

# **Environmental, Social and Governance Policy**

V1.0 - December 2023

## Introduction

This ESG Policy (the “Policy”) sets out the Aims and Commitments related to Environmental, Social and Governance issues of Renergia S.p.A. (“Renergia” or the “Group”) and all its subsidiaries including Biomet S.p.A., Biomet GNL S.r.l., Agrimet S.r.l., Agrimet Impianti S.r.l., Hydro2Move S.r.l. and all future subsidiaries (each one the “Company” or the “Subsidiary”). The Policy applies to the Board of Directors (the “Board”), Management Team (Managing Director, Plant Directors and CFO) and Staff in all its entities.

Implementation of the ESG Policy is mandatory for all the Group companies. The Board of Directors and the Sole Director at each subsidiary are responsible for seeing that the document is kept updated and of its ratification. They are also responsible for building an ESG culture which adheres to the Policy and seeing that it is adopted by management and all its employees. In order to do so Renergia are establishing remuneration-linked ESG KPI targets at management level, related to compliance with group policies, the implementation of ESG best practices within a continuous improvement framework as well as a focus on personnel H&S.

The Management Team is responsible for the proper implementation of the policies and related reporting to the Board.

This policy provides guidance on how ESG matters are integrated into Renergia’s activities.

## Renergia

### Environment Social and Governance Policy

#### Background

Renergia is an Italian group active in the energy sector with a strong commitment to fight climate change, currently composed of Biomet, Biomet GNL, Agrimet, Agrimet Impianti and Hydro2Move.

Biomet produces biomethane mainly from the organic fraction of municipal solid waste (OFMSW); in addition, the digestate will be converted into compost. The facility is strategically positioned with respect to accessing waste flows, near to the exit of a relevant highway – the A1 - and close to the City of Piacenza (San Rocco al Porto, Province of Lodi). The plant has the capacity to treat 40,000 tons of organic municipality waste each year, with the potential to increase this to 60,000 tons.

Biomet GNL is the first Liquefaction plant in Italy that is directly connected to the SNAM national gas transportation network. Biomet GNL also have an on-site LNG fuel station. The liquefaction facility has capacity for 8,800 tons of bio-LNG per year, with the potential to increase production to 26,400 tons. The plant is located in Belgioioso, Province of Pavia, c. 40km south of Milan.

Agrimet's goal is to develop an innovative partnership approach with farmers in Northern Italy that are already producing biogas from agricultural feedstock. Under the partnership, Agrimet will offer an off-take agreement to the farmers, while taking care of all the aspects to build, own and operate the upgrading facility at the same premises of the existing biogas plants.

Agrimet Impianti has a similar approach to Agrimet, but it's specialised in acquiring existing biogas plants and make a full conversion: in this case Agrimet Impianti will be the sole owner of the whole biomethane facility.


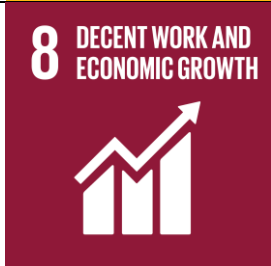



H2M is a start-up which looks at potential future-ready solutions in the hydrogen sector for transportation.

The Group's aim is to provide sustainable and efficient energy services mostly aimed at the transportation sector to the communities it serves.

Renergia is committed to operate in accordance with the United Nations Global Compact's 10 Principles and is aligned with the United Nations Sustainable Development Goals (SDG) and is continuously working towards their implementation.

## SDG commitments

Renergia has assessed its alignment with the United Nations SDGs, as shown in the table below:

SDG	Target	Indicator
 <p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p>	7.2: By 2030, increase substantially the share of renewable energy in the global energy mix	Renergia increases the <b>share of renewable energy in Italy</b> by producing bio-LNG
 <p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p>	8.1: Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	Renergia, through its investments, promotes sustainable economic growth.
 <p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	Through revamping farmers' digestors to produce biogas and upgrade it into biomethane, Renergia will reuse an agricultural by-product to generate bio-LNG, therefore <b>reducing the CO<sub>2</sub> emissions</b> of the farmers and of the transport industry
 <p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p>	11.6: By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	Renergia reduces adverse environmental impacts of cities by treating <b>municipal organic waste</b> and the associated emissions, thus promoting good air quality
 <p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	12.5: By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	By recycling organic waste into compost, Renergia is increasing the <b>national waste recycling rate</b>

Management, Board and Shareholders of the Group strongly believe that the sustainability and success of the business are highly dependent on prudent management of Environmental, Social and Governance issues throughout the course of its entire business operations.

The Group is committed to care for the external environment through professionalism, safety and wellbeing, while at the same time promoting a fun, diverse and inspiring work environment.

## **Environmental**

Production of biogas and biomethane from organic municipal waste and agricultural waste will have a key role on the protection of the environment and reduction of carbon emissions. The Group companies work to produce and deliver sustainable fuels for transportation to reduce the environmental impact of the sector and trying to have the lowest possible impact.

### **Energy**

As an energy producer, the Group is committed to monitor and report on the energy generated by its operations.

The Companies include energy utilisation targets in their annual budgets and work to reduce its use through management incentivisation on its personal bonus-linked KPIs.

### **Climate change Mitigation (GHG)**

The nature of the operations of the Group is in line with the energy transition to a net zero future as it reuses waste from other sectors to generate fertilizer that can be used by farmers and biomethane that is transformed into bio-LNG. The operations therefore lead to avoided emissions, by preventing organic waste from ending up in incinerators or landfills and supplying renewable fuels to the transport industry.

In addition, upgrading biogas to biomethane further reduces other GHG emissions, by removing hydrogen sulphide from the original biogas composition and releasing gases with a lower global warming potential than the original mix. Renergia's scope 1 and 2 emissions are calculated and reported on a yearly basis, and the Group is setting up systems to evaluate and report material scope 3 emissions.

### **Climate Change Adaptation**

Each year an external analysis on Climate Change Impact is prepared and shared with the Group Companies, addressing both physical and transition risks. Where necessary and possible, adequate mitigation strategies are developed and implemented to increase the resilience of each Company. The results are shared within a yearly report.

### **Air Pollution**

All the Group Companies will measure their environmental footprint through KPIs that are presented on a monthly basis to the "asset management team" of the majority shareholder (PATRZIA SE) and at least on a quarterly basis to the Board of Directors. The KPIs include GHG emissions, NOx, and other emissions such as PM10 – those are monitored accordingly to the plant authorizations.

Air emissions' quality is tested regularly to ensure compliance with the permits' requirements. The liquefaction plant is also equipped with gas sensors to detect any leak, as per ATEX requirements.

In addition, odorous emissions from the reception of waste are captured by an extraction system and treated before being discharged into the atmosphere, in line with regulatory requirements.

### **Light and Noise Pollution**

Renergia also strives to minimize light and noise pollution, although these have intrinsically a lower impact due to the core business of the Group.

Environmental noise measurements are carried out regularly according to the plants' permits.

### **Water treatment and discharges**

Wastewater generated by the anaerobic digestion process is treated by an on-site wastewater treatment plant.

Water inputs are not necessary within the industrial processes of the Companies. However, a rainwater collection system and an open-air basin have been installed at the Biomet and Biomet LNG facilities in order to fulfil the firefighting water needs of the plants. This supports sustainable sourcing of water by limiting withdrawals from underground reservoirs.

### **Waste Sourcing and Outflows**

By virtue of its operations, the Group promotes circular economy and the diversion of materials to landfills.

As an industrial facility, the Biomet plant receives waste as input and generates hazardous and non-hazardous waste. Personnel are trained to safely manage and treat these flows.

Waste is tested before being accepted into the facility and sorted to extract all plastics from the organic feedstock. Plastics are stored separately and disposed of by third party contractors. The hazardous waste output from the wastewater treatment plant is treated, securely stored and disposed of according to local regulation.

The management team will look to support customers and suppliers in developing a sustainable procurement or sourcing process. Where relevant, Renergia itself will adopt sustainable material sourcing and promote resource efficiency.

### **External Reporting**

Each year an external analysis on Climate Change Impact is prepared and shared with the Companies to take note and put in place any mitigating actions if required.

The risk registry includes risks linked to environment such as emissions and the risk management policy considers environmental risk as a risk class which is to be measured and monitored.

## **Social**

The Group is committed to managing all social aspects of its business and implementing good practices through its activities and interactions with all the relevant stakeholders. Given the nature of the operations, Renergia considers this key to maintaining its social license to operate. The risk registry includes a wide range of social risks and mitigating plans. The Risk Management policy includes social risks as one of its key elements for the reasons mentioned before.

## **Health and Safety**

The Group is operating industrial facilities which expose its staff to potentially dangerous industrial equipment and environment. The facilities entail risks linked to explosive atmosphere linked to the pressurised gases, burns linked to cryogenic liquid, hot surfaces, pressurised steam, hot water, chemicals, flammable gases, high voltage, confined spaces, work at heights and rotating and moving equipment. Such equipment may result in potential danger.

Ensuring the health and the safety of the working environment for all workers and external stakeholders is of primary relevance in the daily activities of the Group. A detailed risk assessment at single company level has been carried out, as regulatory required, to identify all relevant H&S risks and developed mitigation measures. A team of external consultants ensure compliance with the risk assessment.

External health and safety officers (“RSPP” for the Italian regulations) are responsible for keeping the safety procedures updated and together with the plant directors to see that they are applied.

Everyone who is visiting or performing work at the plants must follow rules and procedures that are explained during a health and safety induction training provided at the entrance of the facilities. External contractors are expected to uphold the H&S policy to the same extent than employees.

Regular training courses are provided according to applicable regulations for employees and external contractors, in line with the Safety Consolidation Act, Legislative Decree 81/2008. Management keeps their training updated regularly through specific refresh courses or attending conferences.

When there is possible danger or hazardous work to be performed by external or internal employees, it shall always be preceded and include a specific risk assessment in relation to the use of Safe Job Analysis (SJA)<sup>1</sup> and leads to the issue of a work permit. Upon entering production equipment or vessels classified as “confined spaces”, entry permits should be used.

Health and safety of the local communities and users of the filling station are of key importance to the Group which ensures through the risk assessment that all risks are monitored, mitigated and that health and safety measures are upheld by all internal and external employees.

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<sup>1</sup> Safe Job Analysis are mandatory by law in Italy, and they are referred as DVR (“Documento di Valutazione dei Rischi”) for all the risks at plant level and DUVRI (“Documento Unico per la Valutazione dei Rischi da Interferenza”) for the risk-interface with their-party workers on site.

### **Supply chain**

The Group follows procurement processes to guarantee that its suppliers do not follow modern slavery or other fraudulent practices and provide a fair payment to its subcontractors. Renergia will strive to ensure that its suppliers and contractors abide by the minimum standards set by the jurisdictions in which they operate. To the extent possible, the management team communicates the Group's health and safety practices along their supply chain and seek to source materials and services in their supply chain from companies with responsible health and safety practices.

### **Stakeholders' relations and local employment**

The Group aims to engage with and maintain a good relationship with all stakeholders.

The Group understands its responsibility towards local communities and therefore follows all the regulatory requirements which apply to its operations, including emissions, noise and odour monitoring with associated measures to mitigate any adverse impacts.

The Group is subject to answering all questions from local or national interests in relation to what it is doing or how it operates. In terms of customers, it will aim to roll out satisfaction surveys.

### **Grievance Management**

The Group believes in honest and fair behaviour and encourages its staff to speak out to Management or the Board about unacceptable conditions, violations of rights, legal rules and internal policies or breaches to ethical norms. Notification is positive for both the Group and staff so that unacceptable conditions can be corrected. Renergia has implemented a Whistleblowing model, accordingly to the Italian regulations.

### **Equity, Diversity and Inclusion**

Diversity plays an important role at the Group, the board is composed of people with different professional backgrounds and geographies and all board members are keen to explore further diversity. At management and staff level the sector has been traditionally male dominant, however Renergia is committed to improving gender diversity within its organisation.



## **Governance**

The Group has a strong focus on Governance to enable best practices and fulfil requirements from shareholders who are predominantly institutional investors. For these reasons governance policies such as the present ESG Policy, the Risk Management, Delegation of Authorities, and the Organization, Management and Control Model in accordance with the Italian Legislative Decree n. 231/2001 are reviewed on an annual basis and updated if necessary.

The different policies aim to create an agile and robust framework for the Group to operate in, provide results and operate under the best market practices in a safe environment.

The board of directors meets at least four times per year to monitor performance and control and steer management and in general protect the investment.

Some of the board dynamics, reserved matters and functioning of the board in general is described in the Shareholder's Agreement, which is reserved to the shareholders but follows the same spirit as this document.

Every year the Group prepares an ESG Action plan for the coming year to identify, track and execute specific projects that aim at improving the ESG management and performance of the Companies. The plan is presented to the board on a quarterly basis and discussed with the asset management team at least on a monthly basis.

Reports at Company and Group level includes the following:

- Performance report: operational, financial and ESG KPIs tracked vs a year target (monthly)
  - o Presented to the asset management team
- Quarterly reporting to shareholders (quarterly)
  - o Presented to shareholders
- External Climate Change Risk Report (annual)
  - o Presented to the board
- Sustainability Report (annual)
  - o Presented to the board
- Risk registry (quarterly)
  - o Presented to the board

### **Shareholder rights**

Rennergia adheres and subscribes to its shareholder responsible investment practices, including those set by PATRIZIA Infrastructure. Shareholder rights are defined by its charter and bylaws, and Rennergia ensures it abides by the standards set.

### **Whistle-blower protection**

Rennergia believes in an open, transparent and safe working environment and recognizes and supports whistle-blower protection.

### **Lobbying activities and Political Contributions**

Rennergia ensure any engagement with lobbying groups are aligned with our climate change and other sustainability commitments and align with our shareholder's and PATRIZIA Infrastructure's corporate commitments.

Company policy prohibits any monetary and non-monetary political contributions being made, including those made through third parties.

### **Cybersecurity, Data Protection and Privacy**

Renegia commits to abide by GDPR and any cybersecurity policies which currently exist in the jurisdictions that it operates in.

In the upcoming years, the company is planning to greatly enhance the measures in place to safeguard against cybersecurity and data governance risks. This includes improving technology infrastructure and rolling out cybersecurity and data privacy awareness programs for employees at the company.

### **Conflicts of Interest**

Renegia will require from all its employees they refrain from actions or to have interests that hinder them to perform their duties objectively and effectively.

### **Antibribery, Corruption and Fraud**

The Group has zero tolerance for bribery and corruption or money laundering. No employee shall offer or provide financial or other benefits to public employees or customers, in order to obtain or retain personal or business benefits for the company.

Anti-bribery and corruption training is provided to employees.

### **Monetary Benefits**

The Group must not receive and retain monetary benefits. For example, it cannot accept payments for routing client orders to a particular execution venue.

### **Non-Monetary Benefits**

The Group is prohibited from accepting any non-monetary benefit from a third party in relation to the provision of services to clients unless it is minor in nature.

Minor non-monetary benefits must be capable of enhancing the quality of service for a client and of a scale and nature that could not be judged to impair a firm's duty to act in its clients' best interests.

Minor non-monetary benefits must be clearly disclosed.

Minor non-monetary benefits include documentation relating to instruments or services, material promoting new securities issuance, attendance at conferences or seminars on investments and hospitality of a reasonable nature, such as food and drink during a business meeting.

### **Other**

The Group must not provide or receive any monetary or non-monetary benefit in connection with the provision of client services for Professional Clients from a third party unless it:

- is designed to enhance the quality of service to the client;
- is of a scale and nature that does not impair compliance with the duty to act honestly, fairly and professionally; and
- will not influence a firm's behaviour in any way detrimental to client interests.

Payments or benefits which enable or are necessary for the provision of the service such as custody costs, settlement fees, exchange fees and legal fees are not inducements.