



ENTSORGA

SUSTAINABILITY REPORT 2023

Letter to Stakeholders

We continue our journey toward sustainability that began over a decade ago with the carbon footprint calculation and last year with the publication of our first voluntary Report. As you will read, 2023 was a year of definite consolidation. Several goals have been achieved, in all dimensions of sustainability - environmental, social and governance - and new targets have been set, to give more and more substance to a word that, without measurability, risks remaining only a good but empty intention.

We have integrated environmental aspects into the company's **new Sustainability policy**, achieved self-generation of energy through the installation of the photovoltaic roof, and obtained validation of our VER credit production project through our geCO₂ technology. At the governance level, we have consolidated the managerialization of the company, adopted the Management Model in accordance with Decree 231, the Code of Ethics, and established the activation of an anonymous channel to report any illegal behavior. In the social sphere, we strengthened training by providing courses to all employees and collaborators, increased welfare policies and obtained certification of the Health and Safety Management System (ISO 45001). Our commitments to sports and cultural projects related to the local community also increased. Finally, on the innovation front, our R&D and also development activities related to obtaining environmental permits and seeking investors interested in green operations continued.

Alongside these goals already achieved, we have defined, also thanks to the new Sustainability Committee, new commitments for 2024, to continue to measure on the ground our ability to truly achieve sustainability.

At the time of writing, many of these actions are already underway, others are getting underway.

But now we leave you to the pages of **our second Report**, allowing the facts and figures to speak for us.

Thank you and enjoy your reading!

Pietro Paolo Cella Mazzariol

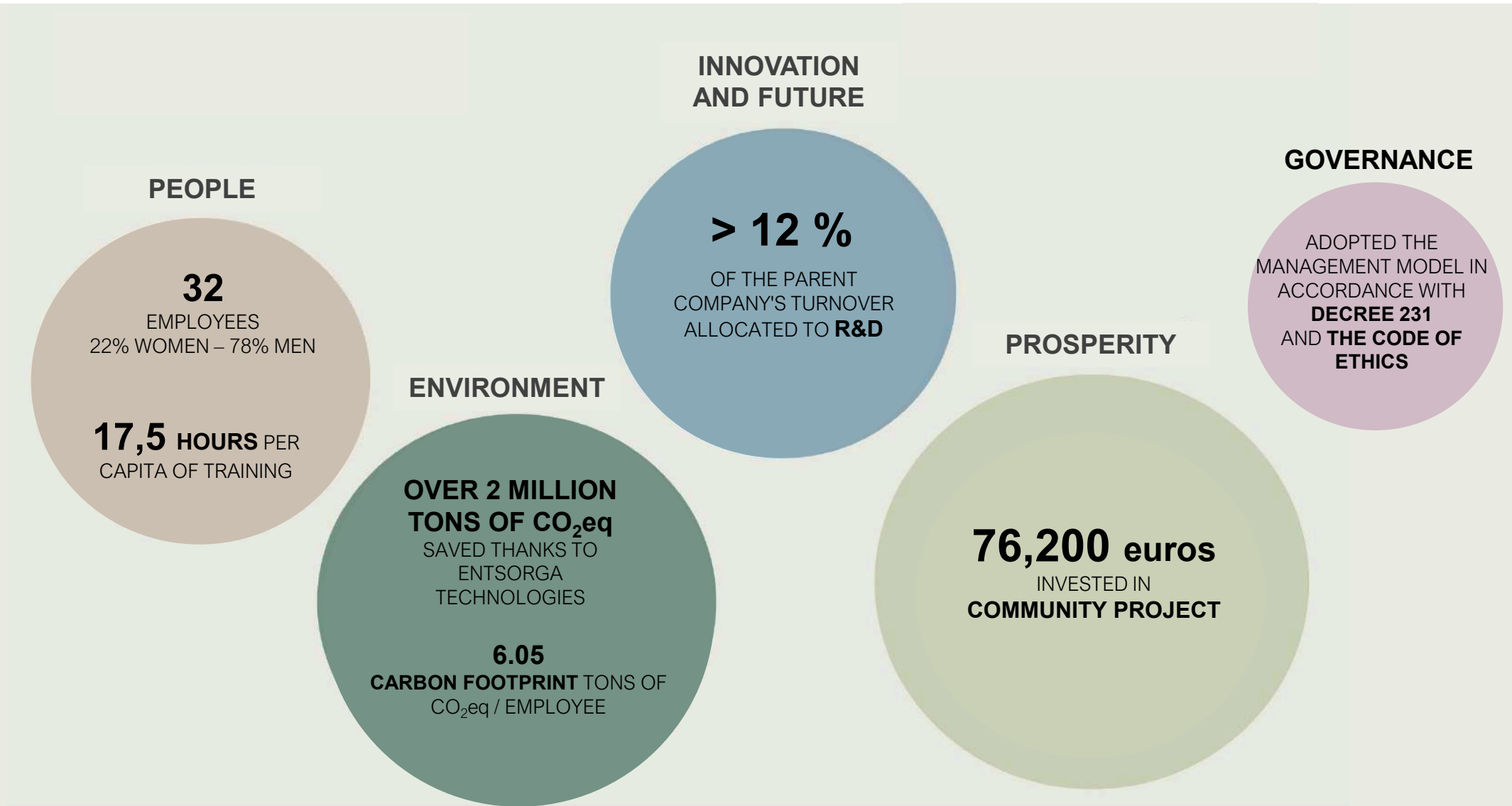
President

Gian Francesco Galanzino

CEO

The Group's sustainability

The key numbers of 2023



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METHODOLOGICAL NOTE

The Sustainability Report 2023 is the **second for Entsorga**. It is a voluntary choice, not dictated by a legal obligation. The reporting takes the **GRI Standards version 2021** as a reference, following the currently most widespread international guidelines.

The Report includes Entsorga Italia and Entsorga FIN and considers all information regarding material issues identified by the Sustainability Committee and submitted to its stakeholders.

To ensure the reliability of the information reported, directly measurable quantities have been included, limiting the use of estimates as much as possible. The data have as their reference period the period from January 1 to December 31, 2023.

Where possible, they are compared with the previous fiscal year.



About us

Technologies to reduce human impact on the planet

Our mission

Founded in 1997 and headquartered in Tortona, Italy, in southeastern Piedmont, EntSORGA is a leading innovative SME in the field of green technologies that patents solutions to biologically treat waste and transform it into fertilizers, biofuels and renewable fuels, while meeting the highest health and safety standards.

In 27 years we have designed and built a hundred fully automated plants in more than 27 countries for both small communities and large industrial systems. Plants that work every day to **recover and valorize waste**, sorted and unsorted, **reducing its environmental impact** by more than half and saving the environment the emission of millions of tons of greenhouse gases.

Active on a global scale, in Europe, Africa, the United States and South America, our Group has developed a solid international experience and culture in terms of contracting, engineering standards and project management.

$$HI = \frac{P \times G}{T}$$

Human impact on environment

Population Consumption

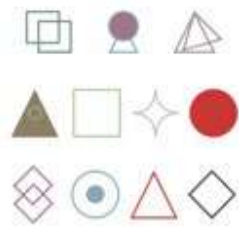
Technology

Entsorga's numbers

Technologies, patents, staff and facilities built in the world



14 TECHNOLOGIES



11 PATENTS
+ 2 UNDER EVALUATION



6 REGISTERED
TRADEMARKS



70% GRADUATE
STAFF



2.5 BILLION TONS OF WASTE TURNED
INTO RENEWABLE RESOURCES AND
ENERGY EACH YEAR



MORE THAN 100 PLANTS
BUILT IN 27 COUNTRIES



5 FACILITIES UNDER
MANAGEMENT-
SUPERVISION



ABOUT 500,000 €
INVESTED
ANNUALLY IN R&D



Governance

The structure

The study of patents, design activities, and plant management are concentrated in our offices in Tortona, where EntSORGA Italia and EntSORGAFin Spa, the holding company to which the Group's 4 companies belong, are headquartered. The foreign subsidiaries - EntSORGA UK in England and EntSORGA Inc in the United States - are entrusted with business development in these countries. Since 2017, we also have a stake in EntSORGA West Virginia, a company with which we built the first Mechanical Biological Treatment (MBT) plant in the United States that uses our technologies to produce SRF (Solid Recovered Fuel) for cement plants from Municipal Solid Waste (MSW).



Note (1): at present the UK Subsidiary is in stand-by

The sustainability policy

Our first quality and environmental certifications and Carbon Footprint Offset Reports date back more than 20 years. But it was in 2022, with the first two **ESG assessments**, that the path to sustainability was defined in a stated and formalized policy, integrated into the **ISO 9001-14001 and 45001 manual**, and disseminated both inside and outside the company.



You can find the full version of
our **Sustainability Policy** here



To monitor progress on ESG issues and follow up on the preparation of the Report, a person responsible for emissions management, CSR, social issues, and governance was also appointed and a **Sustainability Committee** was formed, consisting of internal figures and 2 figures from outside the company.

Membership in the United Nations Global Compact

As of 2022, we have joined the **UN Global Compact**, which encourages businesses around the world to create better economic, social and environmental conditions to promote a healthy and sustainable global economy that ensures everyone has the opportunity to share in its benefits.

The UN Global Compact requires member companies and organizations to uphold and apply within their sphere of influence a set of core principles, relating to human rights, labor standards, environmental protection and anti-corruption. Universally shared principles, derived from the Universal Declaration of Human Rights, the ILO Declaration, the Rio Declaration and the UN Convention Against Corruption

Our governance

Our Governance model, aimed at protecting and growing the company, is also the prerequisite for maintaining and developing healthy relationships of trust with stakeholders. And thus, create true shared value.

The organs of control

The supervisory bodies are the external auditing firm Ernst&Young and the Board of Statutory Auditors, composed of 3 full members and two alternates. They are both responsible for overseeing the proper management and administration of the companies as well as compliance with legal regulations on financial statements.

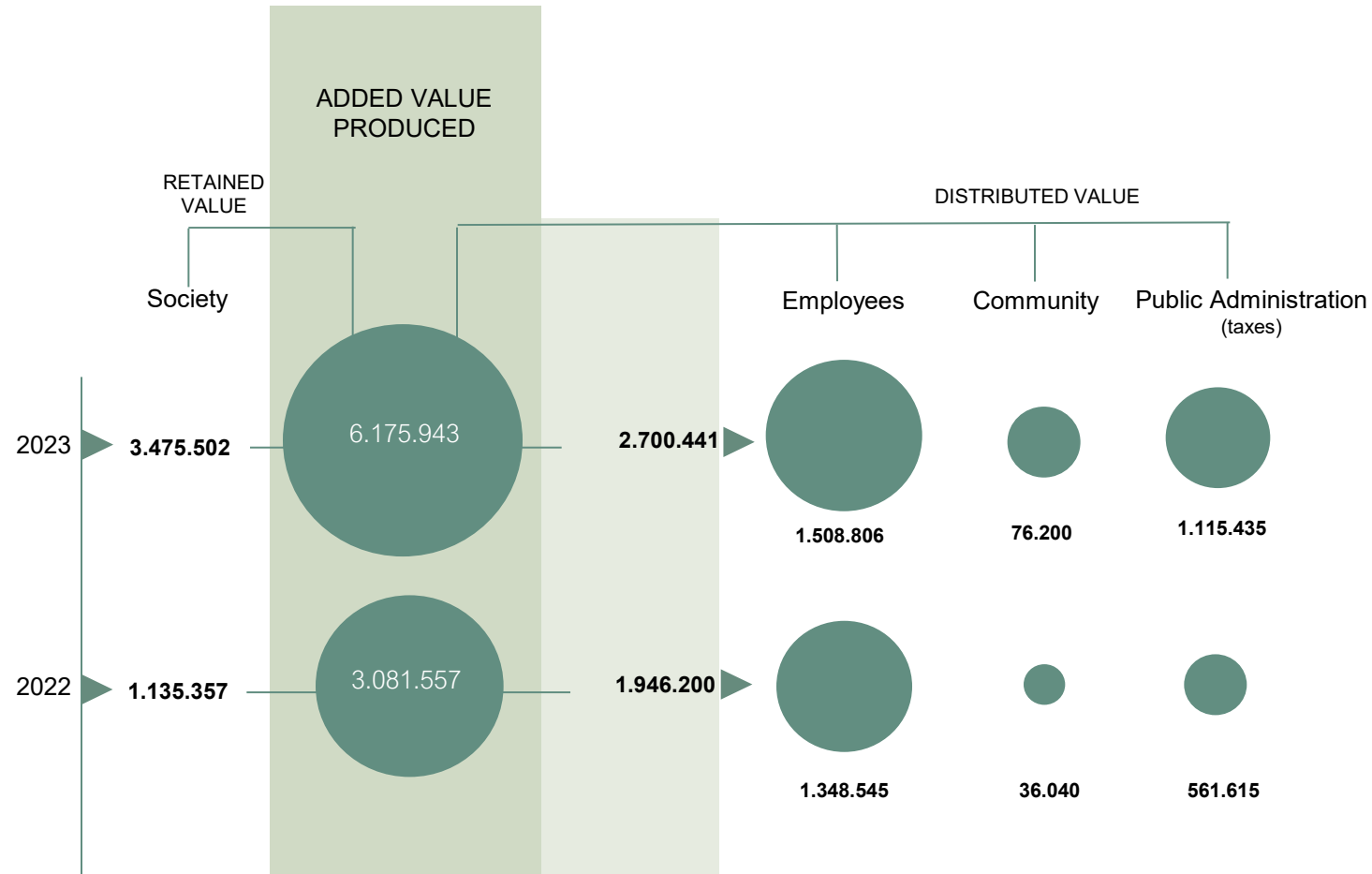
In 2023, the Management Model in accordance with Decree 231 and the Code of Ethics were adopted. An anonymous channel (Supervisory Board), equipped with a secretariat, is planned for 2024 for the reporting of possible wrongdoing.

Legally, the holding company EntSORGAFin S.p.A. is headed by the Board of Directors, which consists of 2 people, both of whom are legal representatives of the Group. Periodically, the Board liaises with employees, with a view to continuous improvement. Every month, a meeting of the CEOs with function managers is planned, and from this discussion the company's courses of action are born. Monitoring of business performance is followed through the preparation of a three-year plan. The annual budget is presented to employees and collaborators through a plenary meeting.

To prevent fraudulent and unethical behavior, the Group applies "segregation of duties" policies in the organizational process system, which are reflected in personnel job descriptions.

The economic value generated and distributed

The graph shows a significant increase in both the value distributed to the community and the value allocated to taxes.



Research and Development

Investment in R&D, is calculated only on the value of production of the parent company, a company on which R&D is based. The % has been reduced from 2022 and decreased from 20.57 % to 12.16 % of the Value of Production.

Year	R&D cost (FIN)	Production value (FIN)	%
2022	€ 589.118	€ 2.863.863	20,57%
2023	€ 437.868	€ 3.601.100	12,16%

Development from a circular economy perspective

Our development activities continue. Development Entsorga's Core Business is the Engineering, Procurement and Construction (EPC) of Plants for the transformation of waste or by-products into Renewable Fuels, in the full spirit of the Circular Economy. In practice in this case Entsorga plays a role as a developer of the plant implementation initiative.

These are the main steps:

1. Entsorga designates an area where there are no plants and identifies a municipality inside that area
2. Entsorga carries out the feasibility study and verifies its economic viability
3. If the Business Plan is positive, the permit application is filed

Once the authorization is obtained Entsorga organizes a beauty contest for the sale of the authorization involving the assignment of the implementation to Entsorga itself.

KPI 2024. A look toward the future

Based on the results of the analysis conducted on the Open-es digital platform created to measure the growth of companies in sustainability dimensions, we have defined key objectives that include measurable performance indicators (KPIs) to enable effective monitoring of our progress toward sustainability. The table provides an overview of the goals achieved in the past year and those that we intend to pursue in the coming year, thus providing a clear view of the company's sustainability journey.

PILLAR	GOALS ACHIEVED 2023	GOALS TO BE PURSUED BY 2024
Environment	<ul style="list-style-type: none"> Integrated environmental aspects into company policy Self-producing energy with photovoltaic panels Purchase of e-bikes for employees Validation VER Credits Project and Compare geCO2 technology vs. planting project 	<ul style="list-style-type: none"> Realize Cow portable to reduce Staff Environmental Impacts through an in-house canteen waste disposal system and energy production Realize a Renewable Energy Community (REC). Increase E-Bike fleet for Employees (from 2 to 5). Improved own Energy Efficiency per employee (to be calculated in Ratio to Carbon Footprint per employee of 21 and 22) Reduction in hard copies printed
Social	<ul style="list-style-type: none"> Delivery of English language courses to all employees Implementation of staff training plans Increasing welfare policies Creation of the Corporate Gymnasium Adoption of Certification 45001 Salary increases for the children birth 	<ul style="list-style-type: none"> Monitor employee health and injuries Increase employees' mental and physical well-being Analyze the remuneration treatment of staff and proceed to possible alignment, where emphasized Deliver Excel courses to employees. Tier the HR function to provide more transparency to welfare and compensation policies
Governance	<ul style="list-style-type: none"> Adopted the 231 model Defined the Code of Ethics Appointed the Sustainability Committee and scheduled strategic meetings Consolidated the Company's management and delegation system 	<ul style="list-style-type: none"> Activate and appoint Supervisory Board Obtain legality rating for Group Join the Sustainable Development Foundation Change the composition of the Sustainability Committee and appoint the Head of Emissions, CSR, Social Issues and Governance

Entsorga's Open-es rating went from 66 a 70 (2022 vs 2023)

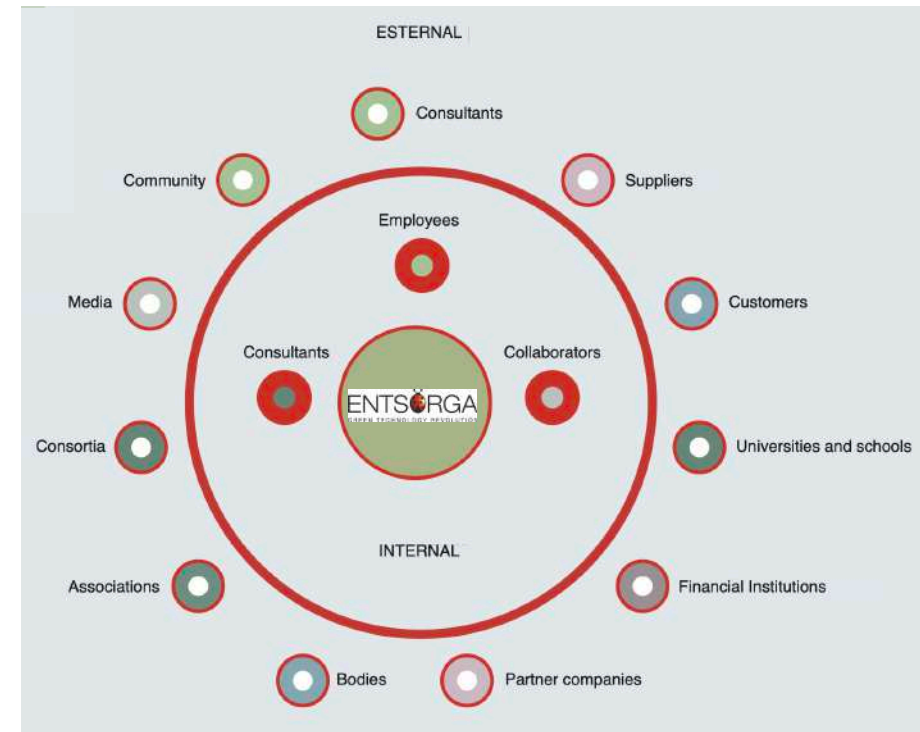


Our stakeholders and materiality analysis

Stakeholder Mapping

In 2022, we conducted an in-depth internal materiality analysis to assess the impact and importance of various ESG aspects to our business and stakeholder community.

This process allowed us to identify and prioritize key issues, enabling us to develop targeted strategies and concrete commitments to address challenges and take advantage of opportunities related to sustainability.



The table mentions the ESG aspects considered relevant to the main stakeholder categories:

Stakeholder	Relevant ESG aspects
Employees	Fostering a pleasant and safe work environment allows you to attract talent and reduce turnover
Suppliers	Given the core business of the company, all workers are internal in the Value Chain therefore the above point applies
Customers	Dedicating resources to research and development enables the generation of positive value that impacts end users
Community	Promoting a green culture inside and outside the company. The territory in which it operates is at the center of a strategy of promotion and care



Shared value: people and community

Our people

An interdisciplinary, experienced and dynamic team

We are a company founded on the selection and development of excellent skills.

That is why we consider every investment in training, welfare and corporate welfare a prerequisite for being more productive, attractive and competitive.

Project Management
MANAGEMENT ENGINEERS

Project Design
CIVIL ENGINEERS
MECHANICAL ENGINEERS
ENERGY ENGINEERS
ENVIRONMENTAL ENGINEERS

Automation & IT
ELECTRONIC ENGINEERS
INDUSTRIAL AUTOMATION
ENGINEERS
SOFTWARE ENGINEERS

Operation & Maintenance
CHEMICAL ENGINEERS
BIOLOGIST
AGRONOMISTS
MAINTAINERS

10

New hires
in 2023

8

Employees with +10 years
of experience in the
company

42%

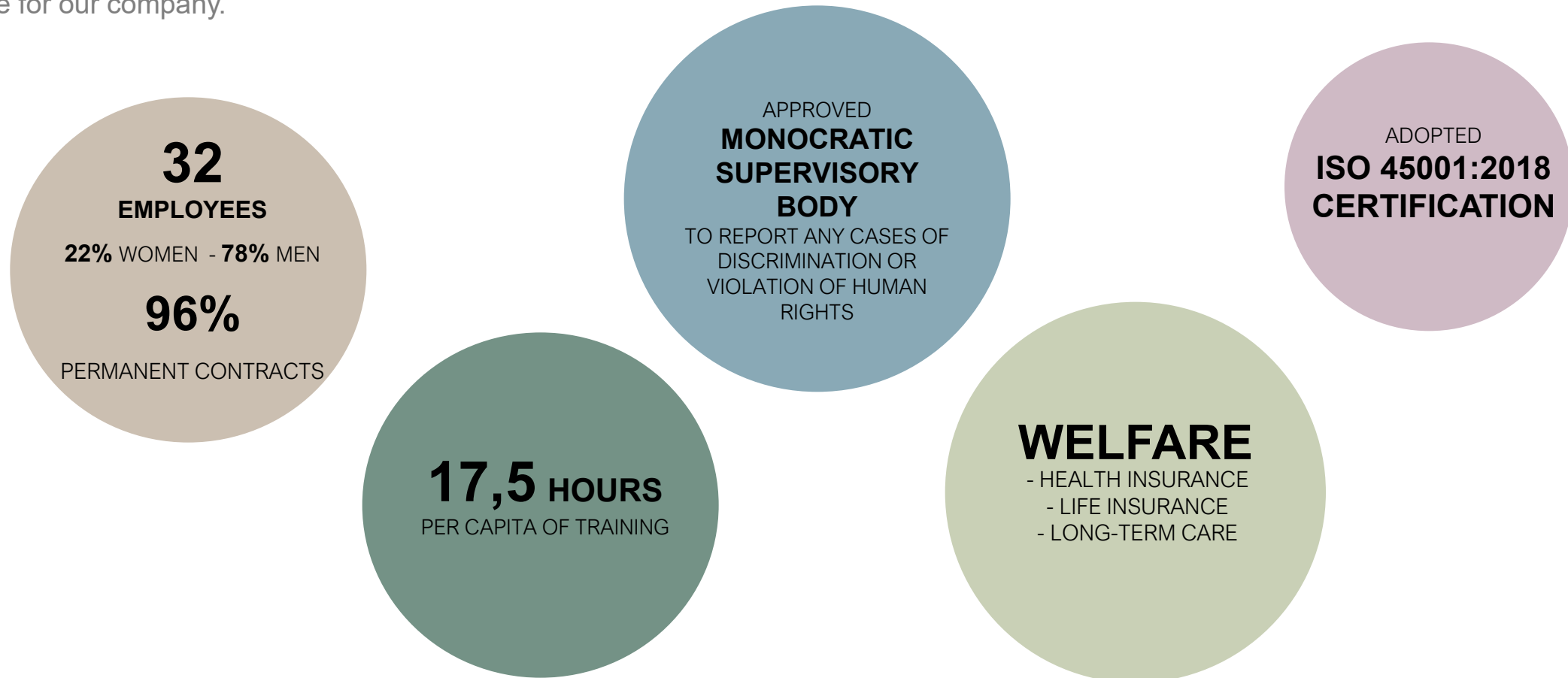
employees
under 35 years old



Facts and Numbers 2023

Employees, our fundamental pillar, are offered a safe environment with stimulating, meritocratic, rights-respecting and non-discriminatory working conditions. In addition, the company encourages, stimulates and incentivizes their professional growth and promotes their well-being.

We firmly believe that strong social commitment is not only ethically right, but also a source of competitive advantage and long-term value for our company.



Diversity and inclusion

Our company is actively committed to promoting diversity, inclusion and equal opportunity among our employees. We have adopted a clear policy in this regard, communicated not only internally, but also externally through public documents such as our website and other communication channels.

In fact, ensuring equal opportunities for all employees at the level of hiring, training, growth and promotions, regardless of gender, race, age is a key point we want to focus on to improve the integration of everyone within the labor market.

There are 32 employees in 2023, an increasing figure compared with the stable figure in 2021 and 2022 (29). The majority of male employees and the totality of female employees are hired on a permanent basis covered by the sector's collective bargaining agreement: for white-collar workers it is the professional studies collective bargaining agreement, while one is covered by the metalworkers' collective bargaining agreement.

We devote a lot of attention to the relationship with workers, and on average the notice period before job changes is about 1 month.

Employees	Men %	Women %
Gender	78,13	21,87
Permanent hires	75,00	21,88
Temporary hires	3,12	0,00
Variable-hour hires	0,00	0,00

Below we provide data on our recruitment and employee turnover, broken down by gender and age groups, useful data that allow us to evaluate our recruitment process and personnel management. In the table we present the number of employees hired in 2023 and the turnover percentage for men and women, broken down into the age groups under 30, between 30 and 50, and over 50.

Age	Recruitment men	Turnover men %	Recruitment women	Turnover women %
< 30 years	4	44%	0	0
Between 30 and 50 years	2	38%	2	100
> 50 years	2	25%	0	0

Another important metric is the ratio of the average salary of women to that of men within our company. This ratio reflects our commitment to ensuring pay equity and promoting an inclusive corporate culture. The ratio of women's average salary to men's average salary is between 0.7 and 0.89.

In addition, in all locations where our company operates, the ratio of women's average salary to men's average salary is maintained evenly. This reflects our commitment to ensuring gender pay equity.

Our company also assesses the ratio of the guaranteed entry salary in our company to the local minimum wage, divided by men and women. This information allows us to assess entry wage equity for both genders and our commitment to ensuring appropriate wage conditions with respect to the local context. Below, we provide values of the ratio of entry wage to local minimum wage for men and women.

Ratio of entry salary to local minimum wage	2023
Men	1,79
Women	1,22

We are committed to closely monitor pay equity for different categories of workers, such as ethnicity, category of workers, and other relevant variables, to ensure fair and transparent pay for all our employees.

We also report the ratio of the CEO's annual compensation to the median value of the total compensation of all employees (excluding the CEO or figure considered in the numerator). This figure gives us an important indication of the pay balance within our company and the allocation of financial resources. This ratio is around 1.34.

The ratio of female managers to the total number of managers in our company provides a clear indication of the presence of women in management roles within our structure. This ratio is around: 16,00 %.

The company monitors the total number of workers not employed by the company who are part of its workforce. This includes people who have labor contracts, such as self-employed workers, or workers provided by firms that conduct recruitment or selection activities. This ratio is around 3.00.

Human Rights

The human rights policy adopted by our company conforms to internationally recognized standards. This demonstrates our commitment to respecting and promoting human rights in line with international standards.

Our company has involved stakeholders in the creation of the human rights management policy and/or rules. We conducted a materiality analysis to identify relevant stakeholders and considered their views in the process of structuring the human rights policy or guidelines. This commitment reflects our desire to ensure that business decisions are informed by the perspectives and needs of stakeholders.

The company also monitors all information regarding the total number of risks, with respect to human rights compliance, arising from its activities. For the year 2023, the number of risks was 0.

In 2023, our company established a public channel (Supervisory Board) through which cases of discrimination or violation of human rights can be reported. This channel is accessible through various means, such as the company's website, dedicated e-mail address, or regular mail. Importantly, this channel is externally publicized and is open to anyone who wishes to report possible violations, demonstrating our commitment to transparency and protection of human rights.

Worker Health and Safety

Our company monitors and measures the health and safety of workers on a qualitative level. We actively engage in monitoring the health and safety of our employees, using qualitative approaches to assess and improve their well-being in the workplace. All employees are eligible for UNISALUTE supplementary assistance. In addition, employees who travel abroad on business trips are covered by CHUB insurance.

As in the year 2022, there were no accidents in EntSORGA Italy and EntSORGAFin in 2023.

Deaths	0
Serious accidents at work	0
Recordable accidents at work	0
Total hours worked	52.684

Training

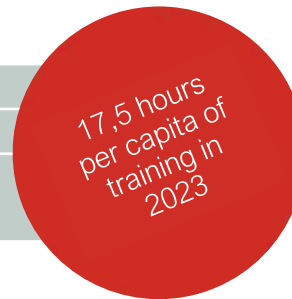
By 2023 we have increased training per capita by 66%.

After an internal analysis of staff training needs, 2023 saw the implementation of:

- courses for PMs
- internal courses for employees and collaborators on safety and English language
- courses for Heads of Function to consolidate/develop the team's managerial skills.

The company has provided some training courses on sustainability issues, although no specific program has been defined in this regard. In the table below we are going to present information on the average number of training hours provided and used by each employee different by gender.

Total training hours provided 2023	558
Hours of Training Men	452,00
Women's Training Hours	106,00



For this year, the total amount spent on training hours is: **7,663.47 euros**. In the context of corporate sustainability, investment in training and development expenses is of crucial importance. This average value of expenses represents the sum of investments made by the company to improve employees' skills and knowledge on topics relevant to our industry, or to develop leadership skills.

Welfare

The company has a clear commitment and strategy regarding policies related to employee welfare..

Several partnerships have been activated to offer free of charge to all employees and contractors:

- pool access
- entrance tickets to festival performances Through
- mole screening

In addition, the company gym has been implemented

- Edenred card with meal voucher loading has been activated
- Additional health insurance policies were activated (Cadiprof/Unisalute)
- Automatic salary increases were established for employees upon the birth of a child

We examined our employees' participation in programs related to health and well-being, as this reflects our commitment to promoting a healthy and sustainable work environment. The percentage of employees participating in such programs is a significant indicator of our workforce's involvement in initiatives to improve their overall well-being. This value for the reporting year was 100.00 %.

Finally, we examined the employee absenteeism rate, an important indicator of personnel management and organizational well-being. This figure represents the percentage of hours not worked compared to total hours worked, offering an indication of the level of presence and commitment of our staff in the work environment. For the current year, the absenteeism rate was 0.

Community

In order to make our area also a welcoming and attractive place for young talents, where they choose not only to work but also to live, every year we incentivize sports, social and cultural projects to support local communities.

In the area of sports, in 2023, among others, we have confirmed our contribution to:

- Azalai, the Tortona sports association established to promote running in nature and enhance the area through sports
- Bertram Yachts Derthona Basket, the city basketball team that we help achieve carbon neutrality with the "Let's Crush CO2" project
- Derthona Swimming
- Derthona Arena
- Junior Camp Casalnoceto
- Dream Angels and no-littering project
- Attraverso Festival





Commitment to the environment

CO₂ emissions assessment

As a company, through a concrete and ongoing commitment to environmental issues, we can contribute significantly to mitigating climate change, conserving natural resources and promoting sustainable production and consumption practices, preserving the planet for future generations.

For more than a decade, we have been monitoring direct impacts related to our business, engaging in precise mitigation strategies, and offsetting non-reducible emissions by acquiring certified carbon credits generated by positive-impact environmental protection projects.

Even in 2023, while growing both economically and in number of employees, we have set ourselves the goal of continuing to contain our direct impacts, thus we have set additional targets for reducing and offsetting CO₂ emissions.

The table shows 2022 and 2023 data of tons of GHG emissions (expressed in tCO₂eq) according to the GHG Protocol, broken down by:

- **Scope1 type** direct emissions (related to paper, company cars and heating)
- indirect emissions, related to energy purchased by the company, of **Scope2 type**
- indirect emissions of **Scope3 type**, which are neither Scope1 nor Scope2 (air flights and private cars)

Total emission GHG (tons CO ₂ eq)	2023	2022
Scope 1	84,50	47,80
Scope 2	9,80	7,96
Scope 3	99,40	35,60

total non-reducible emissions
193.7-ton
CO₂eq

The following table shows the level of GHG absorption and storage in metric tons metric tons of CO₂ resulting from projects developed within our operations or along the value chain.

GHG level (tCO ₂ eq)	Own projects	Projects contributed to along the value chain
Absorption	1.042,00	0,00
Storage	2.925,63	0,00

2022

AIRLINE FLIGHTS			
Flight type	Distance km	Kg CO ₂ eq/Km	ton CO ₂ eq
European	62.395	0,15353	9,58
TOTAL AIR FLIGHTS			9,58
ELECTRIC POWER			
kWh used	Kg CO ₂ eq/KWh		ton CO ₂ eq
41186	0,19338		7,96
TOTAL ELECTRIC POWER			7,96
PAPER			
Kg used	Kg CO ₂ eq/kg.c		ton CO ₂ eq
157,02	0,9194		0,14
TOTAL PAPER			0,14
CAR CONSUMPTION			
Types of cars			ton CO ₂ eq
Company cars			37,07
Private cars			26,05
TOTAL CARS			63,1
HEATING			
Liters of diesel fuel	kgCO ₂ /L		ton CO ₂ eq
3576	2,7586		9,86
TOTAL HEATING			9,86
TOTAL OVERALL (ton CO₂eq produced)			90,7

2023

AIRLINE FLIGHTS			
Flight type	Distance km	Kg CO ₂ eq/Km	ton CO ₂ eq
European	127.324	0,18591714	23,74
Extraeuropeo	191.069	0,26128063	49,92
TOTAL AIR FLIGHTS			73,66
ELECTRIC POWER			
kWh used	Kg CO ₂ eq/KWh		ton CO ₂ eq
47895	0,20496		9,82
TOTAL ELECTRIC POWER			9,82
PAPER			
Kg used	Kg CO ₂ eq/kg.c		ton CO ₂ eq
65,80	0,9105		0,06
TOTAL PAPER			0,06
CAR CONSUMPTION			
Types of cars			ton CO ₂ eq
Company cars			73,75
Private cars			25,70
TOTAL CARS			99,45
HEATING			
Liters of diesel fuel	kgCO ₂ /L		ton CO ₂ eq
3914	2,7242		10,66
TOTAL HEATING			10,66
TOTAL OVERALL (ton CO₂eq produced)			193,7

This table provides a more analytical breakdown of emissions generated by energy consumption, water, paper and to corporate mobility*, again expressed in tons of carbon dioxide equivalent (ton CO₂eq).

*The data source for documenting direct impacts is the company archive. To calculate tonCO₂eq, we performed a dimensional analysis by comparing the estimated magnitude with the emission factor (EF), according to Defra/ DECC's GHG Conversion Factor Guideline 2017.

Emissions were offset with the purchase of as many CO₂ credits generated by the "Torrione, Colletterto, Giacosa, Bairo landfills" project

Beyond the increase in absolute value, we believe the comparison between the two fiscal years is highly positive: the increase is due to an integration of data related to actual consumption incurred in automotive consumption and corrections on data entered in previous years.

Specifically, analyzing each item we can note:

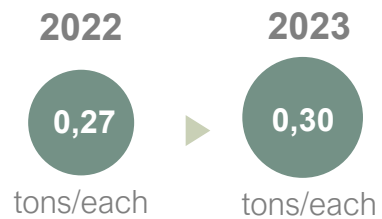
Air travel

In 2023 there was a sharp increase in travel (European and non-European) resulting in an increase in tons of CO₂ produced by air travel. Air flights mainly involved Indonesia, Romania, and Spain.

Electricity consumed

In 2023, the number of workstations increased from 29 to 32, an increase that resulted in an increase in emissions of 1.86 tons/y

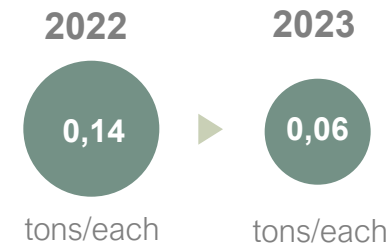
CO₂ PRODUCTION PER STATION



Paper consumption

The trend in paper consumption and the consequent reduction in CO₂ production is confirmed

CO₂ PRODUCTION BY PAPER CONSUMPTION



Car consumption

In addition to the increase in CO₂ produced by air transportation at the same time there was also an increase in travel by car, which led to an increase in CO₂ produced by cars as well.

By 2022 there had been increased use of private cars even for business travel since there were no company cars provided. The value of consumption in private cars for business use had not been included in the CO₂ calculation.

For the year 2023, the total consumption of company cars also included the home/office trip, while only home/work trips were considered in the private car calculation. All work trips were made in company cars.

Heating

Thanks to the newly installed photovoltaic roof and heat pump, tons of CO₂ related to heating were significantly reduced. For the year 2023/2024, a calculation of the energy produced with the photovoltaic panels and the consumption related to the heat pumps at the new location will be worked out, and then a comparison of CO₂ production per m² can be made.



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