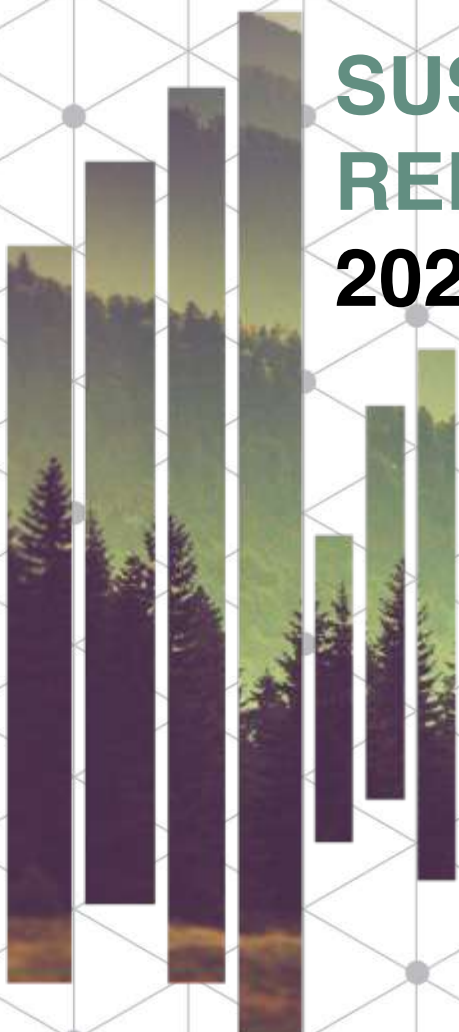


SUSTAINABILITY REPORT 2021



METHOD NOTES

The Report lays out the indications given by the GBS Guide (A study Group on social records) in a non-binding way. It contains the information essential to demonstrate the social and environmental impacts connected to our business activity.

The first section contains information related to our mission, to the internal competencies and organization of our company.

The second section examines the principle actions carried out in 2020, highlighting the more significant KPI with respect to the three dimensions analyzed.

The data font to document the direct impacts is the company archives.

To calculate the CO₂eq tons we carried out a scale analysis comparing the estimated size with the emission factor (EF), according to the guidelines in the 2017 Defra/DECC's GHG Conversion Factor.

To calculate the emissions savings realized thanks to our plants we followed the methodology of the UNFCC (United Nations Framework Convention on Climate Change).

Sustainability is a key theme in the political, social and economic agenda. This is true today and it will be ever more so in the future. For this reason we are all called upon to make our best efforts in this direction, beyond following legal requirements.

As a PMI we are not required to draw up an environmental Budget, but the drafting of this Report bears witness to our willingness to lay out our development strategies and their impact on our employees, on the environment and on the community in which we operate in a transparent way.

In the document we set out our principle non financial performances in 2020, highlighting instead the results we achieved and the Key Performance Indicators (KPI) that we have set for 2021, on which we will judge the next year and our ability to continue to create environmental and social values. The KPI have been defined by an internal team and established as relevant for our company and the context in which we operate. When identifying these goals, we also took into account the 17 Sustainable Development Goals (SDGs) that were set out in the 2030 Agenda of the United Nations.

It is possible to achieve sustainability and development. And we would also like to continue to play our part, by creating intelligent and efficient solutions to combat climate change, recover waste material and find alternative and clean sources of energy.

G. Francesco Galanzino
CEO Entsorga Group



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WHO WE ARE



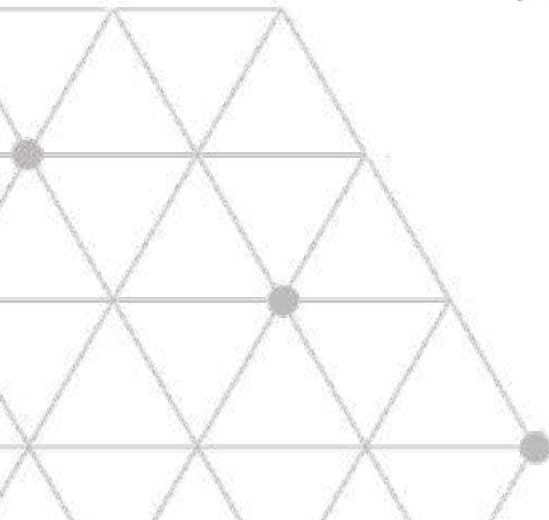
➤➤ INTELLIGENT TECHNOLOGICAL PATENTS AIMED AT REDUCING THE HUMAN IMPACT ON NATURE THIS HAS BEEN OUR MISSION, SINCE 1997

For 25 years we have been developing **intelligent technologies** with the aim of **reducing the environmental impact** caused by waste and we have invested in Research and Development so as to make our treatment methods ever more efficient, safe and useful to people and to the planet.

$$\text{HI} = \frac{\text{Population} \times \text{Consumption}}{\text{Technology}}$$

Human impact on environment

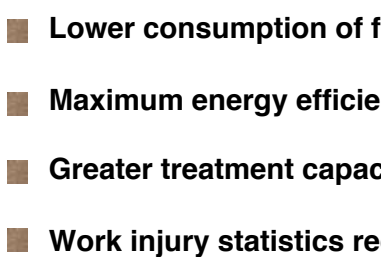




GREEN TECHNOLOGIES THIS IS THE REASON

FOR US, DEVELOPING GREEN TECHNOLOGIES MEANS AVOIDING WASTE, RE-USING, RECYCLING AND FINALLY, RECOVERING THOSE WASTE RESIDUES DESTINED FOR LANDFILL WITH THE UTMOST EFFICIENCY AND MINIMUM ENVIRONMENTAL IMPACT.

In comparison to other treatment methods, our technologies guarantee:

- **The production of renewable materials or fuel**
 - **Lower consumption of fossil fuels and energy by tons treated**
 - **Maximum energy efficiency**
 - **Greater treatment capacity by square metre of surface**
 - **Work injury statistics reduced to a minimum**
- 

25 YEARS OF (R)EVOLUTION

IN 1997 THE WORDS IMPACT, SUSTAINABILITY, ENVIRONMENTAL FOOTPRINT WERE NOT IN FASHION AND THE PARIS AGREEMENT STILL FAR AWAY. THEN A GROUP OF TORTONA ENTREPRENEURS DECIDED TO POOL THEIR EXPERTISE AND FOUND ENTSORGA.

1997

**Entsorga Srl
is born**

1999-2002

Deposited the first patent for the **Coccinelle** reactor. The first pilot plant was built in the Province of Lodi. We obtained the Certificazione ISO 9001

2005-2007

Entsorga UK (2005) was created. We acquired the first contract to build a **BEE type plant** in Slovenia (2007)



2008

Commercially penetrated Romania and Poland And built the proprietary plant in **Santhià**

2009

Trasformation into **Entsorga SpA**

2010

The beginning of the partnership with cement industries. The setting up of commercial activities in USA with the constitution of **Entsorga West Virginia LLC**



2011

The creation of the holding **Entsorgafin SpA**. The acquisition of a contract in Brazil

2013

The SRF Prometheus is accredited by EPA as «**non waste**». The company obtained the environmental certificate ISO 14001



2020

Construction of the **integrated anaerobic digestion** section at the composting plant in Santhià

2015

Rete Riuso was created between the first 5 composting plants in Piedmont. This led to the creation of the third national composting hub

2019

The construction and setting up of an automatized fuel supply system. (Bridgecrane Spider e Pelican) in EU for one of the principal Groups in Cement Production. Sale of the company Territorio e Risorse to Gruppo Iren

2017-18

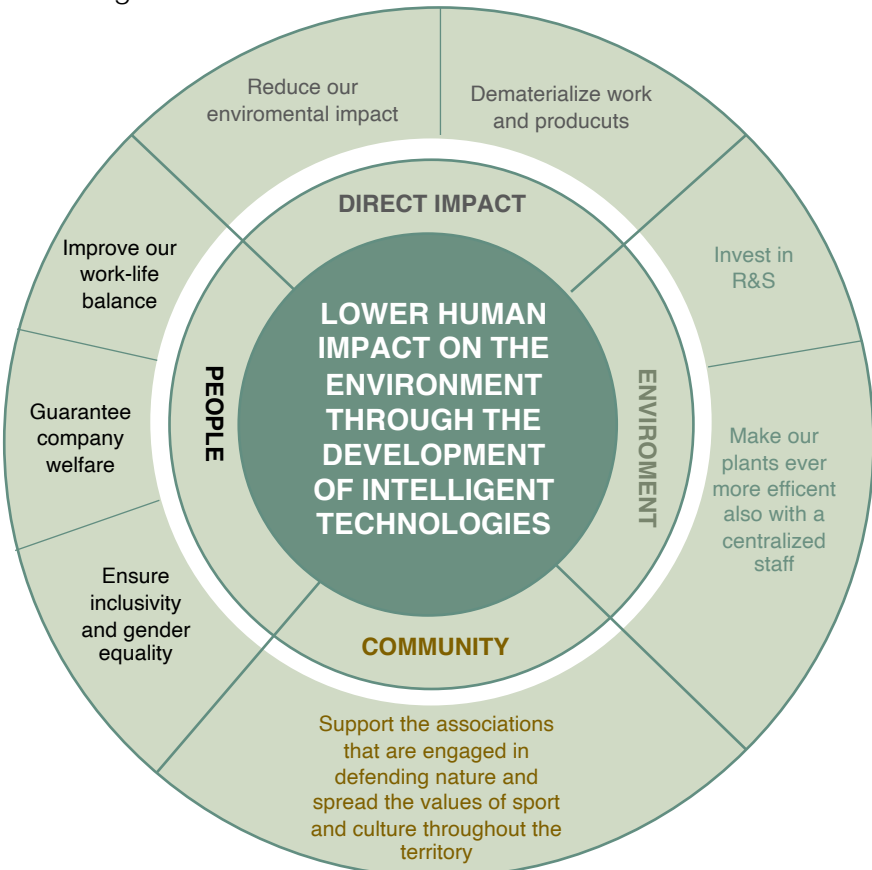
A second license was obtained for a 150.000 tpa plant in the USA, for a value of about 6 million dollars. An agreement was reached with a US investment fund for the development and construction of the plant



THE SHARED VALUE

COMPANIES THAT STAND THE TEST OF TIME ARE THOSE THAT ARE CAPABLE OF PRODUCING A SHARED VALUE.

In order to integrate sustainability into our development strategy, we have earmarked specific areas of interest that hold a priority for us and for our stakeholders. From these principles, every year we begin to set the what-quantities indicators, the **Key Performance Indicator (KPI)**, with which we measure the results we have obtained and set out future goals.



STRATEGIC LINES 2020-2022

OUR COMMITMENTS FOR THE NEXT THREE YEARS CONFIRM OUR ORIENTATION TOWARDS COMBINING THE CREATION OF ECONOMIC VALUE WITH SOCIAL AND ENVIRONMENTAL SUSTAINABILITY.

We have three upcoming interventions planned:

- **Cement Industry sector:** consolidate our position as a provider of technologies for the production and utilization of CSS
- **Waste Sector:** consolidate our position as a technological leader with R&S
- **Business Unit O&M:** dematerialize the BU Operation and Maintenance through the development of new Eagle Cloud software (dedicated to process management, to performance and to plant maintenance) which will allow us to increase our competitiveness, and also lower our environmental impact.



GOVERNANCE

ENTSORGAFIN SPA IS THE HOLDING TO WHICH FOUR COMPANIES REPORT TO AND ON BEHALF OF THE GROUP CARRIES OUT THE ADMINISTRATIVE ACTIVITIES, PROMOTIONAL CAMPAIGNS AND QUALITY ASSURANCE, IN ORDER TO PERFECT AT A MANAGEMENT LEVEL, THE PROCESSES AND SYSTEMS, AS DEFINED BY COMPANY POLICY PROCEDURES.



At the moment, the company activities of the Group are subdivided into 10 functional areas:

- R&S
- Administration, Finance and Control
- Commercial
- Acquisitions
- Tenders and General Business
- Communication and CSR
- Technical Office
- IT & Automation
- Project management
- H&S

In order to prevent fraudulent and non-ethical behaviour in the organizational system of the processes, the Group applies policies of “segregation of duties”, laid out in the job descriptions of the staff.

From a judicial point of view, the holding is guided by a Board of Directors, composed of two people, both legal representatives of the Group. The BoD regularly interacts with the employees, with a view to continuous improvement. Every 15 days, a meeting is planned between the CEO and the function managers and from this continuous discussion, the company lines of action are decided.

Business control checks are carried out through the preparation of a three-year plan. The annual budget is presented to the employees and collaborators every year in a plenary meeting.

Supervisory Bodies

The supervisory bodies are the Auditing Firm Ernst&Young and the Board of Statutory Auditors, composed of three full members and two supplementary ones. Both are tasked with monitoring the correct running and administration of the company, and also with guaranteeing the respect of the regulatory laws regarding the budget.

OUR QUALITY POLICIES

Over time, EntSORGA has obtained various certificates that confirm the application of procedures and instruments useful to guaranteeing a sustainable development of our company with regard to quality, environment, health and safety, the protection of information and management of tenders.

In particular:

- **ISO 9001** for quality, since 2003
- **ISO 14001** in the environmental sector, since 2013
- **SOA** enrolment in the National Roll of Constructors (OS14, sixth class)
- Enrolled in the **White list**
- **Legal Rating**

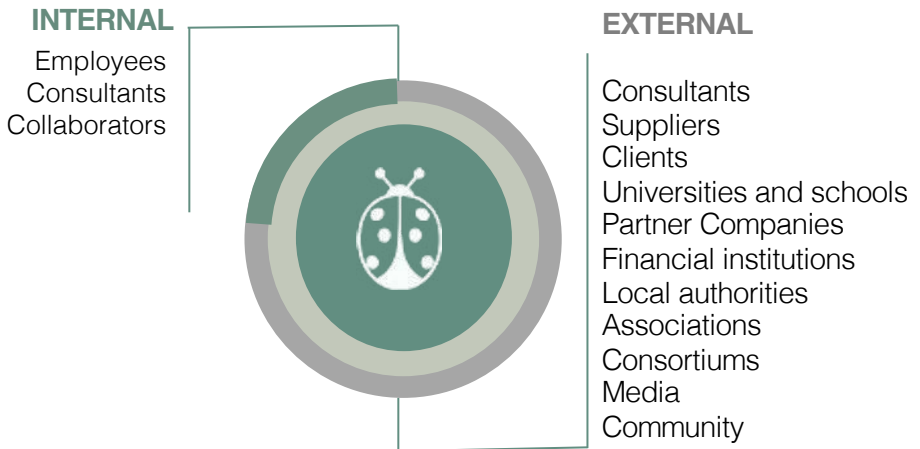


STAKEHOLDERS



» THE CONTEXT IN WICH WE OPERATE

THE IDENTIFICATION OF KEY-STAKEHOLDERS WAS MADE BY ANALYSING ALL THE PLAYERS INVOLVED WITH ENTSORGA AND PINPOINTING THOSE WHO ARE MOST EFFECTED BY THE EXERCISE OF OUR ACTIVITY.



For the principal categories of stakeholders, we pinpointed specific company indicators linked to their interests and we monitored them during the ordinary running of the company. In order to guarantee maximum objectivity and reliability of the information gathered, only measurable results were considered and estimates were never reported.

WHAT WE DID IN 2021











>> COMMITMENTS MADE AND RESULTS ACHIEVED

Goal achieved	
Target in completion	
Target not achieved	

COMMITMENTS 2021

RESULTS 2021

Direct impact	Reduce our direct impact and continue to compensate for our environmental footprint		Reduced by 14,1 ton CO₂eq direct impact and compensated for environmental footprint (equal to 68,2 ton CO ₂ eq)
	Increase smartworking and analyze our economic impact		Increased smartworking
	Reduce our electrical consumption from external sources and increase our energy autonomy thanks to the new photovoltaic plant		
People	Take out 3 new policies dedicated to health		3 new policies for employees were taken out
	Test smartworking and evaluate the impact by repeating the analysis on the company climate		Smartworking tested
	Reduce by about 500 km a week the transfer of the o&M division (2 people) thanks to the Eagle Cloud software		About 520 km a week were saved (calculated over 42 working weeks) on the transfer of the O&M division
Environment	Increase by 10% la riduzione di CO ₂ eq grazie agli impianti costruiti nel mondo		Increased by 8% (vs 2020) tonnes of CO ₂ eq saved thanks to the plants built with our technologies (equal to 1.001.425 ton CO₂eq)
Community	Increase by 3% our support of local associations to promote sport, culture e nature		Increased by 32% our contribution to associations that operate in the territory

OUR GOALS FOR 2022

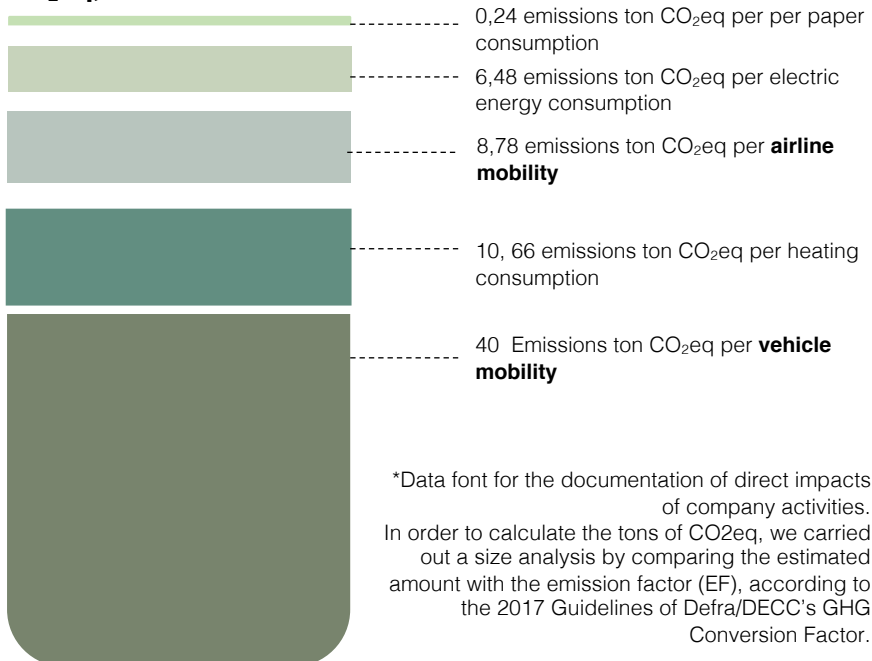
Direct Impact	<p>Continue to compensate for our environmental footprint</p> <p>Begin a path of accounting obligations for sustainability by evaluating our ESG Assessment</p> <p>Reduce our electrical consumption from external sources by at least 10% and increase our autonomy thanks to the new photovoltaic plant</p>
People	<p>Activate a collaboration with universities to recruit new talents</p> <p>Set in motion a formative plan to increase the competency of the first line</p> <p>Favour the diffusion of a culture that is inclusive and attentive with regard to gender equality</p>
Environment	<p>Increase our partnership with Associations, Councils and companies to spread per good offsetting practices</p>
Community	<p>Support actions that improve access to sport, promote culture and scientific diffusion</p>

DIRECT IMPACT

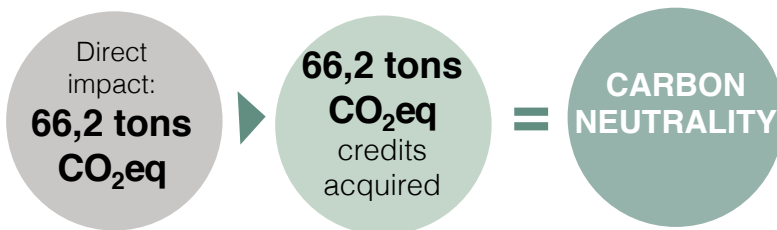
EVERY YEAR WE MONITOR THE DIRECT IMPACTS LINKED TO OUR ACTIVITIES, WE WORK HARD TO CREATE PRECISE CONTAINMENT STRATEGIES AND WE COMPENSATE FOR THOSE NON- REDUCIBLE EMISSIONS BY ACQUIRING CARBON CREDIT CERTIFICATES, GENERATED BY ENVIRONMENTAL PROTECTION PROJECTS WITH LOW IMPACT.

Our direct impact is attributable to the sum of our direct emissions* into the atmosphere of greenhouse gases generated by the consumption of energy, water, paper and company mobility, expressed in tons of carbon dioxide equivalent to (tons CO₂eq).

In 2021 our direct non reducible emissions amounted to **66,2 tons CO₂eq**, subdivided as follows:



These emissions were compensated with the acquisition of the same number of CO₂ credits generated by the project "Discariche Torrione, Colletterto, Giacosa, Bairo"



In order to contain our direct impact, for years we have been committed to reducing transfers by car, favouring video conferences, limiting energy consumption, controlling the temperature in our offices, as well as discouraging the printing of documents in favour of the use of certified ecological paper.

So as to further reduce the direct impacts linked to our activity in 2021, we:

- renewed the environmental certificate 14.001
- worked on the processes of dematerialization of the products
- increased smartworking by samples and analysed the impact on an economic level

In order to reduce the indirect impacts, we incentivize the adoption of responsible and eco-sustainable behaviours in our sphere of influence. Therefore, we favour clients and suppliers who make virtuous choices in environmental terms and companies with green ethics.

THE COMMITMENT TOWARDS OUR PEOPLE

WITHOUT THE WORK OF OUR PEOPLE, WE WOULD NOT BE ABLE TO ACHIEVE ANY ECONOMIC RESULTS.

To improve the well-being of our employees and collaborators and to guarantee a serene, stimulating and collaborative working environment, in 2021 we:

- presented the **Welfare Plan**, further concentrating our attention on the subject of health and well-being of our staff: taking out 3 new policies dedicated to health, updating and integrating our health cover that are already in place for our employees
- We tested **smartworking** for a few sample days a week
- We reduced by about 500 km a week the transfers of the division O&M (2 people) thanks to **the Eagle Cloud software**, our new system for data monitoring that we invented internally, to guarantee a process assistance in key Industry 4.0.

OUR CONTRIBUTION TO ENVIRONMENTAL PROTECTION

THANKS TO OUR TECHNOLOGIES THROUGHOUT THE WORLD, OVER 100 PLANTS TREAT OVER 1.500.000 TONS OF WASTE, BOTH ORGANIC AND SOLID, TRANSFORMING IT INTO RESOURCES AND RENEWABLE ENERGY.

In more than 20 years of activity, we have patented **13 technologies**, proprietary and bankable, for composting and anaerobic digestion, and solutions MBT to treat solid waste biologically and mechanically, bio-stabilizing it or bio-drying it to produce SRF, a renewable, alternative fuel, of high quality and with a high calorific value, suitable also for the replacement of coal in the large energy companies like cement industries.

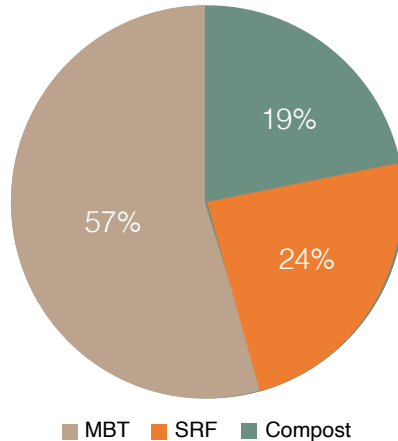
The use of efficient treatments allows for a concrete saving in CO₂eq emissions, **reducing them by over half of their environmental impact:**

Treatment type	% CO ₂ eq diversion*
Composting/DA	65 %
SRF	51 %
MBT	51 %

*Percentuale di CO₂eq non emessa nell'aria grazie all'efficienza del trattamento

The reduction in global CO₂eq by type of plant

In 2021, in those plants built with our technologies, over 1.883.675 tons of waste were treated, thus avoiding their disposal in landfill and saving the environment from emissions **1.001.425 tons CO₂eq***.



Treatment type	Tons of waste treated in 2021 with Entsorga technologies
Composting	291.075
SRF	472.000
MBT	1.120.600
Total	1.883.675

*To assess the impacts related to the application of our technologies, we have adopted CO₂equivalent as a benchmark. To calculate the emission savings realized from our facilities, we followed the UNFCC (United Nations Framework Convention on Climate Change) methodology.

HELPING THE COMMUNITY IN WHICH WE LIVE

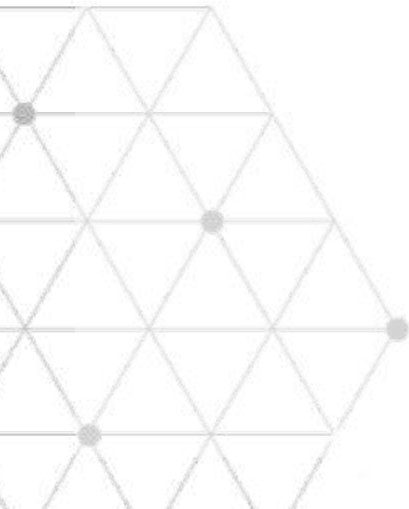
WHILE OUR TECHNOLOGIES GROW AND BECOME APPLIED ALL OVER THE WORLD, WE CONTINUE TO INVEST WITH PRIDE IN OUR TERRITORY. WE HAVE ALWAYS CONTRIBUTED TO THE MAINTENANCE OF THE PATHS; WE WORK SIDE BY SIDE WITH ASSOCIATIONS THAT PROMOTE SPORT IN NATURE AND WE SUPPORT CULTURAL INITIATIVES THAT RENDER OUR SPACES MORE BEAUTIFUL AND WELCOMING.

In 2021, within the limits still imposed on us by the conditions of the pandemic, we supported many valuable initiatives, those that share with Entsorga the same respect for nature, the passion for teamwork and healthy competition. Overall, our support increased by **more than 32%** compared to the previous year, exceeding by ten times our self-imposed target.

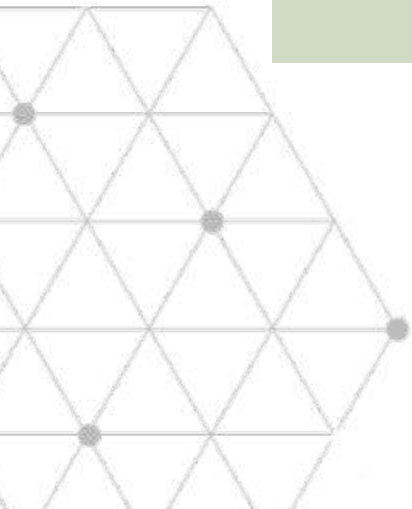
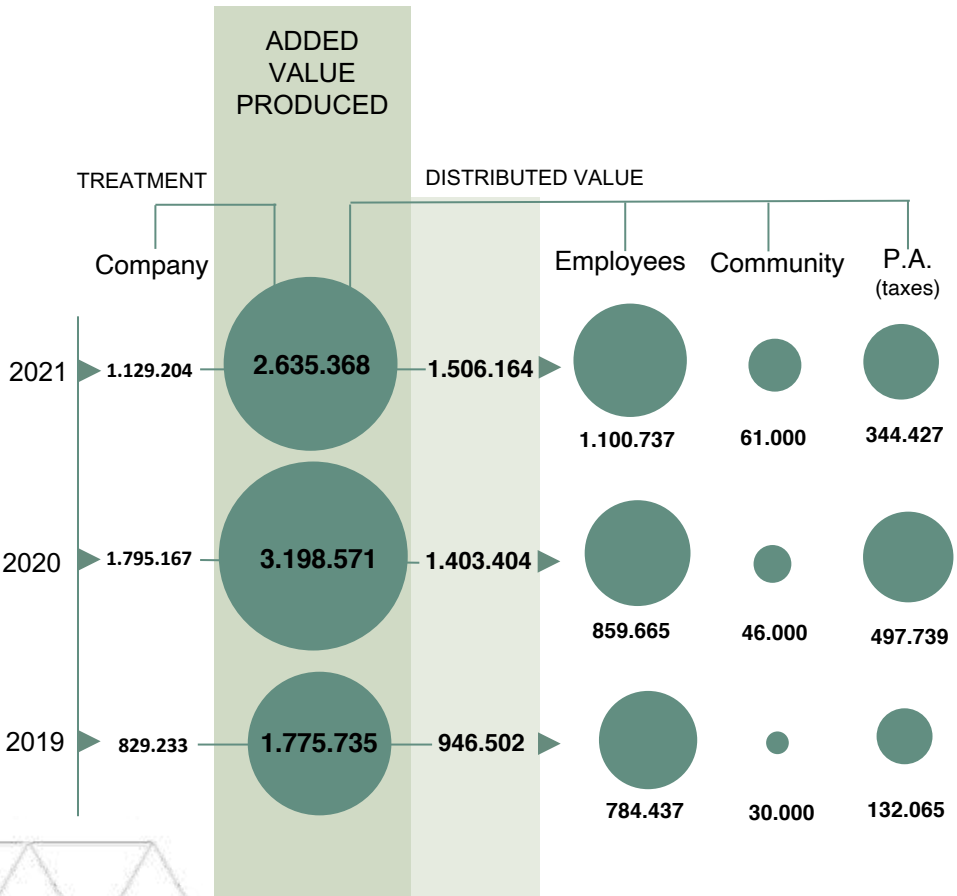
We have renewed our support to the Ligurian section of **AICS, the Italian Association of Culture and Sport**, and to **Azalai**, the Tortonese association created to promote the development of running in nature and the enhancement of the territory through sport. As always, there were hundreds of runners and walkers involved in the events organized, among which was the Virtual 5.30, a historical walk at dawn through the streets of the old town.

We have given our support to the **Festival Attraverso**, a project of the Cultural Association Hiroshima Mon Amour and Produzioni Fuorivia with the collaboration of the Ente Aree Protette Appennino Piemontese, in the context of which, we contributed to the creation of conference-shown **TRASH! ...2 ...1 Stasera mi butto.**

Also, in 2021 we began a collaboration with **Derthona Nuoto**, an absolute protagonist in the sporting world, and not just locally: **Bertram Yachts Derthona Basket.** The project involves supporting the team to help them understand their environmental footprint so as to render it Carbon Neutral.



NUMBERS 2021





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