

WE LIGHT UP THE WORLD IN GREEN



sustainability report
2020-2021

TOZZIgreen

LEGEND



Wind



Environmental sustainability



Soy



Biomass



Labour



Geranium



Photovoltaic



Human Rights



Maize



Hydroelectric



Fight against corruption



Auditory impact



Renewable energy



Economic impact



Visual impact



Rural Electrification



Employment impact



Water resources



Agriculture



Development of human capital



Waste



Corporate Services

CONTENTS

Letter from the CEO to stakeholders	2	2.3.3 Stakeholder involvement	28	3.5 Environmental impact	72
WE CREATE SUSTAINABLE VALUE OVER TIME	5	2.3.4 Company policy for social responsibility	32	3.5.1 The use of materials	73
1.1 Our vision	5	2.3.5 Reporting on material issues	34	3.5.2 Energy production and consumption	74
1.2 Group highlights	6	2.4 Creating value	36	3.5.3 Usage of water resources	77
A PRESENT THAT COMES FROM AFAR	9	2.4.1 The development strategy	37	3.5.4 Emissions	77
2.1 The Group today	12	2.4.2 Investments	38	3.5.5 Waste	79
2.1.1 The activities	12	2.4.3 Added value	38	WE SHARE WELL-BEING AND DEVELOPMENT WITH OUR COMMUNITIES	83
2.1.2 Markets served and positioning	13	2.4.4 Suppliers - Sustainability partners	40	4.1 Local development and support to populations	84
2.1.3 Local presence	14	2.5 Development of human capital	44	4.1.1 Socio-economic impacts: direct, indirect and induced	84
2.1.4 Group organisation and structure	16	2.5.1 Our team	48	4.2 The community in Italy	86
2.1.5 Memberships	18	2.5.2 Developing skills	49	4.3 The community in Peru	90
2.1.6 Prizes and Awards	18	2.5.3 Quality of work: health and safety	54	4.4 The community in Madagascar	92
2.1.7 Certifications	19	2.5.4 Skills enhancement and performance evaluation	59	WE RESPECT AND PROTECT THE RIGHTS OF PEOPLE	95
2.2 Governance	20	OUR COMMITMENT TO THE FUTURE OF THE PLANET	61	5.1 Respect for and protection of the rights of all those who are involved in our activities	96
2.2.1 Model 231/2001	21	3.1 Research and innovation	64	Note on methodology	102
2.2.2 Code of Ethics and values	22	3.2 Rural electrification in Peru	66	Tables of data and indicators	106
2.3 Tozzi Green's approach to sustainability	24	3.3 Agriculture in Madagascar	68	Content index	120
2.3.1 The guiding principles: UN Global Compact	24	3.4 Agriculture in Italy	70		
2.3.2 Adherence to the Sustainable Development Objectives	26				

Letter from the CEO to stakeholders



The two-year period 2020-2021 will go down in history as the years of the pandemic, a tragic conjuncture that globally united the fate of Mankind, challenging Nations and science, and taking a toll of millions of victims. The world of business and labour too had to adopt exceptional measures, which strained their organisational skills and ability to respond to uncertainty.

Last year, the events of the COVID-19 emergency somewhat diminished global interest in the UN Climate Change Conference, COP26, held in Glasgow in October 2021. I hope we shall soon overcome the pandemic, as on several occasions in the past. No doubt science and research have contributed towards recovery, and will do so whenever such events occur. This will not be the case for climate change, which is irreversible and whose effects are progressively worsening. The Glasgow Conference finally raised unanimous awareness of the need to save the climate, but nations are struggling to define and implement effective measures.

Each social actor cannot wait for others to take action but must, instead, implement the effective solutions indicated by science.

Tozzi Green, whose Code of Ethics is particularly focused on environmental values, and which adheres to the UN Global Compact, was established to respond to energy needs with environmentally friendly solutions, and to develop an innovative agricultural activity capable of contributing towards improvements in local flora and biodiversity.

Tozzi Green's contribution to improving the local environment and the conditions of people who live there is underpinned by the concept that acting effectively requires responsibility, a practical approach and competence. Nothing can be just improvised; hence, the need for a long-term perspective, precisely to make an effort today in order to achieve lasting improvements in the quality of life of future generations.

The company operates globally in three continents, but invests locally, putting down roots in the territories and always striving to listen to and collaborate with people, consistently with a model of social responsibility. It proposes concrete solutions to environmental and economic issues, with a view to participatory development. The company applies its expertise, continuously enriched by its commitment to research programmes designed to study solutions and make them economically viable.

This vision and the resulting objectives formed the basis for the 2020-2021 period, despite the additional challenge of the pandemic, which affected our work without, however, reducing production activity, and only partly slowing down development programmes.

As evidence of our social and environmental strategy, I would like to mention a few projects I am particularly proud of, referring you to the text, which comprehensively illustrates everything that has been done.

In the field of research, in addition to continuing partnerships on multi-year projects conducted in Italy and Madagascar, we have converted our laboratories in Mezzano, which were formerly used for electrochemical research. Fully equipped and enhanced with our experience, they are now at the disposal of young researchers presenting innovative proposals. Tozzi Green plans on strengthening its role as an incubator of innovative ideas by supporting other promising experiments in the field of environmental sustainability.

The association ToGether, founded to develop the link with territories and non-profit activities, started operating in Italy late in 2019. When Tozzi Green invests in a country to both cultivate the land and produce energy, it always does so with a long-term perspective because the benefits of its work are seen in constant, patient and systematic enhancement over time. Our investments always have a multi-decade perspective. We want to directly run our own plants and improve the land. We want to make it clear that we are interested in involving the population, and are willing to meet local needs, especially when living conditions can be improved with dedicated actions.

This is actually what the company does. Indeed, the second edition of the Sustainability Report, which I am presenting here, testifies to the complex and diversified nature of our actions in favour of our stakeholders, despite the pandemic. It also testifies to the commitment of all employees, without whose enthusiasm and motivation to do and grow Tozzi Green would be just another business. A heartfelt thank you to all of them.

Andrea Tozzi, CEO of Tozzi Green

A handwritten signature in black ink, consisting of a large, stylized initial 'A' followed by a series of loops and a final vertical stroke.



WE CREATE SUSTAINABLE VALUE OVER TIME

Our vision.

We offer services and turnkey solutions for the development, construction and management of energy plants powered by renewable sources.

We develop industrial products that generate, distribute and control electricity both efficiently and sustainably.

We work with passion, precision and integrity, forming partnerships with clients, investors and collaborators, based on concrete objectives. We are a solid international concern with the hallmarks of innovation, organisation, efficiency and certainty of the results.

Our mission.

We work together with companies and local communities to create a world running on clean energy.

A new growth model based on economic development, social progress and environmental friendliness.

For a better life today, and to jointly lay the foundations for the well-being of future generations.



Group highlights in 2021

(GRI 102-7)

73.8 mln€
Revenues and other income

24.0 mln€
Value paid to suppliers

6.1 mln€
Income taxes

9.1 mln€
Remuneration
of staff

38.5 mln€
EBITDA

34.4 mln€
Added Value distributed
to stakeholders

WE LIGHT UP THE

	2021	2020	2019
Profits and other revenue (mln€)	73.8	88.3	147.3
Added value distributed to stakeholders (mln€)	34.4	34.3	44.5
Value paid to suppliers (mln€)	24.0	31.4	82.3
Remuneration of staff (mln€)	9.1	9.5	9.5
Income tax (mln€)	6.1	3.4	8.0
EBITDA (mln€)	38.5	45.0	57.0

118.56 MW

Total installed capacity

22%

Proportion of women among employees

	2021	2020	2019
Number of employees	648	515	632
Proportion of women among employees (%)	22.0	22.9	21.7
Newly hired in the period	224	187	191
Training hours provided	2,126	4,092	4,893



225,353 MWh

Energy produced

648

Number of employees

224

Newly hired in the period

527 MW

Capacity under management

2,126

Training hours provided

	2021	2020	2019
Total installed capacity (MW)	118.56	118.56	120.5
Energy produced (MWh)	225,353	238,939	262,985
Capacity under management (MW)	527	570	616



A PRESENT THAT COMES FROM AFAR

Our history and identity.

"We started early in the 20th century by providing lighting to a small village, when light was still a precious commodity available to the few.

We crossed the short century, creating an organisational structure, and broadening our know-how and expertise.

Today we bring clean energy to areas where entire communities do not have it. We are building, together with them, the history of the third millennium."

Andrea Tozzi, CEO of Tozzi Green



Tozzi Green is 'an organised family business'. It represents a synthesis of the positive characteristics expressed by the two concepts. Being a 'family' allows you to consider collaborators not only as resources, but as people, both for what they can give, and for what they are. The family run business involves its employees in an environment nurtured by the importance of gestures, such as discussions on informal occasions,

respect for traditions, as during the Christmas season, or surprises, such as the owners' birthdays which, considering the special milestones in their lives, become an opportunity to have a special party, a unique and powerful way to bring people together. Being 'organised' allows the company to grow and develop its business thanks to specific expertise of both managers and employees, and by acknowledging each individual's merit and responsibility.





2.1

The Group today

Tozzi Green S. p. A., with registered office in Via Brigata Ebraica, 50 - 48123 Mezzano (RA) (GRI 102-3), is a company specialising in solutions, services and projects for the development of power generation plants from renewable energy sources. Innovative ideas and solutions that look to the future are the key features of the company. Active in Italy and abroad, it stands apart for achieving complete horizontal integration of the entire chain: DEVELOPMENT > EPC > O&M.

One of the leading players in the world in rural electrification and sustainable rural development, Tozzi Green responds to the need for electricity in developing countries.

It deals with all power generation plants from renewable energy sources: hydroelectric, maxi wind, photovoltaic, biomass and biogas. Among the world's most important players in the field of rural electrification and sustainable rural development, Tozzi Green meets developing countries' need for electrical power supply. It develops innovative agriculture, especially in difficult areas where research is an indispensable ally in achieving significant economic results from poor soils.

2.1.1

The activities (GRI 102-2)

The Group's activities cover four integrated areas around renewable energy production.

DEVELOPMENT

Tozzi Green develops its own complete projects for the construction of plants powered by renewable energy sources worldwide. The projects enable the company to participate in international competitions mainly in developing countries of Africa and Latin America, but also in Asia. Starting with the development of an initial idea, the company carries out specialised studies and the planning required to obtain authorisation for the project and to ensure it can be funded.

In countries where projects can be independently developed via bilateral energy contract negotiations, Tozzi Green follows all the preliminary phases prior to the start-up of new plant construction projects by choosing the best location in terms of availability of natural resources and access infrastructures. It initiates and manages relations with the local communities involved, and organises the required authorisation and control procedures.

DEVELOPMENT
Development

EPC
Engineering, Procurement and Construction

O&M
Operation and Maintenance

EPC, ENGINEERING, PROCUREMENT AND CONSTRUCTION

The EPC activity is part of Tozzi Green's experience that, over time, has developed specialised skills in building its own assets and providing partners or clients with engineering services, besides procuring the necessary materials and fully managing the site.

O&M, OPERATIONS AND MAINTENANCE

Plant maintenance and operation are crucial aspects for its optimal function and maximum efficiency.

Tozzi Green offers a complete O&M service for medium and large plants powered by renewable energies, consisting of routine and special maintenance (refurbishment and start up), remote monitoring and management, and full service maintenance.

ASSET MANAGEMENT

Tozzi Green offers a wide range of services for the management of all administrative, regulatory, fiscal and environmental obligations related to the operation of plants powered by renewable energy sources, the sale of energy produced and related incentives, ensuring high profitability of the plants, preserving the value of the investment over time and ensuring compliance with current regulations.

2.1.2

Markets served and positioning

Tozzi Green's distinctive feature in the energy market is complete and transversal management of the entire renewable energy chain. This feature makes it possible for the company to stand out in the market, allowing it to offer customers the opportunity to benefit from a complete interlocutor that guarantees control of the entire process chain in all four renewable energy management technologies:



PHOTOVOLTAIC

Tozzi Green has been present for over 15 years in the development, construction and management of large installations.



HYDROELECTRIC

Tozzi Green operates with two plants in Madagascar where it is completing the construction of another, and is developing others in Italy and Latin America.



WIND

Tozzi Green operates three wind farms and nine mini-wind farms, all proprietary facilities, in Italy, and is committed to the further development of these technologies in southern Italian regions.



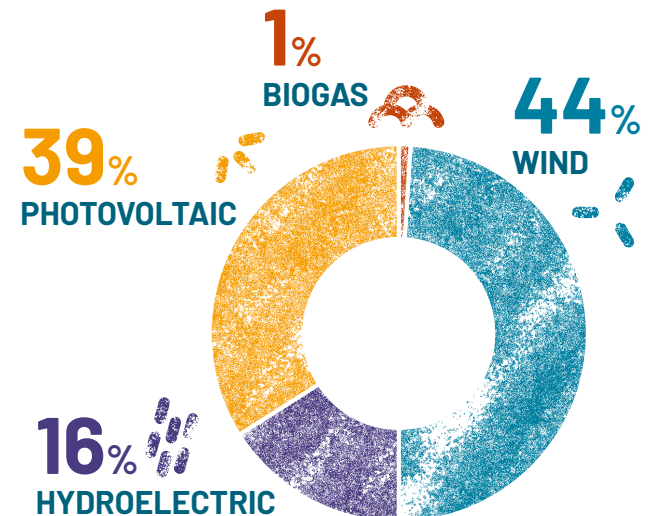
BIOGAS

Tozzi Green is active in Italy with a plant located in San Giovanni in Persiceto (BO).

Ranking among the world's leading players in the field of rural electrification and sustainable rural development, Tozzi Green meets developing countries' need for electrical power supply. The Group has carried out a unique project of rural electrification in Peru, studied to bring electricity to areas not connected to the national grid by using innovative distributed micro-generation systems called Solar Home Systems (SHS), which make use of solar energy.

The Tozzi Green Group's agricultural activities are mainly based in Madagascar, where some 7,300 hectares are cultivated. In Italy, a food chain has been developed to market cheese and wine.

TOZZI GREEN GROUP'S INSTALLED POWER BY TYPE OF RENEWABLE SOURCE





700 MW

Installed capacity

225,353 MWh

Energy produced

527 MW

Capacity under management

2.1.3 Local presence

Over a period of more than 30 years, Tozzi Green has built on its own account and on behalf of third parties a large number of plants totalling about 700 MW of installed capacity, powered by renewable energy sources and distributed over three continents. At the end of 2021, the power managed by the Group's companies reached 527 MW.

Tozzi Green's main site and the Group's headquarters are located in Mezzano di Ravenna, in the area where the company has its roots, while the foreign offices are located in Lima, Peru, and in Antananarivo, Madagascar, the two main countries where the Group carries out its business outside Italy.

Currently, the Group's assets, through its subsidiaries, are located in Italy (photovoltaic, wind and biogas), Madagascar (hydroelectric) and Peru, where a large rural electrification project has been implemented in partnership with the national government.

Tozzi Green is the largest player in the sector in Madagascar, where it directly and indirectly owns a portfolio of eight hydroelectric plants, two of which are operational (Maroansetra Project and Sahanivotry Project), one is under construction (Mahitsy Project) and five are currently being developed.

**FACILITIES MANAGED (O&M)
BY THE TOZZI GREEN GROUP IN 2021**

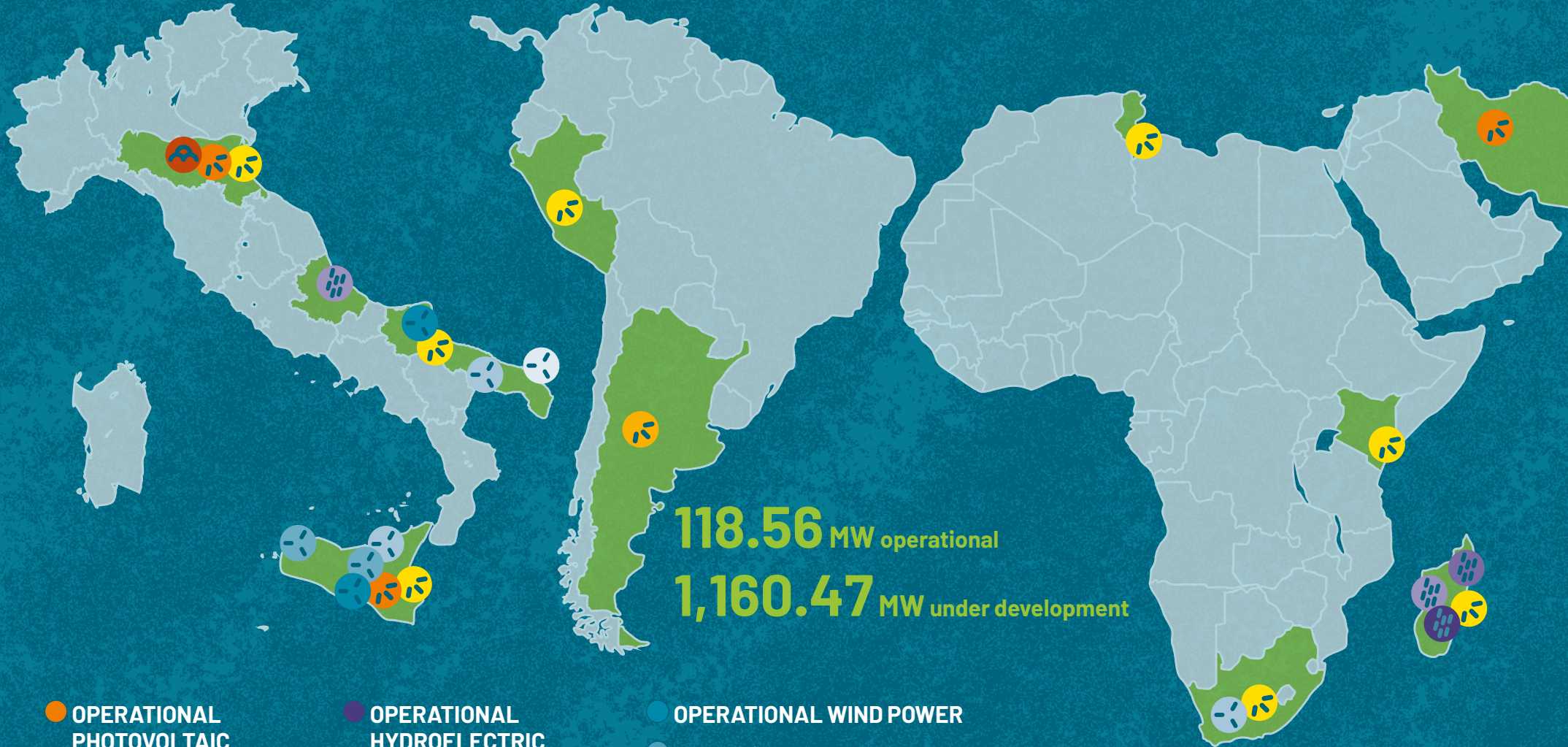
Technology	Location	No.
Photovoltaic	Italy	14
	Iran	1
Wind	Italy	12
Small wind turbines	Italy	9
Hydroelectric	Italy	2
	Madagascar	2
Biogas	Italy	1

As far as farming is concerned, Tozzi Green is present in the province of Ravenna with the company Solar Farm, the first Italian agrivoltaic project spanning 70 hectares of land, and in the south of Madagascar with JTF, which cultivates about 7,300 hectares of land.

ITALY

SOUTH AMERICA

AFRICA AND THE MIDDLE EAST



118.56 MW operational
1,160.47 MW under development

- OPERATIONAL PHOTOVOLTAIC
- PHOTOVOLTAIC UNDER CONSTRUCTION
- PHOTOVOLTAIC UNDER DEVELOPMENT

- OPERATIONAL HYDROELECTRIC
- HYDROELECTRIC UNDER CONSTRUCTION
- HYDROELECTRIC UNDER DEVELOPMENT

- OPERATIONAL WIND POWER
- WIND POWER UNDER CONSTRUCTION
- WIND POWER UNDER DEVELOPMENT
- OFFSHORE WIND POWER UNDER DEVELOPMENT

- OPERATIONAL BIOGAS

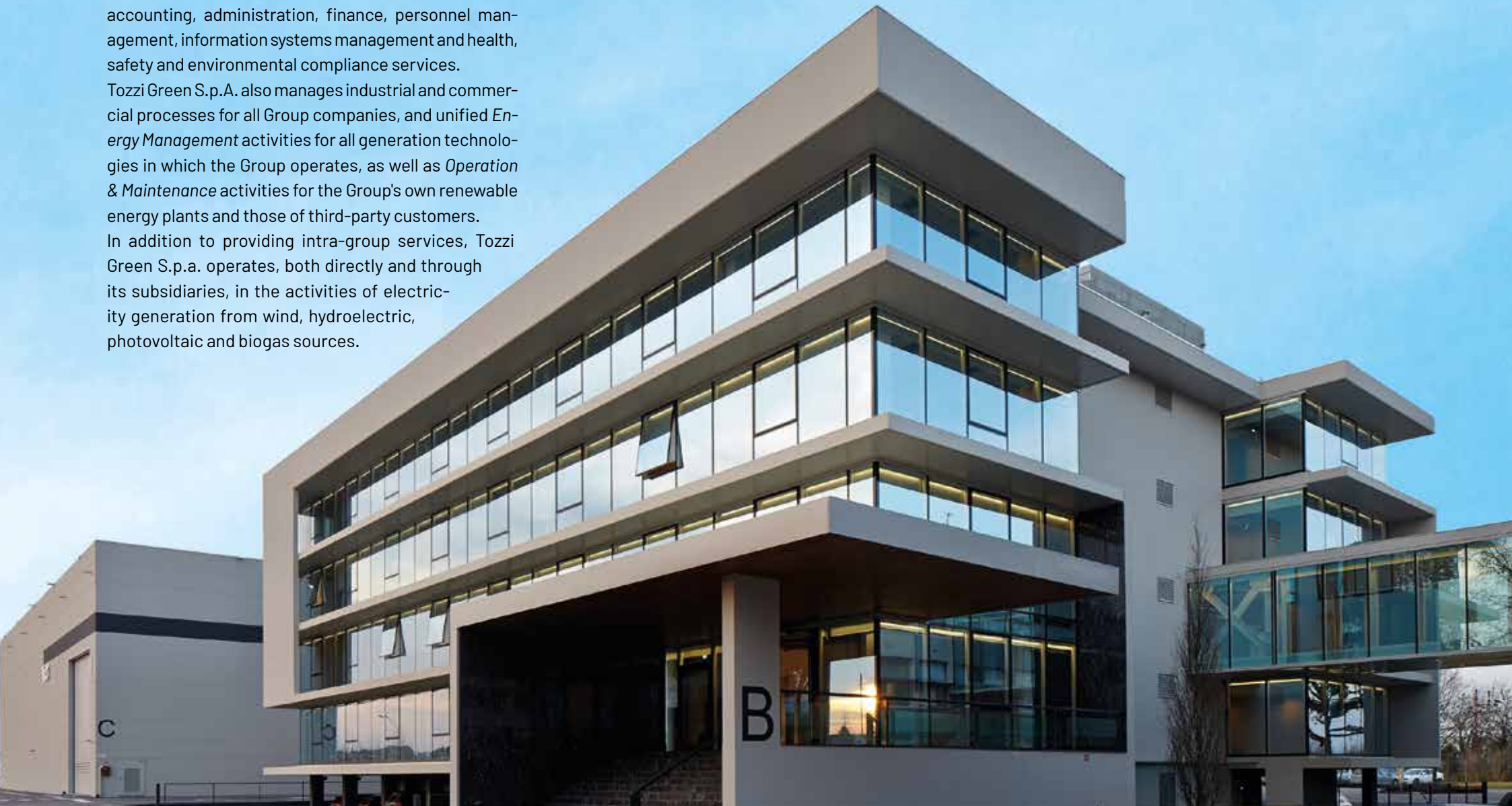
2.1.4

Group organisation and structure (GRI 102-18)

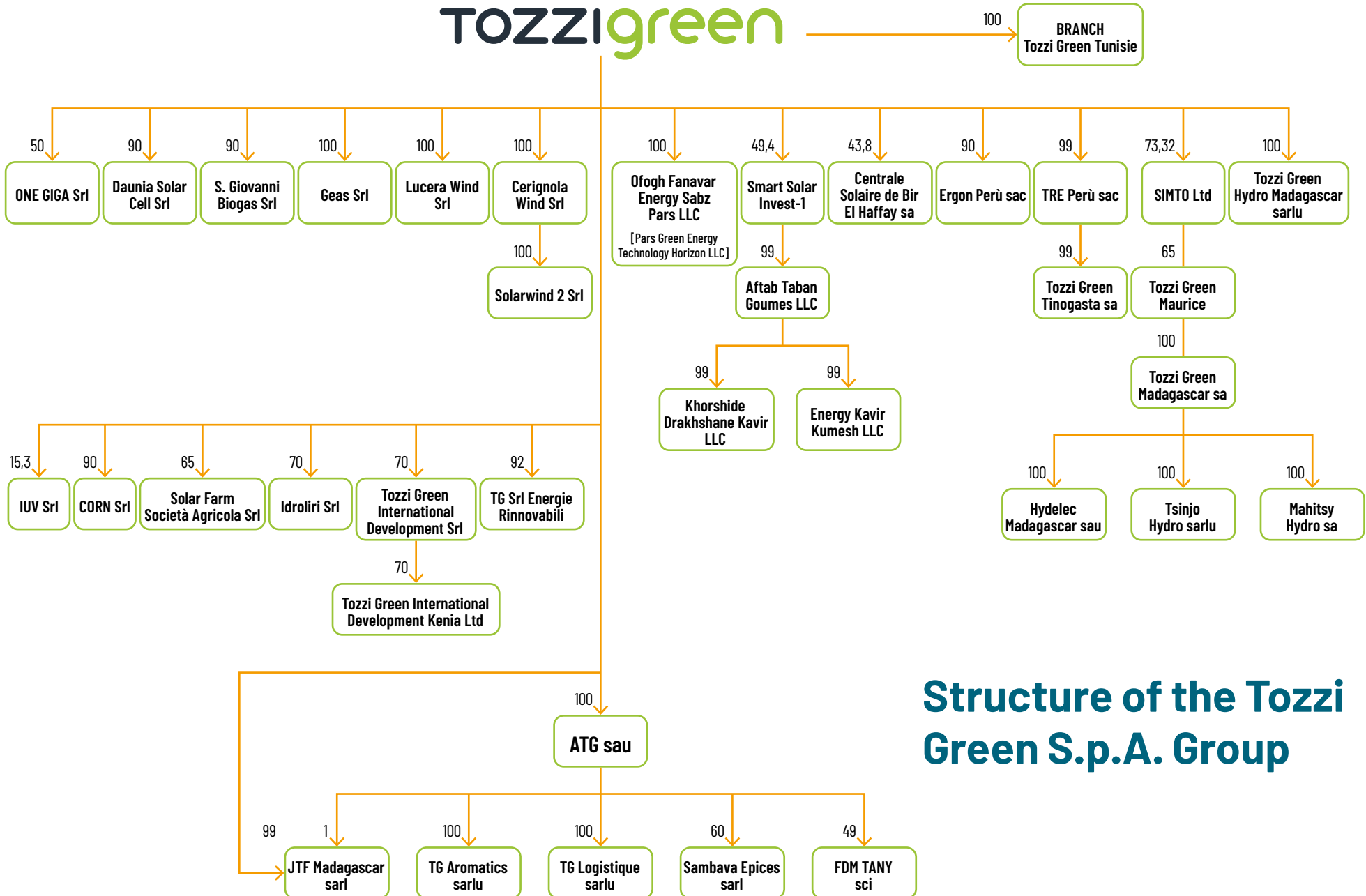
Within the Group structure, **Tozzi Green S.p.A.**, a wholly owned subsidiary of Tozzi Holding S.r.l., concentrates accounting, administration, finance, personnel management, information systems management and health, safety and environmental compliance services.

Tozzi Green S.p.A. also manages industrial and commercial processes for all Group companies, and unified *Energy Management* activities for all generation technologies in which the Group operates, as well as *Operation & Maintenance* activities for the Group's own renewable energy plants and those of third-party customers.

In addition to providing intra-group services, Tozzi Green S.p.a. operates, both directly and through its subsidiaries, in the activities of electricity generation from wind, hydroelectric, photovoltaic and biogas sources.



TOZZIgreen



Structure of the Tozzi Green S.p.A. Group

2.1.5

Memberships (GRI 102-13)

Tozzi Green adheres to:

- **ANEV**, Associazione Nazionale Energia del Vento (National wind energy association), which represents the interests of wind energy producers in Italy, with the aim of favouring the promotion and utilisation of wind energy in a balanced relationship between settlements and nature, and promoting research and technological development to make use wind as a resource and to use energy in a rational manner.
- **Elettricità Futura**, the Italian union of electricity undertakings, an industry association that is a member of the Confindustria system, and which represents the interests of leading national electricity producers.
- **ANIE**, a federation, which is a member of Confindustria; it brings together both trade associations formed between companies in the sector and, directly, companies falling within the remit of the associations that, in Italy, produce electromechanical, electronic and related goods and/or services.
- **Confindustria**, through its membership with the Unione Industriali di Ravenna.

During the 2021 financial year, Tozzi Green joined **Clust-ER Energy and Sustainable Development**, an association that promotes the transition of the Emilia-Romagna economy towards a system with a low environmental impact and less dependence on fossil energy sources, favouring a circular approach aimed at closing cycles. Companies operating in the Emilia-Romagna region as well as innovation centres and training organisations are members of the association.

Tozzi Green also joined 'La Nuova Energia', the Apulian district for renewable energy and energy efficiency. The district was recognised by the Apulia Region with a Council Resolution on 3 November 2010. It represents more than 300 companies, trade associations and trade unions, local authorities and research bodies, with the aim of safeguarding the territory and its economy through innovation, production, investment and competitiveness in the green economy sector.

Tozzi Green's membership with important industry associations is aimed at contributing towards organising the interests of the largest producers of electricity from renewable sources. The scope is to favour the energy transition, also through simplification of the bureaucratic authorisation procedures for new plants. In Italy, this delays the implementation of projects for years, creating great uncertainty.

2.1.6

Prizes and Awards



In 2021 Tozzi Green was among the ten finalists in the competition on business safety '**Premio imprese per la sicurezza**', involving 190 companies.

The award, organised by Confindustria and INAIL, encourages concrete commitment to safety at work, the most interesting projects and reference models for improving health and safety conditions in Italian companies.

Funding of the rural electrification project in Peru, conducted and implemented by Ergon Peru - a subsidiary of Tozzi Green S.p.A. - received a prestigious international award from LatinFinance, a leading provider of information on the financial markets of Latin America and the Caribbean.

The **Project & Infrastructure Finance Awards** is granted for the best transactions taking place in the region, together with banks, investors and law firms that carried them out. The authoritative award, based on numerous nominations from a wide range of industry participants, considered various factors including overall strategy, volume and diversity of transactions, innovation, foresight and quality of execution. The final response is the synthesis of extensive feedback from several qualified experts.



2.1.7 Certifications

In 2020, the company obtained important certifications covering quality, environment, health and safety for the following areas: development, design, purchasing management, start-up management, asset management, operation and maintenance of plants powered by renewable energy sources, and production of electricity from renewable energy sources.

Tozzi Green S.p.A.'s management system was approved by Lloyd's Register for compliance with the following standards:

ISO 9001:2015
certification concerning
the quality management model

ISO 14001:2015
certification concerning
the environmental management model

ISO 45001:2018
certification concerning
the health and safety management model



In 2021, the certification was also extended to the construction management activities in Madagascar and to the Tozzi Green Tinogasta site in Argentina.

The verification procedure aimed at obtaining the certification for 'installation, asset management, operation and maintenance of off-grid systems' activities was also initiated, identifying gaps and corrective actions to be taken at the Tre Peru organisation managing the rural electrification project. The procedure, which will be completed in early 2022, has already passed the product quality tests imposed by VeraSol, a third-party certification body specialising in Lighting Global Quality Assurance.

2.2 Governance

(GRI 102-18)

MATERIAL ISSUE:

Business integrity and ethics

The inspiring principles of the governance model are set out in the Group's Code of Ethics, adopted by all the companies that are part of Tozzi Green S.p.A., with particular reference to compliance with current regulations, fairness and professional reliability, and the absence of conflicts of interest.

The main objective of the set of rules and management practices is to protect the company's reputation as a condition for gaining the lasting trust of customers, business partners and stakeholders in general.

**MEMBERS OF THE BOARD
OF DIRECTORS**



Franco Tozzi
Chairman
born in 1936



Andrea Tozzi
Chief Executive Officer
born in 1969



Roberto Fagnocchi
Director
born in 1969

Tozzi Green S.p.A. is administered by a Board of Directors appointed by the Shareholders' Meeting, and meets the need for streamlined operations, which is enabled by the Group's family ownership structure. The Board in turn elects the Chairman and the Chief Executive Officer from among its members.

The company is wholly owned by Tozzi Holding S.r.l., an expression of the namesake family. The current

composition of the Board, which was appointed on 2 January 2020 and will remain in office until the approval of the financial statements as at 31 December 2022, sees Franco Tozzi, founder of the family business, as Chairman, Andrea Tozzi, representing the second generation, as CEO, and Roberto Fagnocchi, Group Chief Financial Officer, as Director. The Board of Directors held 13 meetings in 2020 and 7 in 2021.

2.2.1 Model 231/2001

The Board of Statutory Auditors performs the control functions provided for by legal provisions, and the Supervisory Body monitors and promotes the application of and compliance with the Code of Ethics. *Control & Risk Self Assessment* and *Gap Analysis* procedures have been introduced to carry out periodic analyses aimed at identifying corporate activities which expose Group companies to various types of risks and, in particular, to corruption offences (active and passive, public and private), to offences resulting from occupational health and safety violations, and environmental offences. Particularly concerning the risk of corruption in foreign countries where the Group operates, regular and systematic procedures have been established by the Quality Assurance and Quality Audit functions. In 2021, Tozzi Green revised a number of company documents to include specific indicators chosen to assess process performance. The annual financial statements of Tozzi Green S.p.A. are duly audited by a third-party primary auditing firm. Starting in 2020, the Sustainability Report will also be audited by third-party auditors.

The 'organisation, management and control model' provided for by Legislative Decree no. 231/2001 was introduced in the Company in 2013, and is complemented by a structured and comprehensive control system consisting of protocols and rules, tools for defining responsibilities, and mechanisms for monitoring corporate processes inspired by the following governance principles:

- 1. Clear definition of roles, tasks and responsibilities** of all those involved in carrying out the company's activities;
- 2. Segregation of control tasks, authorisation and registration of activities;**
- 3. The ability to check and document operations ex-post;**
- 4. Identification of preventive controls and checks ex-post, both automatic and manual.**

The Model provides for the rules of operation of the governing bodies in order to prevent corporate offences, the rules of conduct of personnel and associates in various capacities, and related training and dissemination initiatives, a system of sanctions that governs the way the corporate bodies operate, the Code of Ethics, the Supervisory Body, corporate controls and the integrated assessment and management of the risks of committing a crime.

Tozzi Green identifies aspects for improvement, and defines action plans to achieve the Model's objectives on the basis of Control & Risk Self Assessment activities. In 2021, Tozzi Green's Model 231 was revised for the third time, following the Guidelines proposed by Confindustria in the June 2021 version and the 'best practice' principles on controls (C.O.S.O. Report; Federal Sentencing Guidelines). The purpose of the revision was to ensure that the Model was constantly updated to take into account the evolution of the potential risks to which the company's activities are subject. The mapping of direct and indirect sensitive or instrumental activities was updated based on the results of the application of *Control & Risk Self Assessment* and *Gap Analysis* procedures.

OBJECTIVES AND BENEFITS

Updating Model 231 to provide the company with effective and efficient tools for **better management and control of processes.**

Protecting the company by creating the **exemption conditions** to avoid incurring in the highly stringent sanctions provided for by the Decree.

Responding to **market demands** from customers, financing bodies, public administration, social partners, etc. in order to obtain contracts, tenders, access funding, incentives, etc.

Protecting the Board of Directors from exposing the Company to liability risks on account of Model 231's lack of efficacy.

Improving the existing Code of Ethics to take into account Tozzi Group's developments in order to make it an increasingly effective and shared tool.

2.2.2

Code of Ethics and Values

“ Indeed, the way our ethics are expressed in the code is nothing more than the graphic representation of a *modus operandi*, of a vision of the world and of the business itself. We do not operate ethically by relying on an extensive written document; rather, the cornerstone of our shared protocol could be viewed as the summation of the way we perceive our work.

Andrea Tozzi, CEO of Tozzi Green

”

Tozzi Green's activities are inspired by the highest values expressed by the business community, firmly believing that they should inspire everyday actions and not be invoked instrumentally. The company's origin and history testify that the values of integrity, fairness and transparency are inherent in doing business and inspiring relationships with all stakeholders.

Tozzi Green joins the Business Integrity Forum (www.tozzigreen.com/contrib/uploads/Kit_1-Carta-Principi-Etici.pdf), promoted by Transparency International Italia, which brings together large Italian companies that are already active on integrity and transparency issues, and which are committed to preventing and combating corruption in business practices by adopting and disseminating anti-corruption tools and practices and a widespread culture of legality.



Tozzi Green's Code of Ethics (www.tozzigreen.com/contrib/uploads/Tozzi-Green-S.p.A._Codice-Etico_ITA-ENG-FINAL.pdf), adopted by all Group companies, defines the set of ethical and social standards that directors, staff and collaborators in various capacities undertake to follow, over and above due compliance with the law.

The declared values have been part of the corporate identity since the very beginning, and find their roots in the behaviour and values of the Tozzi family.

The values declared in Tozzi Green's Code of Ethics and applied to all Group companies are also applied to the Company's internal relations and with the external stakeholders:

“ Under no circumstances may the belief that one is acting for the benefit of the Group's companies justify the adoption of conduct contrary to these Values. (Section 'Reference Values', Tozzi Green Code of Ethics). ”

Pursuant to Law 231/2001, the Company has set up a Supervisory Body (SB) to monitor the application of the Code of Ethics and compliance with the principles set out therein.

Tozzi Green S.p.A.'s SB includes the Chairman, who is a professional figure from outside the Group, and an internal member, precisely the Group's legal officer. The term of the SB members expires with the renewal of the Board of Directors.

A specific SB for Solar Farm, which will be monocratic and external, is planned for 2022. The SB met regularly on a six-monthly basis in both 2020 and 2021.

Tozzi Green's SB avails itself of a Whistleblowing process, which allows reporting of episodes of violations of the Code of Ethics, through a confidential channel that protects the privacy of the reporting person.

Supervisory Body activities and the Whistleblowing channel have revealed no cases of violations of the Code of Ethics to date.

THE TOZZI GREEN MAP OF VALUES

	incoming	outgoing
INNOVATION	Curiosity and the capacity to think outside the box, optimising and streamlining the organisation and processes.	Ability to create original solutions, through research and development, technical skills, experience and cutting edge technology.
DYNAMISM	The ability to constantly accept challenges in different projects with an open and cooperative spirit.	Consulting services and integrated customised solutions that meet the specific needs of clients, partners and investors.
PASSION	People who work together with enthusiasm, determination and the constant desire to achieve new goals and increasingly ambitious objectives.	A close-knit and determined team of professionals, who work to achieve concrete results.
SOLIDITY	Experts who work with precision and care to ensure reliability, efficiency and effectiveness. A team of serious, determined professionals.	A stable, healthy company with an effective and well-established business model. A history built on tangible results, precision and professionalism.
ETHICS	Integrity and commitment to the company as a whole: team, colleagues, customers, suppliers, partners and investors.	Loyalty, integrity and transparency. Care for the environment, land and people. Commitment to the well-being of future generations.

2.3

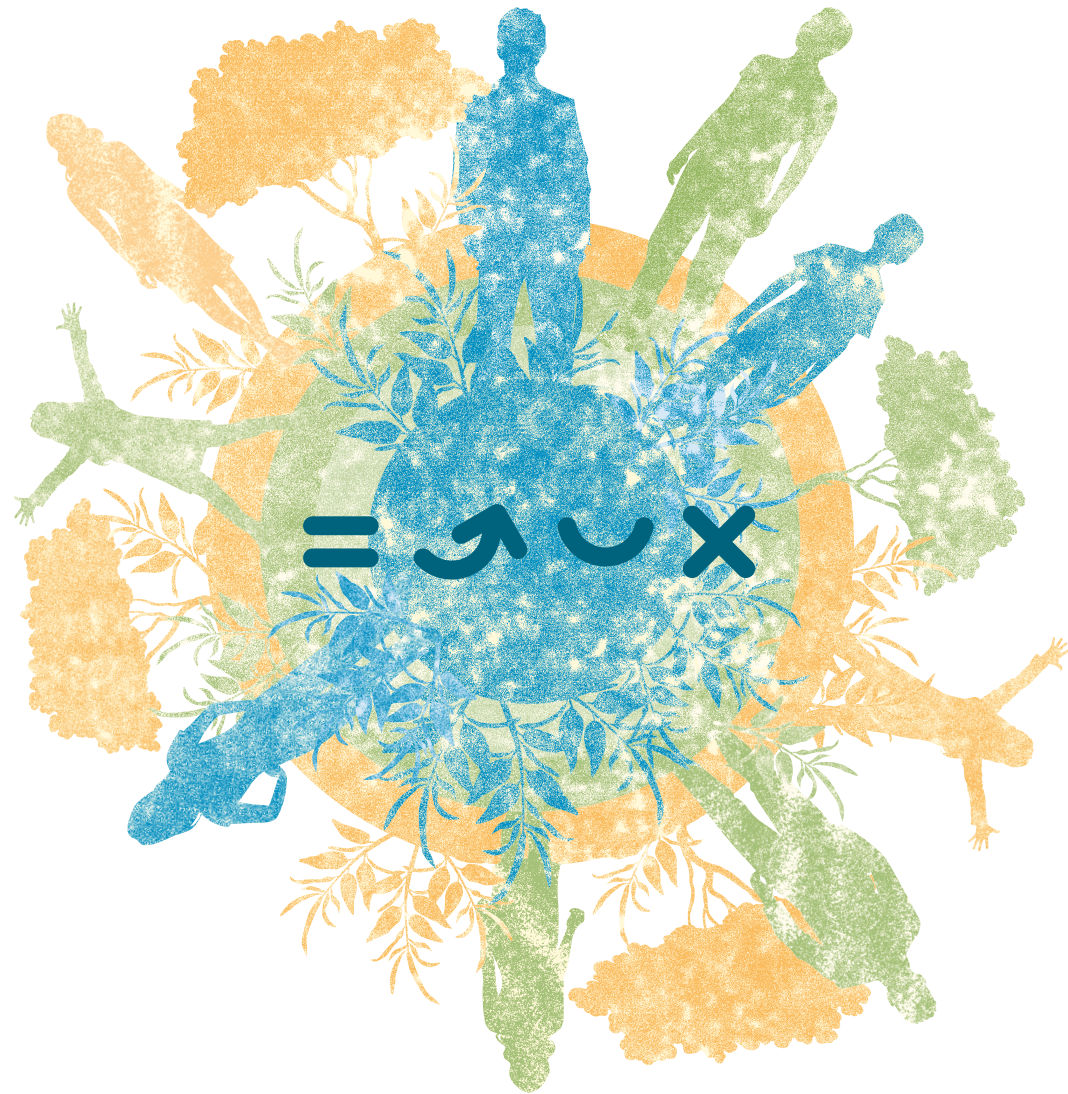
Tozzi Green's approach to sustainability

2.3.1

The guiding principles: UN Global Compact

Since 2019, Tozzi Green has voluntarily adhered to the UN Global Compact (GRI 102-12), pledging to include in its strategy the principles declared for all four areas: respect for human rights, protection of the quality of work, pursuit of environmental sustainability, and fight against corruption.

The ten principles of the Global Compact are mirrored in the Group's Code of Ethics, and define Tozzi Green's approach to sustainability. They directly affect the company's identity, mission, which is the production of renewable energy, style and substance of relations established both institutionally and informally with all stakeholders, the conditions of the miscellaneous international context in which the company operates, which includes very unequal technological, social and economic settings.



United Nations Global Compact

Global Compact is the world's largest corporate sustainability initiative. Promoted by the United Nations, it aims to encourage companies around the world to adopt sustainable policies, in compliance with corporate social responsibility, and to make the results of the actions undertaken public.

The 10 principles of the UN Global Compact



HUMAN RIGHTS

- 1** Support and respect universally recognised human rights in the context of a business's respective sphere of influence.

- 2** Make sure the business is not, even indirectly, complicit in human rights abuses.



LABOUR

- 3** Uphold the freedom of association of workers and recognise the right to collective bargaining.

- 4** Support the elimination of all forms of forced and compulsory labour.

- 5** Support the effective elimination of child labour.

- 6** Support the elimination of all forms of discrimination in employment and occupation.



ENVIRONMENTAL SUSTAINABILITY

- 7** Support a precautionary approach towards environmental challenges.

- 8** Undertake initiatives that promote greater environmental responsibility.

- 9** Encourage the development and diffusion of environmentally friendly technologies.



ANTI-CORRUPTION

- 10** Work against corruption in all its forms, including extortion and bribery.



2.3.2

Adherence to the Sustainable Development Objectives



As part of the Global Compact, in 2015 the United Nations approved a Global Agenda for Sustainable Development, which is urgent, given the progressive deterioration of the environmental conditions of our Planet. It encourages not only businesses, but all economic and social actors, including nation states, to commit to 17 goals by 2030 (SDGs, Sustainable Development Goals).

Tozzi Green believes that much of the 17 SDGs are part of the company's way of being and operating, in Italy, but especially in Madagascar and Peru.



Tozzi Green can contribute to the pursuit of the following SDGs, either directly, by incorporating them in its activity, or indirectly, as consequences that one's activity may have on the territory and populations of the areas in which it operates.

Tozzi Green has always been committed to making its basic choices in these areas known to key stakeholders, involving them in specific ways.



The large project of rural electrification initiated in Peru, directly supplies electricity to local homes, schools and medical facilities, helping to create

the conditions to improve housing conditions and medical care. The same goal was pursued in Madagascar by providing a local community with a hospital.



This was pursued by building a school for a local community in Madagascar, and by publishing teaching material in several languages for environmental education in Italy, Peru and Madagascar.



Although action to foster balanced development is the primary task of national governments, Tozzi Green can contribute to the pursuit of this goal in low income countries, whose populations can benefit from the energy infrastructures produced by clean technologies adapted to the developing context. Tozzi Green's activities also contribute to local employment and, thus, directly raise the per capita income of the regions in which it operates.



Developing agriculture in Madagascar, aimed at increasing the farmland heritage and largely dedicated to internal consumption, contribute to increasing the country's agricultural productivity, and to directly meeting the domestic food demand.



The goal of effective gender equality is pursued as a company policy, towards all staff, but it is also pursued as women's empowerment in communities based in Madagascar, directly through sponsorship of the national women's rugby team, and indirectly through the use of domestic energy in Peru.



The creation of water distribution and drinking water systems for rural communities in Madagascar contributes to improve basic living conditions.



The company's main objective is to provide renewable energy to those who lack it.



Supplying clean energy to areas that need it offers an opportunity for economic development, and creates coveted local jobs.



Tozzi Green's innovative industrial approach is aimed at building infrastructures.



Tozzi Green's specific contribution to reducing inequalities focuses on bridging the gap between rich countries and poor ones.



Tozzi Green's responsible production concerns renewable energy, but the company is also committed to supporting responsible consumption through sustainable agricultural activities and by identifying synergies between agriculture and industry.



In the industrial scene, Tozzi Green contributes to combat climate change by setting up plants that do not release emissions. In the agricultural field, new drought-resistant species are being tested, which are able to improve soil characteristics.



In Madagascar, plans for reforestation and to improve degraded land contribute to both defend and enrich local biodiversity.

2.3.3

Stakeholder involvement

(GRI 102-43)

When developing corporate activities and managing the various competencies, the Group's Management maintains relations with the main categories of stakeholders on an ongoing and systematic basis, through both institutional and informal channels. Such interaction is always transparent and guided by goodwill.

The presence in different countries and continents leads Tozzi Green to interface with stakeholders who speak different languages, respond to local regulations and have a wide range of different interests. Consequently, the method of communication must be specific and based on in-depth knowledge of the places and interlocutors in order to best respond to the demands of the different territories.

Tozzi Green's Code of Ethics requires the Company to cultivate fair and transparent relations with all stakeholders without discrimination, in a climate of fair competition in the market and of constructive cooperation in the institutional scene, respecting each one's legitimate interests.

The Company has drawn up an analytical map of stakeholders globally, identifying their representatives in order to involve them in defining the material issues to be reported for the 2020-2021 edition of the Sustainability Report (see Methodological Note). The result of the consultation reconfirmed the validity of the material themes reported in the previous edition of the Sustainability Report¹.

Tozzi Green cultivates fair and transparent relationships with all stakeholders without discrimination, in a climate of fair competition in the market and constructive cooperation in the institutional context, respecting each one's legitimate interests.

The map takes into account the fact that a company's stakeholders are divided into two categories, namely internal stakeholders who contribute the two factors of production, precisely capital and labour; and external stakeholders. The latter are, in turn, divided into economic stakeholders who contribute to the company's value chain, both upstream (suppliers) and downstream (customers), and all other stakeholders who

¹In December 2021, Tozzi Green decided to update and complete the materiality analysis used in the previous edition of the Sustainability Report by systematically collecting the opinions of a qualitative sample of stakeholder representatives and of all front-line management staff of the Group. A dedicated standard questionnaire offered the opportunity to rank the importance of topics covered in the previous edition, and to check their completeness by explicitly asking what other relevant topics the respondents would like to suggest. Suggestions concerned a minority of the respondents and very diverse topics, mostly related to those already proposed by the Sustainability Committee (GRI 102-44).

are primarily socially relevant, and who contribute to populating the network of mutual influences in which a company operates.

Internal stakeholders are staff and shareholders. Personnel are the human capital at the company's disposal, in terms of skills, experience and innovative capacity. In turn, the company is committed not only to ensuring material security for employees and their families, but also a high quality working environment and growth potential, consistently with each individual's aspirations. The shareholder controls Tozzi Green through the family holding company, ensuring the necessary financial resources for long-term development.

The company complies with the environmental and social sustainability practices of international financing institutions, such as the IFC, International Financial Corporation, an important stakeholder, an extension of the World Bank in promoting growth in developing countries.



Stakeholders are involved during meetings covering all project phases, from design to execution of works, for which local contractors are always privileged.

Stakeholders who contribute to the value chain, such as suppliers and business partners, are first of all asked to adhere to the values and commitments set out in the Code of Ethics and in Model 231/2001.

The Group's internationalisation strategy has entailed the development of a systematic dialogue with financial market players with whom the company has shared its development plans. The preliminary investigations, which precede the granting of loans, are an opportunity to improve the process of formulating policies and procedures in order to enhance Tozzi Green's credibility in international financial markets, while also fine-tuning its sustainability policies.

As a producer of energy from renewable sources, the Group operates in markets that are strictly governed by local, national and European regulations. In the various non-European countries where the company conducts business, it adapts to current legislation and its devel-

opments. In this context, maintaining and developing relations with the institutions and their representatives in the local areas through continuous and transparent dialogue is a central and strategic issue.

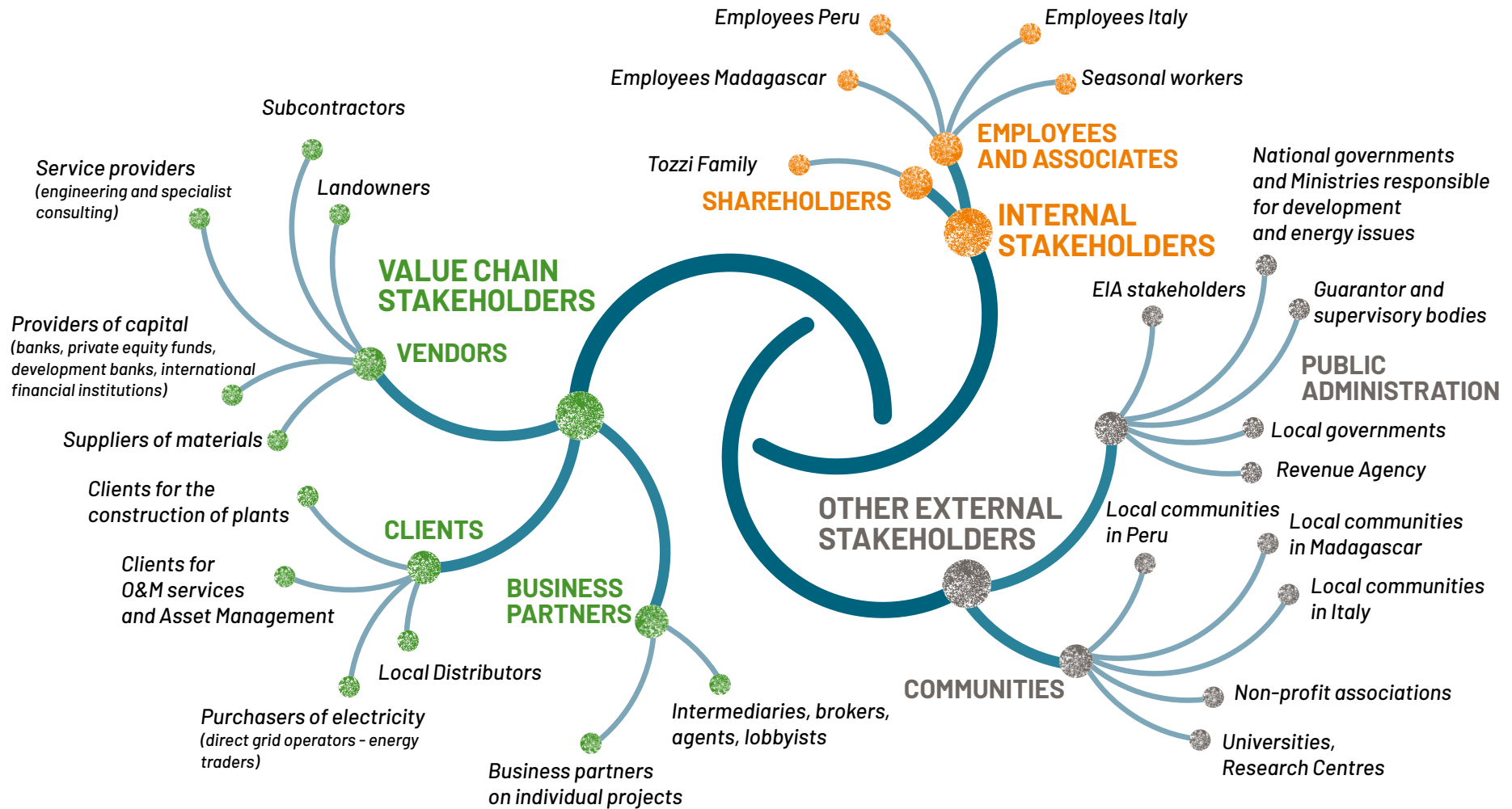
In developing countries, interaction with national and local institutions is always characterised by the utmost fairness, and is aimed at finding the best solutions to the problems affecting communities. These problems can be directly related to solving basic shortages, such as the availability of electricity or the subsidiary function in the development of health, basic education and even infrastructural services, which is sometimes required of the company.

Hence, the relationship that Tozzi Green establishes in the places of its business is not limited to procedural compliance, to a formally correct relationship with institutions, but involves the local populations by listening to them and by identifying practical solutions together.

Involvement during formalised meetings covers all phases of the project, from design to execution of the works, for which local contractors are preferred, where possible.

In the case of new projects, which imply the construction of an energy plant, stakeholders are always involved at multiple levels, with the public body (central and/or local authority); with private parties, who give up property rights and receive compensation or rent; with local communities, whose collective needs are identified and protocols are agreed upon together, committing the company to support the implementation of services aimed at meeting these needs.

STAKEHOLDER MAPPING
(GRI 102-40)



2.3.4

Corporate Policy for social responsibility

Tozzi Green has defined a Corporate Social Responsibility Policy addressed to all stakeholders in order to strengthen its commitment in this field and enhance its efficacy, in accordance with the SA8000 (Social Accountability) standard approach.

To this end, Tozzi Green S.p.A. and its subsidiaries undertake to pursue the following:

1 Legislation

Compliance with international instruments, local and national laws, other applicable laws, prevailing industry standards and other requirements accepted concerning Social Responsibility.

2 Child or forced labour

- a)** Combating child labour and/or forced labour. It also applies to all partners in the supply chain, such as: suppliers, sub-suppliers, sub-contractors, if it is explicitly recognised;
- b)** non-employment of young workers who have to attend compulsory education and, in any case, aged under 18 years.

3 Health and Safety

- a)** Ensuring safe and healthy working environments;
 - b)** prevention of accidents and potential harm to health;
 - c)** appropriate risk assessment and implementation of control measures for all staff, including workers who have recently given birth, are pregnant or breast-feeding;
 - d)** provision of appropriate PPE to personnel based on the findings of the risk assessment, and availability of the First Aid Service for all personnel;
 - e)** appointment of a Senior Management Representative in charge of implementing health and safety requirements;
 - f)** creation of a Health and Safety Committee, well balanced between management and workers' representatives, with appropriate training updated at regular intervals and
- in charge of conducting periodic, formal Risk Assessments to identify any gaps between actual and potential risks, and the preventive and/or corrective actions taken;
- g)** effective initial and periodic health and safety training, both general and job-specific, for all staff, including in the event of a change of task and/or the introduction of new risks;
 - h)** effective implementation of documented risk assessment and mitigation procedures, including records of accidents occurring in the workplace or in facilities provided by the Company;
 - i)** guaranteed free access of all staff to: clean toilets, drinking water, suitable premises to have meals and for the storage of food, when envisaged;
 - k)** ensuring that any sleeping quarters provided for staff are clean and adequate for their basic needs;
 - l)** the right to leave the workplace for all staff in case of imminent and serious danger.



4 Freedom of association and collective bargaining

Ensuring the right to freedom of association and collective bargaining for all staff, without interfering in the establishment, operation, or management of workers' associations or collective bargaining processes and without discriminating against workers involved in such associations.

5 Discrimination

a) Ensuring equal opportunities rejecting any form of discrimination in recruitment, remuneration, access to training, promotion, termination of the contract or retirement of workers on the basis of ethnicity, national, territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, trade

union membership, political opinion, age or any other condition that might give rise to discrimination;

b) non-interference with the right staff have to follow principles or practices, or to meet requirements related to conditions that could give rise to discrimination;

c) prohibition of threatening, abusive or coercive behaviour, including bullying

6 Disciplinary measures

Rejection of any working conditions characterised by exploitation, as well as forms of mental and physical coercion including verbal and psychological abuse and corporal punishment.

7 Working hours

a) Compliance with laws, standards and collective bargaining concerning working hours, holidays and vacation leave;

b) working overtime only on a voluntary basis, or request for overtime work in response to market demands in the short term, always complying with requirements established for working time.

8 Remuneration

a) Ensuring decent wages in accordance with legal standards or minimum standards for the sector or collective agreements and, in any case, sufficient to meet the basic needs of staff, besides providing some discretionary benefit;

b) compliance with the need for transparency concerning ordinary and overtime pay; the latter are applied with the surcharge provided for by applicable laws or collective bargaining;

c) prohibition to adopt schemes studied to avoid compliance with obligations towards personnel under the applicable regulations, such as "labour-only" contracts.



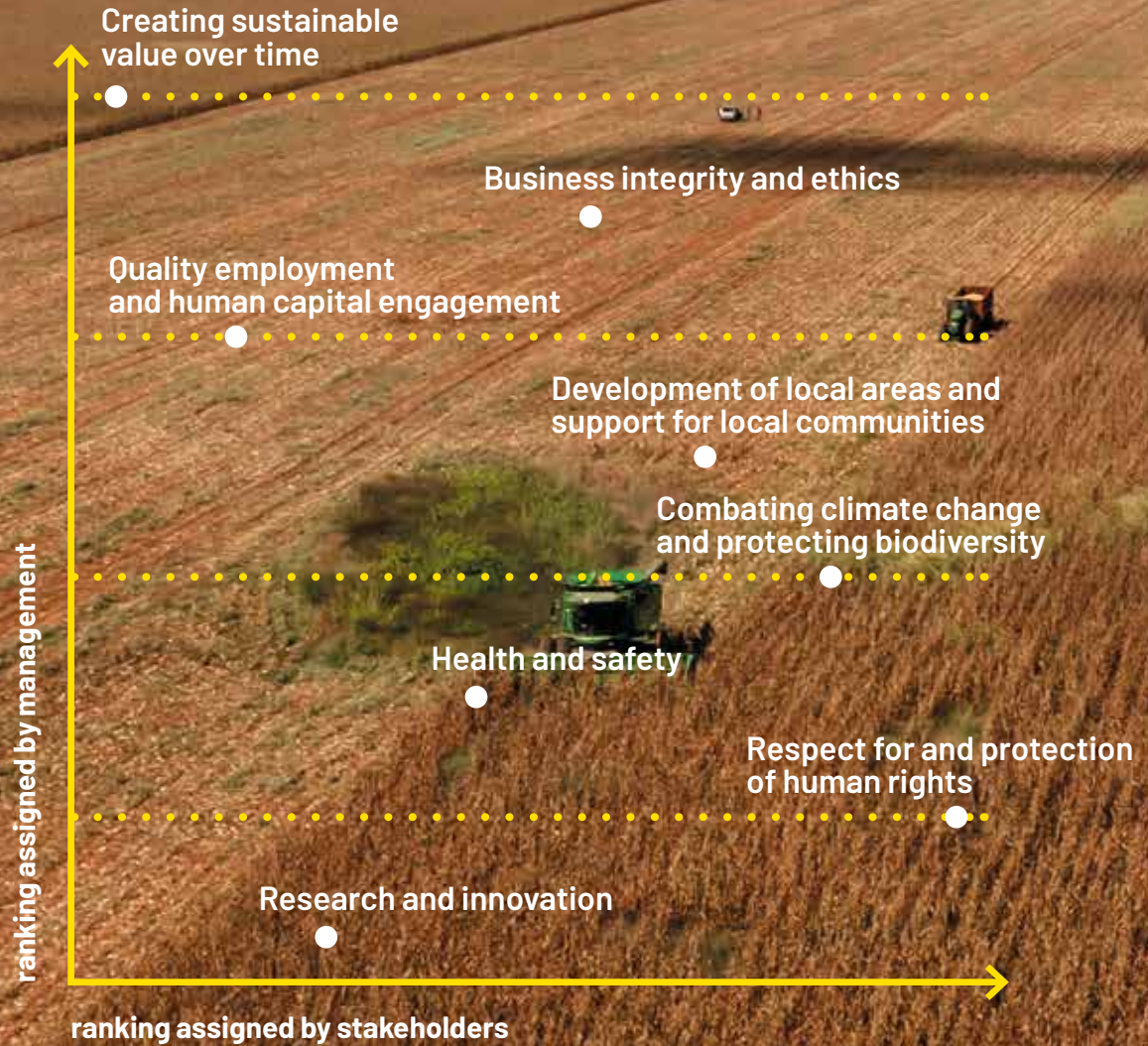
2.3.5

Reporting on material issues

Tozzi Green has defined the relevant issues, which are the subject of reporting, in light of the Code of Ethics, the Corporate Social Responsibility Policy, the assessment conducted by the management meeting held on 25 November 2021 as the Sustainability Committee for drawing up the Sustainability Report, edition 2020-2021, and the results of the consultation with stakeholder representatives, conducted during the month of December 2021.

The issues identified are specified below.

TOZZI GREEN'S MATERIALITY MATRIX, BASED ON THE SURVEY CONDUCTED IN DECEMBER 2021



SCOPE
SOCIAL

MATERIAL ISSUE:
Business integrity and ethics

Fairness and honesty are considered indispensable at Tozzi Green for a company that wants to organise itself in the territory and achieve success in the globalised world. Only by keeping faith with these principles is it possible to create a climate of consensus around the business activity. Reliability is a guarantee with no time limit. These principles apply to the Group and to the family that leads it. They are cultivated and shared with all staff.

SCOPE
SOCIAL

MATERIAL ISSUE:
Health and safety

"Health and safety at work" refers to management systems aimed at protecting the physical and moral integrity of staff, and at reducing the number of accidents and occupational diseases, as well as health and safety training and awareness-raising activities for employees, in accordance with local laws and regulations.

It also concerns all measures taken by the company to ensure safe working conditions during a pandemic, such as the present one.

SCOPE
STAFF

MATERIAL ISSUE:
Quality employment and engagement of human capital

One of the key factors for success of the enterprise are the "right" people without whom you cannot be competitive. The lifeblood of the company is found in a team of motivated personnel who feel the company as their own and who, with their ideas, offer daily contributions to solving critical issues. The company is committed to developing the skills of each individual and investing in their professional growth.

SCOPE
ECONOMIC AND SOCIAL

MATERIAL ISSUE:
Creating sustainable value in the course of time

Tozzi Green is committed to creating value for the benefit of all stakeholders in the long-term. Part of this value is therefore used to ensure innovation and to strengthen the company's financial soundness, in order to guarantee solid and long-lasting corporate development. The legitimate aspiration to ensure investor remuneration is balanced by the objective of meeting the needs of all relevant stakeholders.

SCOPE
ECONOMIC AND SOCIAL

MATERIAL ISSUE:
Development of local areas and support of the populations

Renewable energy and innovation are the indispensable elements for the future of the Earth. Hence the importance of bringing the best business experiences to developing countries, fostering their economic and social growth. The development of health and education services and support for economic activities improve the daily living conditions of the local population and create an environment that is better able to meet people's basic needs.

SCOPE
RESPECT FOR RIGHTS AND COMPLIANCE

MATERIAL ISSUE:
Respect for and protection of human rights

Alongside the inalienable civil rights that must be guaranteed by states, the welfare of individuals also depends on the acknowledgement and protection of social, economic and cultural rights, which include, among others, the right to work, the right to education and the right to social assistance. Tozzi Green operates in areas of the world where it has the opportunity to contribute, within its means, to translating these rights into concrete opportunities.

SCOPE
ECONOMIC AND SOCIAL

MATERIAL ISSUE:
Research and innovation

Research in the field of alternative sources to produce energy, and of innovative tools to make use of energy sources available in nature, and to overcome problems arising from their discontinuity, has steered the Group's development from the outset. This has enabled expansion into the rural electrification sector, which accounts for a significant part of the business. By pursuing these research trends Tozzi Green has developed projects in countries where energy poverty still impacts a large part of the population. The Group's objective is to make electricity available in areas that are hard to reach via distribution networks. Research and innovation in agriculture are aimed at developing crop varieties that suit the specific characteristics of the local environment, and at improving agronomic techniques, which allow to make the most of the soil and to fertilise land saved from desertification.

SCOPE
ECONOMIC AND SOCIAL

MATERIAL ISSUE:
Countering climate change and protecting biodiversity

Energy production from renewable sources is Tozzi Green's «core business». It contributes to fight climate change by reducing CO2 emissions into the atmosphere, compared to the use of fossil fuels. «Biodiversity protection» means adopting conservation agriculture practices on heavily degraded land, along with the creation of new ecosystems, with particular reference to the agricultural production activities carried out by Tozzi Green in Madagascar, and to the educational farm experiences developed in Ravenna as part of the "photovoltaic meadow".

2.4

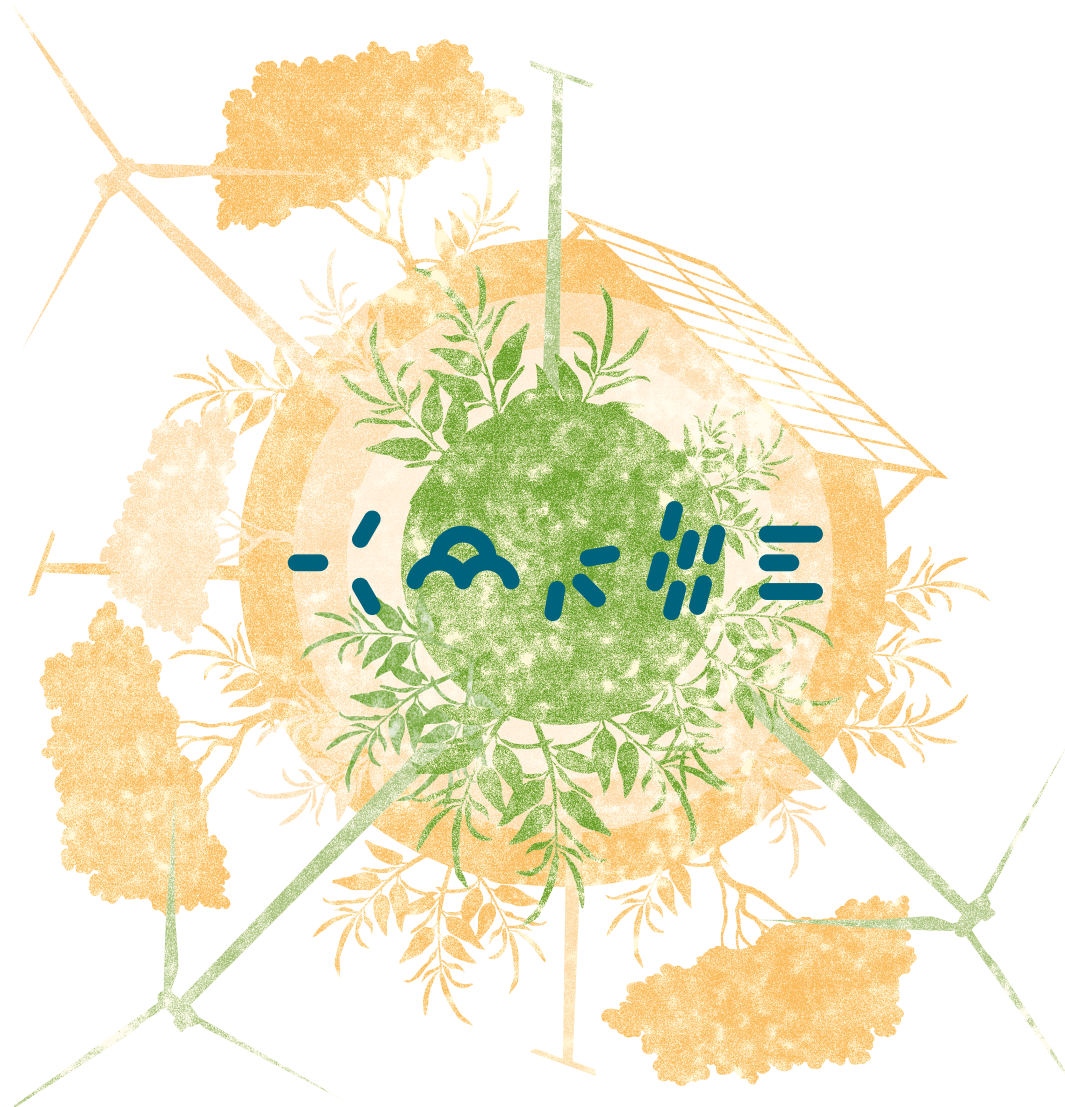
Creating value

MATERIAL ISSUE:
Creating sustainable value over time

Tozzi Green is a family-run company, which operates with a long-term development perspective, both in terms of economic results and the effects of the business on the sustainability of the planet.

The typical activity in favour of the energy systems of countries where the Group operates is, in fact, aimed at enhancing electricity production from renewable sources, thus proportionately reducing greenhouse gas emissions.

Long-term development thus implies investing in environmental protection and innovation, which is Tozzi Green's typical way of tackling market challenges.



The economic results are used to ensure long-term soundness and further development for the benefit of all stakeholders.

The Board of Directors periodically evaluates the economic performance, and makes the necessary decisions to pursue the company's objectives.



2.4.1

The development strategy

Tozzi Green is present in the entire renewable energy chain, and covers plant construction, operation and maintenance, besides energy production and sales. In Italy, operating in a highly regulated sector, where authorisations are the most uncertain factor, the company is able to promptly evaluate projects awaiting approval or which have already been approved, and to seize opportunities to acquire them at an early stage. Abroad, the company operates in countries where regulations are more favourable to energy development from renewable sources, and where the market is open to foreign operators. The goal is to increase installed power by consolidating the presence in countries already identified as targets, to remain open to the market to seize any interesting opportunities that arise, and to develop project capacity based on innovation.

CLIMATE CHANGE AND CORPORATE STRATEGY

Tozzi Green is focusing not only on reducing its carbon footprint with the environmental policy outlined in section 3.4, and on the opportunities that renewable energy sources represent for its business, but is also considering the long-term consequences of climate change on its strategic choices, so as to turn a potential threat into an opportunity.

This aspect is most relevant in the field of agricultural activities, where the climate more directly influences the success of crop years. However, the production of energy from renewable sources is also affected by weather

changes, in terms of water availability for hydroelectric use, wind for wind use, and solar exposure for photovoltaic energy production.

Particularly in Madagascar, where crops are affected by relative water scarcity and soil poverty, Tozzi Green is committed to countering the desertification trend by selecting the best adaptable species, applying highly efficient irrigation technologies and planting species that can improve soil quality in the long-term.

Once again the strategy is part of a forward-looking vision, which takes into account long-term consequences.

The Group's solidity, together with the soundness of its investments in environmental protection, allowed Tozzi Green to successfully enter the international financing market with the issuance of green bonds for \$219,271,000.

IFC-International Financial Corporation is a financial institution that issues green bonds, with the aim of assisting the World Bank in promoting growth and improving the living conditions of people in developing countries by financing the spread of private initiatives and market growth.



MULTI-YEAR INVESTMENTS IN PLANT AND INFRASTRUCTURE (thousands of euro)

Total	35,154,677	33,508,699	82,304,156
<i>of which:</i>			
Italy	2,841,198	-	-
Madagascar	20,610,049	15,617,067	25,366,695
Peru	4,200,000	17,891,632	56,937,461
Other	7,503,430	-	-
<i>of which:</i>			
Hydroelectric	15,010,049	15,617,067	25,366,695
Photovoltaic	7,503,430	-	-
Wind	2,841,198	-	-
Biomass and biogas	-	-	-
Rural Electrification	4,200,000	17,891,632	56,937,461
Agriculture (Madagascar)	5,600,000	-	-

The economic results are used to ensure long-term soundness and further development for the benefit of all stakeholders.

2.4.2 Investments

Investments in new plants, after slowing down due to the exceptional nature of the commitment required by the 2019 rural electrification programme in Peru, picked up again in 2021, mainly abroad, particularly in Madagascar, in the hydropower sector and in agriculture. Investments in Italy, on the other hand, have been affected by the difficulties and delays in the authorisation process for plants.

2.4.3 Added value

Direct economic value creation and its distribution (GRI 201-1) consists in generating added value and in the costs of purchasing goods and services for production in the reporting year, amounting to 58.5 million in 2021 and 65.7 million in 2020, respectively.

Compared to the results for the financial year 2019, the Group's overall activity in 2020 was affected by the completion of the rural electrification project in Peru, as well as in 2021. The positive effects that will result from starting up the new plants, whose construction

commenced in Italy, Madagascar, Argentina and Peru in 2021, will begin in the 2022 financial year. Particularly in Madagascar, the Mahitsy hydroelectric power plant, intended to produce 28 MW, is nearing completion at the end of 2021. Its production plans were slowed down in 2020 by the measures taken by the Madagascar government to combat the pandemic.

In Peru, the subsidiary TRE Peru acquired a 15-year maintenance contract for photovoltaic kits, an additional order for 14,760 kits in rural areas without electricity, and continued the installation of two 8.8 MW wind power plants. In Argentina, the Group started construction works for a new 11.8 MW solar power plant in Tinogasta, and two new projects totalling 19 MW were taken over.

PRODUCTION OF ADDED VALUE	31.12.2021	31.12.2020	31.12.2019
VALUE OF PRODUCTION	72,821,007	88,308,290	147,299,488
Revenues from sales and services	72,832,519	81,092,787	144,763,525
Other revenues and income	988,488	7,215,503	2,535,963
COSTS OF PRODUCTION	26,670,351	40,527,302	84,775,334
Raw materials, consumables and goods	12,378,367	19,072,118	62,281,000
Services	11,081,137	11,485,019	14,590,675
Leases and rentals	584,217	846,409	551,880
Provisions and writedowns	1,844,633	7,985,907	5,853,911
Other operating expenses	781,997	1,137,849	1,497,868
ADDED VALUE FOR ORDINARY OPERATIONS	47,150,657	47,780,988	62,524,155
Extraordinary income components (-)	372,889	989,601	-3,865,506
TOTAL GROSS ADDED VALUE	47,523,546	48,770,589	58,658,647
Depreciation	13,101,364	14,463,084	14,161,759
TOTAL NET ADDED VALUE	34,422,182	34,307,505	44,496,888

DISTRIBUTION OF ADDED VALUE	31.12.2021	31.12.2020	31.12.2019
REMUNERATION OF STAFF	9,099,191	9,533,059	9,489,578
Staff and related costs	8,749,262	9,238,336	9,223,751
Employees' severance indemnity (TFR) and pensions	349,929	294,723	265,826
REMUNERATION OF PUBLIC ADMINISTRATION	6,107,665	3,416,302	7,961,730
Income taxes and duties	6,107,665	3,416,302	7,961,730
REMUNERATION OF LOAN CAPITAL	8,504,134	15,537,030	12,165,684
Short- and long-term capital charges	8,504,134	15,537,030	12,165,684
REMUNERATION OF RISK CAPITAL	11,468,000	19,668,026	32,186,808
Distributed profits	11,468,000	19,668,026	32,186,808
COMPANY REMUNERATION	-2,145,888	-15,112,673	-19,180,055
Undistributed profits	-2,145,888	-15,112,673	-19,180,055
TRANSFER TO THE COMMUNITY	1,389,080	1,265,760	1,873,143
Local taxes and duties	1,389,080	1,265,760	1,873,143
TOTAL NET ADDED VALUE	34,422,182	34,307,505	44,496,888

In mid-2021, Tozzi Green signed an agreement with Asja Ambiente S.p.A., a company operating in the field of renewables and circular economy, for the construction and acquisition of two onshore wind farms in Sicily. One plant will be located in Buseto Palizzolo (TP) and will have a full capacity of 8.8 MW.

The other plant will be built in Polizzi Generosa, Castellana Sicula and Sclafani Bagni (PA), and will have a similar capacity. At the end of 2021, construction work began for an additional photovoltaic plant in the municipality of Mazzarino (CL), in Monte Alzacuda, with a total capacity of 10 MW.

Despite the transition phase that the two financial years reported here have represented in investment strategies, and the impact of the pandemic on the economies in which the Group operates, over the two-year period the production of added value for the benefit of stakeholders has stabilised at over EUR 34 million in both financial years, the result of the combination of a consistent reduction in revenues and a more than proportionate reduction in production costs, which fell further in 2021. The overall result is a 22.9% reduction in added value during the financial year 2020, compared to the previous year, however with stabilisation of the value in 2021(+0.3%).

The distribution of added value among stakeholders shows a substantial stability in the overall remuneration of personnel, a decrease in the remuneration of venture capital, and an adjustment in the value of transfers to the community. The remuneration of loan capital was also significantly reduced.

2.4.4 Suppliers - Sustainability Partners

The Tozzi Green Group relies on the supply of a particularly broad product range, as it operates in two related but technologically distinct areas, such as renewable energy production and agricultural activity.

Tozzi Green views its suppliers and subcontractors as strategic business partners with whom to establish stable and transparent long-term relations.

The company has adopted a procedure for the selection and qualification of its suppliers, as it is well aware of the importance of its supply chain for the quality of products and services provided, and for compliance with legal requirements concerning health, safety, the environment and administrative liability.

Tozzi Green Group Procurement involves suppliers for the purchase of material goods, services, contracts and support services. The Tozzi Green Group has a particularly wide product range, as it operates in two related, but technologically distinct sectors, namely renewable energy production and agriculture.

There were no significant changes in the supply chain and location of suppliers during the two-year reporting period (GRI 102-10).

Concerning strategic material goods, group companies purchase system components from specialised suppliers for the production of electricity from renewable sources. In recent years, a significant percentage of purchases of goods has been for Solar Home System components used in the rural electrification project in Peru.

Services mainly concern engineering and design consultancy, maintenance consultancy, and technical, professional, legal and administrative consultancy.

Contracts are required for the construction of new plants for the generation of energy from renewable sources, for new investments, and for the maintenance of existing plants.

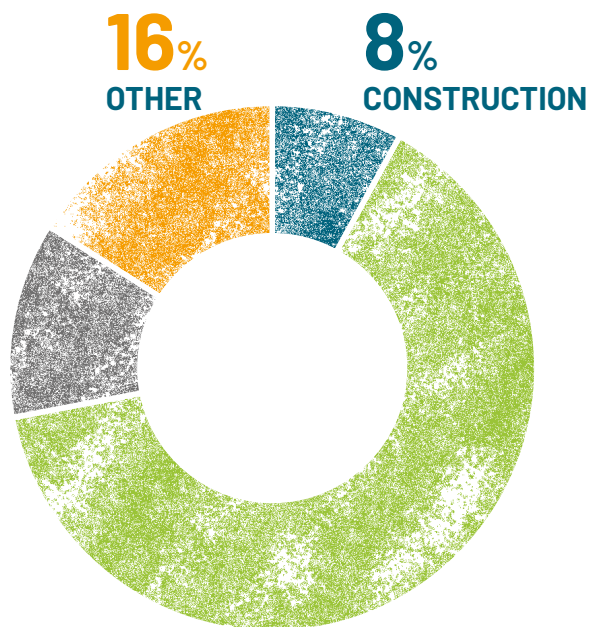
Support services mainly concern calibration services for monitoring and measuring instruments, and equipment maintenance services.

Tozzi Green only selects contractors and subcontractors who undertake to abide by its Code of Ethics, who operate in compliance with strict standards in the areas specified by Tozzi Green's Model 231/2001, and in accordance with specific requirements concerning quality, hygiene, work safety, environmental protection, respect for human rights and boycott lists issued by the territorial authorities where the goods and services are used.

SUBDIVISION OF SUPPLIES FOR INVESTMENTS IN 2021 BY TYPE OF EXPENDITURE

64%
ELECTRICAL INSTALLATIONS AND WORKS

12%
SHS DEVICES



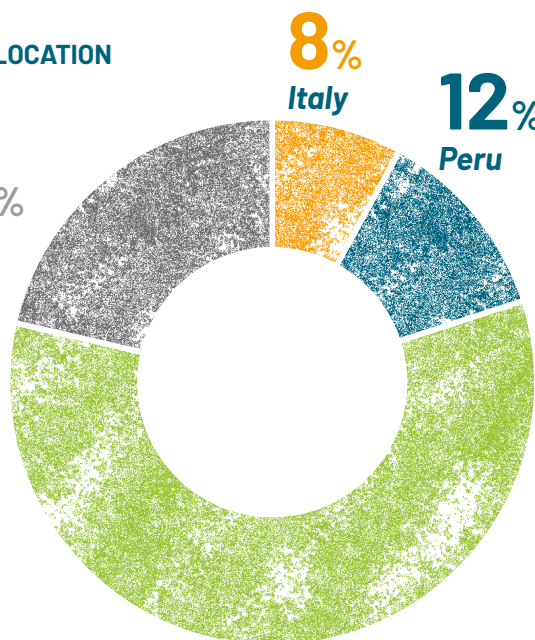
SUBDIVISION OF SUPPLIES IN 2021 BY GEOGRAPHICAL LOCATION BY INVESTMENTS

58.6%
Madagascar

21.3%
Rest of the world

12%
Peru

8%
Italy

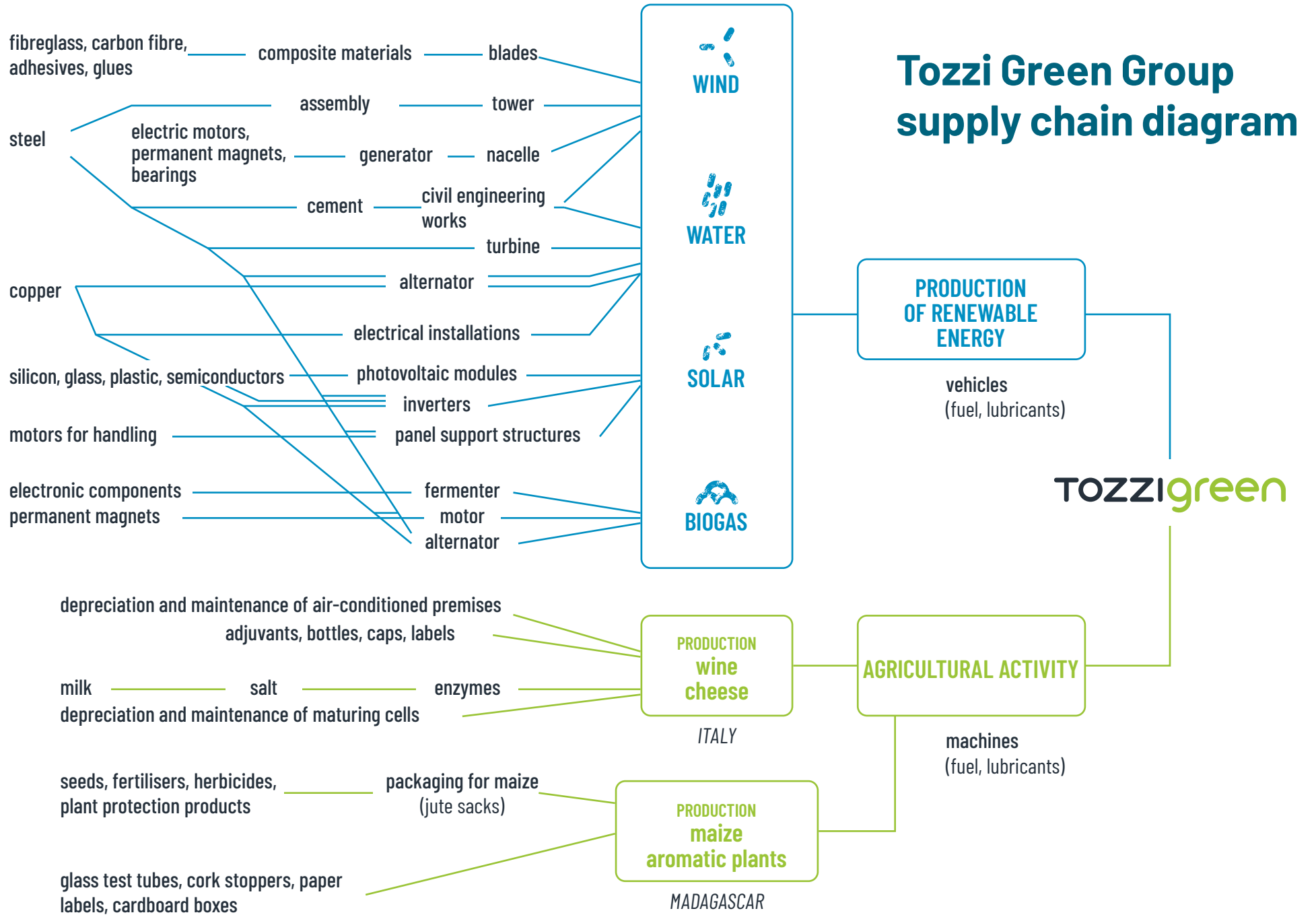


CLASSIFICATION OF SUPPLIES BY SUPPLY TYPE

	2021	2020	2019
Construction works	2,841,198	3,904,267	6,235,134
Electrical installations and works	22,513,479	11,712,800	19,131,561
SHS systems	4,200,000	-	31,756,002
Installation services	-	17,891,632	25,181,459
Other	5,600,000	-	-

CLASSIFICATION OF SUPPLIERS BY AMOUNT AND AREA OF ORIGIN

Area	2021	2020	2019
Italy	2,841,198	-	-
Peru	4,200,000	17,891,632	25,181,459
Madagascar	20,610,049	15,617,067	25,366,695
Rest of the world	7,503,430	0	31,756,002
Total	35,154,677	33,508,699	82,304,156



Supply chain control

Controlling the supply chain is part of the company's Quality Policy, which responds to its mission to offer turnkey services and solutions for the development, implementation and management of renewable energy plants.

With this in mind, the strategic objectives, indicated by the Management, are pursued by all personnel at various levels through planning and application of a Company Management System in accordance with standard ISO 9001-2015, which makes the following aspects explicit:

Tozzi Green's Management undertakes to periodically review the Quality Policy as part of the annual reviews on the Company Management System, to promote its maximum dissemination, understanding and application among employees and all interested stakeholders.

In order to ensure compliance with regulations and adherence to agreed specifications, within the scope of its Quality Policy, Tozzi Green carries out targeted visits to major suppliers and inspections to verify compliance with the rules set out in Model 231/2001.

In 2020, inspection visits to several Chinese companies

producing electrical material continued, in anticipation of choosing the main supplier for photovoltaic kits for the rural electrification project in Peru.

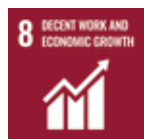
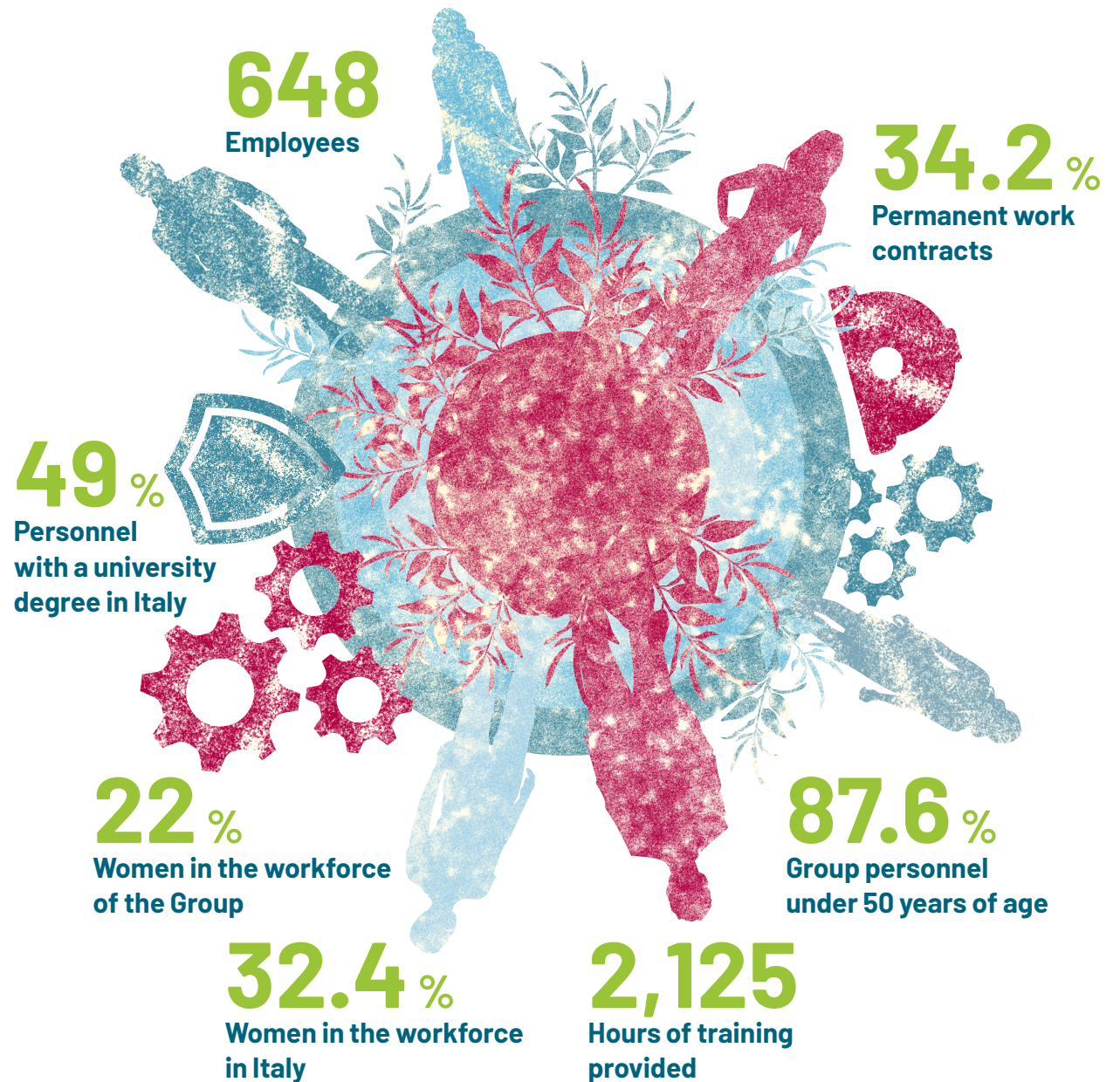
Given the importance of the order and the strategic nature of the Chinese market for this supply, Tozzi Green carried out factory visits to assess them in terms of reliability, ability to meet the technical specifications for supplies, and compliance with local labour, environmental, occupational health and safety regulations, and regular social security contribution payment and tax payment.



2.5 Development of human capital

MATERIAL ISSUE:
**Quality employment
and human capital engagement**

Tozzi Green's human resources management is based on the belief that motivated and professionally excellent employees are the strategic lever to compete and succeed in the business. Therefore, the Companies of the Group promote working conditions and environments that favour proactivity, creativity, active participation, the ability to work in a team and the inclination to assume responsibility.



**WHAT WE ACHIEVED
IN 2021**

Listening to people's experiences is always important. It is even more so at a time when we are necessarily paying attention to distances, and when habits and traditions have undergone and are undergoing profound changes.

HOME
WORK
RESOURCEFUL
GROWTH
SOLIDITY
For me, Tozzi Green is...
FAMILY
DYNAMIC
STABILITY
SUSTAINABLE

Tozzi Green promotes and adopts behaviours aimed at the growth of individuals, at their enrichment of skills (technical and managerial) and at offering stimulating experiences, to create favourable conditions for the development of lateral thinking so that the creative contribution of those belonging to the organisation can express itself freely and is oriented towards innovation. The company's approach to personnel development is centred on protecting employment, acknowledging skills and their development, and protecting the health and safety of personnel in the workplace. The latter aspect engaged the company globally in the year of the pandemic triggered by the spread of COVID-19, during the following year, and still requires timely analysis and preparation of appropriate measures to reduce the persistent risk of contagion.

As of 2020, KPI-based reporting has been implemented to ensure the monitoring of key indicators relating to staff size, characteristics, dynamics, training, performance and cost.

Human resource management activities are subject to various types of evaluation, which allow initiatives to be reintroduced, improved the following year or replaced with new ones when they are considered less effective. These procedures are systematically applied to training and the management by objectives (MBO) model.

In November 2020, Tozzi Green administered a short anonymous questionnaire to its staff entitled "For me, Tozzi Green is..." with the aim of getting them to reflect on what the company represented to those who have lived in it for several years, whether many or few.

The period chosen was deliberately the end of the year,

when everyone muses over achievements and sets new goals and stimuli for the following year. Listening to people's experiences is always important, and even more so at a time when people are necessarily paying attention to distances, and when habits and traditions have undergone and are undergoing profound changes. A total of 58.7% of the population answered the question, and 54% of them entered his or her name. The most recurrent nouns/adjectives to define Tozzi Green were: family (25%), solidity, sustainable and growth (9%). This was followed by: stability, work, dynamic, home, resourceful (7%).

The Innovation Game

Launched on 15 April 2021, the Innovation Game is a **competition aimed at all Tozzi Green staff in Italy, to promote the entrepreneurial spirit and aptitude for innovation**, stimulating creative ideas that are consistent with the company's spirit and making the most of skills and intuition, bringing out potential and developing competences. Participants propose practical and innovative ideas mainly, but not exclusively, in the areas of smart and sustainable mobility, models on the use of electricity production and use, efficient use of land and resources for energy production, improving people's living conditions and access to energy, circular economy, data management and connectivity.

In formulating their projects, participants were assisted and guided by a set of parameters and specifications suggested by the specially prepared intranet documentation. **There were 31 participants, and 22 projects were submitted.**

The technical evaluation committee, chaired by Managing Director Andrea Tozzi, set out eight parameters for the evaluation of projects, and selected a short list of the four best projects, which earned a mention at the award ceremony and the possibility of funding for the most promising project.

THEMES

Smart & sustainable mobility

New models for generation

Efficient use of land and resources
for energy production

Connectivity and data

Improve energy access and life condition of people

Circular economy and reuse of materials

PRIZES

Best idea

Best presentation

Most original idea



“ We generate ideas to energise a better world. ”

GEOGRAPHICAL BREAKDOWN OF PERSONNEL

We strongly believe in people. They are our energy and enable our development.

IN 2021

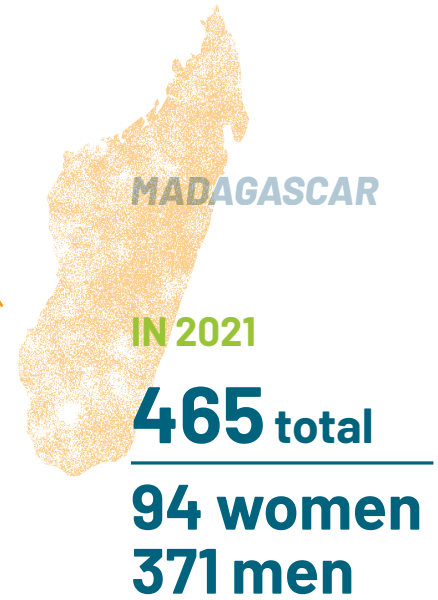
IN 2020

648 total **517 total**
including agriculture



REST OF THE WORLD

IN 2021
9 total



2.5.1 Our team

Despite the difficulties caused by the pandemic, the development of the Group's activities resulted in an overall increase in the workforce in 2021, compared to the pre-pandemic situation, after a downsizing process in 2020.

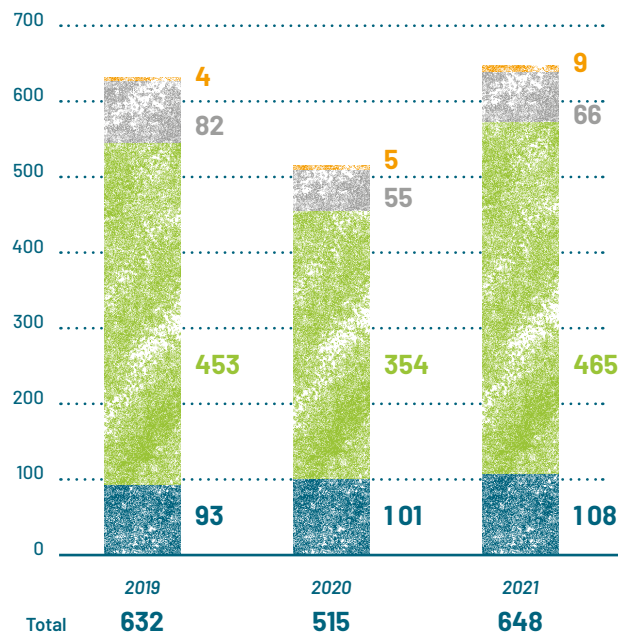
In the three-year period under review, incoming turnover remained high, partly due to recruitment programmes, while outgoing turnover showed a gradual decrease. This is an indicator of stabilisation of personnel. As a result, employees feel more integrated into the organisation and become engaged in their relationship with the company, sharing its family concept.

The importance of the human capital endowment in the company is evidenced by the high percentage of graduates in the total workforce. By 31 December 2021, graduates accounted for 45% of the total, but among female staff the figure rose to 60.8%.

The distribution of educational qualifications varies between the Group's two business sectors. In the energy sector, graduates account for 94.8% in Madagascar and 98.4% in Peru, while in the agricultural sector the share of graduates drops to 22.2% in Madagascar.

WORKFORCE TRENDS OF THE TOZZI GREEN GROUP

■ Italy ■ Madagascar ■ Peru ■ Rest of the world

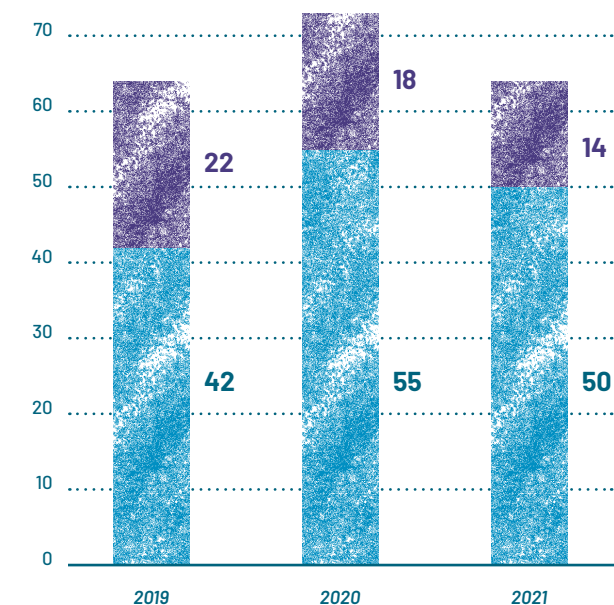


During 2020, application of lockdown measures and the consequent inevitable interruption of some activities at the Mezzano site forced the use - albeit minimal and reserved for some specific tasks - of the CIG COVID-19 [COVID-19 furlough regulation] for a total of 3,146 hours for 12 people.

All personnel working in the countries in which Tozzi Green Group operates are covered by the agreements set out in the relevant collective agreements and in the absence of these by labour legislation.

TREND IN INCOMING AND OUTGOING TURNOVER RATES AT GROUP LEVEL

■ Incoming ■ Outgoing



Consequently, in Italy, energy sector personnel are covered by the CCNL [collective labour agreement] for the engineering sector, while personnel employed by Solar Farm fall under the provincial collective agreement for the agricultural sector (GRI 102-41).

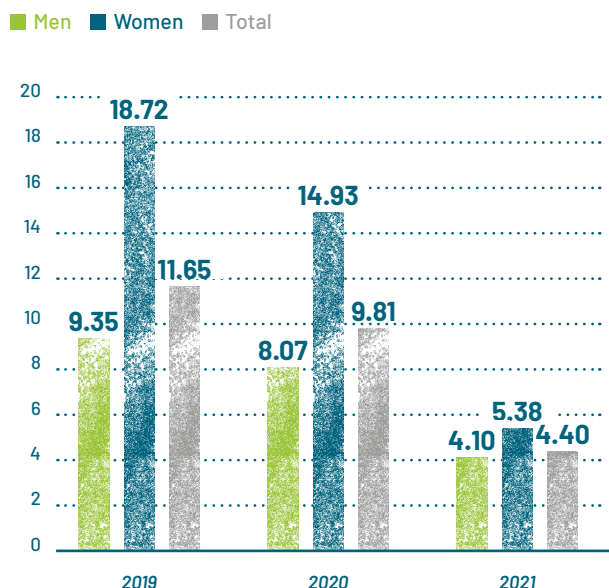
In Madagascar, the regulatory reference to which employment contracts are subject is the Code de Travail (Law No. 2003-044 of 28 July 2004). In Peru the legislation applied is Article 4 of the Consolidated Text of Leg. Decree 728, called Ley de Productividad y Competitividad Laboral, approved by Supreme Decree No. 003-97-TR.

“ The selection of staff to be recruited is made on the basis of the correspondence between the candidates' profiles with the expected profiles and the company's needs, while ensuring equal opportunities for all those concerned.

(Tozzi Green Code of Ethics)



AVERAGE HOURS OF TRAINING PER CAPITA PER YEAR BY GENDER AT GROUP LEVEL



COURSES OFFERED BY TOZZI GREEN BY TRAINING AREA IN 2020 AND 2021

Training area	2020	2021
Management and business development	3	5
Communication, human resources, organisation	4	4
Internationalisation	5	4
Sales and marketing	7	2
Production, logistics, purchasing	3	3
Administration, finance and management control	2	2
Computer Science	5	4
Quality and environment	1	1
Technical area	3	1
Total	33	26

2.5.2 Developing skills

The role of training in the development of managerial, technical and language skills, in addition to the mandatory training required by law, is considered essential and is, therefore, favoured by the company.

Every year, thanks to the partnership with Confindustria, through the purchase of a Training Card, a catalogue of courses covering the main areas of the company is offered to department managers, both for themselves and their staff. In addition, where the professional development of a resource involves specific courses (e.g. project management or language courses), the company contacts the most competent training partner on the specific topic.

Training activities offered during the two-year period 2020-2021 were affected by the measures introduced to counter the pandemic, and mainly took place remotely, but also in face-to-face and mixed modes. The 'webinar' formula did not have a negative impact on the course offering, which provided a wide range of titles during the two-year reporting period. However, in 2021, there was a reduction in training activity, compared to 2020, and part of the training programmes were postponed.

In 2021, the number of training hours provided per capita was 4.40. Female staff were offered an average of 5.38 hours and male staff 4.10 hours.



“ The evaluation of employees and collaborators is carried out in an objective and fair manner, always involving the managers, the Human Resources function and, as far as possible, those who have come into contact with the person being evaluated. Access to roles and assignments is always determined in consideration of skills and abilities.

(Tozzi Green Code of Ethics)

”

OFFER OF FURTHER SPECIALISED COURSES "IN THE CATALOGUE"

2020

Type	Title
Online Course	Fluentify for Business - English
Course	Animal Welfare Course: prevention of tail docking in pig breeding
Course	Issuing the Plant Protection Products Licence
Webinar	Prospects for subsidy-free RES and PPAs in a low-price power market. An international comparison
Online Course	Business-oriented interactive training on Artificial Intelligence

As far as management training is concerned, a development programme for resource managers started in April 2021, organised partly in distance and partly in residential mode. It was managed by a specialised company. The aim is to enhance managerial skills and facilitate human resources managers in having discussion and feedback conversations with their employees, in the specific perspective of Tozzi Green. The creation of a competency model representing the corporate identity (Initiative, Business Sustainability, Operational Excellence, Responsibility, Ethical Leadership, People Management, Openness, Team Working) first involved the owners, and was summarised by the expression 'Being Tozzi Green'. The programme will be completed early in 2022 with the final feedback session on the experience.

2021

Type	Title	Type	Title
Classroom	Siemens PLC Course	Webinar	Environmental protection and offences in the of waste recycling sector
Classroom	Siemens Protection Course	Webinar	Advocacy
Mixed	Master Class in Project Management - Summer Edition	Webinar	Joint Ventures
Online	The tool of agroecology to combat the Asian bedbug <i>Halyomorpha halys</i> (Stål, 1855)	Webinar	Changes and economic disciplines of the contract
Webinar	WEBINAR "ALIBABA.COM: selling online on the leading b2b platform"	Webinar	Tax and customs aspects of e-commerce
Online	Social Media Marketing	Webinar	"Travel Security - How to manage the worker's health, safety and protection abroad"
Webinar	"The right to privacy in the COVID-19 emergency period. Using video surveillance systems and thermal scanners: accountability as the point of balance between safety and the right to privacy"	Webinar	Electrical Substation Fundamentals Complete Understanding
Online	Wine Tourism in Emilia-Romagna: from wine production to tasting in the cellar	Webinar	Air Insulated Electrical Substation Design
Online	Tandem Madrid (SPANISH language course)	Workshop	Introduction to Kubernetes for Software
Webinar	"The new VAT rules for e-commerce"	Webinar	Food labelling: updates and plans to update EU Reg. 1169/2011 on the part of the EU Commission
Webinar	WEBTALK: "THE FOOD&WINE SECTOR IN GERMANY: distribution, trends and peculiarities of cooperation with German partners"	Webinar	"Information security in production processes"
Webinar	"THE FUTURE OF ENERGY STORAGE"	Online	Fluentify for Business - French
Webinar	Instagram in the Company - seventh edition	Webinar	'Scenarios in the commodities market: recent trends, impact and prospects'
Webinar	Renewable energy growth and clean energy solutions: the Corporate Power Purchase Agreement	Presence	French - Prof. Paola Torri



Our competence model

BUILDING INNOVATION Initiative

Experience new and uncertain situations with an open and curious attitude. Identify new ways of doing things and propose them, without being held back by the status quo, supporting the proposals with an appropriate rationale. Create a climate of openness and active listening within the team, thus encouraging new and divergent ideas to emerge.

DRIVE FOR CONTINUOUS IMPROVEMENT Business sustainability

Be keen about the company's long-term sustainability, also through the optimisation of economic results. Focus on enhancing process efficiency and improvement, dynamically following and revising processes also by mutually streamlining them.

ACHIEVING RESULTS

Operational Excellence

Set challenging goals for both self and the team, aligned with strategy and priorities.

Achieve results autonomously and rapidly; consistently prepare actions aimed at achieving objectives.

Prevent obstacles and react promptly in case of problems or deviations.

Define success criteria and rigorously verify the output obtained. Involve the interlocutors (colleagues, collaborators, stakeholders) in achieving the shared goal, generously providing the support they need.

RESPONSIBILITIES

Responsibilities

Make responsible decisions, balancing thoughtfulness and sense of urgency, within the responsibilities assigned by the corporate organisation.

Behave reliably; identify and deal with personal mistakes, helping to create a culture of 'no excuses'.

Utilise feedback and input received to develop personal skills by engaging in personal improvement.

LEADING BY EXAMPLE

Ethical leadership

Knowing that personal behaviour sets an example to others, act as a point of reference.

Generate trust by living the corporate values and demonstrating integrity, professionalism and respect.

Always deliver what is promised (integrity), maintain measured behaviour even in stressful situations (professionalism), and relate on an equal basis with cultural settings and opinions that differ from your own (respect and humility).

EMPLOYEE DEVELOPMENT

People Management

Lead the team with courage and determination, even in critical moments, maintaining confidence in the team. Encourage the growth of personal resources, creating awareness through feedback and define plans to improve technical and managerial skills. Involve the team and encourage accountability through a process of carefully considered delegation. Give meaning to the work of others, connecting individual achievements with broader goals.

EXCHANGE


Open-mindedness

Devote time and attention to listening to the views of others; share information transparently and openly. Seek suggestions from others, and welcome them open-mindedly towards both content and interlocutors. Be willing to discuss issues with others and to learn from them (benchmarking).

TEAMWORKING

Teamworking

Contribute to achieving the common goal and be proactive to foster a shared solution. Build effective relationships and collaborate with all stakeholders (business and non-business) in a professional manner, regardless of personal preferences, relating empathetically to others.

 In particular, the Tozzi Green Group guarantees employees and collaborators a safe and healthy working environment and working conditions that respect individual dignity.

(Tozzi Green Code of Ethics)

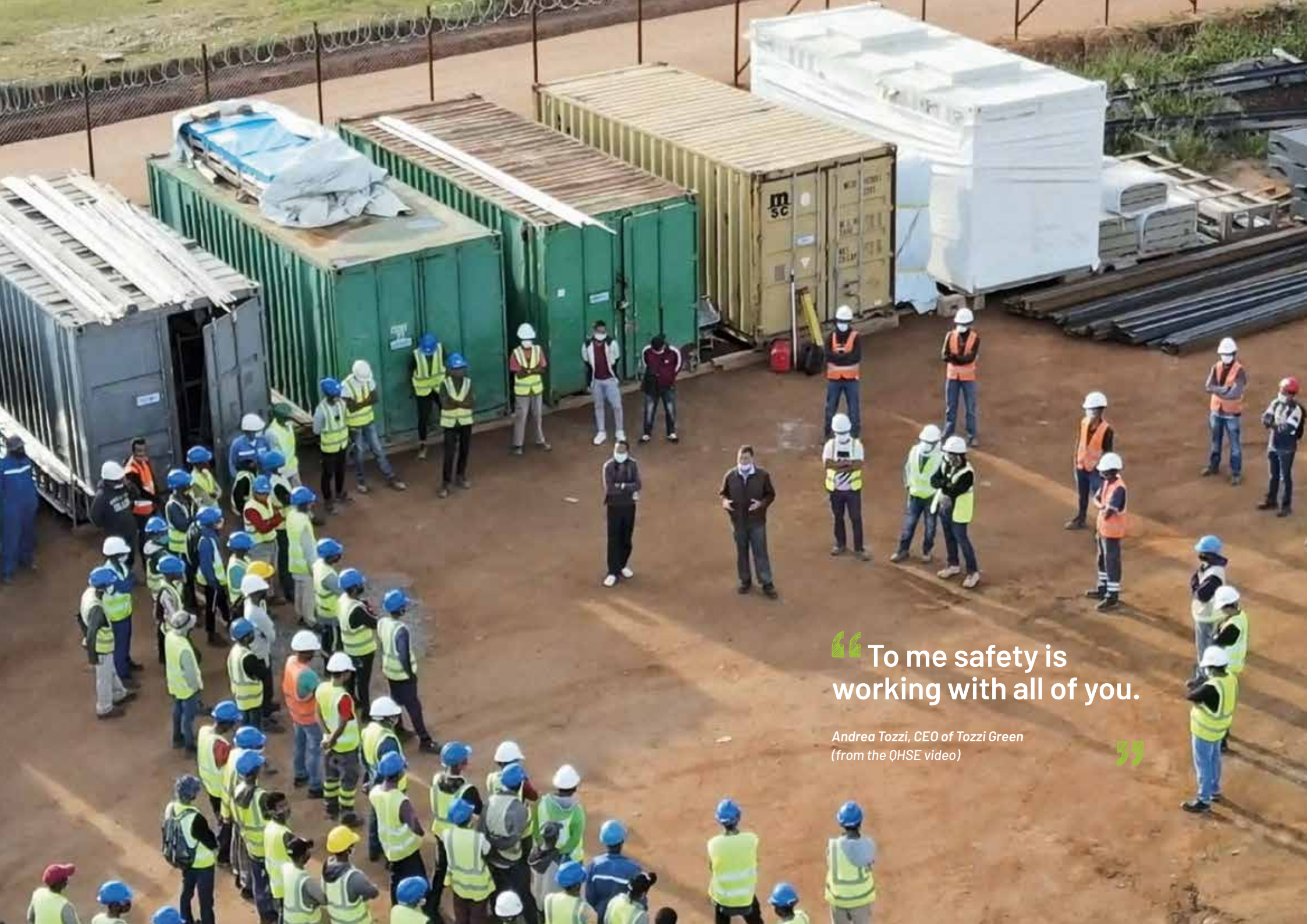


2.5.3 Quality of work: health and safety

Tozzi Green S.p.A. declares that safeguarding the health and safety of workers and protecting the environment, as well as continuous improvement in these areas of the company's business, are an integral part of the corporate strategy, pursued by minimising risks and promoting successful practices.

This is why the company has adopted an integrated company policy, which considers health and safety as part of a more general environmental protection issue. In particular, all Group companies are committed to identifying priority areas for action, and set themselves the following objectives:

- 1** Provide safe and healthy working conditions for the prevention of work-related injuries and illness.
- 2** Eliminate hazards, prevent and minimise risks, and implement opportunities for the health and safety of operators and the environment.
- 3** Maintain activities, products and services compliant with current occupational health and safety and environmental protection legislation, authorisation documents and regulations adhered to on a voluntary basis.
- 4** Prevent pollution from the operation of facilities by optimising the technical and organisational management of facilities and activities.
- 5** Protect the soil, subsoil, water and atmosphere by keeping potential sources of pollution under control, and by taking appropriate operational control measures.
- 6** Optimise waste management, giving priority to waste recovery, promoting separate waste collection and reducing the quantity produced through better planning of activities.
- 7** Take the necessary measures to reduce risks to safety, human health and public security, and environmental impact related to emergency situations in the operation of facilities.
- 8** Carry out training activities and promote the responsibility and awareness of employees at all levels towards the importance of prevention and protection and environmental protection.
- 9** Ensure transparent communications with institutional contact persons, communities, associations and customers, providing all the information necessary to understand the effects on the environment deriving from production activities, and consolidating trust in the activities of Tozzi Green S.p.A. and its subsidiaries, in full compliance with the needs and expectations of all stakeholders.
- 10** Select suppliers of goods and services who share, in terms of intentions and implemented behaviour, Tozzi Green S.p.A.'s occupational health and safety safeguarding principles, and develop stable and mutually beneficial cooperation relations with them.
- 11** Guarantee workers the opportunity for open and fair discussion on occupational health and safety issues, also by promoting a 'No Blame Culture' that encourages everyone's participation in the continuous improvement of the company's health, safety and environmental protection performance.
- 12** Recognise that each of the parties involved in business processes has the authority to 'stop work' if they notice situations of serious and immediate danger, and the freedom to report unsafe conditions and behaviour.
- 13** Carry out an annual review of the company's health, safety and environmental performance during which the adequacy and level of application of the policy are reviewed, and objectives and improvement plans are defined, consistently with the company's activities and with aspects identified as critical.



“ To me safety is
working with all of you.

Andrea Tozzi, CEO of Tozzi Green
(from the QHSE video)

”

In line with the health and safety protection programmes, and in compliance with the requirements of Italian Leg. Decree No. 81/2008, the Group has a comprehensive and detailed set of procedures and operating instructions on all safety-related activities (safety training, working methods, use of personal safety equipment, etc.), with greater detail for activities involving specific risks. Every single role and activity carried out by Tozzi Green employees has, in fact, been mapped according to the severity and probability of occurrence of risky events by means of the Risk Assessment Document, drawn up by the Employer and the Prevention and Protection Safety Manager, verified by the Competent Doctor and brought to the attention of the workers' safety representatives. A campaign was carried out in 2020 to raise awareness of the main risks associated with work activities in the

Group through the development of specific signage. Four posters were produced, translated into Italian, Spanish, French and English, and disseminated via e-mail, on notice boards and via the HSEapp. The risks covered included electrical risk, safe driving, the risk of work at height and manual handling of loads. Health and Safety management has gradually become part of the Tozzi Green Group's corporate culture over time to the extent that it has influenced the habits, attention and awareness of every employee. It is also a commonly held perception in the Group's workplaces that, having a reactive way of thinking as opposed to a preventive one, i.e. reporting a problem before it can become an accident, can be a small gesture to protect both one's own health and safety, and that of all other colleagues and co-workers.

Some of the objectives defined in the area of health and safety training could not be achieved in 2020 as the COVID-19 emergency forced the suspension of a large part of on-site meetings and gatherings, absorbing the commitment of managers to ensure business continuity and safe working conditions for all workers, including sub-contractors involved in activities at their plants or production sites. The programme planned for 2020 has been rescheduled for 2021.

Tozzi Green participated in the World Day for Safety at Work, which took place on 28 April 2021. For the occasion, it supported the creation of a video entitled 'For me safety is', involving HSE teams both in Italy and abroad. The video is an expression of what Tozzi Green means to people in terms of safety and how important this is.



The measures undertaken at Group level to counteract the effects of the pandemic

Operating on three continents, Tozzi Green had to deal with different consequences of the pandemic, in terms of timing, severity of the contagion, trends and regulations introduced on several occasions in different countries. The company's objective has always been the maximum protection of the health of its staff, and the organisation of work has been radically revised with this objective in mind.

Initiatives to protect working environments and staff in Italy

In compliance with the various decrees issued, Tozzi Green S.p.A. proactively managed the impact of the COVID-19 pandemic on its organisation from the outset. As provided for by procedure TGN-S-3-11 Crisis Management Plan, the Crisis Management Team was convened, and constantly monitored the development of the emergency, defining the measures to be implemented. This was then flanked by the COVID-19 Protocol Committee, made up of the Prevention and Protection Safety Manager, Human Resources Manager, Operations Manager, Competent Doctor and Workers' safety representative, whose task is to verify the implementation of what is set out in the shared protocol for adjusting anti-contagion measures, remodelling the contents based on the changing social and regulatory context.

Respiratory protection masks and sanitising gel were distributed to all employees. Thermal scanners to measure body temperature were installed at access

points in the Mezzano site, and plexiglass panels were also installed in the porter's lodge. Physical separation between employees has always been ensured at the offices. Access has been staggered by time slots according to the floor on which the offices are located, and spaces have been reorganised so that desks are spaced out. Where it was not possible to reorganise the interior spaces, partition panels were installed. Special sanitisation was carried out on return after the first lockdown and after each positive case. Sanitisation of sensitive points is daily implemented at the office site. Facilities are daily cleaned by the operators, while sanitisation takes place every fortnight.

Since the beginning of the pandemic, there have been cases of employees testing positive for COVID-19, but they were never infected in the workplace. Tozzi Green promptly cooperated with the Health Authorities in reconstructing the chain of contacts and the re-entry procedure for those infected was punctually followed, as required by the mandatory regulations. Only one of these cases required hospitalisation and then underwent additional examinations on return to renew his medical fitness.

Smart Working

From the very beginning of the pandemic, widespread use was made of the agile working mode, which was then maintained for potentially immunocompromised employees reported by the Competent Doctor, as well as for the management of any close contacts or post-disease returns, pending a negative test result. Smart working is still managed with a view to supporting employees who are struggling to combine private and work life at this particular time.

Prevention

More specifically, several internal communications were sent out, introducing the rules to be applied and promoting virtuous behaviour by all, besides posting the infographic developed by the Ministry of Health on notice boards and in toilets. A specific e-learning training initiative on COVID-19 was also provided by a specialised company. A 'Suppliers and Contractors Access Protocol' was distributed by e-mail to all suppliers and contractors who can access company facilities. At the same time, all DUVRIs (Unified texts on assessment of risks generated by interference between activities) of the plants were updated by developing a specific Addendum for COVID-19 emergency management.



Medical Assistance

In June 2020, the entire corporate population was serologically screened, with negative results. Tozzi Green finalised contracts with two medical centres in Ravenna for serological tests, rapid swabs and molecular swabs. Internal tracking can thus be carried out with the necessary swabs for travelling personnel, considering the entry rules in the destination country. For employees abroad or who have to travel abroad, contracts have been finalised with insurance partners that guarantee, in the event of COVID-19, full and continuous medical care of the patient, up to and including the possibility of medical evacuation from the country.

In cooperation with Confindustria Romagna, the company joined the centralised vaccination plan set up at three reference hubs in Rimini, Forlì and Ravenna. All employees were given the opportunity to access the

vaccine by July 2021 with costs fully covered by the company. In October 2021, when the mandatory Green Pass was introduced for access to workplaces, Tozzi Green requested a weekly swab to be paid entirely by the company in case those affected were unable to take advantage of the statutory exemption.

Workplace and personnel protection initiatives in Peru and Madagascar

In Peru and Madagascar, the Group has adapted its activities to national regulations and WHO guidelines on the containment of contagion, and the same criterion has been applied to operations in Argentina. In Madagascar, a risk assessment of exposure to Coronavirus infection was immediately formalised for both O&M workers and offices in Antananarivo, as well as a management protocol for possible positive cases.

The guidelines provided by the Madagascan Ministry of Health were posted in all workplaces and distributed by e-mail. Periodic sanitisation of the premises was carried out, and efficient and controlled access management of both staff and external suppliers was ensured. Workers at the Maroansetra and Sahanivotry plants, during the most critical period of the pandemic, stayed in the base camp adjacent to the plants in order to create a safe area from infection. A maximum of only two people were instructed to leave the COVID-19 free zone to purchase supplies for O&M activities.

In Peru, a protocol of specific measures was created to mitigate contagion, including, in addition to a health awareness campaign, periodic sanitisation, regulations for access to offices and warehouses, for employees and outsiders, specific recommendations on the use of public transport to work, and, at the discretion of



the Medical Officer, antigen tests every 14 days. In addition, the protocol included a possible reduction of attendance posts to 60% of the total number of staff, and a periodic and group rotation of staff. To this end, the company has adopted remote working, providing employees with the necessary devices, including Internet access, computer programmes and data protection measures.

2.5.4 Skills enhancement and performance evaluation

Launched in 2019, the Management by Objectives (MBO) programme is an individual reward system that aims to engage people, rewarding their sense of responsibility towards the company's objectives and building loyalty. In 2020 and 2021, the programme was extended to all company front lines and involved adherence to agreed individual targets.

From an organisational point of view, the adoption of the MBO represents a method that favours the effective realisation of the decentralisation of responsibilities and the delegation of authority in favour of everyone's professional growth. Management by objectives is

based on three prerequisites of good organisation: availability of the data and information needed to make decisions, training of employees to understand and share the objectives and the strategy chosen to achieve them, definition and coordination of tasks and roles aimed at achieving the objectives.

The management-by-objectives system is a dynamic system, oriented towards taking personal responsibility, which is adapted to the company's objectives and the planned timeframe for their implementation. This is why it is subject to periodic reviews, based on systematic monitoring.





OUR COMMITMENT TO THE FUTURE OF THE PLANET

We make our know-how and our entrepreneurial ability available for the creation of new development models capable of combining economic growth with environmental protection and respect for the principles of social equity.



IN 2020

3,076 tonnes
of CO₂ avoided

IN 2021

3,308 tonnes
of CO₂ avoided

MATERIAL ISSUE:

**Combating climate change
and protecting biodiversity**

The alarm sounded repeatedly by authoritative institutional sources for the fate of the planet goes back thirty years. In 1992, the World Conference on the Environment in Rio de Janeiro, launched by the United Nations, forcefully drew the attention of nation states and global economic actors to the need and urgency of taking action to reverse the trend of environmental degradation, which characterises the Anthropocene epoch.

Despite widespread adherence to the Kyoto Protocol by most industrialised countries in 2005, measures to combat climate change have been late, insufficient and sometimes contradictory. In recent years, actual experience of the growing consequences of climate change is finally bringing the necessary awareness of the need and urgency to take action.

Tozzi Green, which has always been committed to the development of energy from renewable sources, has the skills, technologies and innovative capacity to play a leading role in the fight against climate change. In Italy, the aim is to significantly contribute to replacing fossil energy sources with renewable ones, also helping to reduce the country's energy dependency.



Tozzi Green helps combat climate change by replacing traditional energy sources with renewable ones. Its vision of the future includes communities that are culturally aware and capable of progressively improving the quality of their lives by offering them opportunities to implement initiatives.

In less developed countries, the aim is to provide an opportunity for clean economic growth, but also for social emancipation, so as to reduce the gap that divides poor and rich countries.

Since Tozzi Green is also committed to innovative agriculture, the aim is to cultivate the land and at the same time enhance it, rescuing it from drying out, by researching African drought-resistant essences and growing varieties that can support reforestation and, thus, also native animal species.

The company, therefore, directly contributes to combating climate change by replacing traditional, fossil-based energy sources with renewables. However, its vision of the future is not limited to a clean world rich

in biodiversity, but also includes communities that are culturally aware and able to progressively improve their quality of life by giving them opportunities for initiative. Tozzi Green ensures constant monitoring of energy production and is, therefore, able to assess the energy results achieved also in terms of CO₂ avoided by using renewable sources.

3,076 tonnes of CO₂ were avoided in 2020, and 3,308 tonnes were avoided (+7.5%) in 2021.

The results of agricultural activity are also monitored and evaluated, as are the outcomes of programmes of social and cultural relevance, which accompany economic investments.



3.1

Research and innovation

Tozzi Green believes that an integrated and concerted approach involving renewable energy, agriculture, research and innovation is the sustainable way forward for the future of the earth, and the most effective way to combat climate change. This is why the company is constantly committed to innovation and dedicates resources to research, also in cooperation with external bodies.

“ We keep renewing ourselves in our lives but we always remain ourselves.

Andrea Tozzi, CEO of Tozzi Green



Tozzi Green has direct research experience, through its subsidiaries or agreements with research institutes, on:

- **Small-scale wind turbines** (design, construction, bench and experimental testing, serial production and management of small wind turbines);
- **Third-generation DSSC** (*Dye Sensitized Solar Cells*) *photovoltaic panels*;
- **Integration of energy storage technologies** using batteries or hydrogen as a carrier (PEM electrolyzers and PEM fuel cells);
- **Phytodepuration technologies** using microalgae;
- **Sustainable mobility** by means of hydrogen-powered pedal-assist bicycles;
- **Biomass cultivation for second-generation biofuels.**

With its internal structure dedicated to innovation with an Open Innovation approach, Tozzi Green evaluates research projects or proposals in the fields of renewable energy, rural electrification, and electricity storage, of electric mobility, precision agriculture and agrifood.

Tozzi Green is currently engaged in several specific areas of research:

- **Integration of energy storage technologies** using batteries or hydrogen as a carrier (PEM electrolyzers and PEM fuel cells);
- **Producing multi-ingredient vegetable biofunctional flours** from plants with high drought resistance;
- **Selecting pseudo-cereal**, which can adapt to the Italian climate;
- **Experimentation with species adapted to the arid climates** of southern Madagascar, capable of providing profitable raw materials on the market.

During the financial year 2020, projects with the following partnerships were concluded:

- Contract with the **Department of Food and Environmental Production Sciences (DISPAA) of the University of Florence**, for research on the selection of Amaranthus varieties and the development of cultivation techniques;
- Contract with the **Department of Agriculture, Food and Environment, University of Catania**, for a study on the composition of Sicilian prickly pear seeds and cladodes to enhance its nutraceutical and industrial value;
- Contract with the **“Neurofarba” Department, University of Florence**, for a study on the composition of Sicilian prickly pear fruit to enhance its nutraceutical and industrial value.

The following research activities were initiated in the course of 2021:

- Framework agreement for cooperation with the Politecnico di Bari to assess the joint conduct of studies and research and possible technology transfer activities on the topics of **electric and non-electric conversion of vehicles and vessels**, the application of circular economy concepts with particular reference to energy saving and environmental sustainability;
- Research contract with the Department of Mechanics, Mathematics and Management (DMMM) of the Politecnico di Bari for the **study of a plant for the production, storage and economic value enhancement of hydrogen** from solar panels with a power of around 1 MW;

- Partnership agreement with the National Research Council for the **development of the prototype of an off-shore wind turbine** to be installed for the first time in the Mediterranean.

During the financial year 2021, Tozzi Green invested in the start-up company IUV, whose mission is to substantially reduce the use of plastic and food waste by creating innovative, sustainable, edible, fully biodegradable packaging systems from natural sources and supply chain waste.

Tozzi Green supports IUV with its own facilities to accelerate development, also making use of the Group's existing technological assets.



3.2

Rural electrification in Peru

By 2021, the rural electrification project has been expanded to include the installation of more than 14,000 new photovoltaic kits, providing electricity to as many families living in the country's most remote areas. Overall, the rural electrification project carried out by Tozzi Green is the largest ever, with a total of 222,000 kits installed, providing energy to almost 1,000,000 people and 3,000 health and education facilities. Those installed in 2021 include 8,000 kits, called Solar Home System (SHS), which are based on a new technology designed and manufactured by Tozzi Green.

THE 'LUZ PARA TODOS' PROJECT

In Peru, access to energy is made problematic by the isolation of rural areas and inadequate communication routes. The **lack of road infrastructure** discourages the initiative of private companies in electrification projects. This is the main reason why the Ministry of Energy launched the rural electrification programme called 'Luz para todos', which aims to equip half a million households with small off-grid systems based on solar panels.

The rural electrification project carried out by Tozzi Green is the largest ever.

IN 2021

14,000

Photovoltaic kits to households

222,000

Kits installed since 2015

1,000,000

People served

3,000

Health and education facilities served





3.3

Agriculture in Madagascar

Tozzi Green believes in the role agriculture can play in sustainable growth and development over time, in the fight against poverty, and in food and nutritional security. Consistent with this approach, the company started large-scale agricultural production, investing in industrial export crops, particularly suited to local soil and climate conditions (geranium, spices), but above all in crops, such as maize and soya entirely for the domestic market, of which Tozzi Green has become the largest national producer.

The production enters the local food chain because it is used to feed farm animals, which contribute to the country's growing food needs. In recognition of the agricultural activities conducted in Madagascar, JTF Madagascar, the local company controlled by Tozzi Green, is acknowledged as an accredited supplier in the World Food Programme.

Politics in land use in Madagascar

Madagascar-based JTF, a subsidiary of Tozzi Green, has developed a policy of pursuing sustainable and inclusive agriculture in line with the UN Sustainable Development Goals. In particular, the company is committed to developing resistant farming practices capable of increasing production and yield, while respecting adaptive ecosystems characterised by a progressive improvement in soil quality.

To achieve this, the company is committed to adopting international best practices in the industry and environmental and social sustainability standards, as well as IFC health and safety guidelines. Consistently with these general lines, the Company undertakes to:

- 1 Carry out prior environmental impact analyses on purchased land;
- 2 Adopt consultation and participation procedures with all local stakeholders;
- 3 Enter into voluntary agreements with those who retain rights to the acquired land;
- 4 Assess the needs of local populations in terms of sustainable access to cultivation and animal husbandry;
- 5 Prioritise the acquisition of land not used for agricultural purposes in order to contribute to increasing national food production;
- 6 Formalise dispute resolution practices with local stakeholders;
- 7 Acknowledge the local population's right to glean;

- 8 Ensure fair compensation in cases where the rights of local populations are in any way damaged, despite the application of the above measures;
- 9 Only start agricultural activities after having obtained all the required authorisations;
- 10 Take all necessary measures to prevent business activity from damaging the health and safety of surrounding communities;
- 11 Ensure that the acquisition and use of land does not harm biodiversity;
- 12 Improve the fertility of cultivated land;
- 13 Identify and preserve sites of local cultural value, and consult with local communities on the possible impact of the company's activities.



The World Food Programme, an arm of the United Nations, is the largest humanitarian organisation for food assistance.

Its interventions, based in eighty locations in as many countries around the world,

focuses on saving lives in emergency situations due to famine, war, natural disasters and climate change, fostering peace, political stability and prosperity to support the affected populations.

Soil and biodiversity enrichment in Madagascar

Protecting and enhancing biodiversity

JTF has developed several crop varieties in the Ihorombe Region, Ihosy District. This is land that has remained largely uncultivated because it is difficult to cultivate. Crops are selected on the basis of their ability to adapt to the characteristics of the soil and local climate, after several years of preparation of virgin soils, which have never been cultivated before, through a protocol of mechanical tillage, the use of green manure crops and a crop rotation programme to improve soil structure and make it fertile. These improvement programmes entailed initial costs, without generating any immediate agricultural income.

After years of experimentation, Tozzi Green has succeeded in planting different crop varieties. Today, where there was previously only arid land destined to become desert, one can see green areas and the appearance of mammals, birds, insects, chameleons, and bees. The diversification of crops, including individual pineapple plants, fruit trees, as well as the care of gardens around the houses of residents, have enriched biodiversity which, in those particular areas, risked progressive and inevitable impoverishment. In short, by developing crop varieties suited to the specificity of the region and by adopting targeted agronomic techniques that improve the agricultural

qualities of the soil, Tozzi Green's work has rehabilitated over 6,300 hectares of degraded and marginal land, rescued from desertification and transformed into fertile agricultural soil.



3.4 Agriculture in Italy

Tozzi Green was one of the pioneers of the agro-voltaic concept, which consists of maintaining agricultural activities combined with the use of solar panels on the same land. These are non-alternative activities, which coexist and provide a dual benefit in terms of renewable energy production and compatible crops or livestock farming.

Tozzi Green's consolidated experience stems from the plant built at the Solar Farm company on 70 hectares of land in the province of Ravenna.

The maintenance of the greenery under the panels is, in part, taken care of by Sardinian sheep, which live in the stable. The agro-voltaic activity is geared towards efficiently combining a renewable source plant and agricultural activity; in this specific case, plant and dairy for the production of cheese from sheep milk.



SISTEMA DI QUALITÀ NAZIONALE
PRODUZIONE INTEGRATA

Solar Farm adheres to the National Quality System for Integrated Production (SQNPI), a voluntary certification scheme for all agricultural and agri-food products obtained using techniques of integrated production and with special attention to maintain the traceability chain.

“ Starting afresh from the earth is a necessity of our time. We need to study a new way of being farmers.

Franco Tozzi





3.5 Environmental impact

Tozzi Green's environmental policy is integrated with its health and safety policy, and includes three lines of action, particularly:

- **the prevention of pollution resulting from the operation of its facilities**, through constant optimisation of the technical and organisational management of its facilities and activities;
- **protection of soil, subsoil, water and the atmosphere** by keeping potential sources of pollution under control, and by taking appropriate operational control measures;
- **waste management, which must be compliant with the regulations in force in the countries where the Group operates** - with reference to separate waste collection, recycling and recovery - and which must also prioritise the reduction of waste production, through technologies that allow their valorisation and reuse with a circular rationale, and the replacement of non-reusable or non-recyclable materials with new, highly biodegradable products (as illustrated in the section on innovation and research) and better planning of activities.

“ The Tozzi Green Group operates in the international market with sustainability principles as an integral part of its business processes. The Group's environmental policy is conceived to seek the right balance between environmental impact and economic growth.

With this in mind, all Tozzi Green Group companies undertake to pursue the continuous improvement of the environmental impact of their activities by adopting energy saving programmes, optimising the consumption of natural resources, reducing

waste and emissions (through the use of the best available technologies), and recovering materials. The companies also undertake to comply with the relevant applicable environmental laws and regulations, adopt the necessary precautions and provisions to prevent environmental pollution and promote employees' awareness and responsibility in corporate activities through appropriate information and training programmes.

(Tozzi Green Code of Ethics)



The Group's environmental policy includes stringent protocols on procedures and periodic monitoring, which takes the form of inspections aimed at verifying the correct application of environmental protection regulations, considered the necessary conditions to avoid environmental accidents. Inspections give rise to detailed reports in the event of non-compliance with the prescribed behavioural protocols, with identification of the causes and the measures necessary to avoid the recurrence of potentially dangerous situations. Activities that are relevant to the environmental policy are subject to a systematic internal control process, with a view to continuous improvement.

The environmental management of the company's activities, in all the countries where Tozzi Green

operates, is monitored by the Group's audit function and accounted for in the reports that are periodically requested by national public authorities, such as the Office National pour l'Environnement in Madagascar, or by private funding institutions, such as IFC, which require environmental impact assessments for funding approval. During the two-year reporting period, no environmental incidents were reported at any of the Group's operating sites in Italy or abroad. During the financial year 2020, there were also no cases of anomalies and, therefore, no reports of non-compliance were drawn up. In 2021, only three cases of non-compliance were reported, which had no evident consequences (GRI 307).

Tozzi Green encourages staff, at all levels, to develop ideas that can be translated into even comprehensive environmental protection measures in daily operations.



3.5.1

The use of materials

Consistently with the environmental policy adopted, Tozzi Green is committed to using technical solutions studied to progressively reduce the use of materials, either by adopting circular agricultural measures or by experimenting with innovative solutions.

During the two-year reporting period, significant results were achieved in terms of the use of materials in the construction of the photovoltaic kits that form the basis of Peru's rural electrification programme. Compared to the originally installed kits, second-generation kits have not only better energy performance but also features that reduce environmental impacts related to

transport, use and future disposal. This technology has led to the development of a renewed product, which offers more than double the energy performance of its predecessor. The product's environmental impact has been limited by reducing its size and weight by one third and thus, proportionally, the cost of transport, and by ensuring a longer life cycle. These are 'plug & play' systems, the installation phase of which does not require specialised labour. Indeed, some of the simplest maintenance work can be carried out by the user himself, thanks also to the comprehensive documentation provided.

These advantages have been achieved by replacing lead technology with lithium technology. In particular, the company decided to use lithium batteries without cobalt, a chemical element whose supply chain is hard to trace.

As part of the processing of agricultural products, composting of residue from the processing of eucalyptus and geranium is practised in Madagascar. This practice resulted in the reuse of 2,973 tonnes in 2021, a 40.6% increase compared to the previous year. In 2021, Tozzi Green reduced its use of materials by 394 tonnes, - 11.6% compared to the previous year.

The Tozzi Green Group applies the precautionary principle set out in Article 15 of the Rio Declaration on Environment and Development (United Nations Conference in Rio de Janeiro, 3-14 June 1992), according to which "where there is a threat of serious and irreversible damage, lack of full scientific certainty may not be invoked as a justification for delaying the application of the most appropriate measures to prevent environmental degradation" (GRI 102-11).



3.5.2

Energy production and consumption

Direct electricity production from renewable sources amounted to 225,353 MWh in 2021 (238,939 MWh in the previous year). The most significant source of production remains wind power, followed by photovoltaics and hydroelectricity. In particular, the wind and photovoltaic plants owned by the Group are located in Italy, while hydroelectric production is concentrated in Madagascar.

Although the company's mission is to produce energy from renewable sources, the company's overall activities are not zero-impact because not all the energy consumed is self-generated. Furthermore, a part, albeit a small part, of the activities require energy drawn from the external grid. In particular, agricultural activities in Madagascar are located in an area lacking opportunities for hydropower production, which is, instead, concentrated in the northern part of the country. In addition, the large scale of agricultural production requires the use of fossil fuel-powered machinery, which remains the second most important source of the Group energy, after electricity. Even the movement of materials and products requires less use of transportation, which is traditional in countries that lack an infrastructure for sustainable mobility. A strategy in favour of electric mobility can only be pursued in Italy, where Tozzi Green has been engaged for years in the development of technological solutions for sustainable mobility.

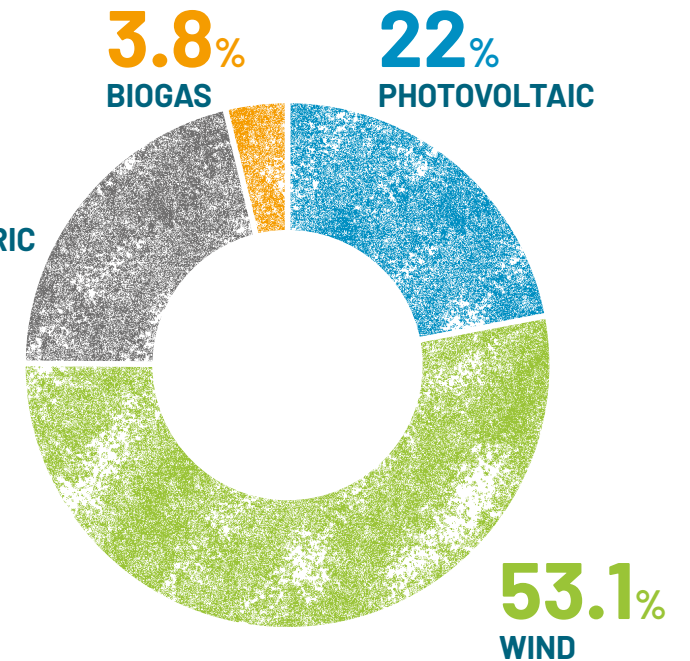
More than half of the energy requirements for Group operations in 2021, amounting to 68,303 GJ, were covered by self-generated electricity.

ENERGY PRODUCTION
IN 2021 FROM RENEWABLES



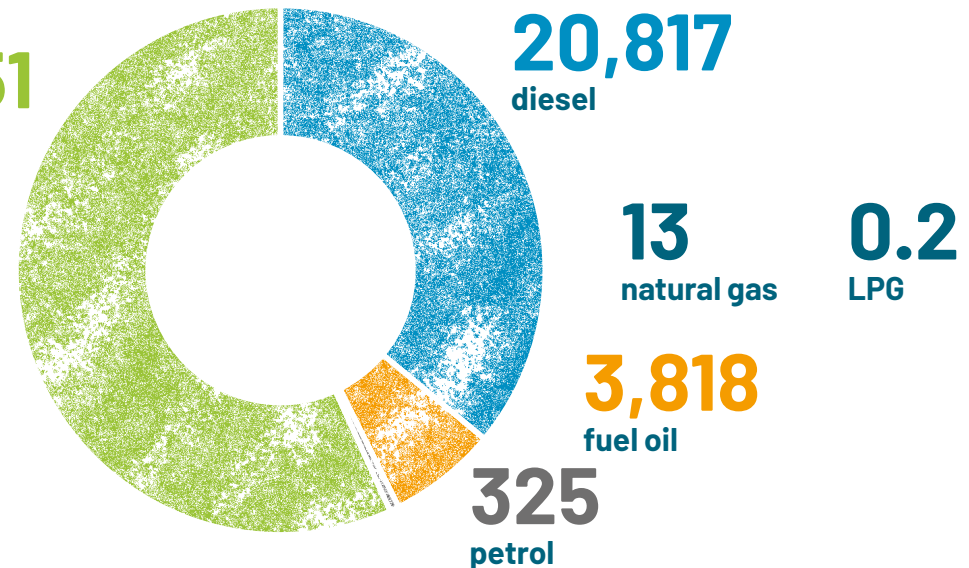
225,353 MWh

Total production



COMPOSITION OF ENERGY SOURCES
CONSUMED IN 2021 BY THE GROUP IN GJ

32,851
electricity
consumed



3.5.3 Water consumption

Tozzi Green pursues the goal of zero impact and is, therefore, committed to replacing energy from polluting sources with clean energy also for agricultural consumption.

The company is aware that every achievement in this direction entails increasing difficulties and, therefore, ever more challenging commitments.

In the context of generating electricity from water sources, Tozzi Green's business does not consume water, as hydroelectric technology takes large quantities of surface water upstream and returns it intact to the environment, available to all downstream users.

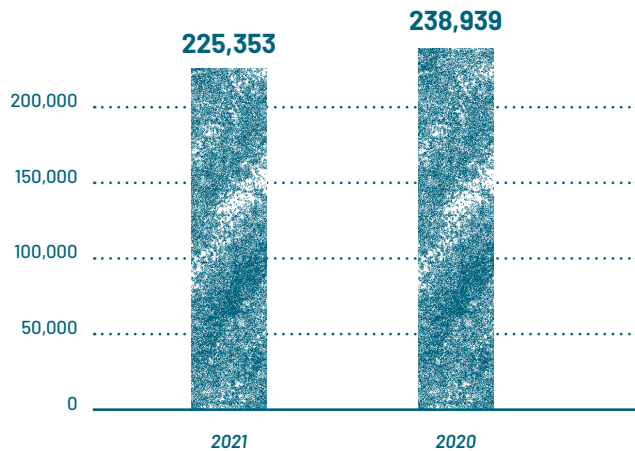
The hydroelectric plants built and operated by Tozzi Green are not based on the construction of large reservoirs

and the formation of artificial lakes, which can change the local climate, channel agricultural land away from cultivation or pastures away from livestock breeding, and cause the relocation of residential settlements and production activities. Furthermore, the construction of dams would necessarily result in the interruption of the watercourse, thus making it impossible for fish species to swim up and down the river.

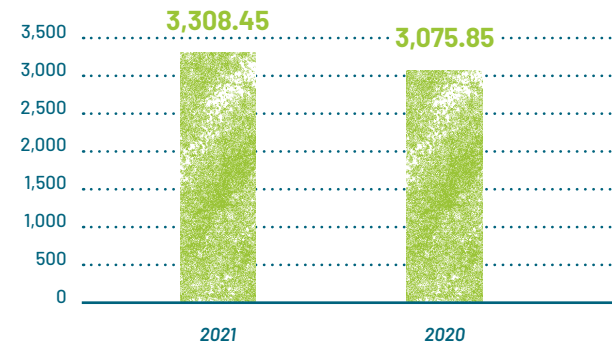
Tozzi Green's hydroelectric plants do not use dams. They are run-of-river and, therefore, do not involve significant hydrographical changes, as they merely convey the water flow to the intake duct, which serves the turbines. Flowing water systems are inherently safer, as they do not retain the energy potential of a reservoir.

In Maroantsetra, Madagascar, for example, water is collected from a side intake. The maximum flow rate that can be derived from the plant is 6 m³/s, while the river flow rate varies between 20 and 30 m³/s depending on the season. At the Sahanivotry and Mahitsy plants, an ecological flow is ensured so that the river is never left dry. In particular, in the case of Mahitsy, the intake was designed to avoid creating a permanent dam on the river.

ENERGY PRODUCED BY TOZZI GREEN IN MWh



TONNES OF CO₂ AVOIDED COMPARED TO PRODUCTION FROM FOSSIL SOURCES



Note: To calculate the CO₂ avoided, the average emission is taken into account per MW of the combination of gas and coal-fired power plants in the EU (0.656 ton/MWh).



3.5.3

Usage of water resources

With regard to agricultural activity in Madagascar, which represents the greatest need for water supply, consumption comes from two surface water courses, which run through the land cultivated by Tozzi Green. These watercourses are located in a region characterised by water stress.

The region's water shortage is being addressed with appropriate cultivation technologies and, above all, careful experimentation with the species best suited to drought-prone soils. The distribution of water in the soil makes it fertile, thus protecting it against the risk of sterility.

The cultivation techniques adopted do not conflict with the water needs of the local population, as this is met by the supply of drinking water from wells built by the company in 2012 for the needs of both staff and the neighbouring village. The annual consumption is about 5,150 cu.m., of which a smaller part (about 1,500 cu.m.) is for domestic consumption by staff, and the larger part (about 3,650 cu.m.) is distributed to the village through five public fountains.

With regard to industrial use, which accounts for 4.8% of the total, activities in Italy and Peru are supplied by aqueduct, while those in Madagascar come from wells. Total consumption at Group level increased by 2.1% in 2021, compared to the previous year.

With regard to industrial use, which accounts for 3% of the total, activities in Italy and Peru are supplied by aqueduct, while those in Madagascar come from wells. Total consumption at Group level increased by 1.7% in 2021 compared to the previous year.

TOZZI GREEN GROUP'S WATER CONSUMPTION IN MC BY TYPE OF USE AND SOURCE OF SUPPLY

Use	2021	2020
agricultural	184,637	182,055
industrial	5,341	4,702
Source		
aqueduct	14,086	11,831
Wells	2,498	1,938
Surface water courses	173,394	172,988
Area		
Madagascar*	171,964	171,485
Italy	18,014	15,272
Total	189,978	186,757

Note: Consumption in Peru is not included because it concerns office condominium utilities only.

* Areas characterised by high/medium water stress

Source: World Resources Institute, Water Risk Atlas, www.wri.org

3.5.4

Emissions

Despite the production of renewable energy, Tozzi Green's activities involve direct emissions (scope 1) mainly resulting from the energy needs of its own facilities and the use of machinery and plant. This consumption is more concentrated in agricultural activities, and also involves the use of non-renewable energy sources, as discussed in section 3.5.2.

The non-renewable energy sources used for the Group's energy needs also include the portion of electricity purchased on the market for uses that cannot be covered by self-generation. In this case, the emissions are indirect (scope 2) because they originate in places where the energy is produced, insofar as the purchased energy mix has a non-renewable component.

In 2020, the company signed several contracts committing the electricity supplier in Italy to supply 40% certified energy from renewable sources. Pursuant to these contracts, five Group locations benefited from a guaranteed 40% share of energy from renewable sources in 2021, resulting in a reduction in total indirect emissions (-28.4%), compared to the previous year.

DIRECT (SCOPE1) AND INDIRECT (SCOPE 2) GREENHOUSE GAS EMISSIONS IN T/CO₂

	ITALY			MADAGASCAR AND PERU			TOTAL GROUP			TOTAL GROUP GJ		
	2019	2020	2021	2019	2020	2021	2019	2020	2021	2019	2020	2021
Fuel consumption from non-renewable sources												
<i>of which:</i>												
Diesel (fuel for agricultural machinery)(litres)	10,759	12,821	11,374	409,584	517,912	525,850	420,343	530,733	537,224	15,107	19,075	19,308
Methane gas (Smc)	-	383	371	-	-	-	-	383	371	-	14	13
LPG (litres)	-	-	-	657	1,375	1,673	657	1,375	1,673	16	33	41
Fuel Oil (litres)	-	-	-	47,997	82,082	95,254	47,997	82,082	95,254	1,923	3,289	3,817
Petrol (litres)	67	4,291	5,392	2,619	3,596	5,161	2,686	7,887	10,553	88	257	344
Energy consumption from non-renewable sources												
<i>of which:</i>												
Electricity supplied from the national grid kwh	2,937	2,833	2,539	39	32	48	2,976	2,865	2,587	11	10	9
Consumption of energy from renewable sources												
Electricity supplied by the national grid's certified guarantee of origin kwh	1,175	1,133	1,016	16	13	19	1,190	1,146	1,035			
Energy produced	188,912	174,411	177,236	78,512	71,905	51,579	267,424	241,749	228,814	963	870	824
<i>of which:</i>												
Energy consumed	8,259	4,567	4,500	1,867	4,038	5,219	10,126	8,605	9,718	36	31	35
Electricity sold kwh	180,653	169,844	172,736	76,645	67,867	46,360	257,298	233,144	219,096	926	839	789
Total energy consumption (Total demand)												
<i>of which:</i>												
from renewable sources kwh	9,434	5,700	5,516	1,883	4,051	5,238	11,316	9,751	10,753	41	35	39
from non-renewable sources kwh	1,762	1,700	1,523	23	19	29	1,786	1,719	1,552	6	6	6

DIRECT (SCOPE 1) AND INDIRECT (SCOPE 2) EMISSIONS OF GREENHOUSE GASES IN t/CO ₂	2020			2021		
	Consumption	Emission factors	Emissions t CO ₂ e	Consumption	Emission factors	Emissions t CO ₂ e
Total direct emissions (Scope 1) from self-produced and consumed energy - t CO ₂ e	1,962.21			2,040.91		
<i>of which:</i>						
Diesel (fuel for agricultural machinery)(litres)	530,733	3.155	1,674	537,224	3.169	1,702
Methane gas (Smc)	383	1.984	0.760	371	1.983	0.736
LPG (litres)	1,375	3.026	4.161	1,673	3.026	5.062
Fuel Oil (litres)	82,082	3.144	258	95,254	3.143	299
Petrol (litres)	7,887	3.140	25	10,553	3.152	33
Total indirect emissions (Scope 2 - Location based) from energy consumed but purchased from the national grid - t CO ₂ e	0.96			0.81		
<i>of which:</i>						
Electricity supplied by the national network	2,865	0.336	0.963	2,587	0.315	0.815

3.5.5 Waste

Waste management is an important part of Tozzi Green's environmental policy, aiming to gradually reduce its volume and replace it with recyclable and compostable materials with a lower impact. A strategic role in waste management is played by the application of circular economy principles to agriculture.

In Italy, fertilisation is practised using wine processing waste. In Madagascar, waste from the extraction of geranium and eucalyptus essences is used as a soil improver in greenhouses.

Employees are also key players in the waste reduction policy. The welcome gift at Tozzi Green is a personalised Clima 24 water bottle, which allows you to make the most of the water dispensers introduced in 2020 in the various buildings of the Mezzano site. This action resulted in a 67% reduction in the number of plastic bottles used.

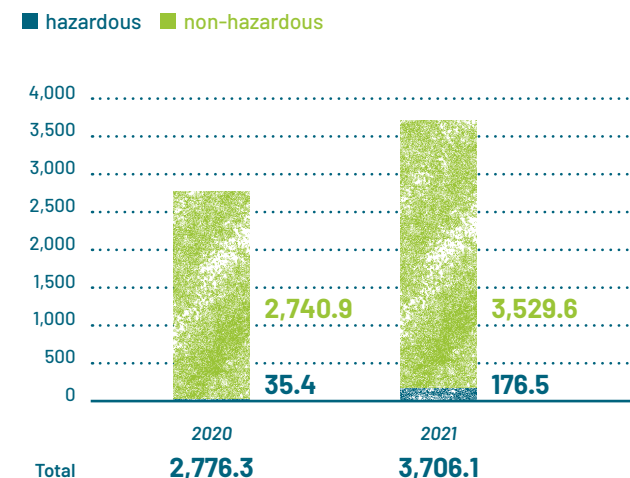
The measures introduced to protect the health of the staff, following the pandemic, resulted in the temporary closure of the restaurant's dining room, whereby the ceramic crockery was abandoned and replaced with containers and cutlery made of cellulose pulp, suitable for composting.

ENERGY CONVERSION FACTORS

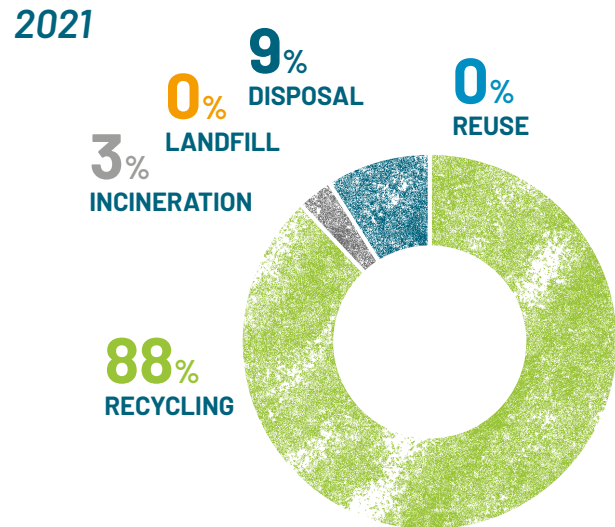
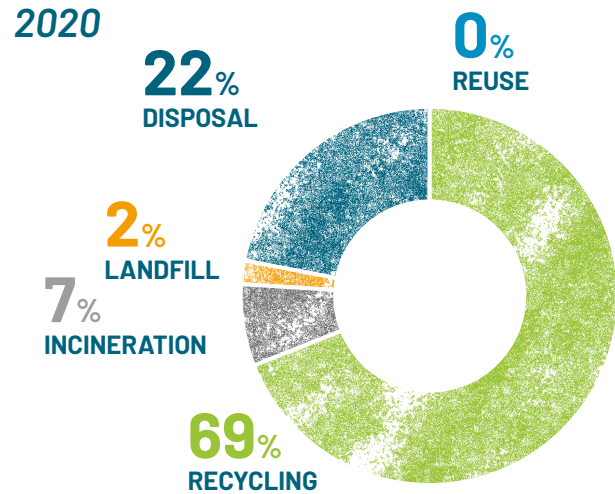
Type of energy	Measurement units	GJ equivalents
Electricity	1 kWh	0.0036
Sustainable electricity	1 kWh	0.0036
Natural gas	1 m ³	0.0358399
Diesel fuel	1 litre	0.040070796460177
District heating	1 GJ	1
Jet Fuel	1 litre	0.035124
Diesel	1 litre	0.0359401522
Petrol	1 litre	0.0325944513527814
LPG	1 litre	0.0243388065275721
Compressed Natural Gas (CNG)	1 litre	0.00787937460603127
Biodiesel (ME)	1 litre	0.0331079854324864
Bioethanol	1 litre	0.0212791973613795

Source: ISPRA FACTORS 2021

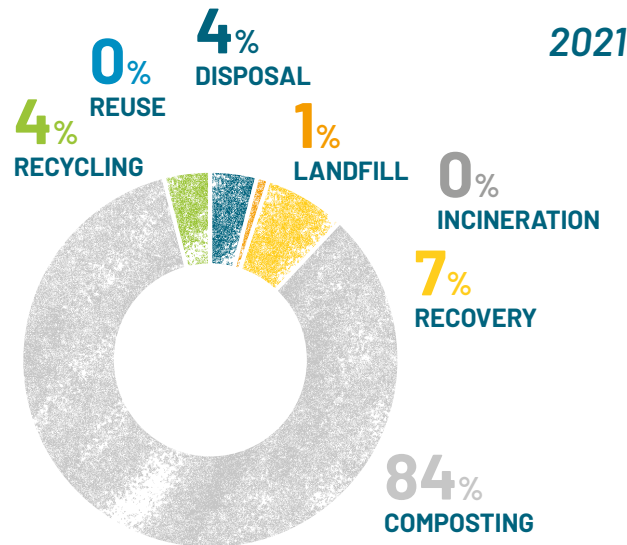
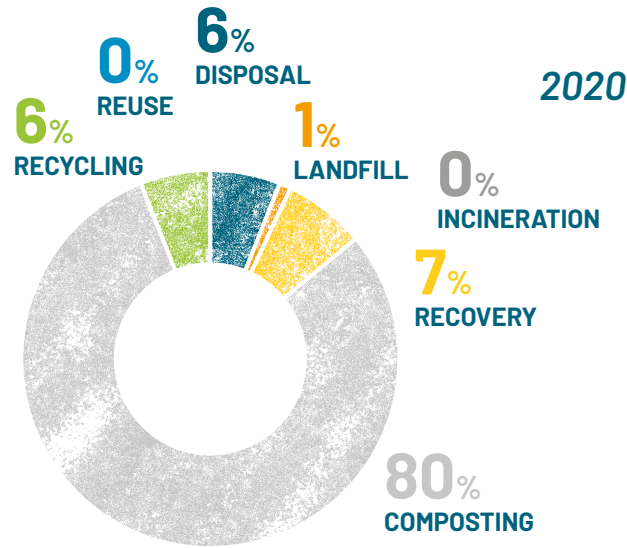
TOZZI GREEN GROUP WASTE PRODUCTION IN TONNES



**HAZARDOUS WASTE BY DESTINATION
(PERCENTAGE COMPOSITION)**



**NON-HAZARDOUS WASTE BY DESTINATION
(PERCENTAGE COMPOSITION)**



In 2021, 3,706 tonnes of waste were generated within the Group's operations, recording a 33.5% increase, compared to the previous year. Tozzi Green mainly produces non-hazardous waste, mostly from agricultural activity in Madagascar.

Hazardous waste accounts for only 4.8% of the total, and mostly consists (80.6%) of electric batteries, which are reused by third parties for purposes that do not require a charge regulator.

Instead, in terms of non-hazardous waste, 84.2% of the total consists of biomass produced in the cultivation of eucalyptus, geranium, clove and mint in Madagascar.

The processing of these plants for the production of oils and essences results in large quantities of plant mass, which is recycled in the form of compost and distributed on the land, in accordance with the trend of circular agriculture.

The possibility of reusing lead batteries increased the recycling rate of hazardous waste to 88% of the total, compared to 69% in the previous year. In 2021, the percentage of non-hazardous waste recycled also increased from 80% to 84%.

In summary, while it is true that waste increased in 2021, the sustainability of its destination improved by increasing the recycling percentage and reducing the already low amount sent for incineration.





WE SHARE WELL-BEING AND DEVELOPMENT WITH COMMUNITIES

For generations, the trait that distinguishes the entrepreneurial spirit of Tozzi Green has been the desire to develop business opportunities with the aim of generating added value and fostering the development of local communities, responding with concrete actions to the needs of the territories in cooperation with local administrations and stakeholders.



4.1

Local development and support to populations

MATERIAL ISSUE:
Local development and support to populations

MATERIAL ISSUE DESCRIPTION:

Renewable energies are largely based on locally distributed technologies, which lend themselves to use for the benefit of local communities.

This is why they offer potential for application in less developed countries, where they offer an opportunity for the economic and social growth of areas that are still at a disadvantage. Some countries in Africa and Latin America have opened their energy markets to foreign operators with know-how and innovative capacity, who are able to adapt renewable energy production to

contexts where the availability of electricity marks a big step forward on the path to emancipation.

Tozzi Green's business initiatives abroad do not only promote local development by placing clean energy at the service of local communities, but also social and cultural development through accompanying programmes. Therefore, the development of educational or health services, alongside support for local community activities, does not only concern Italy, in particular the province of Ravenna, where the parent company is based, but above all areas that most need support and where their effects are most evident.

These social and cultural impact programmes are subject to periodic evaluation, just as economic investments, and are reported to principals and third-party funders.



art. 1
art. 2

4.1.1

Socio-economic impacts: direct, indirect, and induced

The social and economic consequences of Tozzi Green's overall activities relate to the creation of value, jobs and human capital, and can be measured at three levels: the first directly derives from the Company's activity and is, therefore, measurable on the basis of the budgeted economic variables and documented initiatives. These are wages and salaries paid to staff, payments made to suppliers, and taxes and fees paid locally and centrally. The direct economic effect basically consists of the overall value creation generated by the Company during the financial year, and which benefits all stakeholders. From a social perspective, direct effects consist of job creation, which relates to personnel employed in the various contractual forms, while the development of human capital refers to training in the company aimed at developing skills. While the value of training can be measured by the costs incurred by the Company, the

growth of skills based on work experience and informal exchange between colleagues cannot be measured by cost parameters for the Company, though it may represent the employee's main source of professional enrichment.

The second level relates to indirect effects, and includes the value of expenses incurred by suppliers to secure orders received by Tozzi Green, i.e. the share of personnel expenses, taxes and fees, and purchases incurred by suppliers. The indirect impact of employment also refers to personnel employed throughout the supply chain.




The third level considers the effect of the economic multiplier on staff consumption. Induced employment effects refer to the full-time equivalent labour units mobilised by the overall economic activities resulting from Tozzi Green's direct and indirect consumption

and investments. Human capital development is about cultural growth, not just the dissemination of education in areas benefiting from corporate interventions. For the purposes of this social report, direct effects are based on a quantitative analysis, while indirect and induced effects are described qualitatively.

REMUNERATION OF STAFF BY GEOGRAPHICAL AREA

	2021	2020	2019
Italy	6,142,031	6,378,690	6,111,738
Madagascar	1,792,347	1,510,313	1,759,016
Peru	1,102,630	1,511,137	1,593,319
Rest of the world	62,183	132,920	25,505
Total	9,099,191	9,533,059	9,489,578

TAXES AND DUTIES PAID BY TOZZI GREEN BY GEOGRAPHICAL AREA	Income taxes			Local taxes and duties		
	2021	2020	2019	2021	2020	2019
Italy	3,779,213	577,721	2,686,355	215,544	197,907	195,026
Madagascar	251,291	- 2,505,386	1,158,035	382,565	129,991	500,104
Peru	2,052,274	5,184,102	4,094,930	737,950	915,974	1,176,195
Rest of the world	24,887	159,865	22,410	53,021	21,888	1,850
Total	6,107,665	3,416,302	7,961,730	1,389,080	1,265,760	1,873,175

Type of impact	Direct effect	Indirect effect	Induced effect
 ECONOMIC DEVELOPMENT	<ul style="list-style-type: none"> Wages to local employees Payments to local suppliers for the purchase of goods and services Taxes and duties paid to local and central governments Investment in infrastructure 	<ul style="list-style-type: none"> Expenditure on goods and services along the supply chain Wages to local employees in the supply chain Taxes and duties paid by suppliers 	Multiplier effect on consumption caused by the wage expenditure of direct and indirect employees within the local economy
 EMPLOYMENT DEVELOPMENT	Tozzi Green Group's local permanent, fixed-term, seasonal and contract employees	Local employment along the supply chain	Jobs created as a result of increased consumption
 HUMAN CAPITAL DEVELOPMENT	<ul style="list-style-type: none"> Extensive training catalogue for staff at all levels Support for social, educational, and health protection activities 	Sharing knowledge and expertise with local suppliers and business partners	The meeting of basic needs creates the prerequisites for lifestyles in which culture and knowledge become drivers of development

4.2 The community in Italy

Tozzi Green acts on the territory with initiatives that have a dual cultural and educational value, such as supporting the Istituto Comprensivo 'M. Valgimigli' in Mezzano (RA) in **February 2021**, for the implementation of both the **project "Frontiere di pace - Viaggi di Potenziamento" (Frontiers of Peace - Empowerment Journeys)**, and the annual **social project "Scuola-Bottega" (School-Shop)**. Added to this is the financial support for the ToGether association, which started its activities in October 2019 and developed them over the past two years, despite the constraints imposed by pandemic-related health measures. In particular, the presence on social platforms (Instagram and Facebook) was enhanced to counterbalance the reduction in on-site activities.

Tozzi Green ODV ToGether Association was established in October 2019 at the behest of the Tozzi family's grandchildren. It is a voluntary association created to promote and support environmental education focused on informed and rational use of natural resources, on overcoming the use of fossil fuels in favour of all renewable energies, and the dissemination of an ecological culture.

In **2020**, its first year of activity, ToGether devoted much of its energies to developing relations with the Romagna area, but also with other regions, paving the way for a series of **joint activities** capable of **responding to the needs of inhabitants of the target areas**. In **November 2020**, ToGether donated **18 computer screens** to the District School in San Pietro in Vincoli, when Tozzi Green's computer equipment was replaced.

In **June 2020**, the first **Tozzi Green Summer Camp** was held at the Caseificio Buon Pastore in Sant'Alberto di Ravenna. Dedicated to the families of Tozzi Green employees, it was designed to support the needs that emerged during the lockdown. Summer camp activities are mainly based on the informal education method, and on the active and creative participation of children in the learning and entertainment process.



That year marked the beginning of the partnership with the Musiké Artistic Therapy Centre, which works in the fields of music, music therapy, speech therapy and posturology. A **workshop was conducted with Musiké children** (from primary to secondary schools) to identify the most striking environmental themes on which the **original creation of a video and song** was based.

ToGether also collaborated with the VS - Contemporary Dance Concept group from Ravenna on the **production of a video illustrating the concept of sustainability through dance.**



In cooperation with the Cooperativa Sociale Liberazione, which works between the territories of Ravenna and Faenza, the **Social Vegetable Gardens project** was developed on the land in front of Caseificio Buon Pastore of the company Solar Farm in Sant'Alberto (RA). The project aims at creating an organic vegetable garden to produce 0km vegetables, with a social project supporting the Sant' Alberto and Mezzano (RA) district's social fabric.

In **2021**, in addition to continuing the initiatives of the previous year, ToGether joined the **#GREEN_EuRoPe project**, coordinated by the Municipality of Ravenna and implemented by a partnership of provincial relevance (Union of Municipalities of Lower Romagna, Municipality of Cervia, the social cooperatives Villaggio Globale and Liberazione) to spread knowledge and raise awareness among young people and adults in the Ravenna provincial basin, on participating in the future of the European Union, with the conference on the Future of Europe and the European Green Deal.

With the **"We Green" workshops**, ToGether involves students interested in exploring the topics of renewable energy and energy saving.

The workshops are conducted by young tutors trained within the project, and coordinated by an environmental engineer from Tozzi Green. They are held at the ToGether Association's premises, in the offices of Tozzi Green, to get hands-on insight into the working environment of a local company dealing with renewable energy on a global scale.

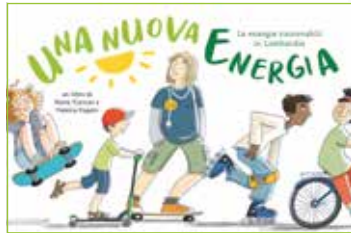
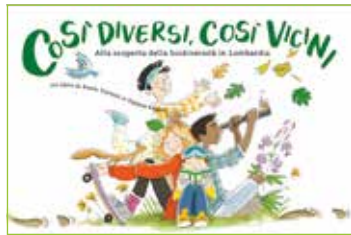


In cooperation with Fondazione Lombardia Ambiente, **three texts** were produced for pupils in the last two years of primary school and the first year of secondary school: **one on protecting biodiversity, one on renewable energy and energy saving, and one on plastic recycling and the circular economy.**

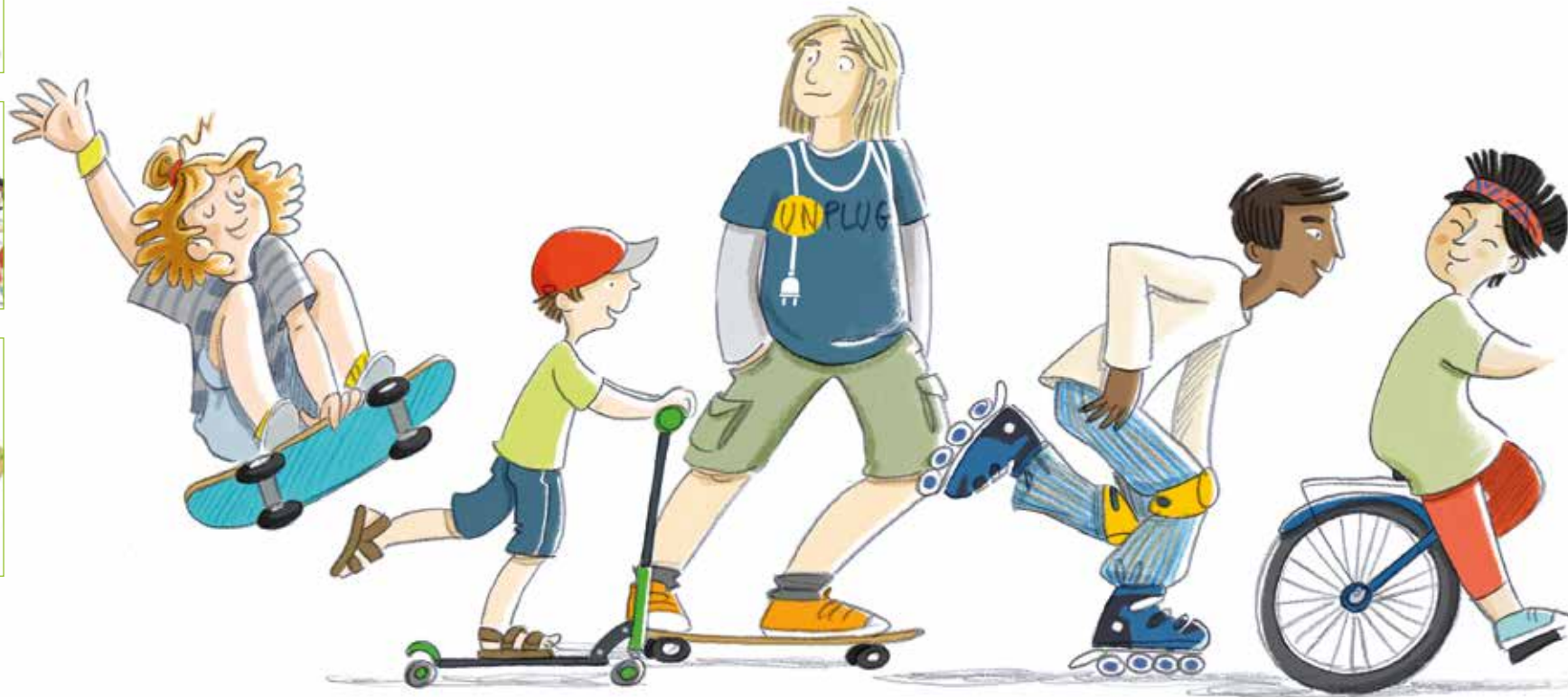
Due to the pandemic, the activity of the Educational Farm held every year at the Solar Farm (RA) premises was temporarily suspended in 2020 and 2021. We would like to resume it in 2022.

The **Educational Farm** hosts schools in the area, from primary to university (Faculty of Agriculture, Veterinary Science and Food Technology), and works in collaboration with the association "Amici di Enzo" of Ravenna, which

provides assistance to children with schooling issues, offering them training experiences on farms. The children are accompanied by the association's tutors in participating in various agricultural activities. The Educational Farm also collaborates with the Technical Agricultural High school A.L. Perdisa of Ravenna in the process of alternating school and work.



Illustrations by Valeria Fogato, from books in collaboration with Fondazione Lombardia Ambiente



4.3

The community in Peru

The rural electrification project, based on the production of renewable energy, has an immediate social impact by improving the quality of life of households. It offers new opportunities for interpersonal exchanges and economic activities on a family scale. As required by the Peruvian Ministry of Energy, the project was accompanied by a detailed social and environmental impact study, supplemented by an analysis of the impact on any areas of archaeological significance. Since power supply units were also installed in schools and health facilities in the areas involved, which lacked electricity, the improvement in human development potential is remarkable. In rural areas, Tozzi Green also provided a water purification plant for food purposes, powered by renewable energy. On 13 February 2020, a new water purification plant was inaugurated in the Timicurillo Area - 1 / District of Indiana - Maynas Province - Loreto, providing drinking water to local

communities, particularly to some 60 families, who until then lacked safe access to a basic necessity. The plant, which is capable of purifying up to 1,200 litres of water per day, was installed next to a community centre where there is also a school canteen.

Tozzi Green is aware that cultural change and increased awareness of life opportunities must also be supported, alongside the improvement of material living conditions. In this regard, Tozzi Green took the initiative to publish and distribute a free book in schools, explaining what renewable electricity is, what it is used for and how it is produced. The book, entitled "El Sol en Mi Casa" (TozziGreen Book editions), is distributed in Spanish as well as in the Quechua and Aymara² languages, which are spoken in some areas bordering Bolivia. Furthermore, courses were held to illustrate the benefits of the installation, providing guidance for

Tozzi Green is aware that, alongside the improvement of daily living conditions, cultural change should be supported as well, raising awareness of life's opportunities.

minor urgent interventions and in diagnosing possible malfunctions, since the equipment is often installed in villages that are several days of travel away from the service operation centres and, therefore, cannot be serviced promptly by maintenance technicians. Thanks to courses on the benefits of electricity, women started using simple spinning machines that facilitated the production of yarn for local handicrafts. All these activities were partly affected by the pandemic and the restrictions introduced on internal mobility, in a country where the infection was particularly lethal.

² Quechua, an ancient language of the Inca empire, currently spoken in dialect form in several countries of the Andean area. Aymara, the indigenous language of the people living in the highlands around Lake Titicaca.

The 8,000 kits installed in 2021, called Solar System (SHS), were produced with a new technology developed by Tozzi Green that, by reducing the amount of raw materials used, allows for a lower carbon footprint and provides 50% more energy to its users.

The increased power supplied enables households to access a range of low-powered everyday appliances, such as LED lights, radio and TV sets, fans and small refrigerators, which improve their living conditions.



4.4

The community in Madagascar

In addition to the commitments made and programmes implemented concerning sustainable agriculture in Madagascar and the protection of biodiversity, Tozzi Green is engaged in a multi-year programme that pursues four different objectives, with particular reference to the population of 50,000 inhabitants living within a radius of about 100 km around the JTF (Jatropha Technology Farm):

1 Promotion of employment, not only through direct employment, but also through the creation of jobs in the local economy, induced by Tozzi Green's activities; improvement of the quality of work through the promotion of permanent and full-time positions (transformation of 41 positions in the two-year period 2020-2021); development of vocational training in agriculture for its own staff and for students at the agricultural universities of the three main cities of Madagascar (Antananarivo,


Tuléar, Fianarantsoa); improvement of the medical-nursing facility to protect the health and safety of local staff; formalisation of procedures for dialogue with staff; control and formalisation of recruitment procedures for seasonal and fixed-term staff.

2 Improvement of the rural environment through the rational use of pesticides in order to improve water quality; reforestation programmes by experimenting with species suited to the characteristics of the land; recovery of seedlings; donation of seeds to the regional Department of the Environment; implementation of a waste management plan.

3 Development of the Social Welfare Plan at the local level through the renovation and refurbishment of four schools; the provision of basic education services for the children of staff (école et crèche Tozzi Green); environmental

education for children and adolescents; sponsorship of the Rugby Academy in Ihorombe, so far involving more than 500 boys and girls; expansion of the facilities at the Akany Orphanage; sponsorship of the JTF Madagascar Health Centre, which provides 75,000 medical examinations per year and carried out a vaccination campaign, reaching 4,400 children in 2020-2021.

4 Development of the local infrastructure by constructing public buildings powered by solar panels (headquarters of the town hall and the local bank); electrification of the village of Satrokala with renewable energy sources; creation of drinking water distribution points; maintenance of 29 km of roads in the period 2020-2021; reforestation of an area in the vicinity of the new Sahanivotry hydroelectric power station.



On 14 October 2021, a ceremony was held to inaugurate a new infrastructure built by Tozzi Green at the Akany Orphanage for orphans of the National Gendarmerie in Arivonimamo.

In attendance were Tozzi Green Madagascar CEO Davide Giachero and Tozzi Green CEO Andrea Tozzi, as well as the Prime Minister of the Madagascar government Christian Ntsay, Minister General of National Defence Richard Rakotorinina, General Serge Gelle, Secretary of State for the Gendarmerie, the European Union Ambassador and the Italian Embassy in Madagascar.

The collaboration between the Gendarmerie and Tozzi Green demonstrates the convergence of interests of the local government and foreign investors for the economic development of the country and the improvement of the local community's quality of life.



WE RESPECT AND PROTECT THE RIGHTS OF PEOPLE

Tozzi Green commits to protect and respect the rights of all people.

It guarantees and recognises civil, social, economic and cultural rights, turning them into concrete opportunities.



5.1

Respect for and protection of the rights of all those who are involved in our activities

MATERIAL ISSUE:

Respect for rights and compliance

MATERIAL ISSUE DESCRIPTION:

In addition to inalienable civil rights, which must be guaranteed by governments, the well-being of individuals also depends on the recognition and protection of social, economic, and cultural rights, including the right to work, the right to education, and the right to social assistance. Tozzi Green believes that these rights should be pursued by several public and private actors, in different contexts, depending on the economic and social role played by each of them. Tozzi Green operates in areas of the world where it can contribute, within its means, to turn these rights into concrete opportunities.

The Code of Ethics specifies the Company's approach to respecting rights relating to equal opportunities, recognition of differences, repudiation of any kind of discrimination, and protection of the rights of local populations.



“ Likewise, the Tozzi Green Group rejects all forms of discrimination based on age, sex, sexual orientation, health status, race, nationality, cultural background, political opinions and religious beliefs.

Phenomena such as racism, xenophobia, denial of crimes against humanity, in whatever form they are manifested, including dissemination via social media, are condemned in the strongest terms. In particular, the Tozzi Green Group guarantees employees and collaborators a safe and healthy working environment, and working conditions that respect individual dignity.

(Tozzi Green Code of Ethics)



In a Group that operates on three continents and involves people expressing different cultures, traditions and languages, Tozzi Green adopts procedures that respect diversity, protecting staff and ensuring equal opportunities for professional development regardless of individual beliefs. Anyone is called upon to behave respectfully and correctly and to report incidents that go against the principles of the Code of Ethics, as envisaged by the whistleblowing procedure.

No incidents of discrimination were reported during the two-year reporting period (GRI 406-1), and this confirms the quality of the working environment and interpersonal relations achieved in all operational workplaces, and the actual recognition of individual diversity.

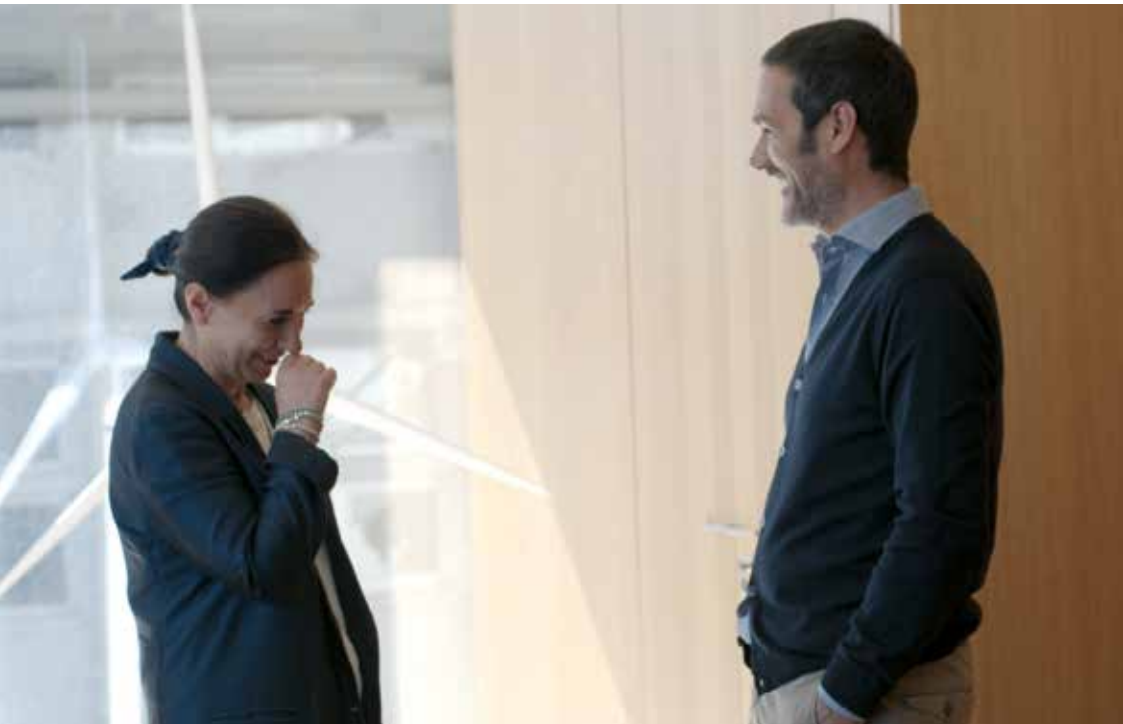
The International Labour Organization (ILO) has long since issued a recommendation that child labour is a condition that jeopardises the health and balanced development of children, and can impair their physical and intellectual growth, preventing them from grasping opportunities for a complete human education.

Tozzi Green has decided to facilitate these opportunities by not employing minors, even in countries where legislation allows their employment. This is why ATG, the Group's subsidiary that operates in Madagascar,

has pledged not to use or encourage child labour (Déclaration d'ATG sur le travail des enfants).

The Company is aware that child labour can be combated by broadening the educational offer and ensuring basic education for all. Hence its commitment not only to prohibit the use of any form of child labour, but also to promote the spread of education for children in areas where basic education is still lacking. This rationale underpins the initiatives reported in the section on the community in Madagascar.

In both the energy and agricultural fields, the projects implemented by Tozzi Green in Peru and Madagascar meet social as well as environmental impact assessment criteria, according to prior analysis procedures, which are subject to authorisation by local governments and international funding bodies. The social consequences of projects are regularly monitored during their implementation, and corrective measures are identified in the event of deviation from the expected outcome. Monitoring concerns:



1 compliance with the overall regulations by updating a register containing all the relevant regulations for each project, interlocution with the competent authorities in cases where problems of interpretation of the regulations arise;

2 the implementation of an environmental and social management system for each project to address the risks of the environmental, social, health and safety impact and implications for biodiversity;

3 how to manage and resolve disputes concerning fair access to land, possible reimbursement or compensation for agricultural products or livestock, or resettlement and inclusion projects for vulnerable groups;

4 stakeholder engagement programmes and action plans targeted at them, based on a proactive approach, including listening to expressions of discontent and

claims, with particular reference to any marginalised or weak groups (e.g. the elderly, women);

5 the recognition of local committees and representatives of the communities involved, ensuring they are actually represented, and the inclusion of disadvantaged and marginalised groups or categories;

6 forms of actual representation;

7 the assessment of risks arising from climatic conditions that may develop locally;

8 the activities of workers' representative bodies, in accordance with ILO recommendations, the drafting of a management manual for the staff involved in each project, the use of written employment contracts, both for direct and contracted staff, to safeguard decent wage levels and working conditions;

9 management plans for any hazardous materials and substances, according to up-to-date treatment and disposal criteria;

10 the preparation of a health and safety management plan for the local population;

11 the preparation and implementation of benefit-sharing programmes resulting from project implementation on the basis of participatory practices, for the benefit of relevant stakeholders, with particular focus on weak and marginalised groups, balancing the scope of the project with the social and environmental needs of the target community;

12 the performance of biodiversity action plans, based on the specificity of the territory and the impact of the programmes.



All these activities involve the appointment of a senior social and environmental officer for each programme under construction. Due to the limitations imposed by anti-COVID-19 measures, which in Madagascar resulted in border closures during 2020, monitoring activities at times required the use of local consultants.

During the two-year reporting period, there were no reported incidents or disputes concerning the violation of the rights of local populations involved in projects implemented or being implemented in Italy and abroad by Tozzi Green and its subsidiaries (GRI 411-1).

An important part of the rights of certain categories of stakeholders, especially with reference to activities conducted abroad, concerns attention to rights that

do not derive from contracts or agreements entered into by the Company in the pursuit of its business, but which are inherent to the very lives of the people who at all levels come into contact, even indirectly, with Tozzi Green. These are human rights, explicitly referred to in the company's Code of Ethics and, therefore, pursued as an inalienable commitment by the Company.

Respect for human rights is a way of being ingrained in the corporate culture. It is embodied in the equal recognition of interlocutors, respecting, listening to and understanding different cultures with which the company comes into contact. In Madagascar and Latin America, Tozzi Green also adopts protocols for consulting local communities and analysing the needs of the people living in the areas affected by the company's activities.

During plant construction and subsequent operation, the

company draws up periodic assessments that are handed over to the governmental supervisory authorities.

Even in agricultural production in Madagascar, activities are guided by criteria of respect for the rights of local populations, orienting production in favour of the domestic market in a country that is still subject to periodic food crises. The production of essential oils, which is instead destined for exportation, follows organic cultivation criteria, is subject to environmental certification, falls under fair trade and is subject to the principles of business ethics adopted by Group companies. These parameters, alongside high quality, are in any case demanded by major customers, precisely leading fragrance brands, whose global clientele is very sensitive to the social and environmental quality of the supply chain (GRI 412-1).





**NOTE
ON METHODOLOGY**

**TABLES OF DATA
AND INDICATORS**

**CONTENT
INDEX**



Note on methodology

The Tozzi Green Group's Sustainability Report is drawn up every two years (GRI 102-52). This edition refers to the financial years ended on 31 December 2020 and on 31 December 2021 (GRI 102-50), respectively, and offers a comparison with the previous edition, which reported the financial years ended on 31 December 2018 and on 31 December 2019 (GRI 102-51). The structure and contents of this document were previously studied and shared by a Work Group in preparation for reporting activities. The team was made up of division managers and external consultants, and the contents were later presented in an initial version to the Group's Sustainability Management Committee, and approved during the Committee's online meeting held on 8 March 2022 (GRI 102-46). On 19th May 2022, Andrea Tozzi, CEO of Tozzi Green S.p.A., approved this document.

For the edition covering the financial years 2020 and 2021, the Sustainability Management Committee included:

- Andrea Tozzi, *CEO of Tozzi Green S.p.A.*
- Melania Fabbri
Head of Group Operations
- Grazia Ramponi *Head of HR and Communications, Committee Coordinator*
- Nicola Armaroli *Group Controller and Budget Manager*
- Andrea Baruzzi *Head of O&M and Asset Management*
- Riccardo Masetti *QHSE Manager*
- Giampaolo Cimatti
Head of Engineering and Innovation
- Alessandro Circassia
Head of Legal Affairs
- Angelo Copacchioli *CEO Ergon Peru*
- Luca Dallaglio *Head of Procurement*
- Roberto Fagnocchi, *CFO*
- Federico Ferranti *Head of Energy Operations in Madagascar*
- Davide Giachero
CEO Tozzi Green Madagascar
- Glenda Raspanti
Head of Agricultural Activities, Italy
- Franco Salcone
Head of Business Development, Italy
- Fabrizio Schiavo *ICT Manager*
- Cristiano Vitali *International Business Development Manager*
- Gian Matteo Zanzi *Head of Foreign Subsidiaries Administration*

- Virginia Lo Rizzo
President of the Association ToGether
- Fabio Cavallari *Consultant for publishing and association projects*

This Report has been subjected to a limited assurance engagement by KPMG, in accordance with the criteria set forth by the ISAE 3000 Revised principle. The audit was carried out according to the procedures established by the 'Report of the Independent Auditor', included in this document.

Sustainability reporting is adopted on a voluntary basis, since Tozzi Green S.p.A. does not fall within the parameters set out in Italian Leg. Decree no. 254 of 2016 on non-financial reporting obligations.

The Sustainability Report 2020-2021 was drawn up by reporting on a selection of the 'GRI Sustainability Reporting Standards' (2016) published by the Global Reporting Initiative (GRI), as indicated in the table 'GRI Content Index' (GRI 102-54). With regard to the specific standards (Occupational Health and Safety) and GRI 303 (Water and Waste Water), the most recent 2018 version was adopted.

The Sustainability Report 2020-2021 responds to the requirements pointed out by Consob with Reminder No. 1/21 of 16-2-2021, with reference to the impact of the pandemic on non-financial issues, mitigation actions, consequences on staff

health and measures taken to protect it, consequences on the business model, risks related to climate change, and consequences on business performance.

The scope of economic and financial data and information is the same as in the Tozzi Green S.p.A. Consolidated Annual Financial Report. (GRI 102-1) as of 31 December 2021. The perimeter of social and environmental data and information is defined by the Consolidated Companies, as illustrated in the Consolidated Annual Financial Report, to which TSS has been added in order to provide a more exhaustive picture of the social and environmental effects, given the role played by TSS in the Group's overall activities. Any boundary limitations on individual topics or indicators are explicitly stated in the text (GRI 102-45).

In order to provide a complete overview of the socially relevant activities carried out by the Group, the activities of the ToGether Association have also been included. With the full support of Tozzi Green, it complements the company's actions by developing specific initiatives on sustainability and environmental education issues.

During 2020-2021, there were no significant changes in the Group's size, organisational structure, ownership structure and supply chain (GRI 102-10).

In order to ensure the reliability of the data, the use of estimates has been limited as much as possible. When present, they are appropriately indicated and based on the best available methods. In cases regarding which the presentation of data could be improved, the previous year's information was restated using similar criteria to maintain comparability. Restatements of previously published comparative data are clearly indicated as such. (GRI 102-48). The stakeholder map has not changed from the one adopted in the previous edition of the Sustainability Report (GRI 102-42).

1_ CONSTRUCTION OF THE MATERIALITY MATRIX FOR THE FINANCIAL YEARS 2020-2021

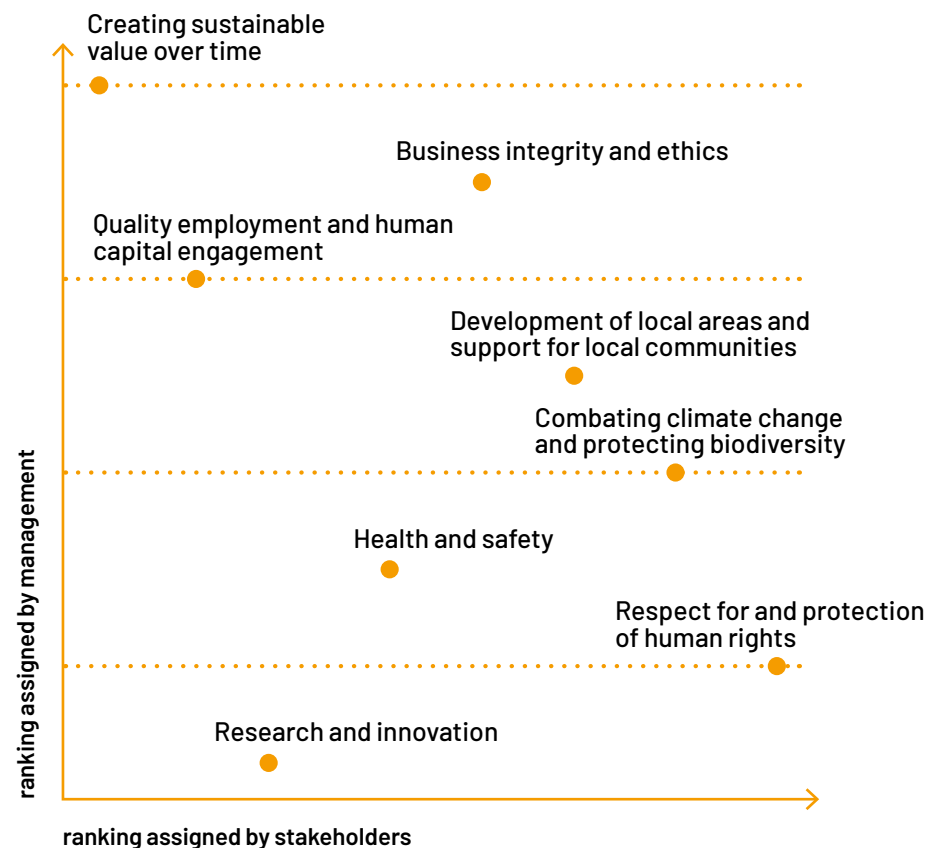
In anticipation of the reporting process for the year 2020-2021, the company decided to conduct an in-depth Materiality Analysis (GRI Standards, Disclosure 102-47), using a questionnaire addressed to both internal management and the most significant stakeholder representatives. The text of the questionnaire was presented and discussed at the Sustainability Management Committee meeting on 25 November 2021. On that occasion, it was decided to identify a list of stakeholder representatives to whom an online questionnaire was to be sent to collect opinions on the relevance of the material topics of the previous edition of the Sustainability Report.

The questionnaire also included a final section in which the respondent could point out other relevant issues on which he or she felt the company should engage in reporting on achievements and initiatives undertaken. 199 questionnaires were sent out in the month of December 2021, of which 51 were returned completed, i.e. a 26% response rate.

2 _ ASSIGNING PRIORITIES

Survey participants were asked to rate the proposed topics in order of importance, ranking them from 1 to 8. By sorting the material topics on the basis of their score, a diagram can be constructed that takes into account the relevance attributed on average to the rated topics. The outcome is the 'Materiality Matrix', which meets the criteria set out in paragraph 1.3 of GRI Section 101: Foundation of the GRI Standards, 2016 edition. In particular, the matrix shows the order of priority assigned by Management in the y-axis and the order of priority assigned by all stakeholders in the x-axis. The bisector makes it easy to identify topics preferred by Management (upper left triangle), as opposed to those preferred by stakeholders (lower right triangle). Since Tozzi Green reported a first Sustainability Report for the two-year period 2018-2019, based on this previous experience, the company decided to improve the quality of reporting by applying the 'Core' option and subjecting it to third party review.

TOZZI GREEN'S MATERIALITY MATRIX, BASED ON THE SURVEY CONDUCTED IN DECEMBER 2021



3 _ VALIDATION.

Andrea Tozzi, CEO of Tozzi Green S.p.A. stated his positive evaluation of the Materiality Matrix drawn up and the relevant topics listed below:

THEMATIC FIELD	MATERIAL ISSUE	DESCRIPTION	REPORTED ASPECTS OF GRI STANDARDS
SOCIAL	Business integrity and ethics	Fairness and honesty are considered indispensable at Tozzi Green for a company that wants to organise itself locally, and establish itself in the globalised world. Only by adhering to these principles can a climate of consensus be created around entrepreneurial activity. Reliability is a guarantee with no time limit. These principles apply to the Group and to the family that runs it. They are cultivated and shared with all staff.	(GRI 205-3) corruption events and actions taken (GRI 418) Customer privacy (GRI 419) Compliance with social and economic regulations
ECONOMIC AND SOCIAL	Creation of sustainable value over time	Tozzi Green is committed to creating value for the benefit of all its stakeholders in the long-term. Part of this value is, therefore, used to foster innovation and to strengthen its assets, so as to ensure solid and lasting corporate development. The legitimate expectation of investors to obtain a return is balanced by the goal of meeting the needs of all stakeholders.	(GRI 201-1) Economic value directly generated by the company's activities
ECONOMIC AND SOCIAL	Development of local areas and support for local communities	Renewable energy and innovation are indispensable elements for the future of the Earth. Hence the importance of bringing the best entrepreneurial experiences to developing countries to foster their economic and social growth. Development of health and education services, and support for economic activities improve the daily living conditions of the local population, and create an environment that better meets people's basic needs.	(GRI 201-1) Economic value directly generated by the company's activities
PERSONNEL	Quality employment and engagement of human capital	One of the key factors in the success of a company is having the "right" people, without whom it is impossible to be competitive. The company's throbbing heart resides in a team of motivated people who feel the company is their own, and daily contribute their ideas to solve critical issues. The company is committed to developing individual competencies by investing in their professional development.	(GRI 404) Training and education of staff
ECONOMIC AND SOCIAL	Combating climate change and protecting biodiversity	The production of energy from renewable sources, which is Tozzi Green's core business, contributes to combating climate change because it reduces CO ₂ emissions into the atmosphere, compared to the use of fossil fuels. Protecting biodiversity means adopting agricultural practices focused on preserving extremely degraded land, along with the creation of new ecosystems. Particular attention is especially given to farming activities carried out by Tozzi Green in Madagascar, and to the educational farm experiences developed in Ravenna as part of the 'photovoltaic meadow'.	(GRI 301) Materials (GRI 302) Energy (GRI 303) Water (GRI 304) Biodiversity (GRI 305) Emissions (GRI 306) Discharge and waste (GRI 307) Environmental compliance

THEMATIC FIELD	MATERIAL ISSUE	DESCRIPTION	REPORTED ASPECTS OF GRI STANDARDS
ECONOMIC AND ENVIRONMENTAL	Research and innovation	<p>Research in the field of alternative sources to produce energy and innovative tools intended to make use of the various types of energy available in nature, and to overcome problems arising from their discontinuity has guided the Group's development from the onset, enabling its expansion into the rural electrification sector, which accounts for a significant part of its business. By pursuing these research trends Tozzi Green has developed projects in countries where energy poverty still impacts a large part of the population. The company's objective is to make electricity available in areas that are hard to reach via the distribution grid.</p> <p>Research and innovation in agriculture are aimed at developing varieties of crops suited to the specific features of the local environment and at improving agronomic techniques that, by means of fertilisation, can enhance the value of the soil of land saved from desertification.</p>	-
SOCIAL	Health and Safety	<p>"Health and safety at work" refers to management systems aimed at protecting the physical and moral integrity of personnel and reducing the number of accidents and occupational diseases, as well as training initiatives on health and security, besides awareness-raising activities for employees, in accordance with local laws and regulations.</p> <p>It also covers all measures taken by the company to ensure safe working conditions during the current pandemic period.</p>	(GRI 403) Health and Safety at work
RESPECT FOR RIGHTS AND COMPLIANCE	Respect and protection of human rights	<p>In addition to the inalienable civil rights that must be guaranteed by states, the well-being of individuals also depends on recognising and protecting social, economic and cultural rights, which include, among others, the right to work, the right to education and the right to social assistance. Tozzi Green operates in areas of the world where it has the opportunity to contribute, within its means, to translating these rights into concrete opportunities.</p>	(GRI 405) Diversity and equal opportunities (GRI 406) Principle of non-discrimination (GRI 411) Rights of local populations (GRI 412) Assessment of compliance of human rights

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 (GRI 102-53)

The Sustainability Report is published on the company website www.tozzigreen.com/it/bilancio and disseminated via the institutional communication channels commonly used by the company.

Tables of data and indicators



PERSONNEL

Workforce by gender, qualification and geographical area (GRI 405-1)

BREAKDOWN OF EMPLOYEES BY CLASSIFICATION AND GENDER (GRI 405-1)

	ITALY									PERU									MADAGASCAR								
	2019			2020			2021			2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
Executives	0	5	5	0	5	5	1	4	5	0	2	2	0	2	2	0	2	2	1	8	9	1	3	4	1	4	5
Managers	3	10	13	4	12	16	3	13	16	1	3	4	1	4	5	1	3	4	16	25	41	12	35	47	14	44	58
White-collar workers	30	35	65	29	35	64	30	41	71	14	26	40	10	23	33	11	35	46	32	43	75	21	46	67	26	51	77
Blue-collar workers	0	10	10	2	14	16	1	15	16	4	32	36	0	15	15	0	14	14	35	293	328	37	199	236	53	272	325
Total	33	60	93	35	66	101	35	73	108	19	63	82	11	44	55	12	54	66	84	369	453	71	283	354	94	371	465

W = Women; M = Men

BREAKDOWN OF EMPLOYEES BY CLASSIFICATION AND GENDER (GRI 405-1)

	REST OF THE WORLD									GROUP								
	2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
Executives	0	1	1	0	1	1	0	1	1	1	16	17	1	11	12	2	11	13
Managers	0	0	0	0	0	0	0	0	0	20	38	58	17	51	68	18	60	78
White-collar workers	1	2	3	1	3	4	2	4	6	77	106	183	61	107	168	69	131	200
Blue-collar workers	0	0	0	0	0	0	0	2	2	39	335	374	39	228	267	54	303	357
Total	1	3	4	1	4	5	2	7	9	137	495	632	118	397	515	143	505	648

W = Women; M = Men

BREAKDOWN OF EMPLOYEES BY TYPE OF CONTRACT (GRI 102-8)

	ITALY									PERU									MADAGASCAR								
	2019			2020			2021			2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
With permanent contract	29	56	85	33	63	96	33	65	98	4	21	25	8	33	41	10	39	49	84	349	433	52	133	185	54	238	292
With temporary contract	4	4	8	2	3	5	2	8	10	15	42	57	3	11	14	2	15	17	0	20	10	19	92	111	40	130	170
Full-time	27	60	87	28	64	92	29	72	101	19	62	81	11	44	55	12	54	66	84	192	276	71	283	354	94	362	456
Part-time	6	0	6	7	2	9	6	1	7	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Transformed to permanent contract	0	4	4	2	2	4	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	4	4	0	3	3	

W = Women; M = Men

BREAKDOWN OF EMPLOYEES BY TYPE OF CONTRACT (GRI 102-8)

	REST OF THE WORLD									GROUP								
	2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
With permanent contract	0	0	0	0	0	0	0	0	0	117	426	543	93	229	322	97	342	439
With temporary contract	3	1	4	1	4	5	2	7	9	20	69	89	25	110	135	46	160	206
Full-time	1	2	3	1	3	4	2	6	8	131	316	447	111	394	505	137	494	631
Part-time	0	1	1	0	1	1	0	1	1	6	2	8	7	3	10	6	3	9
Transformed to permanent contract	0	0	0	0	0	0	0	0	0	0	4	4	0	0	0	0	0	0

W = Women; M = Men

BREAKDOWN OF EMPLOYEES BY AGE GROUPS (GRI 102-8)

	ITALY									PERU									MADAGASCAR								
	2019			2020			2021			2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
up to 30 years old	3	2	5	4	3	7	5	2	7	13	23	36	7	6	13	5	10	15	31	108	139	31	88	119	49	113	162
30 to 50 years	26	40	66	28	45	73	27	55	82	5	34	39	3	34	37	6	40	46	47	218	265	35	156	191	41	208	249
over 50 years old	4	18	22	3	18	21	3	16	19	1	6	7	1	4	5	1	4	5	6	43	49	5	39	44	4	50	54

W = Women; M = Men

BREAKDOWN OF EMPLOYEES BY AGE GROUPS (GRI 102-8)

	REST OF THE WORLD									GROUP								
	2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
up to 30 years old	1	1	2	1	2	3	1	1	2	48	134	182	43	99	142	60	126	186
30 to 50 years	0	2	2	0	2	2	1	4	5	78	294	372	66	237	303	75	307	382
over 50 years old	0	0	0	0	0	0	0	2	2	11	67	78	9	61	70	8	72	80

W = Women; M = Men

EMPLOYEE TURNOVER RATE BY GENDER, AGE GROUPS, AND COUNTRY (GRI 401-1)

	ITALY									PERU									MADAGASCAR								
	2019			2020			2021			2019			2020			2021			2019			2018			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
Number of people hired during the period	3	9	12	3	6	9	3	11	14	16	37	53	0	10	10	1	19	20	31	92	123	77	88	165	41	146	187
up to 30 years old	1	2	3	3	1	4	1	0	0	12	13	25	0	0	0	0	6	6	13	35	48	27	46	73	34	51	85
30 to 50 years	2	3	5	0	5	5	2	11	13	4	20	24	0	10	10	1	13	14	14	48	62	44	39	83	7	84	91
over 50 years old	0	4	4	0	0	0	0	1	1	0	4	4	0	0	0	0	0	0	4	9	13	6	3	9	0	11	11
Number of people who left in the period	2	7	9	4	6	10	1	3	4	10	27	37	6	31	37	4	5	9	16	45	61	12	35	47	15	59	74
up to 30 years old	0	1	1	0	0	0	0	1	1	6	8	14	5	4	9	2	0	2	6	18	24	6	10	16	8	14	22
30 to 50 years	2	4	6	3	1	4	1	1	2	4	15	19	1	27	28	2	4	6	10	20	30	4	17	21	6	36	42
over 50 years old	0	2	2	1	5	6	0	1	1	0	4	4	0	0	0	0	1	1	0	7	7	2	8	10	1	9	10

W = Women; M = Men

EMPLOYEE TURNOVER RATE BY GENDER, AGE GROUPS, AND COUNTRY (GRI 401-1)

	REST OF THE WORLD									GROUP								
	2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
Number of people hired during the period	1	2	3	1	2	3	1	2	3	51	140	191	81	106	187	46	178	224
up to 30 years old	1	0	1	1	0	1	1	0	1	27	50	77	31	47	78	36	57	93
30 to 50 years	0	2	2	0	2	2	0	2	2	20	73	93	44	56	100	9	110	119
over 50 years old	0	0	0	0	0	0	0	0	0	4	17	21	6	3	9	1	11	12
Number of people who left in the period	1	2	3	1	2	3	1	2	3	29	81	110	23	74	97	21	70	91
up to 30 years old	1	0	1	1	0	1	1	0	1	13	27	40	12	14	26	11	15	26
30 to 50 years	0	2	2	0	2	2	0	2	2	16	41	57	8	47	55	9	44	53
over 50 years old	0	0	0	0	0	0	0	0	0	0	13	13	3	13	16	1	11	12

W = Women; M = Men

STAFF COMPOSITION BY EDUCATIONAL QUALIFICATION AND GENDER

	ITALY									PERU									MADAGASCAR									REST OF THE WORLD								
	2019			2020			2021			2019			2020			2021			2019			2018			2021			2019			2018			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.			
Degree	25	22	47	25	26	51	25	28	53	19	62	81	11	43	54	12	53	65	49	101	150	37	94	131	43	125	168	1	3	4	1	4	5	2	7	9
Secondary school diploma	8	38	46	10	40	50	10	45	55	0	1	1	0	1	1	0	1	1	4	78	82	6	82	88	11	92	103	0	0	0	0	0	0	0	0	0
Compulsory schooling	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	31	190	221	28	107	135	40	154	194	0	0	0	0	0	0	0	0	0

W = Women; M = Men

TRAINING HOURS BY CLASSIFICATION AND GENDER (GRI 404-1)

	ITALY									PERU									MADAGASCAR								
	2019			2020			2021			2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
Executives	0	85	85	1.5	82	83.5	10	28	38	1	84	85	94	216	310	2	9	11	0	0	0	0	0	0	0	0	0
Managers	109	231	340	62.5	353	415.5	42	175.5	217.5	1	351	352	74	194	268	36	110	146	232	68	300	18.67	10.67	29.34	1	1	2
White-collar workers	258	294	552	354.5	598	952.5	202.5	345	547.5	1027	1780	2807	175	180	355	238	562	800	300	68	368	92.6	97.2	189.8	4	10	14
Blue-collar workers	0	0	0	3	16.5	19.5	1.5	161	162.5	0	4	4	0	7	7	32	16	48	0	0	0	707	755	1462	49.6	89.5	139.1
Total	367	610	977	421.5	1049.5	1471	256	709.5	965.5	1029	2219	3248	343	597	940	308	697	1005	532	136	668	818.26	862.92	1681	54.6	100.5	155.1

W = Women; M = Men

TRAINING HOURS BY CLASSIFICATION AND GENDER (GRI 404-1)

	REST OF THE WORLD									GROUP								
	2019			2020			2021			2019			2020			2021		
	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.	W	M	tot.
Executives	0	0	0	0	0	0	0	0	0	1	169	170	95.5	298	393.5	12	37	49
Managers	0	0	0	0	0	0	0	0	0	342	650	992	155.17	557.67	712.84	79	286.5	365.5
White-collar workers	0	0	0	0	0	0	0	0	0	1,585	2,142	3,727	622.1	875.18	1,497.3	444.5	917	1,361.5
Blue-collar workers	0	0	0	0	0	0	0	0	0	0	4	4	710	778.57	1,488.6	83.1	266.5	349.6
Total	0	0	0	0	0	0	0	0	0	1,928	2,965	4,893	1,582.8	2,509.4	4,092.2	618.6	1,507.0	2,125.6

W = Women; M = Men

Safety at work (GRI-403-9-2018)

OCCUPATIONAL ACCIDENTS

	2019	2020	2021
Hours worked	5,138,147	3,485,359	3,703,113
No. accidents	6	17	5
No. of serious accidents	1	3	0
No. of fatal accidents	0	0	0
Accident rate	0.234	0.976	0.270
Mortality rate	0	0	0
Serious accident rate	0.039	0.172	0.000

Notes: injuries include are all recordable cases of days lost due to accidents, even minor ones. Serious injuries are cases where the worker needs at least six months to regain health. The rates are calculated on a 200,000 basis. All cases of serious accidents concerned the agricultural sector in Madagascar. In Italy, during the three-year reporting period, only one accident occurred, and it was not serious in 2021.



ENVIRONMENT

TOTAL MATERIALS USED BY AREA 2021

		ITALY	PERU	MADAGASCAR	REST OF THE WORLD	Total
Seeds (kg)	renewable	-	-	115,352	-	115,352
Solid chemical fertilisers (kg)	non-renewable	5	-	3,047,378	-	3,047,383
Organic fertilisers (kg)	renewable	8,555	-	-	-	8,555
Pesticides, insecticides (LT)	non-renewable	12	-	11,594	-	11,606
Pesticides, insecticides (kg)	non-renewable	45	-	2,268	-	2,313
Herbicides (LT)	non-renewable	-	-	24,576	-	24,576
Herbicides (kg)	non-renewable	-	-	180	-	180
Other chemicals (kg)	non-renewable	990	-	-	-	990
Other chemicals (Lt)	non-renewable	-	-	184	-	184
Lubricating oils and other chemical compounds (Lt)	non-renewable	-	-	7,723	-	7,723
Lubricating oils and other chemical compounds (kg)	non-renewable	4,002	-	659	-	4,661
Non-compostable plastics (kg)	non-renewable	311	5,900	2,987	476	9,674
Compostable plastics (kg)	non-renewable	790	-	-	-	790
Paper and cardboard materials (kg)	non-renewable	3,157	7,501	471	726	11,855
Glass materials (kg)	non-renewable	9,343	-	-	-	9,343
Ferrous materials (kg)	non-renewable	-	-	5,346	-	5,346
Wooden materials (kg)	non-renewable	521	-	2,644	-	3,165
Zootechnical drugs and supplements (kg)	non-renewable	5	-	-	-	5
Zootechnical drugs and supplements (Lt)	non-renewable	3	-	-	-	3
Milk and dairy products	renewable	59,334	-	-	-	59,334
Flour, maize, sorghum, etc.	renewable	16,477	-	-	-	16,477
Other materials		72,153	-	-	-	72,153
Total		175,703	13,401	3,221,362	1,202	3,411,668

Note: The table does not include small local offices in Italy.

TOTAL MATERIALS USED BY AREA 2020

		ITALY	PERU	MADAGASCAR	REST OF THE WORLD	Total
Seeds (kg)	renewable	-	-	223,445	-	223,445
Solid chemical fertilisers (kg)	non-renewable	40	-	3,343,793	-	3,343,833
Chemical liquid fertilisers (Lt)	non-renewable	20	-	31	-	51
Organic fertilisers (kg)	renewable	15,487	-	-	-	15,487
Pesticides, insecticides (LT)	non-renewable	5	-	8,137	-	8,142
Pesticides, insecticides (kg)	non-renewable	101	-	1,307	-	1,408
Herbicides (LT)	non-renewable	-	-	21,088	-	21,088
Herbicides (kg)	non-renewable	-	-	144	-	144
Other chemicals (kg)	non-renewable	1,203	-	-	-	1,203
Other chemicals (Lt)	non-renewable	-	-	145	-	145
Lubricating oils and other chemical compounds (Lt)	non-renewable	4,000	-	9,306	-	13,306
Lubricating oils and other chemical compounds (kg)	non-renewable	2	-	443	-	445
Non-compostable plastics (kg)	non-renewable	1,450	7,000	2,652	382	11,484
Paper and cardboard materials (kg)	non-renewable	3,081	2,496	961	136	6,674
Paper and cardboard materials (Nr)	non-renewable	283	-	-	-	283
Glass materials (kg)	non-renewable	13,732	-	-	-	13,732
Ferrous materials (kg)	non-renewable	-	-	1,718	-	1,718
Wooden materials (kg)	non-renewable	1,666	-	4,631	-	6,297
Zootechnical drugs and supplements (Lt)	non-renewable	2	-	-	-	2
Milk and dairy products	renewable	66,803	-	-	-	66,803
Flour, maize, sorghum, etc.	renewable	16,593	-	-	-	16,593
Other materials		53,729	-	-	-	53,729
Total		178,197	9,496	3,617,801	518	3,806,012

GROUP'S USAGE, PRODUCTION, SELF-CONSUMPTION AND TRANSFER OF EXCESS ELECTRICITY (MWH)

Operating Unit	Office	Sector	(1) Tot. Usage			(2) Production			(3) Self-consumption			(4) Transfer			Total demand (1+3)		
			2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Solar Farm Srl	S. Alberto1	PHOTO	481	485	502	47,165	48,870	49,201	2,010	2,071	2,083	45,155	46,799	47,118	2,490	2,556	2,586
Solar Farm Srl	S. Alberto1	AGRI	82	66	113	30	22	24	29	21	24	1	1	1	111	87	137
Geas	Anita	PHOTO	18	18	18	1,412	1,542	1,532	64	68	68	1,348	1,474	1,464	82	86	86
SolarWind 2	Butera	WIND	145	177	149	44,703	41,440	48,399	447	434	452	44,256	41,007	47,947	592	610	601
Cerignola Wind	Cerignola	WIND	108	141	102	42,753	41,759	44,133	912	860	942	41,841	40,899	43,192	1,020	1,001	1,044
Solar Wind 2	Siculiana	WIND	153	143	136	32,038	26,858	32,178	104	155	186	31,934	26,703	31,993	257	298	322
Tozzi Green	Small wind turbines	WIND	14	18	18	163	278	1,272	15	1	2	147	277	1,270	30	19	20
S. Giovanni Biogas Srl	S. Giovanni	BIOGAS	65	78	187	8,627	8,696	8,408	580	605	747	8,047	8,090	7,661	645	683	933
TSS	Mezzano Offices		1,464	1,707	1,711	345	380	376	339	351	376	7	28	7	1,803	2,058	5,467
Tozzi Green	Palermo Offices		4	-	-	-	-	-	-	-	-	-	-	-	4	-	-
Tozzi Green	Lecce Offices		4	-	-	-	-	-	-	-	-	-	-	-	4	0	-
Tozzi Green	Enna Offices		2	-	-	-	-	-	-	-	-	-	-	-	2	0	-
Total Italy			2,539	2,833	2,937	177,236	169,844	185,524	4,500	4,567	8,259	172,736	165,277	180,653	7,039	7,400	7,808
Total Peru			24	12	25	-	-	-	-	-	-	-	-	-	24	12	25
Hydelec	Sahanivotry	HYDRO	24	20	14	42,219	63,099	71,674	2,523	2,319	592	41,187	62,539	71,082	2,547	2,339	606
Hydelec	Maroantsetra	HYDRO	-	-	-	5,357	5,512	5,787	2,154	1,235	1,275	5,173	5,328	5,563	2,154	1,235	1,275
JTF Madagascar	Satrokala/Andiolava	AGRI	-	-	-	541	484	-	541	484	-	-	-	-	541	484	-
Total Madagascar			24	20	14	48,117	69,095	77,461	5,219	4,038	1,867	46,360	67,867	76,645	5,242	4,059	1,882
Total Group			2,586	2,865	2,976	225,353	238,939	262,985	9,718	8,605	10,126	219,096	233,144	257,298	12,305	11,470	9,715

Note: plants sold in the period are excluded: FV Alfonsine, S. Agata Biomasse.

TOZZI GREEN GROUP'S OTHER ENERGY CONSUMPTION PER OPERATING UNIT PER AREA (GRI 302-1)*

Operating Unit	Office	Sector	Diesel (fuel for agricultural machinery)			Methane gas			LPG			Fuel oil**			Petrol		
			litres			Smc			litres			litres			litres		
			2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Solar Farm Srl	S. Alberto1	PHOTO	1,100	1,005	1,058	-	-	-	-	-	-	-	-	-	15	15	15
Solar Farm Srl	S. Alberto1	AGRI	1,072	1,970	-	371	383	-	-	-	-	-	-	-	5,322	4,218	-
Geas	Anita	PHOTO	-	-	-	-	-	-	-	-	-	-	-	-	55	58	52
SolarWind 2	Butera	WIND	3,150	1,670	-	-	-	-	-	-	-	-	-	-	-	-	-
Cerignola Wind	Cerignola	WIND	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Solar Wind 2	Siculiana	WIND	-	1,970	-	-	-	-	-	-	-	-	-	-	-	-	-
Tozzi Green	Small wind turbines	WIND	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S. Agata Biomasse Srl	S. Agata	BIOMASS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
S. Giovanni Biogas Srl	S. Giovanni	BIOGAS	6,025	6,206	9,701	-	-	-	-	-	-	-	-	-	-	-	-
TSS	Mezzano Offices		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tozzi Green	Palermo Offices		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tozzi Green	Lecce Offices		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tozzi Green	Enna Offices		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Italy			11,374	12,821	10,759	371	383	0	-	-	-	-	-	-	5,392	4,291	67
Ergon Perù	Lima	SHS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hydelec	Sahanivotry	HYDRO	-	-	-	-	-	-	478	639	-	-	-	-	-	-	-
Hydelec	Maroantsetra	HYDRO	-	-	-	-	-	-	750	400	-	-	-	-	-	-	-
JTF Madagascar	Satrokala/Andiolava	AGRI	525,850	517,912	409,584	-	-	-	445	336	657	95,254	82,082	47,997	5,161	3,596	2,619
Total Madagascar			525,850	517,912	409,584	-	-	-	1,673	1,375	657	95,254	82,082	47,997	5,161	3,596	2,619
Total Group			537,224	530,733	420,343	371	383	-	1,673	1,375	657	95,254	82,082	47,997	10,553	7,887	2,686

Note: *net of the sale of non-consolidated plants and equipment: FV Alfonsine, S. Agata Biomasse, KDK Iran. ** used to power agricultural machinery. *** used for electric generators.

HAZARDOUS WASTE GENERATION BY AREA AND DISPOSAL METHOD (kg)												
CER Code	Type of waste	reuse		recycling		incineration		landfill		disposal		
		2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	
ITALY	130110	Mineral oils	-	-	-	-	-	-	-	-	20	15
	150202	Contaminated rags	-	-	-	-	-	-	-	-	81	64
	130205	Engine oil	-	-	-	-	-	-	-	-	4,100	2,865
	160107	Oil filters	-	-	-	-	-	-	-	-	-	-
	150110	Packaging with hazardous substances	-	-	-	-	-	-	-	-	34	124
	150111	Pressure pkg w/ subst p	-	-	-	-	-	-	-	-	-	10
	160114	Antifreeze liquid	-	-	-	-	-	-	-	-	26	945
	*080111	Paints and varnishes	-	-	-	-	-	-	-	-	45	105
	120112	Waxes, spent fats	-	-	-	-	-	-	-	-	40	-
	130208	Engine oils	-	-	-	-	-	-	-	-	90	-
	140603	Solvents	-	-	-	-	-	-	-	-	30	-
	160213	WEEE with hazardous substances	-	-	-	-	-	-	-	-	215	202
	160601	Lead batteries	-	-	-	-	-	-	-	-	205	10
	200121	Neon tubes	-	-	-	-	-	-	-	-	15	-
	170204	Plastic / wood with hazard. subs	-	-	-	-	-	-	-	10	-	1,040
	*070101	Aqueous washing solutions	-	-	-	-	-	-	-	-	-	7,020
	170903	Demolition waste	-	-	-	-	-	-	606	-	-	-
MADAGASCAR	130205	Engine oil	-	-	-	-	-	-	-	-	2,560	2,430
	160107	Used oil and diesel filters	-	-	-	-	307	422	-	-	-	-
		diesel emulsions	-	-	-	-	-	-	-	-	200	185
		cutting discs	-	-	-	-	-	-	-	-	6	13
		exhausted cartridges	-	-	15	21	-	-	-	-	-	-
		glue containers	-	-	-	-	-	-	1	81	-	-
		waste bulbs	-	-	-	-	-	-	-	-	69	104
		containers of additives	-	-	-	-	-	-	-	-	9	10
		aerosol insecticide containers	-	-	-	-	-	-	-	-	7	24
		bottles	-	-	-	-	-	-	87	29	-	-
	160601	used batteries	-	-	-	-	36	81	-	-	-	-
		dirty sand	-	-	-	-	-	-	-	-	125	46
		empty bins	-	-	129	82	-	-	-	-	-	-
		plant protection product containers	-	-	-	-	575	4,164	-	-	-	-
		Foams	-	-	-	-	-	-	1	5	-	-
		brake circuit fluid	-	-	-	-	-	-	5	7	-	-
		used tyres	69	128	9	-	-	-	-	-	-	-
	Silicone	-	-	-	-	-	-	-	-	1	4	
	padlocks	-	-	-	-	-	-	25	64	-	-	
	medical waste	-	-	-	-	500	350	-	-	-	-	
	irrigation conduits	-	-	-	-	820	740	-	-	-	-	
	Metal waste (engines)	-	-	-	10,000	-	-	-	-	-	-	
PERU	160801	Lead batteries	-	-	24,340	142,464	-	-	-	-	-	-
	160213	WEEE with hazardous substances	-	-	-	2,680	-	-	-	-	-	-
Total			69	128	24,493	155,247	2,238	5,757	725	196	7,878	15,216

		NON-HAZARDOUS WASTE GENERATION BY AREA AND DISPOSAL METHOD (KG)																
		reuse		recycling		composting		recovery		incineration		landfill		disposal				
CER Code	Type of waste	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021			
ITALY	200139	Plastic	-	-	-	-	-	-	-	-	-	-	-	-	-	127,500	117,760	
	170405	Iron and steel	-	-	-	-	-	-	-	-	-	-	-	-	-	2,335	1,130	
	20104	Plastic waste	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	
	170603	insulating materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	915	
	150101	Paperboard packaging	-	-	50	-	-	-	-	-	-	-	-	-	-	-	18,640	8,960
	150102	plastic packaging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,200	7,900
	150103	wood packaging	-	-	-	-	-	-	-	-	-	-	-	-	-	-	750	1,937
	150203	filters and filter carbons	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,643	2,067
	170411	Cables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30	-
	150106	Mixed Packaging	-	-	190	-	-	-	-	-	-	-	-	-	-	-	-	-
	160214	WEEE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,423	4,461
	160604	alkaline batteries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-
	180109	Medicines	-	-	-	-	-	-	-	-	10	-	-	-	-	-	-	-
	200304	Septic tank sludge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	160	220
	*080318	Toner	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20
	*020502	Mud treatment effl.	-	-	-	-	-	-	186,670	227,270	-	-	-	-	-	-	-	-
	170904	demolition waste	-	-	-	-	-	-	-	-	-	-	-	360	-	-	-	-
	200201	Biodegradable waste	-	-	-	-	-	-	-	-	-	-	-	360	-	-	-	-
	200125	edible oils and fats	-	-	-	-	-	-	150	330	-	-	-	-	-	-	-	-
	200101	Paper	-	-	127,500	116,700	-	-	-	-	-	-	-	-	-	-	-	-
200102	glass	-	-	36,000	36,000	-	-	-	-	-	-	-	-	-	-	-	-	
200108	biodegradable waste	-	-	-	-	72,000	-	-	-	-	-	-	-	-	-	-	-	
MADAGASCAR	household waste	-	-	-	-	-	-	-	-	-	-	-	26,400	27,200	-	-	-	
	office waste	-	30	-	-	-	-	-	-	-	-	-	3,800	3,650	-	-	-	
	Biomass: eucalyptus, geranium, clove, mint	-	-	-	-	2,114,290	2,972,817	-	-	-	-	-	-	-	-	-	-	
Total		0	30	163,740	152,700	2,186,290	2,972,817	186,820	227,600	10	0	30,920	30,850	173,133	145,565			



Content index

CONTENT INDEX (GRI 102-55)

Chapter and Indicator	Indicator description	Notes/Reason for omission
GRI 102 GENERAL DISCLOSURE (2016)		
Organisational profile		
102-1	Name of organisation	Note on met.
102-2	Activities, brands, products, and services	§ 2.1.1.
102-3	Registered Office	Chap. 2.1.
102-4	Operating headquarters	§ 2.1.3.
102-5	Ownership structure and legal status	§ 2.1.4.
102-6	Markets served	§ 2.1.2.
102-7	Size of the organisation	Group Highlights
102-8	Information about employees and other workers	§ 2.5.1.
102-9	Supply chain	§ 2.4.4.
102-10	Significant changes in the organisation and its supply chain	§ 2.4.4.
102-11	Prudential principle or approach	Chap. 3.4.
102-12	External initiatives	§ 2.3.1.
102-13	Memberships	§ 2.1.5.
Strategy		
102-14	Statement from the Senior Decision Maker (Letter from the Chief Executive Officer)	Letter from the CEO
Ethics and integrity		
102-16	Values, principles, standards and behavioural rules	Code of Ethics
Governance		
102-18	Corporate governance structure	Chap. 2.2.
Stakeholder Engagement		
102-40	List of stakeholder groups	§ 2.3.3.
102-41	Collective bargaining	§ 2.5.1.
102-42	Stakeholder identification and selection	Note on met.
102-43	Mode of stakeholder involvement	§ 2.3.3.
102-44	Main issues raised	Note § 2.3.3.
Reporting procedures		
102-45	Entities included in the consolidated financial statements	Referral to the Annual Report
102-46	Definition of report contents and thematic scope	Note on met.
102-47	List of relevant issues	Note on met.
102-48	Reformulation of information	Note on met.
102-49	Changes in reporting	Note on met.
102-50	Reporting period	Note on met.
102-51	Date of most recent report	Note on met.
102-52	Reporting cycle	Note on met.
102-53	Contact person for questions regarding the report	Note on met.
102-54	Reporting statement under GRI standards	Note on met.
102-55	GRI Standards Content Index	Present report
102-56	External audit	KPMG Report

SPECIFIC DISCLOSURE (2016)

Chapter and Indicator	Indicator description	Notes/Reason for omission
GRI 201: Economic performance		
Material issue: Creating sustainable value		
201-1	Added value produced and distributed	§ 2.4.3., Chap. 4
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 2.4
103-2	Management approach and related components	Chap. 2.4
103-3	Evaluation of the management approach	Chap. 2.4
GRI 205: Anti-corruption		
Material issue: Business integrity and ethics		
205-3	Confirmed occurrences of corruption and actions taken	In the two-year reporting period no occurrences of corruption were detected
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 2.2
103-2	Management approach and related components	Chap. 2.2
103-3	Evaluation of the management approach	Chap. 2.2
GRI 203: Indirect economic impact		
Material issue: Development of local areas and support of the populations		
203-2	Indirect economic impact	Chap. 4.1.1
203-1	Investments in communities	Chapters 3.2, 3.3, 3.4
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 4.1
103-2	Management approach and related components	Chap. 4.1
103-3	Evaluation of the management approach	Chap. 4.1
GRI 204: Procurement		
Material issue: Development of local areas and support of the populations		
204-1	Percentage of expenditure on local suppliers	§ 2.4.4.
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	§ 2.4.4.
103-2	Management approach and related components	§ 2.4.4.
103-3	Evaluation of the management approach	§ 2.4.4.

SPECIFIC DISCLOSURE (2016)

Chapter and Indicator	Indicator description	Notes/Reason for omission
GRI 301: Consumption of materials		
Material issue: Climate change and protecting biodiversity		
301-1	Consumption of materials	§ 3.5.1.
307-1	Compliance with environmental regulations	In the two-year reporting period no penalties were imposed for violations of environmental legislation
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 3.5
103-2	Management approach and related components	Chap. 3.5
103-3	Evaluation of the management approach	Chap. 3.5
GRI 302: Energy consumption		
302-1	Energy consumption	
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 3.5
103-2	Management approach and related components	Chap. 3.5
103-3	Evaluation of the management approach	Chap. 3.5
GRI 303: Water and waste water		
303-1	Interaction with water as a shared resource	§ 3.5.3
303-2	Management of the impact of water discharge	The company respects quality standards established by local regulations
303-3	Water usage	§ 3.5.3
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	§ 3.5.3
103-2	Management approach and related components	§ 3.5.3
103-3	Evaluation of the management approach	§ 3.5.3
GRI 304: Biodiversity		
304-3	Protected or restored habitats	Chap. 3.3
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 3.3
103-2	Management approach and related components	Chap. 3.3
103-3	Evaluation of the management approach	Chap. 3.3

SPECIFIC DISCLOSURE (2016)

Chapter and Indicator	Indicator description	Notes/Reason for omission
305: Emissions		
305-1	Direct GHG emissions (Scope 1)	§ 3.5.4, Appendix, sect. environment
305-2	Indirect GHG emissions (Scope 2)	§ 3.5.4, Appendix, sect. environment
305-5	CO ₂ avoided	§ 3.5.2
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 3.5
103-2	Management approach and related components	Chap. 3.5
103-3	Evaluation of the management approach	Chap. 3.5
306 Waste		
306-2	Waste by type and disposal method	Appendix, sect. environment
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 3.5
103-2	Management approach and related components	Chap. 3.5
103-3	Evaluation of the management approach	Chap. 3.5
GRI 401: Employment		
Material issue: Quality employment and human capital engagement		
401-1	New hiring and staff turnover	Appendix, Sec. Staff
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	§ 2.5.3.
103-2	Management approach and related components	§ 2.5.3.
103-3	Evaluation of the management approach	§ 2.5.3.
GRI 404: Training and education		
Material issue: Quality employment and human capital engagement		
404-1	Average annual training hours per employee	§ 2.5.2
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	§ 2.5.2.
103-2	Management approach and related components	§ 2.5.2.
103-3	Evaluation of the management approach	§ 2.5.2.

SPECIFIC DISCLOSURE (2016)

Chapter and Indicator	Indicator description	Notes/Reason for omission
GRI 405: Diversity and equal opportunities		
Material issue: Quality employment and human capital engagement		
405-1	Diversity in relation to corporate governance bodies and employees	§ 2.2 and Appendix, sec. Staff
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 5
103-2	Management approach and related components	Chap. 5
103-3	Evaluation of the management approach	Chap. 5
GRI 406: Principle of non-discrimination		
Material issue: Quality employment and human capital engagement		
406-1	Incidents of discrimination and corrective actions taken	In the two-year reporting period no incidents of discrimination were detected
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 5
103-2	Management approach and related components	Chap. 5
103-3	Evaluation of the management approach	Chap. 5
GRI 403: Occupational safety and health		
Material issue: Health and safety		
403-1	Occupational Health and Safety Management System	§ 2.5.3
403-2	Risk identification and assessment and accident analysis	§ 2.5.3
403-3	Occupational health protection services	§ 2.5.3
403-4	Worker participation, consultation and communication on health and safety	§ 2.5.3
403-5	Employee training on health and safety	§ 2.5.3
403-6	Employee Health Promotion	§ 2.5.3
403-7	Prevention and mitigation of health and safety effects of work activities	§ 2.5.3
403-8	Staff covered by the health and safety management system	The staff is 100% covered
403-9	Accident types and rates, occupational diseases, severity of accidents, absenteeism and number of fatal accidents at work	Appendix, sec. Personnel
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	§ 2.5.3
103-2	Management approach and related components	§ 2.5.3
103-3	Evaluation of the management approach	§ 2.5.3

SPECIFIC DISCLOSURE (2016)

Chapter and Indicator	Indicator description	Notes/Reason for omission
GRI 412: Evaluation of respect for human rights		
Material issue: Compliance with regulations and combating illegal activities		
412-1	Investments subject to an assessment on their impact on human rights	Chap. 5
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 5
103-2	Management approach and related components	Chap. 5
103-3	Evaluation of the management approach	Chap. 5
GRI 411: Rights of indigenous peoples		
Material issue: Compliance with regulations and combating illegal activities		
411-1	Incidents relating to the violation of the rights of indigenous peoples	In the two-year reporting period no cases were detected of violation of the rights of indigenous peoples
GRI 418: Customer privacy		
Material issue: Compliance with regulations and combating illegal activities		
418-1	Customer privacy	In the two-year reporting period no complaints or claims were received regarding possible violations of the privacy law
GRI 419: Socio-economic compliance		
Material issue: Compliance with regulations and combating illegal activities		
419-1	Non-compliance with laws and regulations in the social and economic sector	In the two-year reporting period no cases of non-conformity were detected
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 5
103-2	Management approach and related components	Chap. 5
103-3	Evaluation of the management approach	Chap. 5
Material issue: Research and innovation		
GRI 103: Management approach		
103-1	Explanation of relevant issues and related scope	Chap. 3.1
103-2	Management approach and related components	Chap. 3.1
103-3	Evaluation of the management approach	Chap. 3.1





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Relazione della società di revisione indipendente sul Bilancio di Sostenibilità

Al Consiglio di Amministrazione della
Tozzi Green S.p.A.

Siamo stati incaricati di effettuare un esame limitato (*"limited assurance engagement"*) del Bilancio di Sostenibilità della Tozzi Green S.p.A. e delle sue controllate (di seguito anche "Gruppo Tozzi Green" o il "Gruppo") relativo all'esercizio chiuso al 31 dicembre 2021.

Responsabilità degli Amministratori per il Bilancio di Sostenibilità

Gli Amministratori di Tozzi Green S.p.A. (di seguito anche la "Capogruppo") sono responsabili per la redazione del Bilancio di Sostenibilità in conformità ai "Global Reporting Initiative Sustainability Reporting Standards" definiti dal GRI - Global Reporting Initiative ("GRI Standards"), come descritto nella sezione "Nota metodologica" del Bilancio di Sostenibilità.

Gli Amministratori sono altresì responsabili per quella parte del controllo interno da essi ritenuta necessaria al fine di consentire la redazione di un Bilancio di Sostenibilità che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Amministratori sono inoltre responsabili per la definizione degli obiettivi del Gruppo Tozzi Green in relazione alla performance di sostenibilità, nonché per l'identificazione degli stakeholder e degli aspetti significativi da rendicontare.

Indipendenza della società di revisione e controllo della qualità

Siamo indipendenti in conformità ai principi in materia di etica e di indipendenza del Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) emesso dall'International Ethics Standards Board for Accountants, basato su principi fondamentali di integrità, obiettività, competenza e diligenza professionale, riservatezza e comportamento professionale.

La nostra società di revisione applica l'International Standard on Quality Control 1 (ISQC Italia 1) e, di conseguenza, mantiene un sistema di controllo qualità che include

KPMG S.p.A. è una società per azioni di diritto italiano e fa parte del network KPMG di entità indipendenti affiliate a KPMG International Limited, società di diritto inglese.

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Venezia Verona Vicenza



Tozzi Green S.p.A.
Relazione della società di revisione
31 dicembre 2021

direttive e procedure documentate sulla conformità ai principi etici, ai principi professionali e alle disposizioni di legge e dei regolamenti applicabili.

Responsabilità della società di revisione

È nostra la responsabilità di esprimere, sulla base delle procedure svolte, una conclusione circa la conformità del Bilancio di Sostenibilità rispetto a quanto richiesto dai GRI Standards. Il nostro lavoro è stato svolto secondo quanto previsto dal principio "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (di seguito anche "ISAE 3000 Revised"), emanato dall'International Auditing and Assurance Standards Board (IAASB) per gli incarichi di *limited assurance*. Tale principio richiede la pianificazione e lo svolgimento di procedure al fine di acquisire un livello di sicurezza limitato che il Bilancio di Sostenibilità non contenga errori significativi. Pertanto, il nostro esame ha comportato un'estensione di lavoro inferiore a quella necessaria per lo svolgimento di un esame completo secondo l'ISAE 3000 Revised (*"reasonable assurance engagement"*) e, conseguentemente, non ci consente di avere la sicurezza di essere venuti a conoscenza di tutti i fatti e le circostanze significativi che potrebbero essere identificati con lo svolgimento di tale esame.

Le procedure svolte sul Bilancio di Sostenibilità si sono basate sul nostro giudizio professionale e hanno compreso colloqui, prevalentemente con il personale della Capogruppo responsabile per la predisposizione delle informazioni presentate nel Bilancio di Sostenibilità, nonché analisi di documenti, ricambi e altre procedure volte all'acquisizione di evidenze ritenute utili.

In particolare, abbiamo svolto le seguenti procedure:

- 1 analisi del processo di definizione dei temi rilevanti rendicontati nel Bilancio di Sostenibilità, con riferimento alle modalità di identificazione in termini di loro priorità per le diverse categorie di stakeholder e alla validazione interna delle risultanze del processo;
- 2 comparazione tra i dati e le informazioni di carattere economico-finanziario inclusi nel Bilancio di Sostenibilità e i dati e le informazioni inclusi nel Bilancio Consolidato del Gruppo;
- 3 comprensione dei processi che sottendono alla generazione, rilevazione e gestione delle informazioni qualitative e quantitative significative incluse nel Bilancio di Sostenibilità.

In particolare, abbiamo svolto interviste e discussioni con il personale della Direzione della Capogruppo e abbiamo svolto limitate verifiche documentali, al fine di raccogliere informazioni circa i processi e le procedure che supportano la raccolta, l'aggregazione, l'elaborazione e la trasmissione dei dati e delle informazioni di carattere non finanziario alla funzione responsabile della predisposizione del Bilancio di Sostenibilità.

- 4 Inoltre, per le informazioni significative, tenuto conto delle attività e delle caratteristiche del Gruppo:

— a livello di Capogruppo:

- a) con riferimento alle informazioni qualitative contenute nel Bilancio di Sostenibilità, abbiamo effettuato interviste anche in modalità remota e



Tozzi Green S.p.A.
Relazione della società di revisione
31 dicembre 2021

acquisito documentazione di supporto per verificarne la coerenza con le evidenze disponibili;

b) con riferimento alle informazioni quantitative, abbiamo svolto sia procedure analitiche che limitate verifiche per accertare su base campionaria la corretta aggregazione dei dati.

- per le altre società incluse nel perimetro di consolidamento, abbiamo effettuato interviste anche in modalità remota nel corso delle quali ci siamo confrontati con i responsabili e abbiamo acquisito riscontri documentali su base campionaria circa la corretta applicazione delle procedure e dei metodi di calcolo utilizzati per gli indicatori.

Conclusioni

Sulla base del lavoro svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il Bilancio di Sostenibilità del Gruppo Tozzi Green relativo all'esercizio chiuso al 31 dicembre 2021 non sia stato redatto, in tutti gli aspetti significativi, in conformità a quanto richiesto dai GRI Standards come descritto nella sezione "Nota metodologica" del Bilancio di Sostenibilità.

Bologna, 20 maggio 2022

KPMG S.p.A.



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