorities are used. The creation of specific kits for site workers has been arranged. All management and distribution of anti-COVID-19 devices is carried out at a specially set up point inside the plant.

COMMON AREA MANAGEMENT

Access to common areas, including company canteens, smoking areas, refreshment areas, changing rooms, ventilated or aerated, must be used for a reduced time and maintaining a safe distance between the occupants, respecting the spacing signs on the floor, and maintaining staggered entry/exit times to avoid contact as much as possible.

**Make a difference
in the field of sustainability**

SUSTAINABILITY AT
ANSALDO ENERGIA





On September 25th, 2015, the United Nations approved the Global Agenda for Sustainable Development and 17 Goals - the Sustainable Development Goals (SDGs) - divided into 169 targets to be achieved by 2030.

The implementation of the Agenda requires a strong involvement of all components of society, from businesses to the public sector, from civil society to universities and research centers, from information operators to the world of culture.

Ansaldo Energia's contribution to achieving the Sustainable Development Goals (SDGs) comes from:

- the **achievement of its mission**, which is to create innovative systems for the sustainable generation of energy that guarantees a lower environmental impact and high flexibility in its production: **ENERGY SUSTAINABILITY**;
- the **management approach** adopted that enables the company to follow a sustainable and inclusive growth path to continuously improve its social and environmental performance: **COMPANY SUSTAINABILITY**.

7 AFFORDABLE AND
CLEAN ENERGY



Goal 7: 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 SUSTAINABILITY

For Ansaldo Energia, a manufacturing company more than 160 years old, the global challenges that cyclically arise, particularly in the energy market, are an impetus towards the future. **With this conviction and the development and diversification of its business**, the company wants to play a leading role in the national and European energy transition process.

GAS TURBINES, BIOFUELS, AND HYDROGEN

The gas turbines produced by Ansaldo Energia already represent the first step in the decarbonization process, cutting CO₂ emissions by 70% compared with the use of coal. Their contribution will be fundamental since they will make it possible to guarantee the stability of the electricity grid, which is increasingly characterized by the unpredictability of energy generation from renewable sources.

In addition, the development of new burners capable of using biofuels and hydrogen, instead of natural gas, in different percentages up to 100%, will accomplish this task by reducing greenhouse gas emissions to zero.

STORAGE SYSTEMS

Alongside the “green” conversion of traditional products, a process of business diversification towards related sectors linked to energy transition technologies is underway. This will not only safeguard employment but enhance the countless basic skills developed and the Genoa production site itself, assets consolidated in over a century of presence in the energy production sector.

Energy storage systems represent the first real enabling pillar of the energy transition and are set to grow as market size in a future characterized by a fully renewable energy economy. In this area, Ansaldo Energia has signed a collaboration agreement with a start-up company on an innovative storage system integrated with turbo gas plants. Among utility-scale energy storage systems, technologies for the development of ‘flow batteries’ are being evaluated.

Another component of long-term energy storage systems is hydrogen, which will make it possible to decarbonize segments for which the use of electricity is complex. Ansaldo Energia intends to act as a producer of high-efficiency hydrogen generators (electrolyzers) and related systems required to optimize hydrogen generation.

The integration of these new components into hydrogen production plants and their monitoring and service complete Ansaldo’s sustainable proposition and will allow it to carve out an appropriate role in the value chain of products for the next industrial revolution.

WIND GENERATORS

The production of wind turbines for both on-shore and off-shore applications is the second segment of possible portfolio development. Advanced on-shore technologies can contribute to a large part of the increase in wind power production envisaged by the PNIEC (National Integrated Energy and Climate Plan 2030) through the retrofitting of existing plants with more powerful turbines. Innovative off-shore “floating” technologies, suitable for use in deep seas such as the Mediterranean, can limit environmental impact by being installed far from the coast.

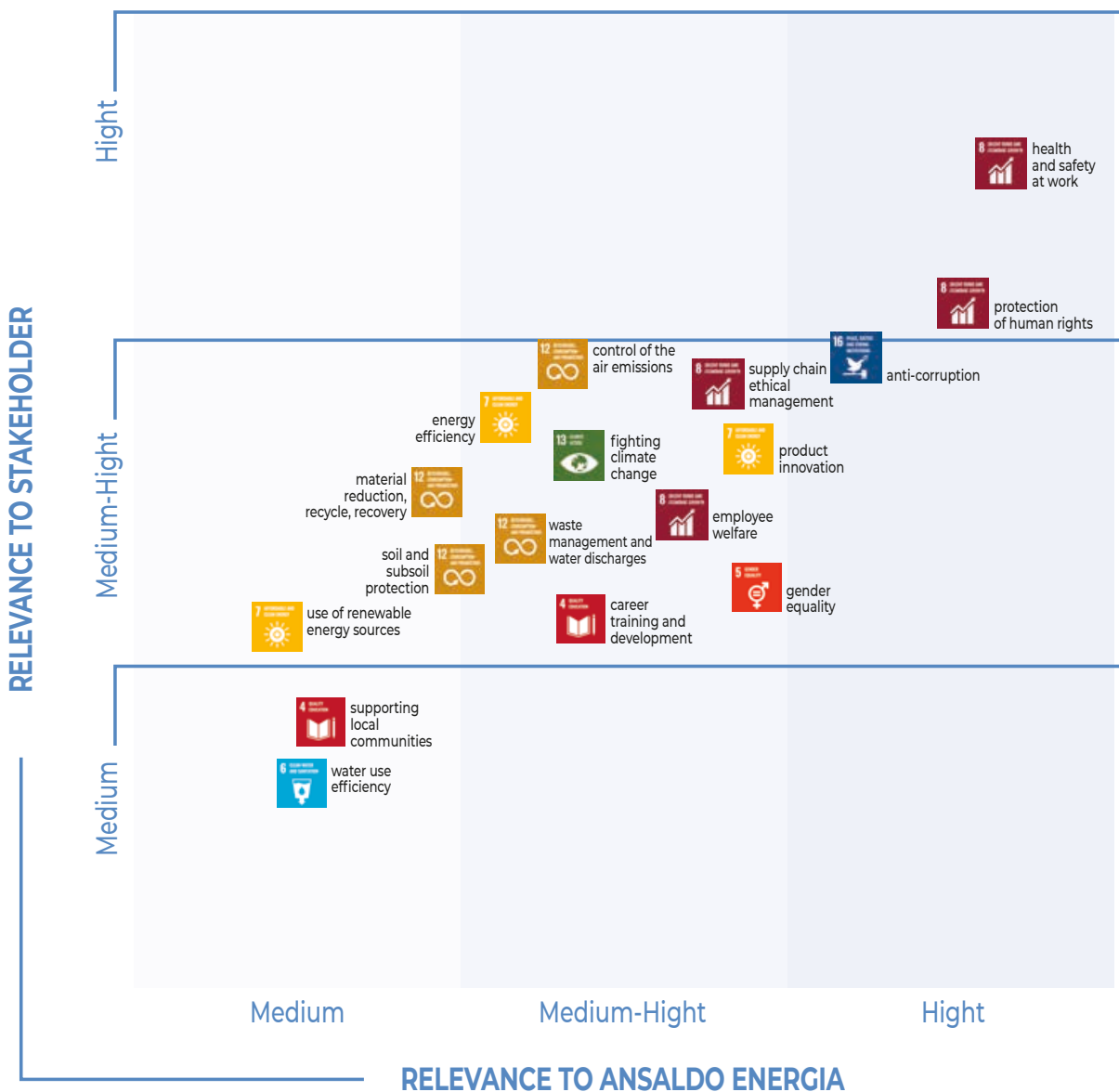
DIGITAL SOLUTIONS FOR SYSTEM INTEGRATION

The energy system that will achieve the Net Zero objective will be of great complexity, as it will integrate a plurality of energy generation and storage systems, consumption for fixed and mobile users, and concentrated and distributed users, requiring the achievement of a deep and widespread digital transformation. As a Plant Integrator, the digital solutions already implemented by Ansaldo Energia to conventional generation technologies will be further developed and made available to optimize functioning together with renewable energy production plants, energy storage plants, and hydrogen generation plants, further reducing their environmental impact and improving the resilience of the national energy system.

CORPORATE SUSTAINABILITY

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

MATERIALITY MATRIX



8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

7 AFFORDABLE AND CLEAN ENERGY

4 QUALITY EDUCATION

13 CLIMATE ACTION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION



The analysis carried out by Ansaldo Energia involved the following steps:

Aspects identification

The first step taken by the company was to carefully select the most significant Aspects taking into account, in addition to the indications contained in the GRI Standards, a combination of factors relating to the organization such as mission, values, strategies, quality, environmental and safety management systems, the Organisation, Management, and Control Model, Code of Ethics and the risk analyses carried out.

Relevance for Ansaldo Energia

The next step was to prioritize the different aspects, or relevance to the company, a process that involved the internal Sustainability Working Group and the heads of the main functions. The analysis was based on the following criteria:

- influence of the aspect on the company's performance;
- risks and opportunities of possible impacts.

Relevance for stakeholders

The third phase of the analysis involved the stakeholder engagement process - Customers, Business partners, Suppliers, Banks and Insurances, Universities and Research Institutes, Associations, and the Media - to determine how much the Aspects considered were perceived to be relevant taking into account the company's activity. All 45 involved stakeholders contributed to the work by returning the completed questionnaires, demonstrating the quality of the relationships and the collaborative bond that the company has managed to build over time.

The link between the relevant aspects for the sustainability of Ansaldo Energia and the contribution to the achievement of the objectives of the UN 2030 Agenda is highlighted below.



Goal 8: DECENT WORK AND ECONOMIC GROWTH. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

ANSALDO ENERGIA COMMITMENTS

HEALTH AND SAFETY AT WORK | PROTECTION OF HUMAN RIGHTS | ETHICAL SUPPLY CHAIN MANAGEMENT | EMPLOYEE WELFARE

Goal 8: Targets

8.2 Achieve higher levels of economic productivity through diversification, technological upgrading, and innovation, including through a focus on highvalue-added and labor-intensive sectors[...]

8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity, and innovation[...]

8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation[...]

8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

8.7 Take immediate and effective measures to eradicate forced labor, end modern slavery[...]

8.8 Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular, women migrants, and those in precarious employment[...]



Goal 12: RESPONSIBLE CONSUMPTION AND PRODUCTION. Ensure sustainable production and consumption patterns

ANSALDO ENERGIA COMMITMENTS

AIR EMISSIONS MONITORING | WASTE AND EFFLUENT MANAGEMENT | REDUCTION OF THE CONSUMPTION OF RAW MATERIALS AND RECYCLING | SOIL AND SUBSOIL PROTECTION

Goal 12: Targets

12.2 By 2030, achieve the sustainable management and efficient use of natural resources

12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse



Goal 16: PEACE, JUSTICE, AND STRONG INSTITUTIONS. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels

ANSALDO ENERGIA COMMITMENTS
ANTI-CORRUPTION

Goal 16: Targets

16.5 Substantially reduce corruption and bribery in all their forms

16.7 Ensure responsive, inclusive, participatory, and representative decisionmaking at all levels[...]



Goal 7: AFFORDABLE AND CLEAN ENERGY Ensure access to affordable, reliable, sustainable, and modern energy for all

ANSALDO ENERGIA COMMITMENTS

ENERGY EFFICIENCY | PRODUCT INNOVATION | USE OF RENEWABLE ENERGY SOURCES

Goal 7: Targets

7.3 By 2030, double the global rate of improvement in energy efficiency



Goal 4: QUALITY EDUCATION. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

ANSALDO ENERGIA COMMITMENTS

TRAINING AND DEVELOPMENT | LOCAL COMMUNITY SUPPORT

Goal 4: Targets

4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs, and entrepreneurship

4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations[...]



Goal 13: CLIMATE ACTION. Take urgent action to combat climate change and its impacts

**ANSALDO ENERGIA COMMITMENTS
FIGHTING CLIMATE CHANGE**

Goal 13: Targets

13.2 Integrate climate change measures into national policies, strategies, and planning

13.3 Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning



Goal 5: GENDER EQUALITY. Achieve gender equality and empower all women and goals

**ANSALDO ENERGIA COMMITMENTS
GENDER EQUALITY**

Goal 5: Targets

5.1 End all forms of discrimination against all women and girls everywhere

5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life



Goal 6: CLEAN WATER AND SANITATION. Ensure availability and sustainable management of water and sanitation for all

**ANSALDO ENERGIA COMMITMENTS
WATER USE EFFICIENCY**

Goal 6: Targets

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity[...]

RISK MANAGEMENT

To address both internal and external challenges and take advantage of the market opportunities that an international business entails, Ansaldo Energia is developing an integrated Risk Management system to support the Group's decision-making processes and involve all corporate functions.

The enhancement of the Risk Management system allows the Group to assess and manage potential risk events that could affect the achievement of business objectives under the current Business Plan.

The Enterprise Risk Management system includes the analysis, prioritization, and monitoring of ESG (Environment, Social, and Governance) issues.

The following image represents the universe of risks in which those related to the aspects present in the materiality matrix - corporate sustainability - and those related to Ansaldo Energia's strategic role in the energy transition process - energy sustainability - have been highlighted.





ANSALDO ENERGIA STAKEHOLDERS

Ansaldo Energia is committed to developing ethical relationships with its stakeholders and works towards a better understanding of their needs and expectations to satisfy them in the achievement of common goals. Stakeholders' expectations have effects, or potential effects, on the ability of the organization to constantly provide increasingly evolved products and processes capable of meeting legal and regulatory requirements which are constantly evolving.

The relevant needs and expectations are therefore requirements which become inputs for the Quality, Health and Safety, and Environmental Management Systems. Information from stakeholders, such as complaints, disputes, non-conformities, evaluations, is regularly analyzed during periodic internal meetings and reviewed by the company management. For each category of stakeholder, the requirements that must be met to satisfy them are summarized below.

Stakeholder	Expectations / Relevant requirements
Shareholders	<ul style="list-style-type: none"> · Improved management efficiency, including environmental and safety management · Compliance with budget and improvements
Employees and their representatives	<ul style="list-style-type: none"> · Adequate wages/production bonus · Safeguarding workers' rights · Health and safety · Adequate working environments and infrastructure · Compliance with general and supplementary contractual agreements and requirements · Economic, social, and environmental sustainability
Customers	<ul style="list-style-type: none"> · Compliance with contractual conditions: technical characteristics of the product and packaging · Environmental and Safety Certification · Positive management verifications during audits · Continuity and punctuality in service delivery · Economic, social, and environmental sustainability
Suppliers	<ul style="list-style-type: none"> · On-time payments · Continuity of orders
Banks and insurances	<ul style="list-style-type: none"> · Compliance with mandatory requirements · Compliance with commitments
Citizens and community	<ul style="list-style-type: none"> · Environmental protection · Protection of sensitive receptors and workers · Economic, social, and environmental sustainability
Control institutions and bodies	<ul style="list-style-type: none"> · Compliance with regulatory requirements · Compliance with commitments · Economic, social, and environmental sustainability
Scientific community	<ul style="list-style-type: none"> · Availability to host internships, training, conventions, and seminars
Competitors	<ul style="list-style-type: none"> · Environmental and safety performance requirements

ECONOMIC VALUE PRODUCED AND DISTRIBUTED

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

The analysis of the economic value generated and distributed shows the flow of resources produced by Ansaldo Energia and addressed to its Employees, Suppliers, Shareholders and Lenders, Public Administration, and the Community, as well as those retained by the company to finance itself.

Economic value produced and distributed	2019	2020
A. Produced economic value	827,359,068	930,561,823
Total revenues	820,440,971	920,338,958
Financial income	6,918,098	10,222,866
B. Distributed economic value	861,718,709	855,403,126
Operating costs	629,833,794	624,109,328
Salaries and employee benefits	173,599,836	166,443,362
Payments to capital providers	45,308,910	60,683,904
Payments to the Public Administration	12,661,556	3,638,636
Investments in the community	314,613	527,897
(A-B) Retained economic value	-34,359,640	75,158,697

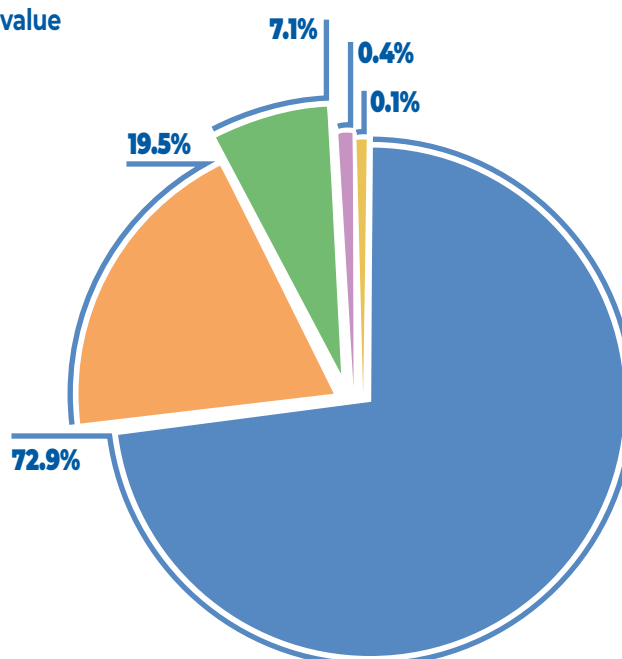
The **Economic Value produced by the company** in 2020 amounts to EUR 930.5 million (+12.5% compared to 2019) while the **Distributed economic value** amounts to EUR 855.4 million (-0.7% compared to 2019).

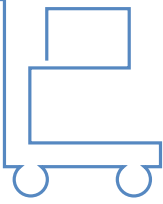
The **Retained economic value**, EUR 75.2 million, is the difference between the generated value and

the distributed value; this value is invested in the company and consists mainly of depreciation, writedowns, and provisions for risks.

The economic value distributed in 2020 was divided among the following stakeholders:

2020 - Distributed economic value





the largest amount, € 624.2 million, relates to costs for the purchase of materials and services necessary for the company's activities: **suppliers** of mechanical components, electronics, tenders, transport, and general services;



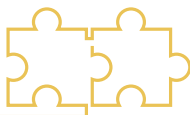
about € 166.4 million was paid to **employees** for salaries, social security, and pension contributions;



€ 60.7 million related to payments to **capital providers**, shareholders, and lenders, in the form of profits and interest expenses;



€ 3.6 million was paid to the **Public Administration** in the form of income and property taxes;



€ 527 thousand was distributed in the **Community** to contribute to scientific and technological development through agreements with Universities and Research Centres (scholarships, internships, doctorates, and research grants), to support charitable associations and initiatives for the protection of the artistic and environmental heritage and the dissemination of culture.



**Integrity,
transparency
and responsibility**

GOVERNANCE, ETHICS,
AND INTEGRITY



*The governance model adopted by Ansaldo Energia S.p.A. reflects its long-term strategy and is based on the principles of **integrity, transparency, and accountability** which the Company is committed to applying at all levels.*

In this context, Ansaldo Energia is highly committed to compliance not only with mandatory legal requirements but also with internationally recognized best practices.

C O R P O R A T E G O V E R N A N C E

At present, **88% of Ansaldo Energia S.p.A. is owned by Cdp Equity**, an investment holding company of the Cassa Depositi e Prestiti Group, whose objective is to invest risk capital in companies of major national interest and companies with a balanced economic, financial, and equity position with adequate profitability and development prospects, and **12% by Shanghai Electric**, the world's leading manufacturer of power generation machinery and mechanical equipment.

The Corporate Governance of Ansaldo Energia S.p.A. is structured according to the traditional model and consists of:

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

BOARD OF DIRECTORS

The Company's Administrative Body is a multi-member collegial body. It meets in the form of a Board of Directors and is appointed for a three-year term. The term of office is set on the date of the Shareholders' Meeting called to approve the financial statement related to the last financial year of the appointment. Directors can also be non-shareholders and can be re-elected.

Within the Board of Directors, the following members are nominated: the Chairman of the Board of Directors and the Chief Executive Officer. The current chairman is non-executive.

The members of the Board of Directors¹, as required by an internal Ansaldo Energia directive, possess the following requirements:

- a high degree of professionalism and managerial experience;
- did not hold, at the time of their appointment and for the entire duration of their office, other offices outside the Ansaldo Energia Group, except for those previously communicated and considered compatible with Ansaldo Energia S.p.A.;
- have not held positions as Director or Statutory Auditor in companies subject to legal procedures for facts connected with the period of their office;
- have the necessary professional standards and, where applicable, the independence requirements required by the law.

The President and the CEO must take part in at least eighty percent (80%) of the Council meetings held during a fiscal year. The other Board members must take part in at least sixty percent (60%) of the meetings.

Lower participation percentages represent a reason for removal from charge.

¹ Delegation of Authority Directive no. AE-DI-010



BOARD OF DIRECTORS

Position	Name	In charge since	In charge until	Executive	Non executive	Participation
President	Zampini Giuseppe	14/10/2019	Financial statement approval 2021	no		100%
Vice president	Yuan Jianhua	14/10/2019	Financial statement approval 2021	no		80%
CEO and DG	Marino Giuseppe	18/10/2019	Financial statement approval 2021	sì		100%
Advisor	Zetti Giovanni	20/04/2020	Financial statement approval 2021	no		100%
Advisor	Castano Giampietro	14/10/2019	Financial statement approval 2021	no	yes	100%
Advisor	Mascardi Fabiola	14/10/2019	Financial statement approval 2021	no	yes	100%
Advisor	Massoli Fabio	14/10/2019	Financial statement approval 2021	no		100%
Advisor	Wang Fufang	14/10/2019	Financial statement approval 2021	no		40%
Advisor	Zheng Xiaohong	14/10/2019	Financial statement approval 2021	no		10%

COMMITTEES

Related Parties Committee – appointed by the Board of Directors on 9 October 2020 - Chairman Francesco Valperga, members Luca Cidda and Comola Alessandro.

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

Remuneration Committee - appointed on 15 November 2019 - Chairman Giuseppe Zampini, members: Yuan Jianhua, Fabio Massoli, Fabiola Mascardi, Zheng Xiaohong.

The committee has the task of overseeing the remuneration policies and the activation of the incentive plans for directors and top executives.

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 attributable to the period of their office, possesses the necessary requisites of professionalism and integrity as well as, where applicable, the independence requirements set by the law.

Furthermore, the members of the Control Body are not shareholders, even indirect ones, of any company of the Ansaldo Energia Group or hold any role other than that of Control Body in the Ansaldo Energia Group companies.

BOARD OF AUDITORS

Position	Name	In charge since	In charge until	participation BoD meetings
President	Michele Casò	14/10/2019	Financial statement approval 2021	100%
Statutory auditor	Federica Fiorani	14/10/2019	Financial statement approval 2021	100%
Statutory auditor	Paolo Biancone	18/10/2019	Financial statement approval 2021	100%

ANTI-CORRUPTION

Considering the broad geographical context in which the Ansaldo Energia Group operates, the Company has strongly promoted a global anti-corruption policy, to define principles and rules applicable to the Ansaldo Energia Group in the conduct of its business with public and private entities, to ensure full compliance with anti-corruption regulations.

ORGANISATION, MANAGEMENT, AND CONTROL MODEL

The first important step is the adoption of an Organisational, Management, and Control Model by Ansaldo Energia S.p.A. on 3 March 2004 - continuously updated - and by all the Italian companies of the Ansaldo Energia Group.

One of the primary objectives of adopting the aforementioned Model was (and still is) to ensure that the conduct of all personnel working on behalf of and in the interest of the Company always complies with the principles of fairness and transparency, in line with the provisions of Legislative Decree 231/2001 and with the indications of the relevant laws, as well as based on the Guidelines issued by Confindustria.

The Organisational, Management and Control Model, which is always available on the Ansaldo Energia Group's website www.ansaldoenergia.com consists of a general part, in which the principles, functions, and essential components of the Model are illustrated, and special parts, divided according to the types of crime considered relevant, in which the activities at risk of crime, the principles of conduct and the corporate and group control procedures are identified.

The Company is always committed to information and training activities involving all internal staff, through differentiated paths, to allow targeted dissemination of information based on the role of the actors involved.

An important role is played by the Company's Supervisory Board, a body endowed with autonomy and independence with respect to the other corporate bodies required by law, with the main purpose, among others, of supervising compliance with the Model and the proper application of internal rules.

Among the tools for preventing the risk of corruption, the Company has adopted a system for reporting violations to the Supervisory Board (so-called whistleblowing), defined in the Organisational, Management and Control Model and the Code of Ethics. The whistleblowing system

introduced by the Model allows employees and third parties to report unlawful conduct of which they have become aware as a result of their employment, guaranteeing the confidentiality of the person making the report and the supposed author of the notification.

CODE OF ETHICS

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

The Company promotes the knowledge of its Code, which is available on its website www.ansaldoenergia.com, by its employees and all those who work for the Ansaldo Energia Group and monitors its proper compliance, ensuring the transparency of the transactions and behaviors carried out, providing adequate information, prevention, and control tools.

As required by the Parent Company, each company of the Ansaldo Energia Group has adopted a specific code.

ISO 37001 CERTIFICATION

In 2019, the Company obtained the ISO 37001 certification, which relates to Anti-Bribery Management Systems.

This widely known certification identifies a management standard to help organizations fight against corruption by establishing a culture of integrity, transparency, and compliance and represents an important goal achieved by the Company.

ANTITRUST COMPLIANCE

Proper knowledge of the rules on anti-competitive misconducts is essential for all companies, regardless of their sector of activity. Ansaldo Energia S.p.A. intends, therefore, to ensure that the business operations of the companies of its Group are conducted in compliance with antitrust regulations.



The Company has adopted an internal procedure with the aim to describe the limits imposed by national, European Union, and international competition law on restrictive practices and abuse of dominant position, on the one hand, and to illustrate the conduct to be adopted and/or the conduct not to be adopted to ensure full compliance with antitrust law, on the other hand.

In consideration of the above, Ansaldo requires that, when conducting their professional activities, all employees and directors of the companies of the Group strictly comply with the limits imposed by antitrust regulations and carefully observe the provisions of their company policies.

HUMAN RIGHTS PROTECTION

Aware of the benefits coming from 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 violation of human rights may be intensified (e.g. situations of political instability, operations in countries characterized by the absence of political or civil rights);
- contributing to the promotion and defense of the fulfillment of human rights;
- overcoming any kind of discrimination, corruption, exploitation of child or forced labor and, more generally, for the promotion of the dignity, health, freedom, and equality of workers, in compliance with the United Nations Universal Declaration, the Fundamental Conventions of the International Labour Organization (“ILO”) and the OECD Guidelines.

HUMAN RIGHTS RISK SITUATIONS

The Company refuses to have relations of any kind, even if indirect or through intermediaries, with parties (natural or legal persons) that:

- operate in breach of the law;
- belong to or support, in Italy or abroad, criminal organizations of any kind, including mafia-type, involved in human trafficking, arms trafficking, or the exploitation of child labor;
- employ staff in an irregular manner or which, in any case, operate in violation of the laws and regulations on the protection of workers' rights;
- operate for terrorist purposes.

Particular attention is paid in the context of relations with entities operating in countries where there is no legislation providing sufficient protection for workers, in terms of child, female and immigrant labor, by verifying the existence of sufficient hygiene, health and safety conditions.

AVOID COMPLICITY

When providing corporate security services, it is mandatory to:

- respect the human rights of people with whom it comes into contact, including the rights to freedom of expression, association, and peaceful assembly;
- treat all persons in a humane manner and with respect for their dignity and privacy. In particular, it is prohibited to interfere, arbitrary or unlawfully, with the privacy of employees and third parties.

The use of repressive measures and the use of force is not tolerated, except in cases of legitimate defense, during the surveillance of one's sites and/or plants. Any use of force must, in any case, comply with the applicable law, in no case exceed what is strictly necessary, and must be proportionate to the threat and appropriate to the situation.

To help ensure proper conduct towards third parties, in particular as regards the use of force, Ansaldo Energia commits to ensuring that security personnel receive adequate training on human rights.

DISCRIMINATION AND VULNERABLE GROUPS

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

Personnel management is inspired by principles of fairness and impartiality, avoiding favoritism or discrimination, respecting the professionalism and skills of the worker. To this end Ansaldo Energia:

- within the scope of the recruitment process of employees and collaborators - conducted without any discrimination on the private sphere and the opinions of the candidates - operates so that the acquired personnel correspond to the profiles necessary for the company needs, avoiding favoritism and facilitation of any kind, and inspiring its choice exclusively to criteria of professionalism and competence;
- safeguards workers from acts of stalking, violence, including psychological violence, or mobbing, and opposes any attitude or behavior that is discriminatory or damaging to the person, his beliefs, and inclinations;
- requires that in internal and external working relations no harassment or attitudes referable to mobbing practices are given rise to, all of which are, without exception, prohibited;
- offers equal employment opportunities, guaranteeing fair treatment based on individual skills and abilities by adopting, in the evolution of the employment relationship, a policy based on the recognition of merit and equal opportunities.

In compliance with the law and the principles set out above, medical examinations for pregnancy are prohibited as so other cases not permitted by current legislation.

CIVIL AND POLITICAL RIGHTS

Ansaldo Energia is committed to protecting the moral integrity of all employees and/or independent contractors, guaranteeing them the right to working conditions that respect personal dignity and the full execution of trade union and political rights.

Furthermore, Ansaldo Energia, in full compliance with the rules on the protection of personal data and the rule protecting the privacy of all the Recipients and, more in general, of all those who

have any kind of contact with the Company, adopts specific rules aimed at providing, in particular, for the prohibition of undue communication and/or dissemination of personal data without the prior consent of the person concerned. In particular, respect for the worker's dignity shall be ensured through the respect of privacy in correspondence and interpersonal relations between employees, through the prohibition of unlawful interference in conferences or dialogues, and the prohibition of intrusions or unlawful forms of control.

ECONOMIC, SOCIAL, AND CULTURAL RIGHTS

Ansaldo Energia exercises all due care to ensure that it is not involved in activities that violate, obstruct or impede the economic, social, and cultural rights of its employees, partners, customers, and other stakeholders over whom it may have influence.

To this end, the company takes into due consideration the potential impacts of its decisions, activities, products, and services, as well as new projects on such rights, including the rights of local populations in the countries where it operates.

The Company refrains from taking initiatives that may directly or indirectly limit or prevent access to a product or an essential resource or compromise the supply of limited essential resources and commits to exploring new ways to contribute to the respect of these rights, with reference to its activities.

FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

Ansaldo Energia guarantees respect for the fundamental labor rights sanctioned by the ILO. In particular, it guarantees:

- freedom of association and recognition of the right to collective bargaining by its employees Workers' representatives shall be provided with appropriate measures to enable them to carry out their work effectively and perform their role without interference;
- the elimination and contrast of all forms of forced or compulsory labor and the exploitation of child labor. The Company does not allow and tolerate the establishment of employment relationships - even by business partners - in violation of the regulations in force on child, female and immigrant labor and protection against labor exploitation practices;
- the elimination of employment discrimination. Ansaldo Energia employment policies do not discriminate based on race, color, gender, religion, nationality, social origin, political opinion, age, or disability. The Company is committed to undertaking initiatives to support



the reconciliation of the private and working life of its personnel.

The Company strives to promote the respect of these rights by its business and commercial partners.

VIOLATIONS REPORTS

Those who believe that there have been violations of their human rights are required to bring this to the attention of the Company through the system for reporting breaches to the Supervisory Board (so-called whistleblowing), defined in the Organisational, Management and Control Model and the Code of Ethics.

MANAGEMENT SYSTEMS AND CERTIFICATIONS

The performance and behavior in the field of quality, health and safety, environmental protection, and information security are considered by Ansaldo Energia as a fundamental value.

To ensure a consistent approach and define systematic management of the processes underlying the governance of these aspects, Ansaldo Energia SpA has adopted certified management systems which comply with



QUALITY MANAGEMENT

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

Ansaldo Energia:

- adopts a flexible and proactive approach in responding to customer needs and ensuring customer satisfaction with its portfolio of product and service offerings;
- involves all personnel and stakeholders to achieve and maintain a high level of quality and innovation of its products and services;

- is committed to continuously improving the effectiveness of the Group's 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 the utmost integrity, following a governance process that includes documented quality objectives, performance monitoring, and periodic management reviews.

HEALTH, SAFETY AND ENVIRONMENTAL MANAGEMENT

Workers' health and safety - including the prevention and protection from infections - and environmental protection, are fundamental principles 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, these principles are a fundamental value.

Concerning these principles, Ansaldo demonstrates its commitment, ensuring the use of the resources necessary to act and maintain its Management System.

Ansaldo imposes ethical and socially responsible behavior, monitoring and respecting the environment, health, and safety of all stakeholders: employees, customers, suppliers, investors, communities. In this context, the Environmental, Health and Safety, and Infection Prevention and Control Management System of Ansaldo Energia, integrated into the business model and certified according to the ISO 14001 and ISO 45001 standards and in line with the requirements of the Biosafety Trust Certification, goes beyond the national and international regulations in force and commits the Group to adopt increasingly advanced technologies and processes.

For many years Ansaldo has been working hard to create a strong safety and environmental culture involving all its employees and all its suppliers, through continuous improvement programs.

CYBER & INFORMATION SECURITY

Ansaldo Energia has defined an Enterprise Security Architecture (ESA) to improve its overall security standing and deal efficiently and effectively with 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 fit for purpose.

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 offers a holistic approach to all information security topics based on the following main components:

- Information and Cyber Security Organisational Model, which defines the main cyber security roles and responsibilities within the company;
- Information and Cyber 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 model for monitoring/verifying compliance with the security controls defined at the Group level.

SYSTEMS

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

These activities and projects are carried out in response to a specific strategy that Ansaldo Energia defines in line with the best general standards, including COBIT, ISO 27001, ISO 27002, and NIST, and specific industry standards, including ISA/IEC 62443 and NERC CIP.

Ansaldo operates at an academic level, maintaining an aligned focus on threats, related risks, and mitigation techniques, and collaborating to maintain and develop new standards to ensure the continuous improvement of Cyber Security defense in the power generation environment.



Tile control of a gas turbine combustion chamber

**Development
of an increasingly
sustainable product**



ENVIRONMENT



*Ansaldo Energia expresses its attention to environmental protection through the continuous improvement of the environmental performance of its production cycle and the **development of an increasingly sustainable product.***

ENVIRONMENTAL POLICY

Ansaldo has been committed for several years to creating a deep awareness of the proactive role that must be played in protecting the environment. Through programs of continuous improvement of its environmental performance, it involves both its employees and all its suppliers.

The common commitment is aimed to:

- comply with the legal and other requirements adopted by the organization;
- comply with the Organisation, Management, and Control Model, Ansaldo Energia's Code of Ethics and its entire procedural system;
- prevent any significant environmental impact deriving from the production processes;
- ensure that Contractors also comply with the requirements of the Environmental Management Systems;
- work in close collaboration with Customers for the development of power plants, gas turbines, steam turbines, and generators designed to have a reduced environmental impact;
- constantly training and informing all staff, as well as consulting and involving all interested parties, starting with their workers and their representatives;
- optimize the parameters of the production processes to reduce the environmental impact, with less consumption of materials and natural resources and the reduction of atmospheric emissions and waste;
- establish and monitor measurable improvement objectives relating to environmental performance;
- maintain alignment between the company's objectives and those of environmental sustainability, through the adoption of innovative technologies.

ENVIRONMENTAL PERFORMANCE

The reporting boundary of the environmental performance illustrated in this Sustainability Report is represented by the activities carried out at 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.

MATERIALS

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

In particular, steels and cast iron for gas and steam turbines, steels and copper for alternators.

The percentage of secondary raw material at the origin of the material purchased by Ansaldo is up to 95% for steel and copper² 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%.

² Estimated value



	2019	2020
Materials		
Copper [t]	1,315.1	2,370.7
Recycled material	95.0%	95.0%
New material	5.0%	5.0%
Steel [t]	2,100.0	4,421.9
Recycled material	90.3%	92.1%
New material	9.7%	7.9%
Cast-Iron [t]	556.9	1,009.4
Recycled material	50.0%	50.0%
New material	50.0%	50.0%
TOTAL MATERIAL	3,972.0	7,802.0
Recycled material	86.2%	87.5%
New material	13.8%	12.5%

DANGEROUS SUBSTANCES MANAGEMENT

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

The management of dangerous substances is procedural to ensure compliance with the requirements of protecting the health and safety of workers as well as the provisions of sector regulations such as the European REACH and CLP Regulations.

All the substances in use in the company are registered in a specific database: the entire cycle of assessment and authorization for the use of each chemical product in the company is fully computerized.

ENERGY CONSUMPTION

The electricity supply guaranteed by the National Electricity Service is mainly used to power production activities, while about 15% is used for offices.

A portion of the energy requirements is self-generated through a photovoltaic system at the Via Lorenzi plant.

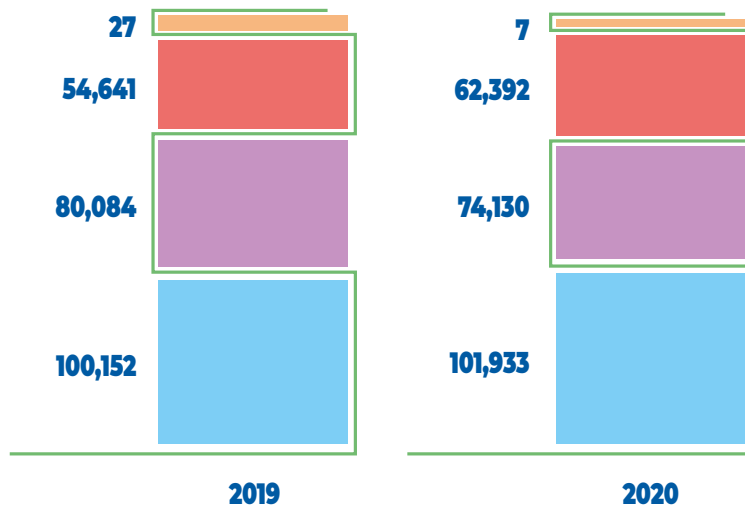
According to Law 10/91, Ansaldo Energia is required to appoint an Energy Manager. Regarding the requirements set by Legislative Decree 102/2014, Ansaldo Energia carries out an annual energy diagnosis, from which the targeted energy consumption reduction plan pursued by the company is derived.

In 2020, total energy consumption was 238,461 GJ, a slight increase (+1.5%) compared to 2019. The result was determined by an increase in consumption of electricity (+1.8%), heat from the district heating network (+14.2%), and a reduction in methane consumption (-7.4%).

	2019	2020
Energy consumption		
Electricity [GJ]	100,152	101,933
Methane for steam heat production [GJ]	80,084	74,130
Heat from district heating network [GJ]	54,641	62,392
Diesel fuel for energy production [GJ]	27	7
TOTAL ENERGY CONSUMPTION [GJ]	234,904	238,461

Total energy consumption [GJ]

- Diesel fuel for energy production
- District heating
- Methane for steam heat production
- Electricity



The electrical energy produced and consumed by the photovoltaic system has grown by 1.0%, and is equal to 3.1% of the electricity drawn from the grid.

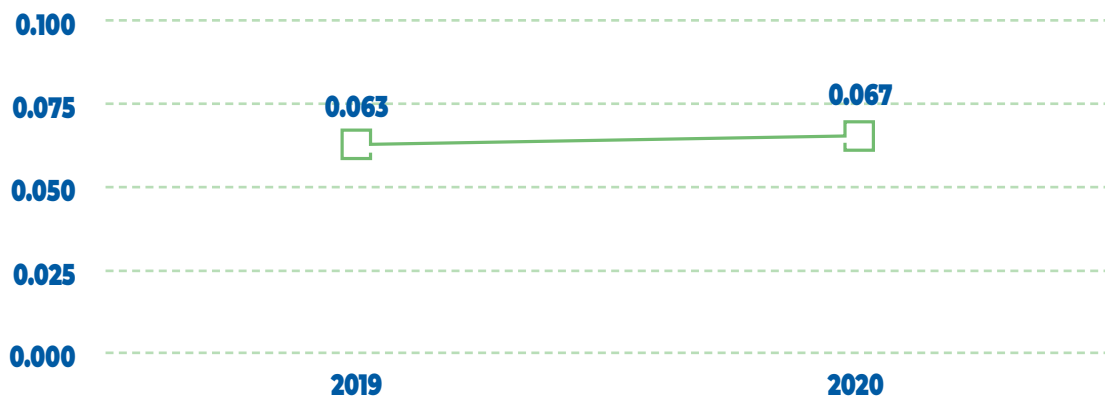
Energy consumption – from renewable sources

Electricity produced and consumed from the photovoltaic system [kWh]

	2019	2020
Electricity produced and consumed from the photovoltaic system [kWh]	849,259	857,864

The **energy intensity indicator**, calculated as total energy consumption per hour worked, rose slightly up (+5.7%); the slight increase of 1.5% in total consumption was less than proportional to the reduction in working hours (-3.8%).

Energy Intensity - Total energy consumption per hour worked [GJ per hour worked]





WATER WITHDRAWAL

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.

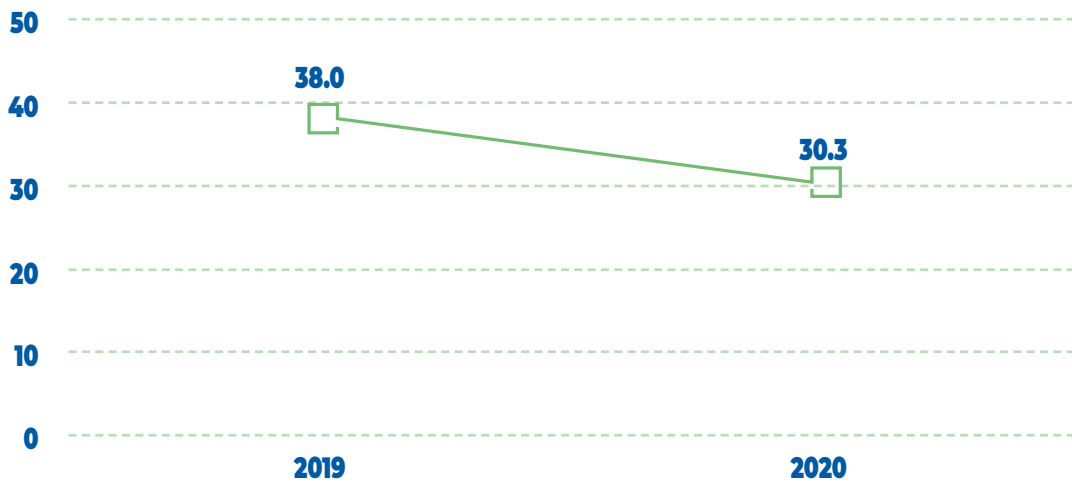
Water consumption is systematically subject to improvement programs aimed at reducing waste (e.g. installation of timers in all facilities' toilets and favoring closed-cycle plants).

Water withdrawal	2019	2020
Water withdrawal from aqueduct [L]	140,656,000	107,964,000

In 2020, water consumption amounted to approximately 108 million liters with a reduction of 23.2% compared to the previous year.

The **water withdrawal per hour worked** indicator also decreased (-20.2%). The decrease in water consumption in absolute terms was more than proportional to the decrease in hours worked.

Water withdrawal per hour worked [Liters/h]



AIR EMISSIONS

The air emissions resulting from the production processes carried out at Ansaldo Energia are essentially characterized by dust and VOC, carbon monoxide, and nitrogen oxides from thermal plants.

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.

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.

The efficiency of the abatement systems used for atmospheric emissions is guaranteed by the internal maintenance service, the stack concentrations of pollutants are checked in compliance with the prescribed sampling plan.

In 2020, none of the 29 measurements of dust concentrations (mg/m³) taken at the stack at the same number of emission points exceeded the authorized values, as these emissions were well below the threshold; on average, the dust concentration levels measured were more than 20 times lower than those authorized (from a minimum of 4 times to a maximum of 77). The control and progressive efficiency of the systems for capturing and subsequently abating

atmospheric emissions is, however, an integral part of the constant attention that the company pays to the quality of the air in its working environments.

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.

Ear emissions	2019	2020
Emissions from production process and thermal plants		
VOC [Kg]	2,399.0	2,006.4
CO [Kg]	5,372.6	7,347.5
NOx [Kg]	20,458.2	27,306.9
Fugitive emissions - refrigerant gases		
R410A [Kg]	-	10.5
R134A [Kg]	0.8	-
R404A [Kg]	5.1	9.2

WASTE AND EFFLUENT MANAGEMENT

The management of urban (from offices and canteens) and production waste is focused on both the reduction of the upstream production and the maximization of recovery/recycling activities.

Particular attention is paid by the organization to the management of accurate segregation of the waste produced, through widespread distribution of dedicated containers, and an efficient collection system.

The entire collection cycle is managed by a dedicated internal service that ensures the systematic emptying of containers and waste disposal. The management of urban waste is carried out in collaboration with the Municipal Service.

To ensure efficiency and control in the proper management of waste materials, the main plant located in Via Lorenzi has a temporary storage area for hazardous and non-hazardous special waste of its production, authorized by the Executive Order of the Metropolitan City of Genoa. Dedicated operational and administrative staff follows the entire process.

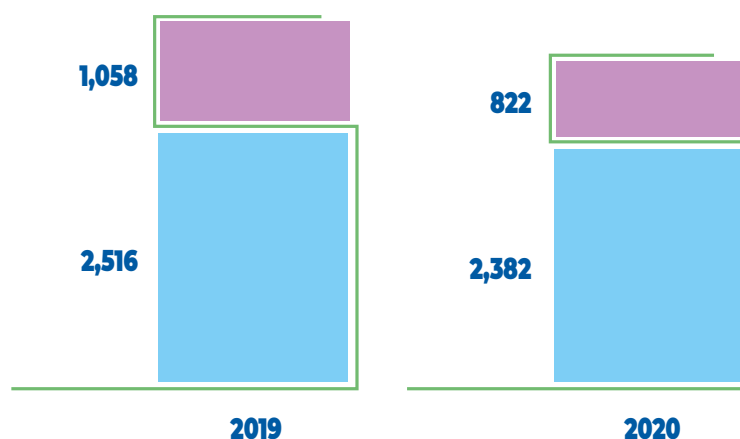
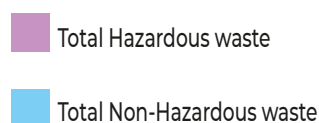
The waste deriving from the production lines is essentially made up of iron and steel, ferrous filings and shavings, packaging, emulsions and solutions for machinery, and washing waters. Over the years, a careful selection of raw materials and substances used at the plant has allowed us to progressively reduce the amount of special hazardous waste: the percentage of special nonhazardous waste out of the total amount of special waste produced now exceeds 70%.



Waste by type of disposal	2019	2020
Total non-hazardous waste [t]	2,516.0	2,382.2
Recovery [t]	980.0	774.2
Recycle [t]	851.1	1,033.0
Energy recovery [t]	0.0	0.0
Incineration [t]	3.3	3.4
Disposal [t]	681.7	571.6
Total hazardous waste [t]	1,057.5	821.9
Recovery [t]	777.8	603.1
Recycle [t]	0.0	0.0
Energy recovery [t]	55.3	69.2
Incineration [t]	201.4	146.9
Disposal [t]	23.0	2.6
TOTAL SPECIAL WASTE [t]	3,573.5	3,204.0
Recovery [t]	1,757.7	1,377.4
Recycle [t]	851.1	1,033.0
Energy recovery [t]	55.3	69.2
Incineration [t]	204.7	150.2
Disposal [t]	704.7	574.2

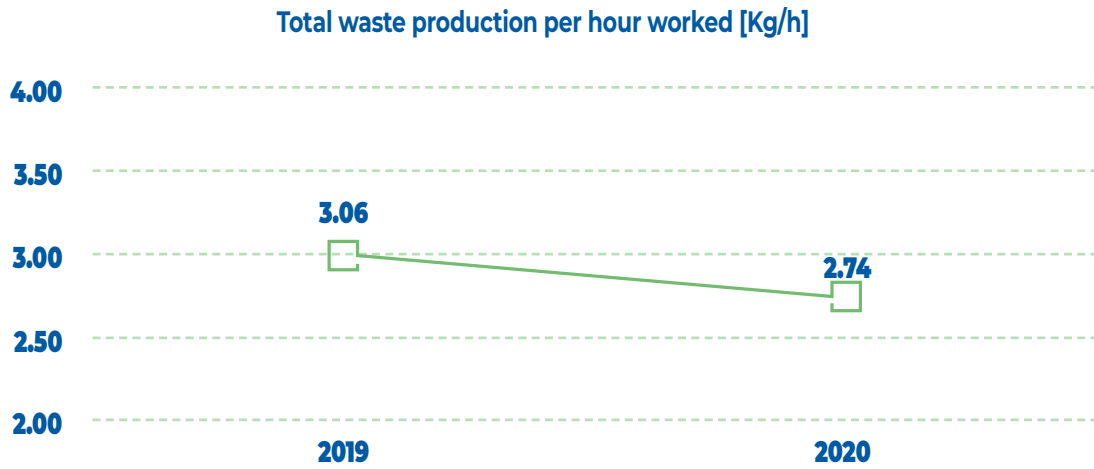
In 2020, 74.3% of special waste was non-hazardous waste, compared to 70.4% in the previous year. In addition, total waste generation decreased by 10.3% (-22.3% hazardous waste and -5.3% nonhazardous waste).

Total waste [t]



The recovered fraction of total waste rose from 74.6% to 77.4%. The hazardous waste fraction rose from 78.8% to 81.8%, while the non-hazardous waste fraction increased from 72.8% to 75.9%.

The **indicator of waste production per hour worked** decreased by 10.5%.



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).

Regarding rainwater, the polluting component can be traced back to the potential dragging of deposited substances on the pavement of uncovered areas. The company must comply with the arrangements introduced by the Italian Regolamento Regionale di gestione delle acque meteoriche in accordance with the AUA N. Determinazione Dirigenziale N. 3486 dated 18.09.2015 and s.m.i. with regard to the presence of a fuel distributor and the waste storage platform.

Water discharges by destination

Domestic and assimilated wastewater in public sewer [L]
 Industrial wastewater in surface water body / soil / subsoil [L]
 Industrial wastewater in public sewer [L]
TOTAL WATER DISCHARGE [L]

	2019	2020
Domestic and assimilated wastewater in public sewer [L]	119,808,000	88,556,000
Industrial wastewater in surface water body / soil / subsoil [L]	20,466,000	18,239,000
Industrial wastewater in public sewer [L]	382,000	1,169,000
TOTAL WATER DISCHARGE [L]	140,656,000	107,964,000



GT36 gas turbine assembly

GREENHOUSE GAS EMISSIONS

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

To ensure the continuity of air conditioning even when the district heating system is down (for example, for maintenance activities), Ansaldo 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. The system was introduced and regulated in European legislation by Directive 2003/87/EC (ETS Directive).

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.

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).

Greenhouse gas emissions	2019	2020
Scope 1		
Emissions from stationary combustion (methane) [tCO ₂ e]	4,485.0	4,169.0
Fugitive emissions (F-Gas) [tCO ₂ e]	21.1	58.0
Emissions from stationary combustion (diesel generator sets) [tCO ₂ e]	2.0	0.5
TOTAL Scope 1 [tCO₂e]	4,508.2	4,227.5
Scope 2		
Emissions for electricity from the grid - location based [tCO ₂ e]	7,818.8	7,959.7
Emissions for heat from district heating network - location based [tCO ₂ e]	2,672.2	2,991.5
Emissions for electricity and heat from the grid - market based [tCO ₂ e]	19,636.7	20,866.2
TOTAL Scope 2 location based [tCO₂e]	10,491.1	10,951.3
TOTAL Scope 2 market based [tCO₂e]	19,636.7	20,866.2
Scope 3		
Flights [tCO ₂ e]	1,411.8	268.6
Car travels [tCO ₂ e]	310.5	342.8
Train travels [tCO ₂ e]	9.9	4.5
BUSINESS TRAVELS [tCO₂e]	1,732.2	616.0
Natural gas [tCO ₂ e]	599.1	552.6
Diesel [tCO ₂ e]	0.4	0.1
FUELS USED - extraction and transportation [tCO₂e]	599.5	552.7
Wood packaging [tCO ₂ e]	315.9	309.4
Plastic packaging [tCO ₂ e]	354.1	96.2
Paper packaging [tCO ₂ e]	0.5	0.6
PACKAGING [tCO₂e]	670.5	406.3
Waste disposed [tCO ₂ e]	416.7	331.9
Recovered waste [tCO ₂ e]	56.9	52.9
WASTE PRODUCED – disposed and recovered [tCO₂e]	473.6	384.8
Water withdrawn from aqueduct [tCO ₂ e]	48.4	37.1
Treated water total [tCO ₂ e]	85.1	63.5
WATER CONSUMPTION - aqueduct withdrawal and treatment [tCO₂e]	133.5	100.7
Paper [tCO ₂ e]	23.8	15.2
Plastic [tCO ₂ e]	13.6	7.3
MATERIALS [tCO₂e]	37.4	22.4
TOTAL Scope 3 [tCO₂e]	3,646.6	2,082.8
TOTAL GREENHOUSE GAS EMISSIONS (Scope 1, 2 e 3)	18,645.8	17,261.6

Total GHG emissions in 2020 amount to 17,261.6 tCO₂e. Compared to 2019, there is a reduction of 1,384.2 tCO₂e (-7.4%). The variation affected all three components: -6.2% scope 1 due to a reduction in methane combustion;

+4.4% scope 2 location-based due to an increase in district heating heat consumption; - 42.9% scope 3 due to a reduction in travel, waste generation, packaging use, water consumption, fuels, and materials used (paper and plastic).

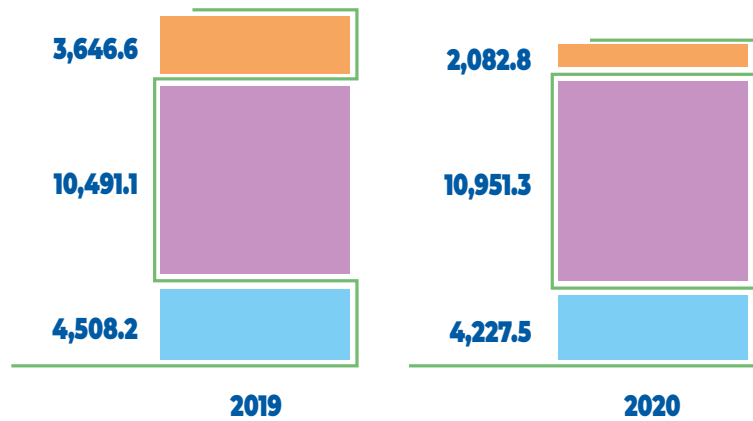


GHG Emissions [tCO₂e]

■ TOTAL Scope 3 [tCO₂e]

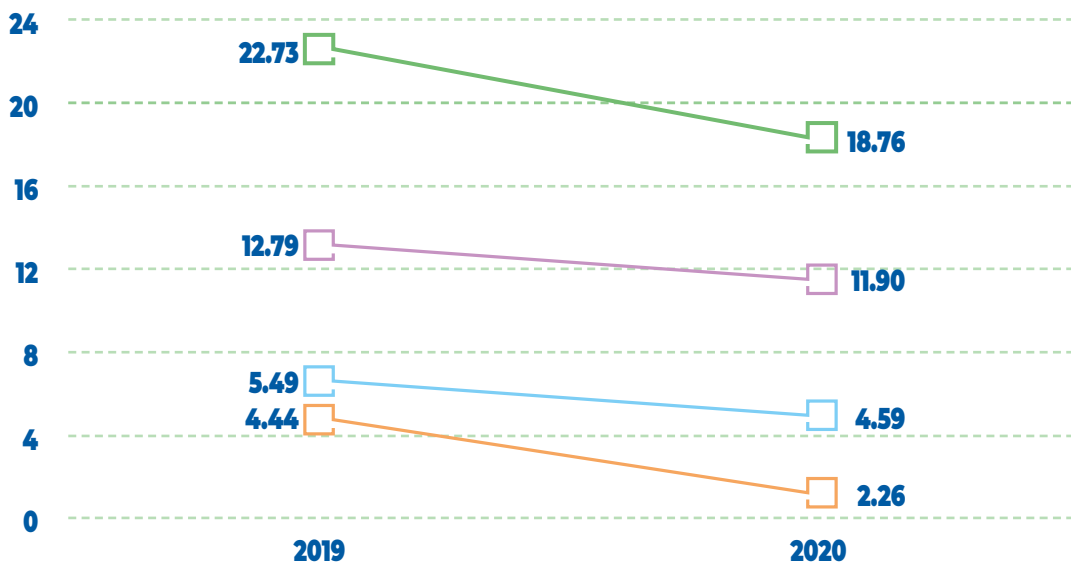
■ TOTAL Scope 2 location based [tCO₂e]

■ TOTAL Scope 1 [tCO₂e]



GHG Emission Intensity indicators, defined as tons of GHG emissions per million of revenue, decreased more in percentage terms (compared to the decrease in absolute values) due to the increase in revenue.

GHG Emissions intensity (tCO₂e/mln revenue)



■ GHG - Emission Intensity Scope 3

■ GHG - Emission Intensity Scope 2

■ GHG - Emission Intensity Scope 1

■ Totale GHG - Emission Intensity

Employees attention and respect



PEOPLE



The **central importance of the people** for Ansaldo Energia is an undisputed principle that has never changed in the history of the Company since it was first established;

it applies not only to the organization, but also to its **stakeholders** in its system of relations.

Care and respect towards employees are constant features of Ansaldo Energia from the moment new employees are recruited and join the company until the time they leave. The contents which regulate the employment relationship go beyond those defined by collective bargaining through second

level agreements; compatibly with the purposes of the individual company roles, Ansaldo Energia applies flexibility tools both in working hours and in the methods of execution (so-called *remote working*).

As of 31.12.2020, Ansaldo Energia counted **2,225** employees. Compared to 2019, the percentage of women middle managers and executives rose from 16.6% to 19.9%.

Professional categories

	2019			2020		
	Men	Woman	Total	Men	Woman	Total
Executives	46	3	49	39	4	43
Middle Managers	200	46	246	179	50	229
White Collars	976	262	1,238	919	222	1,141
Blue Collars	777	2	779	809	3	812
TOTAL	1,999	313	2,312	1,946	279	2,225

99.1% of employees are employed with permanent contracts, confirming how stability in the employment relationship is important to Ansaldo Energia.

Contract type

	2019			2020		
	Men	Woman	Total	Men	Woman	Total
Permanent employees	1,980	313	2,293	1,925	279	2,204
Fixed-term employees	19	-	19	21	-	21
TOTAL	1,999	313	2,312	1,946	279	2,225



At the end of 2020, 35 employees were working on a part-time contract, 1.6% of the company population.

Part-time employees

Middle managers
White collars
Blue collars

TOTAL

	2019			2020		
	Men	Woman	Total	Men	Woman	Total
Middle managers	1	2	3	1	2	3
White collars	2	33	35	3	29	32
Blue collars	1	-	1	-	-	-
TOTAL	4	35	39	4	31	35

Almost all employees are based in Italy. Staff living abroad work in the company's branches in different continents.

Geographical distribution

Italy
Emea
Apac
Americas

TOTAL

	2019			2020		
	Men	Woman	Total	Men	Woman	Total
Italy	1,924	313	2,237	1,901	279	2,180
Emea	65	-	65	37	-	37
Apac	8	-	8	7	-	7
Americas	2	-	2	1	-	1
TOTAL	1,999	313	2,312	1,946	279	2,225

As of 31.12.2020, employees in the 30-50 age group represented 73.8% of the total workforce. Compared to 2019, the number of employees under the age of 30 increased from 2.9% to 3.6%.

Employees by age group

<30
30-50
>50

TOTAL

	2019			2020		
	Men	Woman	Total	Men	Woman	Total
<30	58	8	66	73	8	81
30-50	1,422	217	1,639	1,435	207	1,642
>50	519	88	607	438	64	502
TOTAL	1,999	313	2,312	1,946	279	2,225

Both average age and average seniority decreased overall and with reference to all employees categories.

Average age and average seniority

Executives
Middle Managers
White Collars
Blue Collars

TOTAL

	2019		2020	
	Av. age	Av. sen	Av. age	Av. sen
Executives	56.3	21.6	55.3	19.9
Middle Managers	51.5	18.3	51.4	18.0
White Collars	44.6	14.6	43.7	13.0
Blue Collars	42.3	13.3	41.8	11.9
TOTAL	44.6	14.7	44.0	13.2

RECRUITMENT

The recruitment process is formalized in a procedure and involves close cooperation between the HR function and the business lines. The first selection filter is the adequacy of the candidate's skills, as measured by analyzing the CV against the skills required by the job profile and job description. The first interview is carried out by the HR division and focuses on motivational aspects and soft skills; the result of the evaluation of these aspects and the suitability of the CV determines the step to the technical interview.

Most recruitments refer to specialized technical profiles, particularly focused on the plant engineering sector and the mechanical and electrical design of rotating machinery. The complexity of the technical profiles required has a strong influence on the recruitment process, which ensures rigorous technical assessments through in-depth interviews, often leading to a considerable reduction in the shortlist of candidates.

Interview evaluations are saved and stored on a dedicated platform and managed following privacy regulations, ensuring that the process is properly tracked. Particular attention is given to providing all interviewed candidates with an explicit, reasoned response within a reasonable timeframe.

The selection process is uniform for all categories and types of employment.

Candidates frequently come from Liguria and "lower Piemonte" and gender distribution is influenced by the presence of a lower number of women among graduates in technical and scientific subjects.

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

Turnover is low (7%); recruitments most often arise from the need to strengthen the workforce in terms of numbers or skills.

In particular, concerning new graduates, the company has a long experience in hiring through group training courses, especially funded ones. In these cases, the process of selection is organized in the prescribed forms when imposed by the funding or, in any case, with a level of formalization of the

process and assessments that are adequate to guarantee total transparency and fairness.

In the last year, health and safety requirements provided an opportunity to develop the first phase of remote interviews using videoconferencing, which protected the health of candidates and allowed those who live far away to make the trip only after successfully performing the first interview.

Recruitment processes continued during the 2020 lockdown period as well, both concerning individual recruitments and the project to hire new graduates for factory functions with a training path. In the latter case, the assessment committees worked remotely, ensuring adequate time and reliability of the assessment, and the entire process was recorded and verbalized.

This was a new experience, which ended very positively and made it possible to maintain the insertion plans for young resources despite the pandemic.





In 2020, the overall recruitment rate of under 30s was 54.5%.

Hiring	2019			2020		
	Men	Women	Total	Men	Women	Total
<30	8	0	8	33	3	36
Hiring rate	9.0%	-	7.7%	56.9%	37.5%	54.5%
30-50	21	1	22	80	2	82
Hiring rate	1.5%	0.5%	1.3%	5.6%	0.9%	5.0%
>50	4	0	4	12	2	14
Hiring rate	0.7%	-	0.6%	2.3%	2.3%	2.3%
TOTAL	33	1	34	125	7	132
Hiring rate	1.6%	0.3%	1.4%	6.3%	2.2%	5.7%

Turnover	2019			2020		
	Men	Women	Total	Men	Women	Total
<30	4	0	4	2	0	2
Turnover rate	4.5%	-	3.8%	3.4%	-	3.0%
30-50	29	3	32	26	7	33
Turnover rate	2.0%	1.4%	1.9%	1.8%	3.2%	2.0%
>50	71	17	88	143	35	178
Turnover rate	13.2%	17.5%	13.8%	27.6%	39.8%	29.3%
TOTAL	104	20	124	171	42	213
Turnover rate	5.0%	6.0%	5.2%	8.6%	13.4%	9.2%



TRAINING ACTIVITIES

Personnel training is a distinctive feature of Ansaldo Energia and of its care for people, not only as regards aspects relating to legislation and safety at work, to which there has always been great commitment, but also with reference to more strictly technical topics or the development of soft skills, which are essential enabling factors for a correct and aware management style.

The provision of training courses to its employees is supported by a constant dialogue with the social parties through a specific Training Committee that meets periodically to share and continuously exchange ideas and information.

The committee also assesses union agreements required by the use of Interprofessional Funds or, sometimes, dedicated public funds used by the Company.

The pandemic situation in 2020 has greatly reduced the amount of training without, however, interrupting either the provision of training that is mandatory by law or the development of other training courses. In addition, in the first quarter of 2021, a distance learning plan was designed to cover essentially the entire employee population.

Training hours	2019			2020		
	Men	Women	Avg H per cat.	Men	Women	Avg H per cat.
Executives	1,398	75	30.1	141.5	78.5	5.1
Middle Managers	3,280	873	16.9	1,691.5	595.5	10.0
White Collars	22,051	5,495	22.1	7,553.5	1,661.5	8.1
Blue Collars	8,439	16	10.8	3,850	12	4.8
AVERAGE HOURS BY GENDER	18.2	20.1	-	6.8	8.4	-

Training hours by type	2019			2020		
	Men	Women	Avg H by type	Men	Women	Avg H by type
Informatics	880	336	0.5	1,072	400	0.7
Health and Safety	9,980	434	4.5	7,285	606	3.5
Technical	11,849	1,379	5.7	3,419	833	1.9
Managerial	5,911	1,359	3.1	1,176	288	0.7
Language	6,548	2,952	4.1	284	220	0.2
TOTAL	35,168	6,459	17.9	13,237	2,348	7.0

Ansaldo Energia's vocation for training has interesting implications for "employment training", which the company has been practicing for over two decades. Some examples include: training of personnel with operational roles within the plants and the field, and of white-collar staff to be dedicated to the Engineering and Research and Development departments by designing Level I and II university master's degrees supported by high-level apprenticeship contracts.

The decision to adopt employment methods characterized by training courses is due to the specific nature of many organizational roles and the reduced availability of skills directly available on the market. This aspect successfully combines with the Company's tendency to train personnel through the provision of theoretical content and through structured shadowing processes, which are fundamental for the consolidation of the learning process.



The predisposition to this type of activities did not stop even during the 2020 lockdown period when two calls for applications were launched for the recruitment of graduates to be trained as Electromechanical Assemblers and CNC Machine Operators respectively.

The entire selection and training process was managed remotely for the first time, and as soon as it was possible to envisage people working

alongside the production lines - which have never stopped, thanks also to the strict application of protection measures - remote training activities were combined with shadowing activities, with the setting up of extracurricular apprenticeships.

Since the beginning of 2021, people have been placed on production lines with administration contracts as FormaTemp funds had been used.

SKILLS DEVELOPMENT

Ansaldo Energia has been using direct assessment and development tools (*Development and Assessment Centres*, 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 highly consolidated professional expertise.

In this regard, the evidence that has emerged from the initiatives activated over the years has sometimes been the basis for promotion processes in terms of career (typically from white-collar to middle management or from middle management to executive positions), but it is precisely in the development of soft skills that the distinctive element of the Ansaldo Energia HR team style can be found. 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 defines together with the person in question the best way to implement the plan. In addition to traditional training, coaching initiatives, especially in groups (development workshops), are among the possible options.

For about 10 years the HR team of Ansaldo Energia has further expanded the possibility of having various “views” of the person with respect to the managerial and organizational competencies model. In addition to the **assessment of performance** - how the person applies the competencies concerning the achievement of the objective - and the **assessment of potential** - how the person could express those competencies in prospective - the **assessment of social recognition** (*organizational reputation*) has been added, i.e. how the competencies are applied in the daily work

environment and what leadership is recognized by colleagues. The latter is activated only in some cases as it might result more onerous for the company having the characteristic of being human touch which makes this multisource feedback very different from a traditional 360° assessment system.

JOB SYSTEM

In recent years, the company has increased the level of transparency towards its employees with the definition of the common Job System, a Human Resources management tool structured to foster the development of people and 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, regardless of their geographical location, in accordance with the needs of the organization and in line with the national and corporate contractual framework.

All white collars and middle managers are matched to a single **Macro Role**, which defines the professional profile in the Group and shows the required skills outline.

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

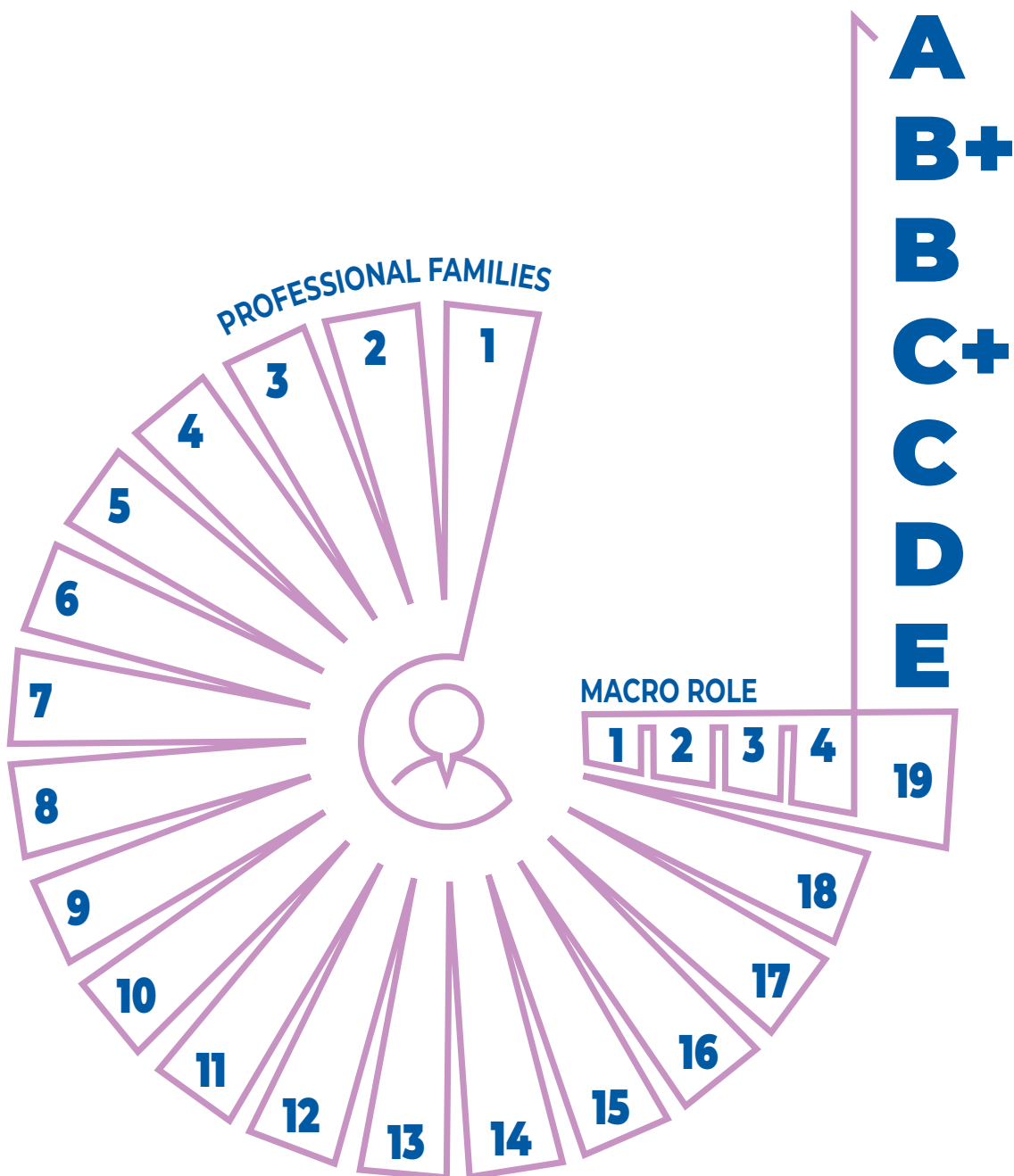
The assignment to the **Macro Role** is updated each time the person changes role. A check of the position against the **Work Level** is planned periodically, to follow the growth and development of people over time.

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

- allow people in different countries to be able to refer to the same vocabulary, beyond the titles and definitions in use;
- mapping the technical and soft skills needed and facilitating their enhancement at the global level;
- spreading awareness of growth opportunities;
- promote pride in belonging to a professional community wider than one's organizational unit or company;

- provide a clear map of roles, responsibilities, and competencies in the Group, with a crosssectional view of the organization, the different businesses, and the products;
- reinforce awareness of everyone's responsibilities towards the Group.

The Job System is published in its entirety on the Intranet, where employees can find all information about *Professional families*, *Macro Roles*, *Skills*, and *Work Levels*.





PERFORMANCE MANAGEMENT

The performance management process has known different phases in the history of the Company, including: processes oriented towards the achievement of macro corporate objectives, which can be found in collective incentive systems (which today involve 100% of the population of blue-collar workers, white-collar workers, and middle managers), in short incentive plans (which involve 100% of managers and some middle managers in relevant positions) and long incentive plans (which currently involve a reduced percentage of the management population). The use of specific tools, the involvement of all or part of the corporate population and the harmonization of the approaches used in subsidiaries in Italy or abroad represent other relevant examples.

For more than ten years now, an approach to *performance management* that focuses not only on “What” needs to be done but also on “How” it is done has been introduced. The manager not only identifies the “performance focus” and communicates it to the employee, who can more

easily pursue his or her results if supported by regular feedback, but also assesses the behavior at the end of the observation period.

In support of the *performance management* process, over the years, managers were provided with numerous training activities, which have explored topics such as performance evaluation in general, skills and observable behavior, and the importance of feedback in the relationship with employees and in supporting the achievement of results. This training process followed the organizational evolution and has been gradually re-proposed to new managers. The process is currently accompanied by a manual and the HR Development team is available for training sessions.

In 2020, due to the Covid emergency, the process changed in the launch of the evaluation sessions, so that only a final evaluation session was launched, while the allocation session for 2021 has been launched, covering 100% of the Company's employees and management population.

EMPLOYEES WELL-BEING

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

Ansaldo Energia is in fact one of the two founding companies of the historic Centro Sociale Interaziendale (A.C.S.I.), which was set up in Genoa in 1927 as a 'dopolavoro' (recreational club) to help to promote sports and mass tourism. Over the years, adapting to social changes, A.C.S.I. has expanded its activities by offering a wide range of Services and Agreements for the purchase of goods or services, concerning in particular education, family, health, sport, as well as various ticketing services, subscriptions and “purchasing groups”. Through these services, all Ansaldo Energia employees have always had the opportunity to purchase goods and/or services with significant discounts or other concessions.

Lastly, during the first few months of 2021, in collaboration with A.C.S.I. and the local supermarket BASKO, the Company identified an area inside the plant to place special “Refrigerated Lockers” that will allow all employees to have their groceries delivered near their office.

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

To encourage greater usability of these services, the Company has recently defined that each employee can ask to convert, in whole or in part, the amount of the Result Bonus into a welfare credit, which can be spent on the services offered to the employee through the Portal. To encourage this method, the Company has decided to increase the amount that can be converted by 10%.

REMOTE WORKING

The use of remote working in Ansaldo Energia was introduced in a structured manner at the time of the tragic event of the Morandi Bridge collapse since, as it is well known, the headquarters of the plant and offices are located exactly in its proximity. On that occasion, through a trade union agreement, a pilot test was carried out with 200 people living in areas that are difficult to reach and who were able to benefit from remote working for one day a week.

The piloting was accompanied by training initiatives aimed at about 70 Managers/Direct Managers of the people involved, to help them coordinate their employees with the new working method, starting with the aspects that regulate remote working and the potential that this solution has for the company's digital transformation. Comparisons with other company cases and best practices helped to better transfer the benefits which, after the piloting, were verified with a survey.

The survey, which included managers and staff involved in the remote working pilot scheme, was answered by 90% of participants and 72% of direct

managers, who briefly expressed their level of satisfaction on a scale of 1 to 4 (from dissatisfaction to maximum satisfaction). The result was: 3.9 for participants and 3.3 for managers.

Among the main benefits of remote working, the following were mentioned:

- increased satisfaction and motivation;
- improved work-life balance;
- savings on travel time and costs;
- greater autonomy in managing work.

Following this survey, in 2019 the pool was extended to more than 300 people, representing 15% of the company population; in this case, the selection criteria took into account not only logistical aspects but also family ones.

With the Covid emergency, 1,150 office workers and middle managers benefited from remote working for two or three days a week, and this will continue in 2021 for 58% of the company population.

Remote working	2019			2020		
	Men	Women	Total	Men	Women	Total
Number of employees working in r.w.	207	129	336	976	282	1,258
% who have used remote working out of the total	11%	42%	15%	51%	100%	58%
Total days worked in remote working	5,157	3,573	8,730	86,039	28,755	114,794
% of days in remote working of total days worked	6%	4%	10%	27%	9%	36%

EQUAL OPPORTUNITIES AND GENDER EQUALITY

Ansaldo Energia is committed to removing all discriminatory barriers to individuals' employment possibilities. The company wants to achieve a condition of substantial equality and parity to ensure that all people are treated equally and to prevent any form of discrimination based on gender, age, sexual preference, ethnicity, and disability, religious and political orientation.

Specifically, the company adopts policies to tackle unequal treatment between men and women, particularly in relation to occupational and pay discriminations. These policies are applied to enforce the principle of equal opportunity, mainly focusing on prohibiting and eliminating any discriminatory practice related to employment, remuneration and professional category. Personnel management is therefore guided by the principles of fairness and impartiality, avoiding favoritism or discrimination, with respect for employees' professionalism and expertise.



Basic salary ³ ratio women/men by category	2019 W/M	2020 W/M
Executives	1.04	1.05
Middle Managers	0.93	0.92
White Collars	1.00	1.01
Blue Collars	0.98	0.98

³ Minimum fixed amount paid to an employee for the performance of the tasks assigned to him, excluding any additional remuneration such as overtime payments or bonuses.

Among the measures aimed at overcoming the adverse conditions to gender equality in the workplace, those applied by Ansaldo Energia concern, in particular, the flexibility of hours and the permits aimed at reconciling family life with working life, in addition to maternity protection and parental leave.

The table below shows that 100% of those who took parental leave have returned to work and 93% to 98% are still employed after 12 months after returning.

Parental leave	2019		2020	
	Men	Women	Men	Women
Number of employees entitled to parental leave	234	63	232	63
Number of employees who took parental leave	117	44	136	55
Total number of employees entitled to return to work after the parental leave in the reporting period	117	44	136	55
Total number of employees who returned to work after their parental leave	117	44	136	55
Number of employees returned to work at the end of their parental leave and were still employed twelve months after return	113	44	133*	53*
Return to work rate ⁴	100%	100%	100%	100%
Retention rate ⁵	97%	93%	98%	96%

*Updated to 10.02.2020 - it may not yet be 12 months from the date of return from the parental leave

⁴ Total number of employees who actually returned to work after family leave / Total number of employees who should have returned to work after family leave X 100

⁵ Total number of employees still employed 12 months after returning to work following parental leave / Total number of employees returning to work following parental leave in the previous reporting period(s) X 100

DIALOGUE WITH LABOR UNIONS

The dialogue with social parties in Ansaldo Energia has always been a key element useful to promote both the sharing of corporate objectives and the strategies to be implemented to achieve them through actions towards the corporate organization and the employees working in the Company.

Through dialogue with the social parties, Ansaldo Energia has also always tried to enhance the human capital, which is a key element for the realization

of the products and the necessary technological innovation for an important sector of Italian industry.

Important agreements, historically representative of the dialogue with the social parties, include the Interconfederal Agreement of 1972, which introduced a specific professional system within the Ansaldo Group with a substitute classification that is still in use, as well as various second-level

agreements that have allowed the introduction of collective incentive systems and changes to the corporate structure of the Ansaldo Energia Group to take into account the changing needs of the business.

Lastly, during 2019 and 2020, the Company had to illustrate the need to introduce actions aimed at containing overhead costs and reducing labor costs.

In January 2020, the company had to present to the trade unions, within the scope of the Business Plan, the actions necessary to achieve these objectives, declaring, on the one hand, 300 redundancies identified within Ansaldo Energia S.p.A. and, on the other, the need to divest corporate assets such as PSM - Power Systems MFG LCC and ATH - Ansaldo Thomassen.

Among the objectives of the Industrial Plan the company committed to a better internal balance between direct and indirect employees, achieved also through a training program aimed at young unemployed people to be employed as “Machine Tool Operators” and “Electro-Mechanical Fitters” within the production activities of the Genoa plant, shared with the same Trade Unions.

In addition, starting from March 2020, the health emergency related to the spread of Covid-19 forced the Company to suspend production activities with consequent recourse to the redundancy fund for Covid-19 introduced by the institutions for the management of the emergency since only design, research and development activities could continue in remote working mode.

In March, having implemented all the measures to contain and combat the spread of Covid-19 ordered by the Ministry of Health and the competent authorities, the Company, together with the trade union representatives, started a process that allowed a gradual recovery of all production activities, which ended in early May with the cessation of using the redundancy fund for Covid-19.

In May, to compensate for the hours of missed production due to the lockdown, the Company defined an agreement with the Trade Union Representatives aimed at encouraging production activity by applying overtime shifts during weekends and holidays. Thanks to this plan, the Company was able to achieve full production recovery, enabling it to meet all the contractual commitments, including the delivery of the first GT-36 gas turbine for the Porto Marghera plant.

Finally, to complete the path established by the Industrial Plan, in December, a further trade union agreement was defined. In this context, the Company declared an additional 40 redundancies to be managed, always including the retirement requirement, during the following year.

COMMUNICATION ACTIVITIES

In an age where communication flows are widespread, Ansaldo Energia has activated different communication tools, which can no longer be categorized as external or internal.

SOCIAL NETWORK

LinkedIn - Facebook - Instagram - Twitter - Youtube - Telegram: Ansaldo Energia has an active channel/profile on these social networks, which is followed by many employees and third parties.

The channels are used to communicate activities relating to Ansaldo Energia (news, activities in the area, welfare initiatives, press reviews). In this way, an information flow is created not only to inform but to create a proper brand reputation for Ansaldo Energia, with the employees acting as an active part. Ansaldo Energia has a social media policy that advises employees on the correct use and behavior to adopt on social media.

POWER GENERATION NEWS – HOUSE ORGAN

For over 15 years, Ansaldo Energia has published the quarterly magazine Power Generation News, the company’s house organ. The printed version of this magazine reaches all employees and key stakeholders. It can also be accessed by everyone through the online version published on the company’s website.

MEETING

The Top Management meets regularly with managers and executives to foster a top-down communication flow and report information to all employees.



HEALTH AND SAFETY AT WORK

The safeguarding of workers' health and safety, including the prevention and protection against infection, is a fundamental principle of Ansaldo Energia's social responsibility.

In all its activities, the Company implements ethical and socially responsible behavior, monitoring and protecting the health and safety of its stakeholders: employees, customers, suppliers, investors, communities.

In this context, Ansaldo Energia's Environment, Health, and Safety and Infection Prevention and Control Management System, integrated into the business model according to the ISO 14001 and ISO 45001 standards and in line with the requirements of the Biosafety Trust Certification, commits the company to the adoption of increasingly advanced technologies and processes.

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

- complying with the legal requirements and regulations adopted by the Organisation;
- complying with the Model of Organization, Management, and Control, the Code of Ethics of Ansaldo Energia and its procedural system;
- eliminating or reduce to a minimum the risks of accidents and occupational diseases, ensuring safe and healthy workplaces;
- constantly improving the process of accident investigation, near misses, and any other risky behavior to eliminate their causes and prevent their recurrence;

- ensuring that contractors comply with the requirements of health and safety management systems;
- working closely with customers to develop power plants, gas turbines, steam turbines, and generators that are safe by design and have a low environmental impact;
- continuously training and informing all staff, as well as consulting and involving all stakeholders, starting with the workers themselves and their representatives;
- establishing and monitoring measurable improvement objectives relating to health and safety also to prevent and control infections within the Group;
- maintaining alignment between corporate and health and safety objectives through the adoption of innovative technologies.

Ansaldo Energia has a solid process for the assessment and identification of Health and Safety risks, at all organizational levels and in all company activities, to ensure that risks to persons, equipment, and assets are adequately assessed and controlled to keep them within admissible levels.

The system of risk management and assessment adopted requires permanent and careful monitoring and continuous updating to ensure that it responds to developments in legislation and company processes. For this reason, specific risk assessments are updated annually and/or every six months.

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

Injuries	2019			2020		
	Men	Women	Total	Men	Women	Total
No. of workplace injuries by gender	30	2	32	29	0	29
no. of days missed due to injuries	691	32	723	734	0	734
Injury frequency rate (per million hours worked)	9.25	4.21	8.61	9.29	0	8.12
Injury severity rate (per thousand hours worked)	0.21	0.07	0.19	0.24	0	0.20





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

NEAR MISS

Ansaldo Energia is committed to continuously improving the investigation processes of accidents, near misses, and any unsafe behavior, to remove the causes and avoid the possible recurrence of such events.

The aim to analyze and manage near misses is to identify whether the measures planned and implemented following the risk assessment are

adequate and effective and can prevent the recurrence of adverse events.

Ansaldo Energia, through a no-blame policy, "no guilt", has established a climate of mutual trust and cooperation to bring to light as much as possible and analyze unsafe behaviors. The table shows the trend of near misses recorded in the last two years.

Near Miss	2019	2020
	Total factory near miss	14
Total sites near miss	15	5

In addition to near misses, Ansaldo also introduced the EHS Observations, a tool used to identify, analyze and record day-to-day observations reported by workers, supervisors, workers' safety representatives or verified by the EHS, which concern different types of situations and which, in any case, require a faster response time.

EHS Observations	2019	2020
	Total EHS Observations	219

CONTRACTORS SAFETY

Ansaldo Energia has adopted a procedure that defines how to control and assess the performances of contractors and outsourcers so that they comply with the Management System requirements, in order to guarantee workers' health and safety and environmental protection during the performance of the activities assigned to them.

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

Injuries to contractors and subcontractors

No. Injuries at work

2019

2020

20

16

Injury Frequency Index (per million hours worked)

36.43

28.18

Injury Severity Index (per thousand hours worked)

14.05

0.60

TRAINING AND PARTICIPATION ACTIVITIES

Training is an essential element and input for fostering corporate culture. Constantly training and informing all staff, consulting and involving all stakeholders, starting with the workers and their representatives, is a continuous process that involves the entire organization according to a procedure that leads to the improvement of skills and the enhancement of human capital.

In 2020, general and specific training courses were provided according to workers' tasks and the risks to

which they are exposed (crane operators, confined spaces, working at height, etc.) for a total of 7,783 hours. More than 70% of the hours were made up of general training and specific training courses, with updates. The number of training hours provided compared to 2019 (10,234) was reduced by around 30%, because of the forced interruption due to the Covid-19 emergency, a reduction that has been contained thanks to the possibility of delivering courses in *virtual classrooms*.

Training activities

Number of participants

2019

2020

1,346

1,069

Hours provided

10,234

7,783



HEALTH SURVEILLANCE

Concerning emergencies and specifically first aid, Ansaldo Energia has chosen to set up an in-house medical facility where five professional nurses are on duty from Monday to Saturday, round the clock, assisted by two occupational doctors (Coordinating Doctor and Site Doctor), an authorized doctor and specialists such as an ophthalmologist (on duty 4 hours a week).

In addition, both the Company Doctor and the Authorised Doctor carry out periodic inspections in the workplace.

The service is guaranteed and free of charge for all third-party companies operating at the Genoa office.



Activities	2019	2020
First medications	322	227
Extra-professional consulting	2,190	2,190
Nursing Consultations	1,618	883
Medical consultations	572	325
Indispositions detected	491	257
Dermatological examinations/consultations	184	-
Eye examinations/consultations	192	104
ENT examinations/consultations	221	101

AUDITS AND CERTIFICATIONS

In 2020, the audit to maintain the Workplace Safety certification concerning the new ISO 45001 scheme was carried out. **Audit activities did not identify non-conformities and the certification**, according to the new RINA standard on *Biosafety Trust Certification*, was also obtained. The new certification enhances a set best practices to minimize the risks of spreading epidemics in public and private places of aggregation. This scheme, based on the systemic approach of the ISO standards on management systems, also has a particular focus on the analysis of *Organizational Behavior Management (OBM)*, the discipline founded on the scientific laws which explain human behavior and allow its prediction and control.

PROJECTS

In the year 2020, the activities of the "5+1S" Project, introduced experimentally from October 2017, continued. The "5+1S" Method originates from the integration of the 5S method, which has already been adopted in the Factory for some years, with a series of tools oriented towards the continuous improvement of safety in the workplace; with the introduction of a sixth pillar focused on safety, the Lean Production methodology is enriched by extending towards a Lean Safety perspective. The '5+1S' method was developed jointly by internal Ansaldo Energia bodies to coordinate their respective continuous improvement initiatives and maximize their impact in terms of Factory Safety.

The objective was to systematically introduce operational methodologies and drive an overall improvement, both in terms of awareness and participation of operators, and in terms of objective performance related to Factory Safety KPIs, through a widespread action plan.

**Create value for the company
and its clients**

VALUE CHAIN MANAGEMENT



Quality relationships with people and operating ethically and responsibly are the basis of Ansaldo Energia's culture and value chain management,

*which encompasses all activities and processes that aim to **create value for the company and its clients.***

CUSTOMER SATISFACTION

Ansaldo Energia identifies customer satisfaction and loyalty as an objective of primary importance for the achievement of better competitiveness in the energy market.

For this reason, Customer Satisfaction plays a fundamental role within the company as an indicator to evaluate customer satisfaction.

Since 2012, Ansaldo has set up its 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 thus evolved over the years, becoming, as of 2016, a true group process, applied, therefore, to all Ansaldo companies in Italy and abroad, to all customers and business sectors.

Since then, the evolution of Customer Satisfaction in Ansaldo has led to a highly structured process focused on collecting the "Voice of the customer" (VoC), with features recognized by our customers as an innovative element in the customer/partner relationship.

The process ensures an integrated survey of the entire value chain, from New Unit projects (in the PAC and FAC phases) to Service activities, including Turbine Blade Repair (Repair), with dedicated surveys to assess maintenance operations or entire LTSA contracts.

The questionnaires, specific to the different types/phases of contracts, maintain a single structure, with questions relating to 9 macro-factors:

- Health and Safety;
- Integrated Plant Support;
- Quality of execution;
- Aptitude for Innovation;
- Out-put quality;
- Flexibility;
- Management Capability;
- Overall assessment;
- Adequacy and timeliness of feedback.

The process provides for a self-assessment and a comparison with the Customer's assessment; both assessments are collected through "one-to-one" interviews and have to consider both the level of Satisfaction (Rating) and the priorities (Ranking).

Following the assessments, the process set up in Ansaldo foresees the launch of targeted improvement initiatives, involving all Ansaldo's competent bodies, based on specific indications from an individual customer or of recurring feedback.

CUSTOMER TRAINING

With over twenty years of history, the Training School has consolidated an important role in the Company and is an integral part of the product that Ansaldo Energia provides to its customers.

Usually, in combination with contract awarding, especially in the case of turnkey projects, the training of the customer's personnel who will then operate in the power plant is included. Training programs aimed at operational and maintenance activities are then provided sometimes alongside with project design and management contents. The training programs may include on-site



activities, with visits to the plant, the company, the workshops, and the Engineering and Diagnostics, Simulation, and Remote Control facilities to support more theoretical lessons.

The courses are carried out by staff with extensive technical and teaching experience, preferably within the company. External teaching staff is only engaged when the workload and the simultaneous presence of different trainings do not allow it.

With specific reference to the last two years, 19 courses were delivered in 2019 for a total of 24,208 hours/man of training.

During 2020 there was a clear decrease in the number of activities carried out, a total of 9 courses were provided to the clients' personnel, involving 143 participants for a total of 119 training days.

Among the most significant activities, the two trainings for the staff of Société Tunisienne de l'Electricité et du Gaz (STEG), our client for the Sousse and Mornaguia power stations, were particularly relevant.

The first session, addressed to 12 managers, took place in February at the company's Training School, while the second, dedicated to control engineers, was delivered remotely in November, since, due to the Covid-19 emergency, travel abroad was strongly discouraged.

S U P P L Y C H A I N

Ansaldo Energia's supply chain is made up of more than 1,000 companies, which contribute daily to increasing the competitiveness of the business, ensuring compliance with quality and safety requirements for supplies, and collaborating for the development of skills and technologies.

Ansaldo Energia's suppliers are key players in the process that makes the company a world leader in the production of rotating machinery and the construction and maintenance of power plants. Thanks to lasting relationships, based on mutual trust and decades of collaboration, Ansaldo Energia's suppliers have shared a common goal of sustainable development, also thanks to their adherence to the Company's Code of Ethics.

The importance of the relationship with suppliers is even more evident from the fact that the main final product of the company is characterized by an important level of customization, being designed on the specific needs of the individual customer. Therefore, it is important to define procurement strategies during every single phase of business development, from the offer phase to the execution phase, through the constant involvement of Ansaldo Energia's strategic suppliers in the identification of highly efficient solutions.

INTEGRATION OF SME'S IN THE VALUE CHAIN

Thanks to its deep and long-standing roots in the Italian industry, Ansaldo Energia's supply chain has the support of a large number of small and medium-sized enterprises (SMEs) in Italy, which can thus access projects of wide-ranging and considerable technical and economic value.

The SMEs that collaborate with Ansaldo Energia are characterised by a high level of specialization and inherent product know-how. Some examples include: suppliers of mechanical components, electrical and electronic systems, and strategic suppliers of rotating machinery.

In addition, thanks to the construction sites opened in Italy and abroad, Ansaldo Energia can count on the support of various local entities for logistics, services, tenders, and small supplies.

Total orders in 2020 amounted to approximately EUR 861 million (EUR 714 million in 2019).

The breakdown by product class and geographical area is shown below.

% Value ordered by product class	2019	2020
Electrical Components	4.0%	8.1%
Mechanical Components	14.5%	23.7%
Rotating machine components	47.8%	39.6%
Procurement/Transportation/Site Services	24.1%	17.6%
General services	9.6%	11.0%

% Ordered value by geographical area	2019	2020
Italy	68.2%	72.1%
Europe	21.4%	21.8%
America	9.4%	5.0%
Asia	0.6%	1.0%
Africa	0.4%	0.1%

SUPPLIERS SELECTION AND MANAGEMENT

As part of the supply chain digitalization processes, which began in the early 2000s and culminated in the AENet 4.0 project in 2018, Ansaldo Energia has implemented for itself and the main companies in its group the "AE Vendor Hub" supplier selection and management platform, accessible via the

website www.ansaldoenergia.com to any supplier wishing to join Ansaldo Energia's supplier register. This tool has allowed the company to develop and manage relations with suppliers while ensuring the highest level of transparency and traceability of information.

COMMITMENTS AND REQUIREMENTS

Registration to portal	- Ethical Code	- Privacy policy
EHS prerequisite	- Laboro and Social Security Compliance - Compliance with facility and site management standards	- Compliance with environmental standars (emissions, disposal, discharges) and management of hazardous substances (REACH) - Compliance with standards on regular EHS risk assessment of processes
Qualification	- Selection of product classes and signing of Non-Disclosure Agreement - Economic-financial requirements - Technical-professional requirements	- EHS/Quality certifications - Absence of criminal judgments and non-inclusion in international black lists - EHS qualification (contractor/outsourcer)

SUPPLY ASSIGNMENT

Selection/tender	- Checking specific requirements for the tender	- Supply conditions and compliance with regulations on hazardous substances (REACH)
-------------------------	---	---

MANAGEMENT AND MONITORING OF SUPPLIERS

Management	- Monitoring activities (documental and on-site audits) for suppliers present in Ansaldo Energia plant	- Criticality management
-------------------	--	--------------------------



LEGISLATIVE ADAPTATIONS, REGULATIONS, AND ESG CRITERIA

In the context of digitalization and constant improvement of the company's processes and pursuing compliance with national and international regulations, Ansaldo Energia is implementing several supply chain management strategies with reference to the following topics.

CONFLICT MINERALS

As a consequence of the enforcement of the REGULATION (EU) 2017/82 as of 10 January 2021, Ansaldo Energia is committed to verifying its purchases to ensure and communicate, in compliance with the provisions of the regulation, that such purchases, directly or indirectly, are free from minerals (such as tin, tungsten, tantalum and gold, also known as 3TG) coming from conflict zones, with the aim to combat their trade. Reference to such regulation and its application will be included in the General Conditions of Purchase of Ansaldo Energia.

The reference to EU Regulation 995/2010 and EU Implementing Regulation 607/2012, as regards the obligations of operators trading wood and wood products, will also be included in the General Conditions of Purchase.

CODE OF CONDUCT

In addition to the Code of Ethics, a Code of Conduct will be submitted to the suppliers (during the registration on the portal and within the General Conditions of Purchase). The Code is prepared to clearly define the ethical and moral standards of Ansaldo Energia, concerning issues relating to human rights, environment, health and safety, and anti-corruption.

CYBER SECURITY IN THE SUPPLY CHAIN

To comply with the European directive "Network Information Security - NIS" (Directive 2016/1148 on the security of networks and information systems, transposed into our legislation through the legislative decree of 18 May 2018, which came into force on 24 June 2018) the concept of responsibility in the supply chain concerning cyber security will be included in the General Conditions of Purchase.

IMPLEMENTATION OF THE AE VENDOR HUB PLATFORM

To carry out a more in-depth assessment of Suppliers concerning CSR matters, Ansaldo Energia shall further develop its supplier platform.

This will bring the following benefits:

- integrate practically and systematically the results of sustainability assessments in the procurement process, ensuring the suppliers' compliance with international regulations utilizing a third-party advisor;
- align procurement strategies with the company's sustainability vision and commitments to key customers;
- concretely define opportunities for improvement for each supplier and manage their improvement plans.
- monitor the suppliers considered most critical (by product class or volume of activity), through an "on-site audit" or "self-checks" program.

**Synergies as the engine
for development**

COMMUNITIES



The communities addressed by Ansaldo Energia include not only the territory in which the company is based and operates, but also those consisting of suppliers and customers, or the scientific and technological community.

*Convinced that **synergies are the engine of development**, Ansaldo Energia is committed to establishing relationships of dialogue, discussion, and collaboration with each of its communities of reference, in the most suitable terms on each occasion, on issues of common interest.*

RELATIONS WITH THE TERRITORY

Ansaldo Energia believes that developing strong skills is an essential component of promoting employment and assisting individuals to ensure decent and productive work, which is vital for the economic and social development of a community.

Ansaldo Energia is therefore committed to confirming its vocation for training aimed at employment, which has always distinguished it, as well as for strengthening scientific and technological development through partnerships with universities and research centers.

UNIVERSITIES AND RESEARCH INSTITUTES

Among the deepest relationships, Ansaldo Energia has a long tradition with Universities. In particular, the relationships with some Engineering Departments of the University of Genoa, where the Company's headquarters are based, are decades old and have been the reference for building further relationships with other Universities over the years.

The relationships are regulated by Agreements which, given the identification of common interests, cover different areas of application.

In the years of strong development of the Company, numerous agreements have been defined with various Universities, especially for the promotion of internships, the preparation of degree theses or the offering of post-graduate internships aimed at coming into contact with future candidates for the company.

Years of growth have alternated with periods of contraction, but relations with universities have never lost importance. In particular, relations with some universities have been and continue to be not only a reference point for recruiting young graduates but a pillar for Ansaldo Energia's product development.

In addition to the University of Genoa, with which the company has "deep" collaborations, the company developed partnerships with the Turin Polytechnic for important specialist aspects, the Milan Polytechnic for issues related to the lighthouse plant, and the University of Florence for aerodynamics and secondary air.

Partnerships are managed by providing, in addition to internships and visits to the company in the pre-Covid periods: financing of Ph.D. courses, the joint development of activities and company testimonials or lectures by Ansaldo Energia personnel.

The support given to the University of Genoa's School of Advanced Studies, IANUA-ISSUGE, from the date of its establishment, deserves a special mention. In recent editions, the theme proposed and managed by Ansaldo Energia has been sustainability, and in particular, the modules developed by the company have been structured along two lines: for students enrolled in the Bachelor's degree course, it is explained how design skills must be spent so that the most valuable components of turbomachinery are used

for as long as possible before being sold off, while students enrolled in the Master's degree course are involved in lectures on how a combined cycle plant for energy production is built, focusing on the Life Cycle Assessment (LCA) of the plant itself from the standpoint of environmental sustainability.

Collaboration for know-how development is also ensured through research centers. We underline the relationship with the Italian Institute of Technology

(IIT), an excellence of the Genoa area, in which robotics and machine learning issues are developed at the service of inspections and repair of gas turbine components, but also with the CNR and CSM together with others with which the Company collaborates mainly for the characterization of materials and to help address research issues to be pursued where the industry has the greatest interests.

ACTIVITIES IN SUPPORT OF THE TERRITORY AND ASSOCIATIONS

Ansaldo Energia is committed to supporting projects that foster local activities focused on caring for the most vulnerable, protecting the artistic and environmental heritage, and disseminating culture.

Ansaldo Energia is a member of numerous associations, at a regional, national, and international level, which are active in its business and in research and development. In some of these associations members of Ansaldo Energia's top management hold management positions, contributing to guiding their choices and policies. Moreover, Ansaldo Energia plays an active role in events organized by these associations. During 2020, the industry associations organized numerous webinars, where Ansaldo Energia actively participated as organizer and/or speaker. Last year, sustainability and ecological transition played an important role in the topics and policies pursued by the associations, with reference to the impact of such topics on various sectors. In this case, too, Ansaldo Energia has played a priority role, bringing its experience and contribution in the field of the energy transition.

DISADVANTAGED SUBJECTS

FOODBANK

For almost 10 years, Ansaldo Energia has been running a joint project with the Banco Alimentare Onlus Foundation to recover surplus food produced in the Campi and Fegino canteens and send it to charities. The cooked and fresh food not consumed by the company's canteens is labelled and packaged to keep it ready for the Food Bank volunteers, who take it to its destination as part of the Siticibo program.

Specifically, the surplus food generated by Ansaldo Energia (and Ansaldo Nucleare) is collected and used by the Sole e Luna Association, a charity based in the old railway station area of Genoa Cornigliano, a few kilometers from Ansaldo Energia, to promote social relations with the local area and communities. Every day, Sole e Luna volunteers collect food leftovers and distribute them to the people in need over the following 24 hours, as required by the "Good Samaritan Law" (L-155/2013).

Every day about 70 portions of unserved food are collected from the Ansaldo canteens.

DON BOSCO AUTISM CENTRE

Ansaldo Energia cooperates with the project “La Società dell'allegria”, a day center for autistic adolescents and young people. Ansaldo Energia has followed the initiative since its foundation, ensuring its support during the study phase of the educational project and the arrangement of the premises.

PUBLIC ASSISTANCE

For years, Ansaldo Energia has supported the Pontedecimo Green Cross and other local charities, an essential contribution to the health and well-being of the area where the company operates.

MASCHERONA ANTI VIOLENCE CENTER

On its #Women event, the first widespread exhibition held in company areas in collaboration with the Ansaldo Foundation and dedicated to women in the world of work, Ansaldo Energia decided to support the Mascherona Anti-Violence Centre, a place where women who have been victims of violence are offered all the support they need to be able to resume their life projects independently.

For a woman with a dramatically difficult past and perhaps still a dramatically difficult present, work represents one of the key points towards self-determination and economic and relational emancipation. Specifically, Ansaldo Energia will collaborate with the center in the activation of the “Work in progress” project, which aims to support such career paths through the activation of internships financed by work grants to facilitate job placement.

YOUTH AND CULTURE

SCHOOLS

Severely limited in 2020 due to the pandemic, Ansaldo Energia normally welcomes visits from students not only from the Liguria region but also from all over Italy and Europe. Depending on age and study requirements, visits are organized to the company's production areas, with expert guides who describe, in age-appropriate language, the design, operation, and development of the machines built in the factory.

Most of the student visitors are from the last classes of secondary schools (both high schools and technical colleges) and universities. On the other hand, visits by primary and secondary school students are rarer and are part of specific programs (e.g. Garrone Foundation).

YOUNG PEOPLE IN THE COMPANY

In the context of student training, Ansaldo Energia has been collaborating for years with Confindustria and the Liguria Region on the ‘Ragazzi in azienda’ (young people in the company) initiative, aimed at middle and high school students and designed to introduce them to local companies and help them choose training paths.

I WANT TO BE A MANAGER

Again with Confindustria and Federmanager, the company is collaborating on the “Voglio fare il Manager” (I want to be a manager) project, in which selected groups of university students meet with various managers and senior representatives of large companies to understand “their typical day” and begin to build a network of contacts.



ANSALDO FOUNDATION

Closely linked to the Foundation by history, tradition, and geographical relevance, Ansaldo Energia has been supporting the Ansaldo Foundation since its creation in its work of collecting and disseminating corporate culture. The initiatives carried out jointly are countless and aimed at promoting corporate culture not only in companies but throughout the city. Among the most recent initiatives, the company organized the #Women exhibition, the first widespread exhibition to be held in Ansaldo Energia's company areas, which were open to all employees. The exhibition, which was held in times of pandemic, was also made available on the company's website.

SCIENCE FESTIVAL

Ansaldo Energia is a long-standing sponsor of this important event, which has achieved national importance, and has always collaborated not only with a financial contribution, but also by supplying material and experts for conference presentations open to participants and exhibition equipment, to disseminate knowledge of STEM subjects and, in general, enhancing corporate culture.

In collaboration with the Ansaldo Foundation, #Women, the first exhibition in the production areas of Ansaldo Energia



METHODOLOGICAL NOTE

The first 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; “Community” highlights the promotion of employment and assistance to the individuals that the company is committed to carrying out to ensure decent and productive employment, vital for the economic and social development in the local 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, considering the stakeholders as the main carriers. The company wanted to highlight the close link between the sustainability issues reported and the UN Sustainable Development Goals (SDGs) and its 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 topics 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 Labor; Forced or Compulsory Labor; Rights of Indigenous Peoples; Freedom of Association and Collective Bargaining	Ansaldo Energia S.p.A.	Suppliers	-	Reporting partially extended to suppliers
PRODUCT INNOVATION	-	Ansaldo Energia S.p.A.	-	-	-
ANTI-BRIBERY	Ethics and integrity; Anticorruption	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; Nondiscrimination	Ansaldo Energia S.p.A.	-	-	-
CAREER TRAINING AND DEVELOPMENT	Training and Education	Ansaldo Energia S.p.A.	-	-	-
SUPPORTING LOCAL COMMUNITIES	Local Communities	-	-	-	-
CONTROL OF THE AIR EMISSIONS	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, 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 relies on the 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 the following:
 - 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): Ratio 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 2018;
 - 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 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 assurance 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 analyze changes in the company's performance, the Sustainability Report presents data for the two years 31.12.19 and 31.12.20. Information about events after 31.12.20 is reported through footnotes.
- **Reliability** - the Sustainability Report as of 31.12.20 was approved by the Board of Directors and submitted to verification by an independent third party (Deloitte) 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 2020 Sustainability Report is the first report produced by AnsaldoEnergia S.p.A.; it is published in October 2021 and will be annual.

GRI CONTENT INDEX

GENERAL DISCLOSURES

1. ORGANIZATIONAL PROFILE

	Page / Direct Response	Any omissions and reasons for the omission
102-1	Name of the organization	Cover
102-2	Activities, brands, products, and services	pp. 13-16
102-3	Location of headquarters	p. 12
102-4	Location of operations	p. 12
102-5	Ownership and legal form	pp. 10; 34
102-6	Markets served	p. 12
102-7	Scale of the organization	pp. 12; 30; 56-57
102-8	Information on employees and other workers	pp. 56-57
102-9	Supply chain	pp. 75-76
102-10	Significant changes to the organization and its supply chain	p. 66
102-11	Precautionary Principle or approach	pp. 29; 39-40
102-12	External initiatives	p. 22. SIIT- Distretto Tecnologico Ligure sui Sistemi Tecnologici Integrati; Hydrogen Europe; World Energy Council.
102-13	Membership of associations	pp. 80-83 ANIE Federation (member of the General Council); ANIMA Confindustria Meccanica varia ANIMP Associazione Nazionale di impiantistica industriale (General Council member); UNI - Ente Italiano di Normazione; ETN - European Turbine Network

2. STRATEGY

102-14	Statement from senior decision-maker	p. 5
102-15	Key impacts, risks, and opportunities	pp. 11; 22-28

3. ETHICS AND INTEGRITY

102-16	Values, principles, standards, and norms of behavior	pp. 11; 36-39
102-17	Mechanisms for advice and concerns about ethics	pp. 36; 39

4. GOVERNANCE

102-18	Governance structure	pp. 34-35
102-19	Delegating authority	p. 25
102-22	Composition of the highest governance body and its committees	p. 35
102-23	Chair of the highest governance body	pp. 34-35
102-24	Nominating and selecting the highest governance body	p. 34
102-25	Conflicts of interest	pp. 34-35

	Page / Direct Response	Any omissions and reasons for the omission
5. STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	p. 29
102-41	Collective bargaining agreements	pp. 65-66
102-42	Identifying and selecting stakeholders	p. 29
102-43	Approach to stakeholder engagement	pp. 25; 29; 58; 60; 64; 70
102-44	Key topics and concerns raised	pp. 24; 29; 64
6. REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	p. 84
102-46	Defining report content and topic Boundaries	pp. 24-25; 84-86
102-47	List of material topics	p. 24
102-48	Restatements of information	No review. The 2020 Sustainability Report is the first produced by Ansaldo Energia S.p.A.
102-49	Changes in reporting	No changes. The 2020 Sustainability Report is the first produced by Ansaldo Energia S.p.A.
102-50	Reporting period	p. 86
102-51	Date of most recent report	The 2020 Sustainability Report is the first produced by Ansaldo Energia S.p.A.
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 the GRI Standards	p. 84
102-55	GRI content index	pp. 87-92
102-56	External assurance	pp. 93-95

TOPIC-SPECIFIC STANDARDS		
ECONOMIC		
	Page / Direct Response	Any omissions and reasons for the omission
ECONOMIC PERFORMANCE		
103-1	Explanation of the material topic and its Boundary	pp. 30; 84. Topic not included in the Materiality Matrix but still reported on 201-1
103-2	The management approach and its components	pp. 11; 30-31; 38; 65-66
103-3	Evaluation of the management approach	pp. 30-31
201-1	Direct economic value generated and distributed	pp. 30-31
PROCUREMENT PRACTICES		
103-1	Explanation of the material topic and its Boundary	pp. 24-27; 85
103-2	The management approach and its components	pp. 28; 75-77
103-3	Evaluation of the management approach	p. 76
204-1	Proportion of spending on local suppliers	pp. 75-76

ECONOMIC		Page / Direct Response	Any omissions and reasons for the omission
ANTI-CORRUPTION			
103-1	Explanation of the material topic and its Boundary	pp. 24-27; 85	
103-2	The management approach and its components	pp. 28; 36-37	
103-3	Evaluation of the management approach	pp 36-37. Annual report of the Supervisory Board. Review of senior management (ISO 37001)	
205-3	Confirmed incidents of corruption and actions taken	No corruption incidents have occurred in the reporting period considered	
ANTICOMPETITIVE BEHAVIOR			
103-1	Explanation of the material topic and its Boundary	p. 37. Theme not present in the Materiality matrix but still reported	
103-2	The management approach and its components	p. 28; 37	
103-3	Evaluation of the management approach	p. 37	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	No antitrust violations occurred during the reporting period	

ENVIRONMENTAL		Page / Direct Response	Any omissions and reasons for the omission
MATERIALS			
103-1	Explanation of the material topic and its Boundary	pp. 24-26; 85	
103-2	The management approach and its components	pp. 44-45	
103-3	Evaluation of the management approach	pp. 44-45	
301-1	Materials used by weight or volume	p. 45	
ENERGY			
103-1	Explanation of the material topic and its Boundary	pp. 23-26; 85	
103-2	The management approach and its components	pp. 28; 44-46	
103-3	Evaluation of the management approach	p. 40. Review of Environmental Management (ISO 14001)	
302-1	Energy consumption within the organization	pp. 45-46	
302-3	Energy intensity	p. 46	
WATER AND EFFLUENTS			
103-1	Explanation of the material topic and its Boundary	pp. 24-25; 27; 85	
103-2	The management approach and its components	pp. 28; 47	
103-3	Evaluation of the management approach	p. 40 Review of Environmental Management (ISO 14001)	
303-1	Water withdrawal by source	p. 47	
EMISSIONS			
103-1	Explanation of the material topic and its Boundary	pp. 24-25; 27; 85	

ENVIRONMENTAL

	Page / Direct Response	Any omissions and reasons for the omission
103-2	The management approach and its components	pp. 28; 47-48; 51-53
103-3	Evaluation of the management approach	p. 40 Review of Environmental Management (ISO 14001)
305-1	Direct (Scope 1) GHG emissions	pp. 52-53
305-2	Energy indirect (Scope 2) GHG emissions	pp. 52-53
305-3	Other indirect (Scope 3) GHG emissions	pp. 52-53
305-4	GHG emissions intensity	p. 53
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	p. 48

EFFLUENTS AND WASTE

103-1	Explanation of the material topic and its Boundary	pp. 24-26; 85
103-2	The management approach and its components	pp. 28; 48-50
103-3	Evaluation of the management approach	p. 40. Review of Environmental Management (ISO 14001)
306-2	Waste by type and disposal method	pp. 48-49

SUPPLIER ENVIRONMENTAL ASSESSMENT

103-1	Explanation of the material topic and its Boundary	pp. 24-25; 85
103-2	The management approach and its components	pp. 28; 75-77
103-3	Evaluation of the management approach	p. 76
308-1	New suppliers that were screened using environmental criteria	p. 76

SOCIAL

EMPLOYMENT

	Page / Direct Response	Any omissions and reasons for the omission
103-1	Explanation of the material topic and its Boundary	pp. 24-25; 85
103-2	The management approach and its components	pp. 28; 58; 63-66
103-3	Evaluation of the management approach	p. 40. Health and Safety Management System Management Review (ISO 45001)
401-1	New employee hires and employee turnover	p. 59
401-2	Benefits provided to full-time employees that are not provided	pp. 63-64
401-3	Parental leave	p. 65

OCCUPATIONAL HEALTH AND SAFETY

103-1	Explanation of the material topic and its Boundary	pp. 24-25; 85
103-2	The management approach and its components	pp. 18-19; 28; 67-71
103-3	Evaluation of the management approach	pp. 69; 71.

SOCIAL

- 403-3 Occupational health services
- 403-4 Worker participation, consultation, and communication on occupational health and safety
- 403-5 Worker training on occupational health and safety
- 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
- 403-8 Workers covered by an occupational health and safety management system
- 403-9 Work-related injuries
- 403-10 Work-related ill health

TRAINING AND EDUCATION

- 103-1 Explanation of the material topic and its Boundary
- 103-2 The management approach and its components
- 103-3 Evaluation of the management approach
- 404-1 Average hours of training per year per employee
- 404-2 Programs for upgrading employee skills and transition assistance programs
- 404-3 Percentage of employees receiving regular performance and career development reviews

DIVERSITY AND EQUAL OPPORTUNITY

- 103-1 Explanation of the material topic and its Boundary
- 103-2 The management approach and its components
- 103-3 Evaluation of the management approach
- 405-1 Diversity of governance bodies and employees
- 405-2 Ratio of basic salary and remuneration of women to men

HUMAN RIGHTS ASSESSMENT

- 103-1 Explanation of the material topic and its Boundary
- 103-2 The management approach and its components
- 103-3 Evaluation of the management approach
- 412-1 Operations that have been subject to human rights reviews or impact assessments

Page / Direct Response

- pp. 70-71
- p. 70
- p. 71
- pp. 69-70;
- p. 39-40. All employees of Ansaldo Energia S.p.A. are covered by the Health and Safety Management System (ISO 45001)
- p. 67
- p. 69

Any omissions and reasons for the omission

- pp. 24-27; 85
- pp. 60-63
- p. 63
- p. 60
- pp. 61-63
- p. 63

- pp. 24-27; 85
- pp. 64-65
- p. 65
- pp. 35; 56-57; 59
- p. 65

- pp. 24-25; 85
- pp. 36; 37-39; 77
- pp. 36; 39

pp. 36; 37-39; 77 In addition to the Code of Ethics, Ansaldo Energia has drawn up a Code of Conduct which further deepens the subject of evaluation and respect of human rights.

There is currently no detailed information available regarding what the indicator requires. Ansaldo Energia will undertake to collect the necessary data for the full coverage of the indicator.

SOCIAL

LOCAL COMMUNITIES

103-1	Explanation of the material topic and its Boundary	pp. 24-26;85	
103-2	The management approach and its components	pp. 80-82	
103-3	Evaluation of the management approach	pp. 30-31	
413-1	Operations with local community engagement, impact assessments, and development programs	pp. 80-83	

SUPPLIER SOCIAL ASSESSMENT

103-1	Explanation of the material topic and its Boundary	pp. 24-25; 85	
103-2	The management approach and its components	pp. 28; 75-77	
103-3	Evaluation of the management approach	p. 76	
414-1	New suppliers that were screened using social criteria	p. 76	

Page / Direct Response

Any omissions and reasons for the omission

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, 2020.

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 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 whether the Sustainability Report is free from material misstatement.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. Milano n. 1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità sse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

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 and produced and distributed” 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 the 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 Via Lorenzi, Corso Perrone e Via S.G. d’Acri production sites 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 the 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, 2020 is not prepared, in all material aspects, in accordance with the GRI Standards as stated in the paragraph “Methodological Note” of the Sustainability Report.

Other matters


The data for the fiscal year ended on December 31, 2019, presented for comparative purposes in the Sustainability Report, have not been subject to a limited or reasonable assurance engagement.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Laganà
Partner

Genoa, Italy
November 25, 2021

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



Published by:
Ansaldo Energia S.p.A.
November 2021

Graphic design: Petercom



**ANSALDO
ENERGIA**

16152 Genoa - Italy - Via N. Lorenzi, 8 - Tel. +39 010 6551 - Fax +39 010 655 3411
sostenibilita@ansaldoenergia.com - www.ansaldoenergia.com