



GRUPO ALBANESI
ENERGÍA A SU ALCANCE

SUSTAINABILITY 2021

ANNUAL REPORT

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LETTER FROM THE CHAIRMAN



I am very proud to share the first sustainability report of the Albanesi Group, which intends to show the Company's commitment to sustainability. We worked very hard on each section of this report to describe accurately our approach to the issues that are relevant to each of our stakeholders.

In recent years, Albanesi has grown steadily, developing new businesses and acquiring at every step the necessary skills to face the challenges involved in working daily in the electricity market. We believe that constant learning is the way to grow sustainably.

The growth in demand and the market's and society's needs are blazing a trail for the transition towards more efficient supply models that are respectful towards the planet and people.

Energy is a fundamental resource for all Argentine citizens and for the country's development. Albanesi has assumed the responsibility of generating energy in a safe and sustainable way, promoting efficient and innovative processes for the generation of thermal energy, mainly from natural gas, which ensures energy availability for the industry, the economy and the citizens. This entails taking care of the environment and an ongoing commitment to our stakeholders.

In a context of constant transformation and a scenario with great new challenges, we seek to adapt and innovate our processes and production means to ensure the supply of electricity, being protagonists of the new paradigms of the energy transition and strengthening relationships through a direct and transparent dialogue with our collaborators, shareholders, clients, suppliers and the communities where our thermal power plants are located.

At an economic level, we have become the fifth largest energy company in Argentina, generating electricity from nine operating power plants, and we continue investing in our own growth to supply the country.

From the environmental standpoint, we have started measuring our carbon footprint in order to generate a baseline that will allow us to define action plans to generate energy more efficiently.

At the social level, we are promoting the development of the communities where our plants are located through actions related to environmental care and the improvement of the social conditions in each of them. We have also placed education at the center of our work, promoting all aspects of education throughout the country.

Finally, from the Corporate Governance, during 2021 we incorporated key positions in Management that guarantee transparency and efficiency to face the growth of our businesses and the planning of expansion projects.

We firmly believe in our role as drivers of the energy transition and we will strive to make an impact, infusing passion in everything we do.

Thank you for joining us on this journey.

Armando Losón





ABOUT US



Albanesi is a private capital Argentine Business Group. Its capacity for innovation, development and execution of projects has allowed it to grow constantly to ensure its presence in the energy market. Its main activity is the generation of energy, as well as offering natural gas commercialization services.

Generación Mediterránea and Albanesi Energía are the companies of the Albanesi Group in charge of generating electricity for the Argentine market.



1912

Rafael G. Albanesi, founder of the company, started doing business in Buenos Aires; the company was originally dedicated to selling products for the water and gas industry.

It became one of the leading traders of the industry sector in the interior of the country.

1929

Opening of Albanesi in Rosario, Santa Fe.

It added to its business portfolio the construction of infrastructure for water and natural gas pipeline networks and the laying of trunk gas pipelines; because of its scale, this would become one of the Company's main activities.

**1970
1980**

The company became more involved in the construction of gas pipelines and surface facilities in the Province of Santa Fe, leading the construction of the 600-kilometer-long Central and Southern Regional Gas Pipelines, which, to date, represents one of the most important works carried out in that province.

1994

Albanesi Group traded natural gas for the first time in the domestic market after the deregulation of the gas sector.

Since then, the volume of natural gas traded has grown steadily, as well as the turnover and the client base, thus becoming the main trader of natural gas in Argentina.

2004

Creation of the Electronic Gas Exchange (MEG, for its Spanish acronym) in Argentina. The Group was granted the trader license, which enabled us to buy and sell gas in the spot market on behalf of third parties. The first spot transaction was carried out on this platform.

Albanesi entered the Wholesale Electricity Market (MEM, for its Spanish acronym) as an electricity generation company, after acquiring shares of the Luis Piedra Buena SA thermal power plant (620 MW) located in Bahía Blanca, province of Buenos Aires.

After this first experience in the energy business, the Group developed new investment projects to increase its share of the electricity generation sector, focusing on the installation of new turbines totaling more than 1,400 MW of power.





Our **mission** is the generation of energy in a reliable and sustainable way both for the industry and for the National Interconnected System (SIN, for its acronym in Spanish), and the trading of natural gas.



Our **vision**, "Energy at Your Fingertips" (*Energía a su Alcance*), sums up the spirit that guides the group when it comes to sustainable development and growth.

Our **values** represent the DNA of the Group and are the guiding principles of our individual and collective behavior:



RESPECT

We promote respect as a fundamental way of relating to each other, hoping that this will make people feel included and motivated to do their best at work. We promote social and cultural diversity and freedom of expression through active listening to different opinions.



ACCOUNTABILITY

We have adopted accountability as a core principle, for the company as an institution and collaborators as members of the company. We are committed to fulfilling our obligations as members of the community, promoting care for the environment and social responsibility.



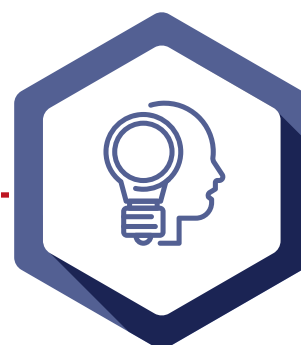
TRANSPARENCY

We understand transparency as an indicator of the positive behavior of individuals in society; we acknowledge that people are upright, sincere, responsible, assume the consequences of their actions, do not lie or have secrets and show themselves as they truly are. Transparency is a value that generates trust and security and shows the positive side of each individual.



PROACTIVITY

We encourage proactivity as an attitude by which people and the organization take full control of their behavior in an active way; this means taking initiative in the development of creative actions to make improvements, foresee situations or overcome difficulties that may arise, in an independent way. Being proactive is being able to translate ideas into actions to obtain results for the common good.



INNOVATION

We have adopted innovation as a behavior that is characteristic of our company's DNA; we see it as the ability to change, evolve, adapt, offer new products and adopt new and better processes to meet our clients' needs while sustainably growing our businesses.

OUR BUSINESS

Natural Gas and Electricity

We operate in the **energy market trading natural gas* and generating electricity**. We are the main marketer of gas consumed in the country, with more than 10% of the total volume of natural gas consumed in Argentina, including the operations carried out in the Electronic Market – **MEGSA** –, reaching maximum daily values of more than 20% of the gas consumed by the country's industry sector.

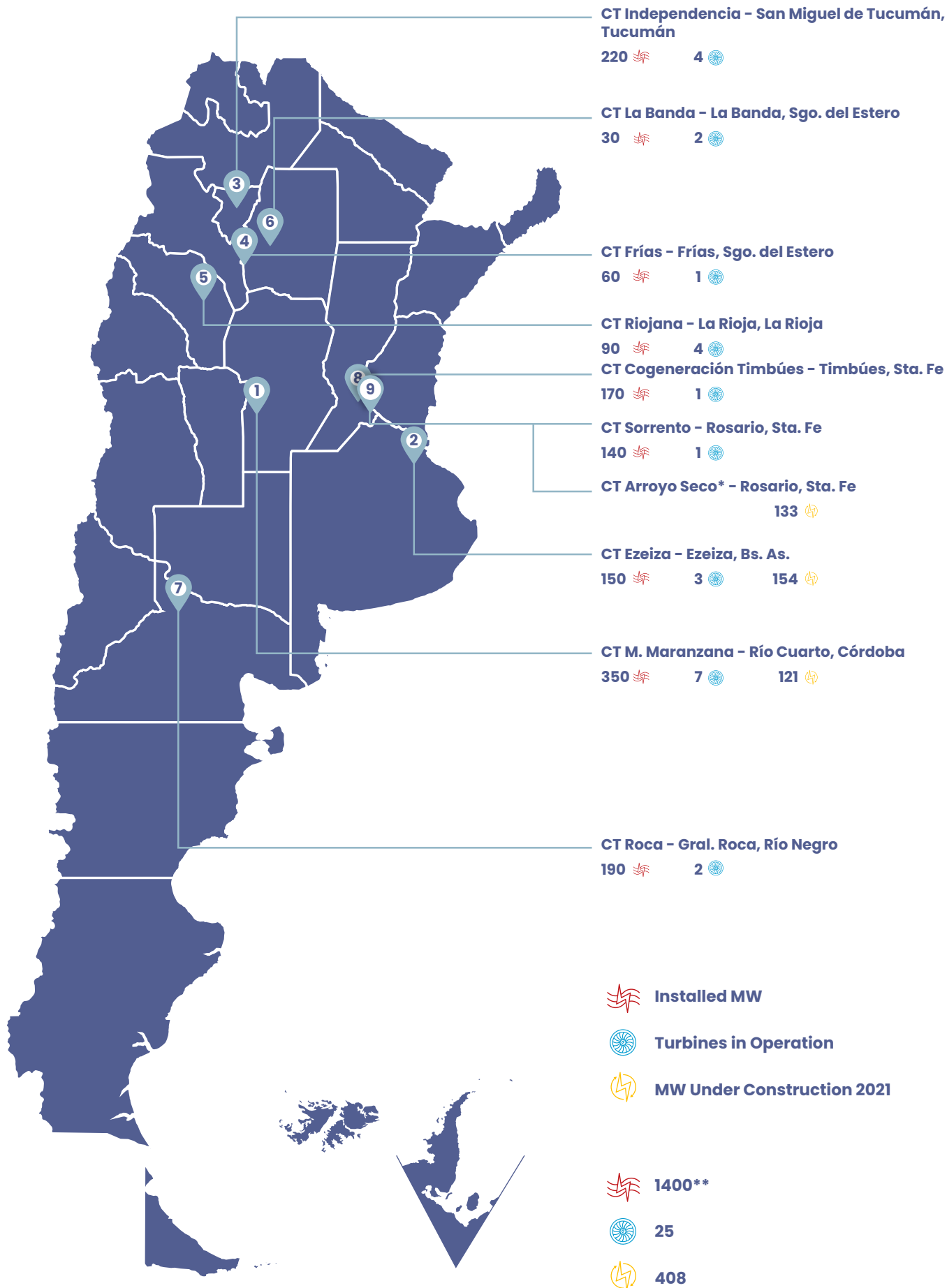
Also, in addition to supplying natural gas to the Argentine industrial sector, we trade **gas to supply power stations** in different provinces of Argentina that are not served by **CAMMESA**, the company that manages the electricity wholesale market.

We operate 9 dual-fuel thermoelectric power plants, which run mainly on natural gas and as an alternative fuel on Diesel fuel. These thermoelectric plants are located in 7 provinces within Argentina. They are operated and maintained by the Group and are fully operational.

Currently, the total installed generation capacity of these power plants is 1,400 MW and an additional 405 MW is under construction, which makes us one of the leading electricity generation groups in Argentina.



* The natural gas business is not part of the scope of this report.



* Turbine under construction.

** The Solaban plant, of which the Companies own 42% of the shares, is not included.

Energy contracts*

POWER PLANTS UNDER CONTRACT. RESOLUTION 220/2007 – OPEN CYCLE		
Power Plant	Nominal Capacity in MW	End of Operation
In Operation		
CT Roca	130	June 2022
CT M. Maranzana	100	July 2027
CT Riojana	50	May 2027
CT Frías	60	December 2025
340 MW		

POWER PLANTS UNDER CONTRACT. RESOLUTION 220/2007 – CLOSED CYCLE		
Power Plant	Nominal Capacity in MW	End of Operation
In Operation		
CT Roca	60	August 2028
60 MW		

POWER PLANTS UNDER CONTRACT. RESOLUTION 21/2016		
Power Plant	Nominal Capacity in MW	End of Operation
In Operation		
CT Cogeneración Timbúes	170	February 2028
CT Ezeiza	100	July 2027
	50	February 2028
CT Independencia	50	July 2027
	50	February 2028
420 MW		

PROJECTS UNDER REGULATORY FRAMEWORK 287/2017 – CLOSED CYCLE		
Power Plant	Nominal Capacity in MW	End of Operation
Projection (Tenders Won)		
CT Ezeiza	154	October 2036
CT M. Maranzana	121	October 2036
CT Arroyo Seco**	133	April 2036
408 MW		

* Power under resolution: base power 460 Mw and power plus 120 Mw

** Date of commercial authorization April 2024

THE MARKET AND THE REGULATORY FRAMEWORK

The Electricity Market

The Law 24065/92 and the Decree 1398/92 lay down the regulatory framework for the electricity sector, in which generation is included.

The National Electricity Regulatory Agency (ENRE, for its acronym in Spanish) is the body that regulates, oversees and controls the energy industry and is responsible for the enforcement of Law 24065, the technical generation dispatch, the scheduling and the economic organization of the Argentine Interconnection System.

Grupo Albanesi acts in the Wholesale Electricity Market (MEM) as electricity trader since 1995.

Thermal Energy

Grupo Albanesi has electricity sales contracts under different public resolutions issued by the Secretariat of Energy to promote investments in additional generation capacity.

Within the framework of Resolution 220/2007, which allowed supply contracts between the Wholesale Electricity Market (MEM) and the available generation supply plus the associated additional energy, provided by generating, co-generating or self-generating agents, Albanesi has signed the contracts of the power plants CT Roca, CT M. Maranzana, CT Frías, and CT Riojana.

On the other hand, within the framework of Resolution 21/2016, the Group has built and is operating the CT Ezeiza power plant and two machines in the CT Independencia power plant and the CT Cogeneración Timbúes power plant.

The Resolution SE 287/2017 made an open call to parties interested in selling electricity produced by the installation of new generation capacity. Within this regulatory framework, the Group is working on the conversion of the combined cycles into closed ones in the power plants CT Ezeiza and the CT M. Maranzana and is building the CT Arroyo Seco co-generation plant for 2023 in the case of the first and 2024 in the case of the others.

ALBANESI IN NUMBERS

BUSINESS



Number of thermal power plants	9
Presence in the energy market	23 years
Industrial clients	114
GWh supplied by CAMMESA per year	264,313 Gwh
ISO 14.001 Certified Plants	9

ECONOMIC PERFORMANCE



EBITDA	190.68 Millions of dollars
Investments	58.69 Millions of dollars
Power supply estimated	730,000 households
Consolidated sales	279.70 Millions of dollars
GWh generated per year	2,687 GWh
Rated installed capacity (energy)	1,400 MW
Capacity under construction (energy)	408

SOCIAL PERFORMANCE



Number of employees	471
Employed women	102
Mean number of training hours per year per employee	44
Corporate volunteering hours*	1,647
Total training hours per year	20,724
Domestic suppliers	95%

ENVIRONMENTAL PERFORMANCE



CO ₂ eq emissions generated (Natural gas)*	1,251,921 Ton CO ₂ eq
CO ₂ eq emissions generated (Diesel fuel)*	138,670 Ton CO ₂ eq
CO ₂ eq emissions generated (Fuel Oil)*	19,171 Ton Co ₂ eq
TOTAL** SCOPE 1 emissions	1,409,843 Ton CO ₂ eq
Total GHG Emissions Intensity	0.525 Ton CO ₂ eq /MWh
Amount of waste sent for final disposal	76,617 Kg
Water withdrawal by source*	17,874 Megaliters
Reused Water	79.24 Megaliters

GOVERNANCE AND COMPLIANCE



Women in middle or senior management positions	3%
Total hours of training in Compliance	414

* The reported GHG emissions correspond exclusively to the fuel used by the Company to generate electricity. In the case of the CT Cogeneración Timbúes power plant, they correspond to electricity generation and steam generation.

** Corresponds to total Scope 1 emissions. They are detailed in the chapter on environment.

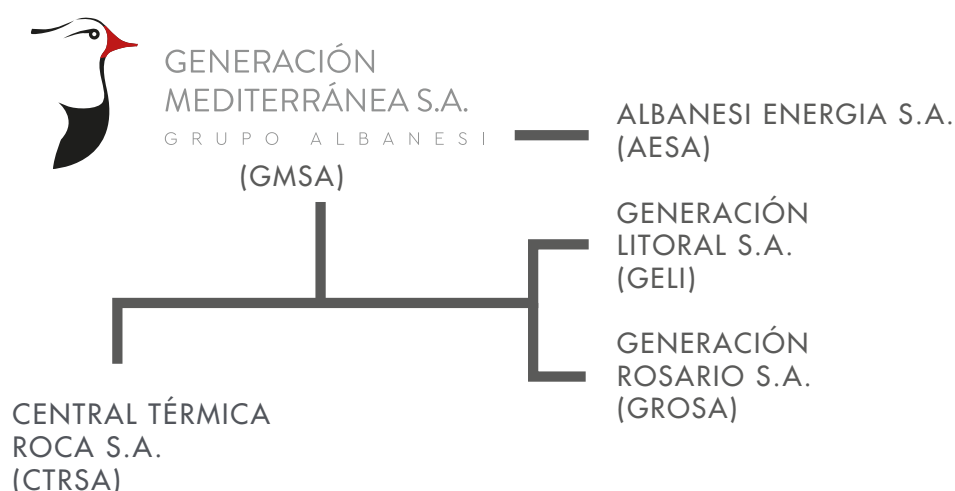


CORPORATE GOVERNANCE

GOVERNANCE, ETHICS AND INTEGRITY

The Albanesi Group promotes integrity and transparency in all its actions, making a commitment to implement the best corporate governance practices.

During 2021, we continued increasing the Group's professional staff to grow our businesses and to plan expansion projects with sound corporate governance, and we added key positions to our corporate management in order to guarantee transparency and efficiency. Also, in 2020, merger processes began between different companies within the group in order to achieve greater transparency and accessibility for investors, and to improve internal processes, streamlining the structure and consolidating the efficiency of accounting, legal and corporate information.



Our board, responsible for setting the guidelines, is made up of male and female directors from Argentina and non independent.

The appointment and selection of the highest governing body takes place during the Ordinary General Assemblies with a frequency established in the Articles of Incorporation. During the Assemblies, and according to their number of shares, each shareholder may select their designee provided they have the technical skills and experience in finance, energy and natural gas, environment and taxes.

BOARD MEMBERS	ROLE	COMPANIES	AGE	CONDITION	TIME IN OFFICE
Armando Losón (Jr.)	Chairman	GMSA-CTRSA AESA GROSA-GELI	49	Incumbent	Three periods
Guillermo Gonzalo Brun	Vice-chairman	GMSA - AESA - GROSA	54	Incumbent	Three periods
	Director	CTRSA - GELI			
Julián Pablo Sarti	Vice-chairman 2	GMSA - AESA GROSA	43	Incumbent	Three periods
	Director	CTRSA - GELI SOLALBAN			
Oscar Camilo De Luise	Director	GMSA - AESA - GROSA - GELI	75	Incumbent	Three periods
Ricardo Martín López	Director	GMSA	44	Incumbent	Three periods
		AESA - GROSA GELI			Three periods
Sebastián Andrés Sánchez Ramos	Director	GMSA- AESA GROSA - GELI	51	Incumbent	Three periods
Carlos Alfredo Bauzas	Director	CTRSA-AESA GELI	76	Incumbent	Three periods
María Eleonora Bauzas	Director	GMSA - GROSA	45	Incumbent	Three periods
Roberto Felipe Picone*	Director	CTRSA	44	Incumbent	Three periods
Roque Antonio Vila**	Director	CTRSA	64	Incumbent	Three periods
Fernando José Sarti	Director	GROSA	77	Incumbent	Three periods
Osvaldo Enrique Alberto Cado	Director	GMSA	41	Alternate	Three periods
José Leonel Sarti	Director	GMSA- AESA GROSA - GELI	38	Alternate	Three periods
Juan Gregorio Daly	Director	GMSA- AESA - GROSA - GELI	47	Alternate	Three periods
Romina Solange Kelleyian	Director	GMSA-AESA - GROSA - GELI	46	Alternate	Three periods
Jorge H. Schneider	Director	GMSA	86	Alternate	Three periods
Juan Carlos Collin	Director	GMSA	69	Alternate	Three periods
María Andrea Bauzas	Director	GMSA - GROSA	41	Alternate	Three periods
* Until 06/01/2021					
** From 06/01/2021					

The Group has several **committees** that meet with different frequency and comprise the Chairman, the CFO, the Director of Energy and the Corporate Head of each function.

The Gas and Energy Committees were created within the commercial area, while the following committees belong to the staff support area: Administration and Finance; Strategic Human Resources; Procurement and Technology and Information Systems.

In addition, we have an **Ethics Committee** made up of the Corporate Legal and Compliance Manager, the Corporate Internal Audit Manager and one Director from any of the Companies, not related to the Group's shareholders.

Integrity Management

The companies have a risk **analysis and management system** for internal control, to ensure compliance with laws and regulations in force, the reliability of financial information, the ethics and integrity of our standards, and the efficiency of our operations, and it also helps us to prepare for future trends and regulations.

Our exposure to risks of various kinds can affect the business economic performance and the sustainability of the company, so we have several tools to assess the probability of the risks to which we are exposed, seeking to minimize their impact. For each of the risks, an action plan is presented that is reviewed periodically and which is the foundation for our policies and strategies.

The criteria used to perform the **Risk Assessment** are based on the general risk of the industry, the relationship with the public sector, decentralization and fraud. They are evaluated in the different operations and situations related to these topics.

In 2021, we carried out a study to determine the possible risk scenarios and design preventive plans for the 17 risks identified: 10 were related to the risk of corruption; 5 related to the risk of Fraud; 1 related to Anticompetitive Practices and 1 related to the risk of Money Laundering.

Since 2018 we have implemented continuing improvement in the Grupo Albanesi's Integrity Program to ensure the highest compliance and transparency standards, with the commitment of our collaborators and third parties involved in the Companies' activities.

We have a Code of **Ethics and Conduct** that lays the foundation of our Group regarding the development of our values and principles that guide our behavior. This code is applicable to all our collaborators, whether permanent or temporary, working full or part time and regardless of the hierarchy. The Code is posted on the web in Spanish and in English.

The Code of Ethics and Conduct must be used as a resource to act ethically and responsibly in every activity of the Group. Likewise, the Code of Ethics and Conduct defines the reporting lines and channels through which employees and third parties can report conduct that is contrary to the Integrity and Ethics Program.

The code also defines the **Procedure for Conflicts of Interest** to identify said conflicts and sets the criteria and mechanisms for recording and solving them.

As regards the **Policy on Donations, Scholarships and Sponsorships**, criteria have been established so that we can provide financial or non-financial support to non-profit institutions, organizations and associations, as well as receive contributions, donations and gifts. The policy details the main requirements for this, standardizing the information to be requested, the financing terms and the execution of a written agreement once the operation has been approved.

Our ethical commitment also extends to third parties through a **Due Diligence Policy** that defines the procedure to assess the risk of corruption of a company or individual and relevant remediation actions, prior to the signing of a contract or business agreement with Albanesi. This policy is complementary to a Supplier **Integrity Risk Management** tool (GRIP,



for its acronym in Spanish) and aims to ensure that Grupo Albanesi interacts and maintains business relationships with third parties that are committed to and comply with similar integrity standards.

On the other hand, we have an **Anti-Corruption Policy**, based on our zero tolerance for bribery and improper payments made on behalf of or in the interest of Grupo Albanesi. The policy's goal is to establish the conduct expected of all the people who work for Grupo Albanesi, whether employees or third parties, in the face of any act of corruption that may damage the Group's reputation.

Our **Policy for the Submission of Bids** establishes the conduct that is expected of all collaborators and third parties associated with Grupo Albanesi, to avoid any act of corruption related to Sensitive Contracts, Quotations, Offers, Bids, Tenders and Contests. In addition, we have a **Policy on Relationships with Public Officials**, which establishes the relationship mechanisms with government officials and how to record any interaction immediately.

Finally, we have an **Ethics Hotline** and this tool, that is outsourced, lets us receive complaints both internal and from third parties in a confidential and anonymous way; this is a channel to report situations and/or behaviors that constitute actual or potential violations of the Integrity and Ethics Program of Grupo Albanesi.

The Ethics Hotline is managed by PWC Argentina, who analyzes the complaints and their relevance and reports them, after subjecting them to anonymization, to the Ethics Committee. The Committee checks them and follows the Investigation Protocol to provide an effective solution through an internal or external investigation in accordance with the provisions of the Ethics Committee regulations and the Investigation Protocol. During 2021, five complaints were filed, that were analyzed, addressed, and fully resolved.

The Code of Ethics is the structural policy to guide directors, managers and collaborators according to Albanesi's values and commitment in matters of ethics and compliance. This Code, together with the policies mentioned in this chapter, are the main subject matter of the **introduction to the company for new collaborators** and are also included in **training** sessions throughout the year. With the arrival of the pandemic and its subsequent effect on remote work, **on-line training activities** were designed in order to make this training available to 100% of the staff. Also, communication pieces were created to convey key concepts, so as to reinforce the knowledge on compliance issues, to communicate the purpose of the policy and to identify possible integrity risks. Next year, a policy will be developed applicable to the value and supply chain to extend the ethical responsibility and compliance commitments to all of Albanesi's suppliers and to include them in training activities.

Training in Ethics and Compliance

Management team (directors and managers)	GMSA: 5
	AESA: 1
	CTRSA: 2
	GROSA: 1
Collaborators	GMSA: 147
	AESA: 31
	CTR: 27
	GROSA: 37



Management of Queries and Claims

We strive to meet the needs of our stakeholders quickly and effectively and we offer them various channels for seeking advice, reporting concerns related to suspected unethical or illegal conduct, or making complaints anonymously or by name. It is extremely important to establish two-way communication channels that are permanently available.

INFORMATION AND CONSULTATION CHANNELS



Contact through the Group's web site:
<https://www.albanesi.com.ar/contacto.php>



In person or by telephone at
 the Group's headquarters: Av.
 L. N. Alem 855 14th floor.
 Buenos Aires. Phone:
 (+54-11) 4313-6790



WhatsApp: during the pandemic,
 telephone numbers were made
 available to contact the Group's
 departments via WhatsApp chats,
 which could be accessed directly
 through the Group's website.

ETHICS HOTLINE



Phone number:
0800-444-7722



Online access:
www.lineadedenuncias.com.ar



E-mail:
lineadedenuncias.albanesi@pwc.com



Social networks:
LinkedIn and YouTube
[@GrupoAlbanesi](#)



SUSTAINABLE MANAGEMENT

ABOUT THE REPORT

This Sustainability Report has been prepared in accordance with the core option of the GRI standards. It is prepared annually and this issue covers the period between January 1 and December 31, 2021. In this first issue, the information was limited to the electricity business represented by the Companies Generación Mediterránea SA and Albanesi Energía SA. It has been based on internal indicators that have been standardized for the purpose of reporting under the GRI framework.

OUR VISION OF SUSTAINABILITY

Our vision is to create sustainable value for our employees, clients, suppliers, shareholders and other stakeholders. For this, we conduct our business respecting the environment, and continuously improving our work processes.

This approach is aligned with our Integrity Program, Code of Ethics and Conduct, observing the conduct guidelines that reflect the Group's values, which are to be followed by all the Group's collaborators as well as the stakeholders involved throughout the supply chain.



PRINCIPLES THAT GOVERN OUR ACTIONS REGARDING SUSTAINABILITY:



TRANSPARENCY

to convey our message with clear and truthful information.



INTEGRITY

being honest and ethical in the way we conduct our business.



CONTINUOUS IMPROVEMENT

extending quality improvement to our Companies and the community to which we belong.



DEVELOPMENT

supporting the training and professional development of each collaborator and promoting equal opportunities and non-discrimination.



COMMITMENT

to society and the environment, promoting our own as well as collective initiatives to achieve sustainable development.

OUR STAKEHOLDERS

To prepare this report, we have identified the Companies' stakeholders. We conducted a survey among them to identify the material topics and their impact, recognizing the current and future aspects that are most relevant for the Companies based on the principle of stakeholder participation.

STAKEHOLDERS			
Stakeholder	Composition	Contact and Consultation	Material Topic
Management	Companies' Board	Board meetings, internal communication and Ethics Hotline	<ul style="list-style-type: none"> • Efficiency in electricity generation • Ethics, integrity and transparency • Health and Safety of our Collaborators
Management	Companies' managers	Committee meetings, internal communication and Ethics Hotline	<ul style="list-style-type: none"> • Efficiency in electricity generation • Ethics, integrity and transparency • Health and Safety of our Collaborators
Investors	Banks, investors and capital lenders	Quarterly presentations, account rendering, annual reports and financial statements, Ethics Hotline	<ul style="list-style-type: none"> • Ethics, integrity and transparency • Economic performance and business solvency • Communication transparency
Clients	CAMMESA and industries	Web, mailing list, events, social media and Ethics Hotline	<ul style="list-style-type: none"> • Ethics, integrity and transparency • Fair competition • Efficiency in energy consumption and use
Governments	Executive and legislative branches at the national, provincial and municipal levels. Regulatory agencies and control bodies	Meetings with representatives, accountability according to regulatory compliance, events, formal notes and Ethics Hotline	<ul style="list-style-type: none"> • Ethics, integrity and transparency • Health and Safety of our Collaborators • Client satisfaction
Suppliers	Suppliers and national and international goods and services	Whatsapp, LinkedIn, YouTube and Ethics Hotline	<ul style="list-style-type: none"> • Communication transparency • Dialogue and relationship with stakeholders • Health and Safety of our Collaborators
Collaborators	Direct and indirect employees	Briefings, Intranet and Ethics Hotline	<ul style="list-style-type: none"> • Ethics, integrity and transparency • Responsible use and management of natural resources • Efficiency in electricity generation
Unions	Union representatives	Meetings with representatives and Ethics Hotline	<ul style="list-style-type: none"> • Efficiency in energy consumption and use • Ethics, integrity and transparency • Fair competition

Business community	Business chambers and <i>compartidores</i> ("sharers", individuals in charge of "sharing" resources or managing resource distribution in rural communities)	Web, mailing list, events, social media and Ethics Hotline	<ul style="list-style-type: none"> • Efficiency in energy consumption and use • Efficiency in electricity generation • Ethics, integrity and transparency
Communities	Communities where the Companies operates	Web, mailing list, events, social media and Ethics Hotline. Visits to the places and organizations with which we work and visits from institutions to the plants.	<ul style="list-style-type: none"> • Efficiency in energy consumption and use • Efficiency in electricity generation • Training in trades
Media	Media and press	Press releases, mailing and Ethics Hotline	<ul style="list-style-type: none"> • Dialogue and relationship with stakeholders • Training and development • Balancing personal and work life





TYPE OF QUERIES AND CLAIMS	QTY	COMPANY/LOCATION	SOURCE	
			INTERNAL	EXTERNAL
Conflicts of Interest	3	GMSA	x	
	1	CTR	x	
	1	AESA	x	
Advice requests	1	GRUPO ALBANESI	x	
	1	GROSA. Rosario	x	
	2	GMSA	x	
	1	GMSA	x	
	1	CTRSA. Río Negro	x	
	1	GMSA		x
Sponsorship requests	1	GMSA. Río Cuarto	x	
Donation requests	1	GMSA. La Banda	x	
	1	GMSA. Ezeiza, Tucumán y La Rioja	x	
	1	GMSA. Río Cuarto	x	
Information requests	3	GMSA		x
	11	GRUPO ALBANESI		x

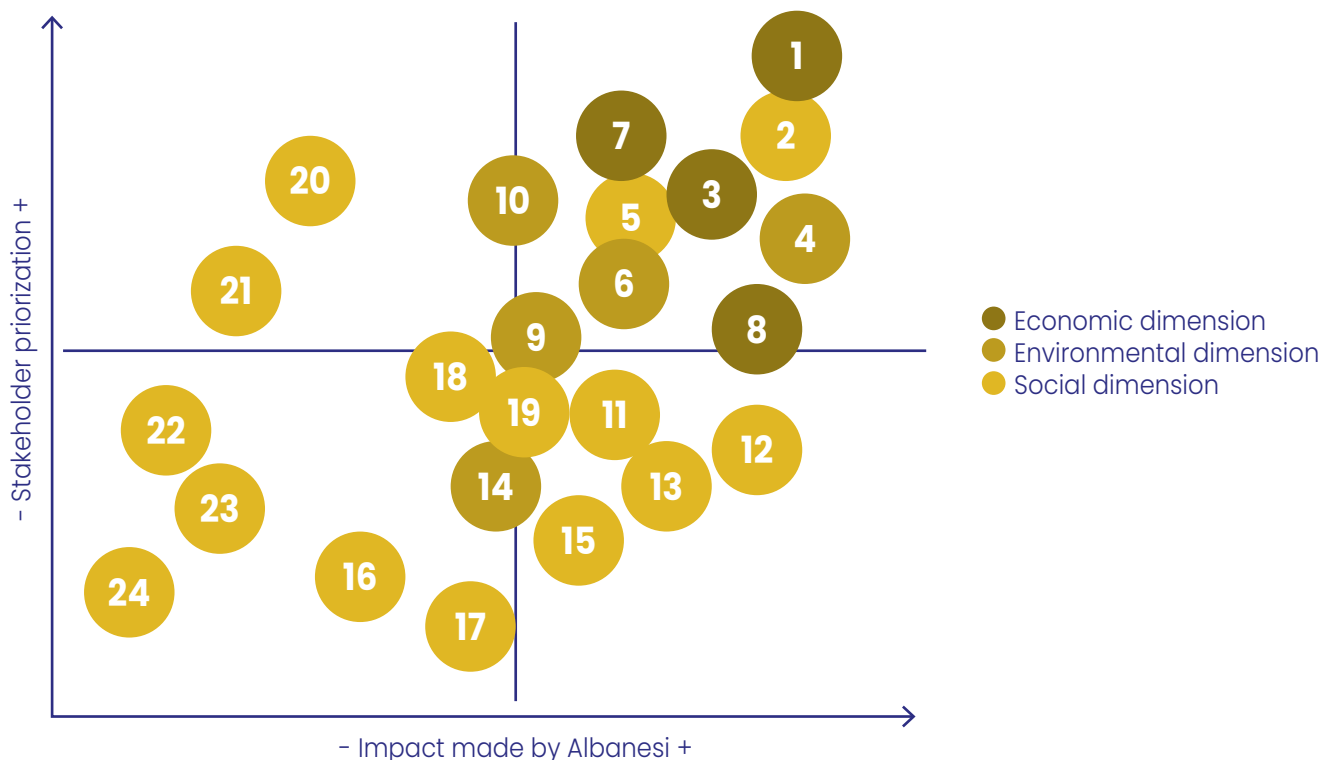
* Does not include the complaints made over the Ethics Hotline that are reported in the chapter on Corporate Governance.

MATERIALITY ASSESSMENT

One of the basic components of our Sustainability Strategy is the materiality assessment, in which we seek to **identify and weigh the real impact of our activities** on the different stakeholders identified and how these impacts are transferred to the sustainability pillars. To define the map, we have implemented an **annual survey** to ask the different stakeholders about the most relevant issues for the management of the Companies.

To enhance the positive impact of our activities, and thus reduce the negative, it is necessary to understand and interpret the expectations of each of the stakeholders throughout our value chain.

We identified such expectations with the materiality assessment, checking it later against our strategic vision expressed as “Energía a su alcance” (Energy at Your Fingertips) to set the priorities for the Companies.



- | | |
|---|--|
| 1. Ethics, integrity and transparency (Includes the prevention of corruption, illicit activities, etc.) | 13. Employment practices, benefits and work environment |
| 2. Health and safety of our collaborators | 14. Circular economy and waste management |
| 3. Efficiency in electricity generation | 15. Fair competition |
| 4. Efficiency in energy consumption and use | 16. Diversity, integration and equal opportunities |
| 5. Communication transparency | 17. Promotion of education |
| 6. Responsible use and management of natural resources | 18. Employability |
| 7. Client satisfaction | 19. Responsible management of the value chain |
| 8. Economic performance and business solvency | 20. Evaluation of social and environmental criteria in the value chain |
| 9. Energy efficiency in processes and inclusion of renewable energies | 21. Dialogue with relevant stakeholders from neighboring communities |
| 10. Carbon footprint and fight against climate change | 22. Contracting local suppliers |
| 11. Training and development | 23. Investment in the development of neighboring communities |
| 12. Dialogue and relationship with stakeholders | 24. Supplier training and development |



OUR VALUE CHAIN

SUPPLIER DEVELOPMENT

We consider the relationship with our suppliers a key link in our value chain, and for this reason we maintain **solid, transparent and lasting relationships** with each of them.

We have a **supplier classification** system with which – prior to the supplier's acceptance – we evaluate the supplier's financial situation and we offer them comprehensive counseling on the standard level of compliance with current commercial and labor standards and legislation; they must also comply with the current Code of Ethics.

IN 2021
WE HAD **1,611** SUPPLIERS
95% OF WHICH ARE BASED
IN ARGENTINA,
AND THEY ACCOUNT FOR
82%
OF THE TOTAL
PROCUREMENT VOLUME

ALBANESI'S SUPPLIERS	
Number of Suppliers	1,611
Domestic Suppliers	95%
Annual Procurement Volume	U\$S 150,357,440
Procurement Volume from Foreign Suppliers	18%
Procurement Volume from Domestic Suppliers	82%
Total of Issued Documents	10,032
Total of Issued Documents for Overseas Purchases	364
Total of Issued Documents for Domestic Purchases	9,668



OUR CLIENTS

The energy market, declared a “public-interest industry”, is highly regulated by the Secretariat of Energy, with the involvement of different regulatory agencies.

We generate electricity from thermal sources and we sell it to **two main customer segments:** on the one hand, Compañías Administradora del Mercado Mayorista Eléctrico (CAMMESA), the companies that manage the electricity wholesale market, and private industrial clients on the other.

The energy generated by the Albanesi Group is immediately injected into the network and managed by CAMMESA, which remunerates it depending on the different existing regulatory frameworks. CAMMESA is the body in charge of coordinating energy dispatch and the Group’s main client, having taken during 2021 over 75% of the total energy generated.

74.63%
OF THE ENERGY WAS SOLD TO
CAMMESA

THE REMAINING TO OUR
114 INDUSTRIAL
CUSTOMERS

Also, Albanesi has **private contracts with more than 100 clients from the industrial sector**, whether electro-intensive companies or consumers; this market remains stable. Despite the pandemic, there were no problems with the service provision or payment and no legal claims were filed.

It has a commercial team dedicated to market and turnover analysis that works in coordination with other departments within the Companies to make sure internal and external processes are followed and to control and follow up every transaction.

TOP 5 INDUSTRIAL CLIENTS	
Industrial Clients	GWh Supplied in 2021
CHEVRON ARGENTINA S.R.L.	106.46
PAN AMERICAN ENERGY L.L.C S.ARG.	89.54
HOLCIM (ARGENTINA) S.A.	86.78
COTO C.I.C.S.A.	69.77
COFCO INTERNATIONAL ARGENTINA S.A.	42.92





ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

For us, the way forward is an Integrated Management of Quality, Environment, Health and Safety.

We have implemented in all our power plants an Environmental Management System certified in accordance with the ISO 14001:2015 Standard following the high-level management guidelines defined by the board of directors and documented in a single Environmental Policy that is shared by all sites. At first, environmental management systems were set up and implemented individually, but since 2012, as the organization grew, they evolved together towards a single Management System redesigned and managed at the corporate level.

This new approach made it possible to successfully adopt a work perspective based on the integration and complementarity of the parties for coordinated joint growth, based on unified performance, document and practical criteria. This has strengthened a broad-based work culture that identifies the Companies as a whole.

Within this framework, the power plants' human resources have made sustained progress in their performance through constructive interaction and mutual assistance, both evidenced in the way shared issues were handled and solved.

We optimized **good environmental practices**, designing new analysis and monitoring tools that streamline management systems, as well as standardizing the assessment of environmental aspects. We progressively broadened the strictly environmental concepts to include complementary considerations related to "Safety" and "Quality" goals, making the management perspective more ambitious, to achieve, in the future, an Integrated Management System in all of the Group's power plants.



With our **Environmental Policy**, the Companies' Senior Management has made **environmental commitments** that are necessary for operating and improving its Environmental Management System. It provides all the Companies' levels with the motivation, training and responsibilities for the satisfactory achievement of their work objectives through standardized procedures that allow them to work safely and efficiently.

Every year, a **training plan** is defined based on a prior analysis of the training needs that have been identified from experience and the new management challenges assumed by the Companies. Environmental awareness is an important part of the way we conduct business. Also, the training efficacy is checked, mainly by monitoring the performance of personnel in the field.

The CT M. Maranzana thermal power plant has also implemented and certified a Quality Management System per ISO standard 9001:2015. Regarding health and safety, as of mid-2021, the OHSAS 18001 specification ceased to apply to start the process to adopt the 45001:2018 standard. This shows the constant effort, commitment and dedication of the staff to comply with operation, maintenance, statistics and safety and health standards, both national and international.

Along the same lines, the CT Ezeiza power plant was certified in 2021 per the ISO 45001:2018 standard for its Occupational Health and Safety Management System, becoming the Group's first plant to do so and, in turn, acting as the foundation for a work plan aimed at replicating the certification in the other power plants, in accordance with a corporate strategy associated to environmental management.

The Companies, through the corporate environmental department, schedule and conduct **annual internal audits** on the actions carried out in the different sites, in addition to local documentary and field routine controls carried out by staff who perform related functions at each plant.

This exhaustive monitoring subjects the Environmental Management Systems to recurring and organized processes that contribute to their feedback and continuous improvement.

We have corporate manuals that address different environmental aspects, such as waste management and energy saving. We also adopted the good environmental practices manuals.



ANALYSIS AND MITIGATION OF ENVIRONMENTAL AND CLIMATE-ASSOCIATED RISKS

The Companies' periodically analyse, documents and maintain the results of its interactions with the environment, identifying the associated risks and opportunities, and the actions planned in response. In this framework, potential emergency situations in the facilities or extreme weather events are specially addressed; they are dealt with in greater detail in specific procedures included in the Environmental Management System.

The negative environmental aspects of our business have been identified, are periodically reviewed and assessed in order to determine those which are significant. However, regardless of the assessment results, the Companies document the operational controls applicable in each case to contain, mitigate or cancel their impact on the environment.



ENERGY AND EMISSIONS

Most of our Companies' **Greenhouse Gas (GHG) emissions** are determined by the consumption of fuel to produce electricity to meet the dispatch required by CAMMESA.

Most of the electricity produced by the plants is delivered to the electricity grid, while a smaller fraction is consumed in auxiliary services and office lighting, heating and cooling.

IN 2021, A TOTAL OF

2,687,360 MWH

WERE GENERATED, OF WHICH

65,863 MWH

WERE CONSUMED INTERNALLY

TOTAL PRODUCED ENERGY IN MWH	2,687,360
CT Cogeneración Timbúes	1,045,284
CT Ezeiza	161,000
CT Roca	1,174,300
CT M. Maranzana	167,818
CT Independencia	68,335
CT Riojana	17,852
CT Frías	26,111
CT Sorrento	24,130
CT La Banda	2,530



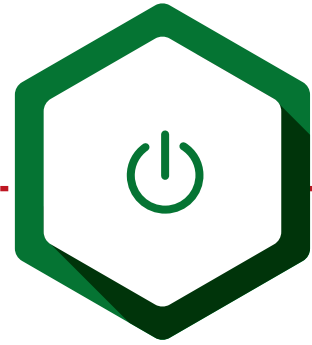
We are working to optimize electricity consumption in service sectors, through initiatives such as:



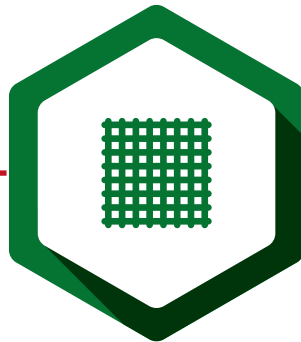
Priority use of **low consumption** light bulbs, both indoors and in areas of the park.



Use of **motion sensors** to turn on/off lights in spaces not normally used or with occasional transit of personnel.



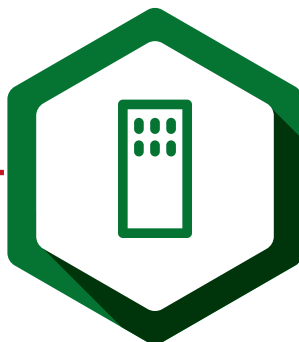
Turning off computers and peripherals at the end of the working day. Otherwise, they are kept in energy saving mode, which reduces their consumption by up to 50%.



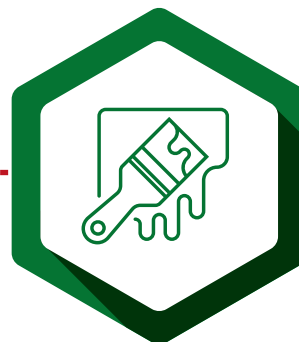
Use of **mosquito nets** on the windows at certain times of the year, to take advantage of natural sunlight and ventilation for longer, avoiding the use of air conditioners.



Use of electronic devices with high **eco-efficiency seals**.



Because of the awareness raised among the staff the **air conditioners are always turned off** once the workday is over.



Painting the working areas with **light hues** helps to better reflect and scatter the light.

Natural gas consumption in dam ³	642,011
Diesel consumption in m ³	51,240
Fuel oil consumption in tons (only in Sorrento)	6,025

TOTAL ENERGY CONSUMPTION IN THE ORGANIZATION IN MWh	65,863
CT Cogeneración Timbúes	18,103
CT Ezeiza	5,661
CT Roca	25,307
CT M. Maranzana	7,405
CT Independencia	2,551
CT Riojana	1,837
CT Frías	1,046
CT Sorrento	3,692
CT La Banda	261

Climate Change and Carbon Footprint

Despite being one of the greatest challenges facing humanity, it is only in recent decades that the problem of **Climate Change** and its negative effects, linked in particular to the gradual increase in average temperature in terrestrial and oceanic environments, have been known and analyzed.

Anthropic intervention throughout history has caused a steep and uncontrollable increase in **greenhouse gases**, the main causes of climate change.

Climate change, which directly affects natural cycles, produces a great impact in the short, medium and long term on the physical, natural, cultural, social and economic environments. It is a **global problem with local impacts**, determining a shared (albeit differentiated) responsibility at international, national and local levels.

The Companies, aware of the importance of this issue, annually measure and account for its gaseous emissions in each of the Group's power plants.

The corporate carbon footprint calculation report is prepared in accordance with ISO 14064-1. The standard has three scopes:

Direct emissions (Scope 1):

greenhouse gas emissions that come from sources that are owned or controlled by the company, such as the consumption of fossil fuels in fixed and/or mobile sources, unintentional leaks from air conditioning equipment, etc.

Indirect emissions from energy consumption and distribution (Scope 2):

greenhouse gas emissions associated with the consumption of electricity and/or vapors generated by third parties.

Other indirect emissions (Scope 3):

greenhouse gas emissions that are not owned or controlled by the company, such as emissions generated by transportation, air or land travel for business, transportation of supplies, generation and transportation of waste, etc.

The Companies have included in this report Scope 1 emissions, associated mainly to fuel consumption for power generation, which represents the largest source of GHG emissions of this business. We plan to include scope 2 and 3 emissions in upcoming reports.

CO₂ emissions generated - TOTAL

TOTAL EMISSIONS		1,409,843*
CT Cogeneración Timbúes		616,085
CT Ezeiza		88,914
CT Roca		502,586
CT M. Maranzana		101,288
CT Independencia		48,763
CT Riojana		13,128
CT Frías		15,713
CT Sorrento		20,884**
CT La Banda		2,482

* Includes all Scope 1 emissions (including vehicle fuel and refrigerant gases).

** Includes fuel oil used for electric power generation.

Emissions generated by electricity generation by fuel type at all our plants. Scope 1 in Tons of CO₂ Eq*

NATURAL GAS		1,251,920.98
CT Cogeneración Timbúes		564,653.00
CT Ezeiza		79,201.63
CT Roca		490,499.10
CT M. Maranzana		74,465.48
CT Independencia		26,166.97
CT Riojana		5,323.52
CT Frías		7,727.27
CT Sorrento		1,703.93
CT La Banda		2,180.10
GASOIL		138,670.43
CT Cogeneración Timbúes		51,421.17
CT Ezeiza		9,703.02
CT Roca		12,058.21
CT M. Maranzana		26,812.67
CT Independencia		22,582.90
CT Riojana		7,803.05
CT Frías		7,980.02
CT Sorrento		8.12
CT La Banda		301.29
FUEL OIL		19,171
CT Sorrento		19,171

* The reported GHG emissions correspond exclusively to the fuel used by the Company to generate electricity. In the case of the CT Cogeneración Timbúes, the emissions correspond to the generation of both electricity and steam.

Other CO₂ emissions generated from Scope 1 in Tons of CO₂ eq

Refrigerant Gas	17
Diesel Fuel	9.46
Gasoline Fuel	54

Carbon Footprint Calculation

The methodology chosen to quantify GHG emissions uses already established emission factors. Therefore, the carbon footprint is calculated with the following formula:

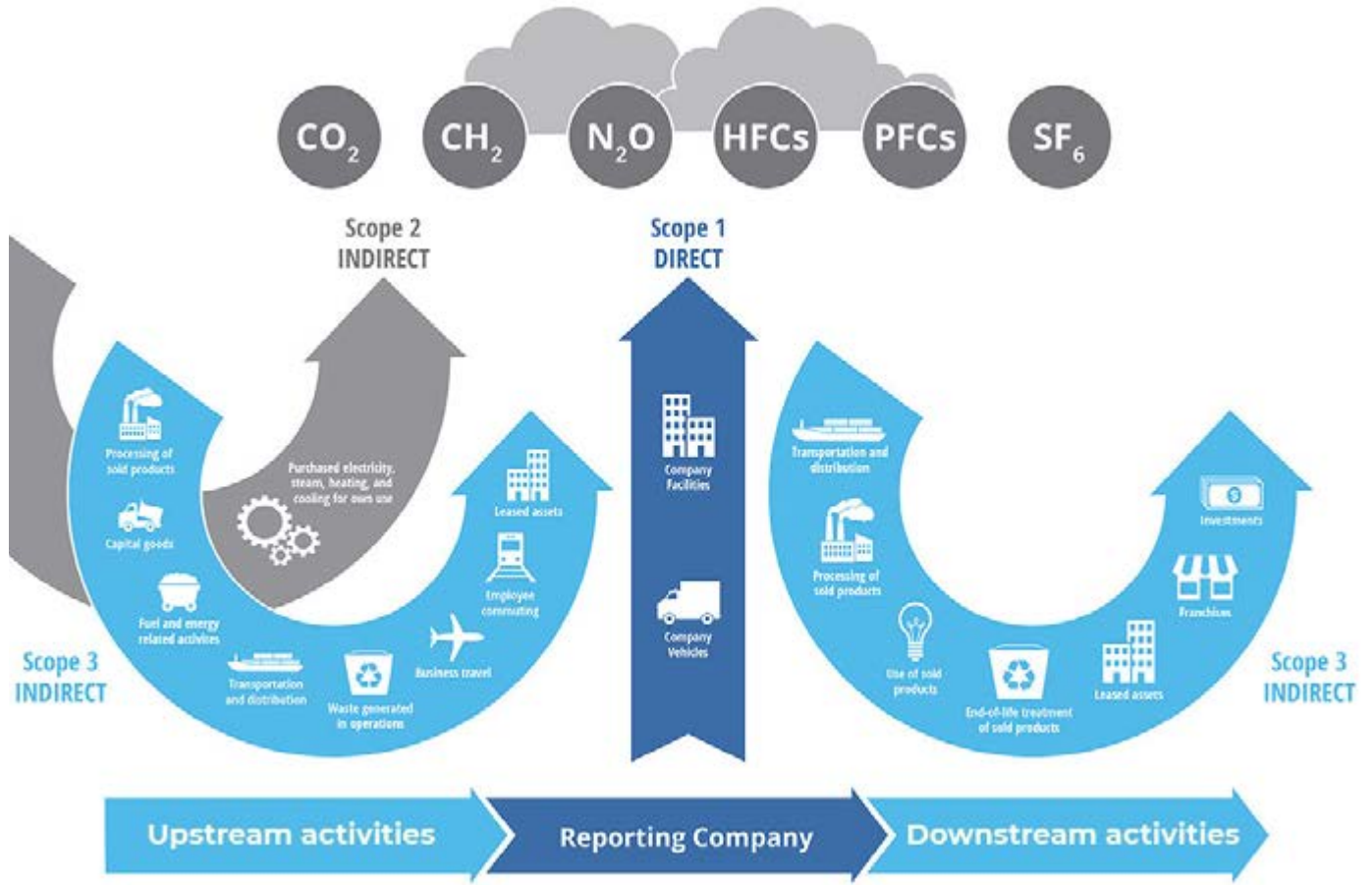
$$\text{Carbon Footprint} = \text{Activity Data} \times \text{Emission Factor}$$

To make this calculation and obtain the amount of tons of carbon dioxide equivalent (tons CO₂eq), the following is taken into account:

Activity data	Emission factor (EF)
this is the parameter that defines the grade or level of the activity that generates the GHG emissions. For example, the amount of natural gas used (Nm ³ of natural gas).	represents the amount of GHG emitted by each unit of the "Activity data" parameter. These factors vary according to the activity, for example kg CO ₂ eq/Nm ³ natural gas.



7.0. Environment

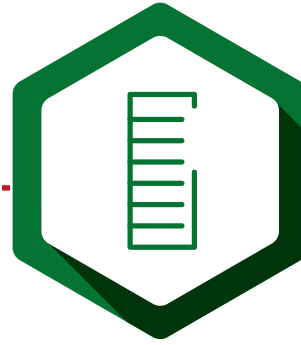


To quantify the GHG emissions, we proceed as follows:



Identification of greenhouse gas emission sources

They show up in the identification and evaluation matrices of environmental aspects of each power generation plant with their respective operational controls and monitoring measures.



GHG measurement

An annual report is available with the emissions of the Group's power plants, to be updated with the same frequency, as well as the follow-up of the comparison of the results obtained.



Inventory of emissions associated with the different GHGs

The methodology adopted to quantify GHG emissions uses established emission factors.



Footprint calculation

The carbon footprint is calculated using the formula $\text{Activity Data} \times \text{Emission Factor}$, and following item 1 above.



Design and implementation of mitigation and/or remediation measures

Plans are designed that include forestation and social responsibility activities.



INTENSITY OF TOTAL GHG EMISSIONS – TONS CO ₂ eq/ENERGY PRODUCED (MWh)*		0.525**
CT Cogeneración Timbúes***		0.589
CT Ezeiza		0.552
CT Roca		0.428
CT M. Maranzana		0.604
CT Independencia		0.714
CT Riojana		0.735
CT Frías		0.602
CT Sorrento		0.865
CT La Banda		0.981

* Scope 1.

** The calculation considers the sale of steam from the CT Cogeneración Timbúes power plant.

*** Corresponds to electricity generation only. The emissions intensity of steam generation for sale is in TnCO₂eq/MWh 0.14 for HP and 0.09 for LH.

TOTAL ENERGY PRODUCED
2,687,360 MWh

ENERGY INTENSITY
 (ENERGY CONSUMPTION/ENERGY PRODUCED)

0.088
 Gj/MWh

**TOTAL DIRECT
 GHG EMISSIONS**
0.525***
 TON CO₂e/MWh

TOTAL DIRECT GHG EMISSIONS***

NATURAL GAS
1,251,921
 TON CO₂ eq

**DIESEL FUEL
 AND FUEL OIL**
157,841
 TON CO₂ eq

*** Total Emissions (1,409,843 Tn co₂e)

As a result of replacing open cycles with co-generation (CT Cogeneración Timbúes power plant) and combined cycles (CT Roca power plant), greenhouse gas emissions were reduced in relation to the useful energy resulting from the plants' operation. Along these same lines, similar results are expected (approximately a 30% reduction in emissions in relation to the useful energy generated) with the execution of the cycle closure projects at CT Ezeiza and CT M. Maranzana thermal power plants.

Considering the organisation's challenges in environmental and operational matters in order to improve business efficiency, **the advancement described to combined cycles and co-generation systems will bring about significant environmental benefits** such as:

1. Improving the specific fuel consumption of generation units (more energy produced with the same fuel consumption),
2. Lower specific carbon footprint (lower ratio CO₂eq per unit of useful energy produced) and harnessing the thermal energy of the exhaust gases in high-efficiency boilers, with a significantly lower final release temperature into the atmosphere and without changes with respect to its original quality.

The Companies intend to define an action plan to be carried out in the coming years with a focus on reducing the intensity of its GHG emissions. This reduction will also be managed with the energy generation mix adopted by the Companies, and will have a direct impact on the average emission intensity associated with its generation processes. The work will begin on those plants with the highest emission intensity index.

To offset GHG emissions, the Group has historically developed several **large-scale afforestation projects - with plans to expand them - within the plants' premises, which are open to the community**. On the other hand, regarding the NOx emissions produced by our plants, the electricity generation units are subject to operational controls. **The exhaust gases from the stacks are periodically monitored, with the frequency required by the current legislation, with an average compliance of between 25% to 35% below the maximum NOx limit allowed by applicable legislation.**

We plan to conduct monthly assessments of NOx emissions in order to identify and monitor trends over time and continue developing new actions to reduce them.

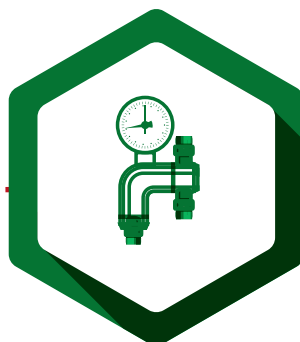
NOx EMISSIONS: ESTIMATE, KG ANNUALLY		1,718,754
CT Cogeneración Timbúes		686,700
CT Ezeiza		55,617
CT Roca		743,300
CT M. Maranzana		92,849
CT Independencia		44,748
CT Riojana		9,475
CT Frías		33,565
CT Sorrento		49,000
CT La Banda		3,500

WATER AND EFFLUENTS

Our electricity generation processes **consume water, that we withdraw from groundwater sources or surface streams**, with a variety of uses, depending on the process:



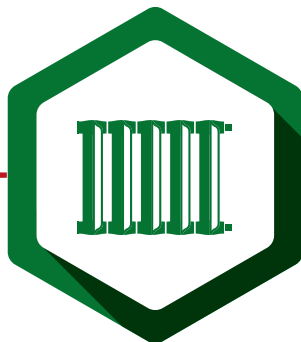
Softening treatment and make-up water in combined-cycle cooling towers to compensate for losses due to evaporation and continuous water purging.



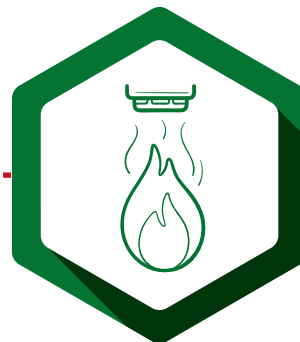
Demineralization treatment and injection to the combustion systems of generation units that use water for the mitigation of NOx in the exhaust gases from the stacks.



Softening treatment and make-up water in cooling towers of refrigeration circuits arranged for conditioning the intake air to the turbine-unit compressors.



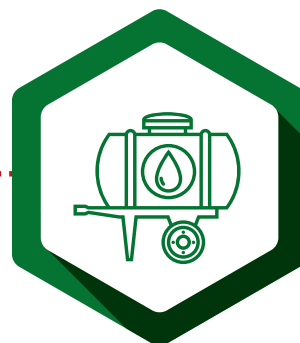
Demineralization treatment and make-up water in the boilers' water-steam circuit.



Periodic testing of fire systems.



Irrigation of parks and afforested areas.

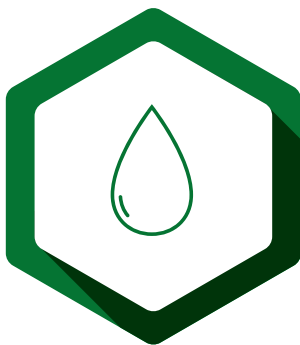


Consumption for cleaning facilities and in other service areas for human needs (water not suitable for drinking).

WATER	
Total Water Withdrawal by Source (in megaliters)	17,873.65
TOTAL Surface Water Withdrawal (in megaliters)	17,540.97
TOTAL Groundwater Withdrawal (in megaliters)	332.68
Total Water Discharge (in megaliters)	16,916.50
TOTAL Discharge to Surface Streams (in megaliters). Includes the discharge from the CT Riojana to the sewage network	16,837.26
Reused Water (in megaliters)	79.24
Water Consumption for Processes and Related Services (m ³ of water/MW generated)	6.65
Water Consumption for Human Needs (l of water per capita)	117.25
Water Consumption for Park and Facility Maintenance (l of water/m ² of land)	41.13
Supply to the "Fire system" (l of water/N° of system activations)	130,917.49
Percentage of Resource Recovery (% recovered over withdrawal from source)	0.04



Also, **measures are in place to optimize or reduce water consumption**, such as:



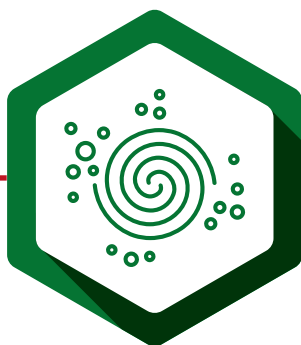
The power plants with combined cycles and **raw water softening** treatments using ion exchange resins **recover daily** part of the continuous reject effluent from the cooling circuit for the regeneration of resin trains.



In power plants with combined cycles, the possibility of **dosing the silica dispersing agent** in the cooling towers, during periods of high ambient temperature, helps to reduce the liquid effluent continuously discharged from the premises to external receiving water bodies which makes it possible to work with a higher water concentration cycle without risking the integrity and hygiene of the cooling circuits.



Discarded water is partially recovered during the periodic cleaning of the artificial lagoons to use it, after filtering, for the irrigation of certain park areas.



Certain Power Plants that use **"reverse osmosis" for the demineralization of raw water** reuse the reject effluent from the treatment equipment for the irrigation of afforested areas.



Power Plants with combined cycles and **raw water treatment by "reverse osmosis"** recover the total reject effluent from the treatment equipment to restore the water level of the cooling tower.

In all cases, the measures mentioned entail a directly proportional reduction in the volume of raw water withdrawn from catchment sources.

Regarding the power plant located in Rosario, the effluent discharged corresponds almost entirely to river water that has been used for cooling the steam turbine condenser in a single step with final discharge to a neighboring stream that communicates downstream with the river that acts, in turn, as a source of raw water for the process (in short, there is a resource recirculation without changing its quality except for a negligible increase in temperature, taking into account the significant operating flow required for the condensation of the turbine's exhaust steam).

WASTE

Our production processes generate several waste streams, such as waste similar to urban solid waste including both organic and inorganic, hazardous and non-hazardous industrial waste. Based on this classification, measures were taken to reduce at the source waste classified as hazardous and to partially recover waste that is similar to urban solid waste, under normal operating and maintenance conditions.

Part of the organic waste generated by the CT Riojana is composted and then used as fertilizer in the plant's greenery. This measure is planned to be implemented in the future on other company sites. **With regard to paper, almost all of it is recovered** and taken to external recycling centers. Likewise, measures have been implemented to **reduce paper consumption** such as digitizing more documents and using email.

The accounting is carried out by the Companies, as well as the control of waste that is classified as hazardous. Hazardous waste is separated by category and is transported and treated by registered operators at the different locations where our plants operate. With respect to the remaining waste streams generated, we plan to account them and continue implementing reduction measures that have already been planned.



EFFLUENTS AND WASTE	
Discharge of industrial liquid effluents (% reject over withdrawal from source)	94%
Amount of waste generated by the business (tons)	23.37
Amount of waste sent for final disposal (kg)	76,617.00
Ratio: kg of generated waste per MW of installed power	16.70
Consumption and disposal of paper purchased for printing and photocopying (use and sending for recycling, kg per capita)	0.71

OTHER RESOURCES

All our power plants have measures in place to ensure the rational use and the preservation of natural resources and the mitigation of the environmental impacts caused by our activities and processes. During 2021, we continued following these guidelines, and we can highlight the following:



The optimization of landscaped area maintenance in each power plant, especially including afforested areas.



The maintenance of artificial lagoons under strict control and protection measures, in different plants, favoring the development of plant, bird and fish species.

Companies maintain and promote afforestation projects that include planting shelterbelts and smaller plantations along the premises' perimeters.



HUMAN CAPITAL

OUR PEOPLE

We value our people as one of the main assets on which our strength is based and our human resource management rests on these pillars: **Attract, Motivate and Retain.**

We are convinced that in order to have the best team, we must offer an attractive value proposition. The 3 pillars, together with our motto: “*working together and better*”, and guided by our corporate values: respect, responsibility, transparency, innovation and proactivity, are the rationale behind our talent management decisions. We created a **collaborative and trusting culture** so that people can be their best and want to grow within the Group, generating value every day for everyone.

We promote **respect** as a way of relating to each other, assuming that it arouses in people a feeling of acceptance and motivation that lets them do their jobs more willingly.

We promote **social and cultural diversity and freedom of expression** through active listening to differences of opinion and we adhere to conventions and regulations that are against child labor and any type of discrimination, whether based on ethnicity, color, gender, age, politics, religion, union involvement, etc.

We **abide by** the legal frameworks in force applicable to each of our businesses and we defend freedom of association, for this reason we maintain mature and responsible relationships with union organizations and staff representatives.

Currently, **50% of Albanesi's staff is under a collective bargaining agreement**, mainly with APUAYE (Association of Water and Electricity Professionals) and FATLyF (Argentine Federation of Light and Power Workers)

Each year we carry out collective bargaining negotiations for each agreement, whether company agreements or collective bargaining by activity agreement according to the role and geographic area in each of the locations where we operate.

QUANTITY OF MAIN STAFF FIGURES

Total permanent workers	465
Total temporary workers	6
Evolution - variation	2.69%
Mean Staff Age	41
Education (College + Tertiary Level)	66%
Annual turnover	6%
Staff covered by an agreement	236

During the **pandemic**, our main objective was *to ensure the Companies kept running, guaranteeing the health and well-being of our staff and their families; both in activities carried out in person and remotely*. We adopted preventive measures to look after our workers' safety, and some of these measures are still in force. In addition to encouraging remote working for all staff members who can do their job off-site, health and facility maintenance measures were increased, as well as communication and prevention actions.

In order to **actively listen to our collaborators** on different opportunities for dialogue and consultation, we conducted online and face-to-face meetings and climate surveys throughout the year. After the surveys, results are posted so that all collaborators can see the results for their team and the grand total for the Companies they work for. The leaders are spokespersons for communications on strategic and relevant issues so that they can reach the entire organization.

We intend **to strengthen equity and equal opportunities within** these areas: gender, disability, first job and generations. We are aware that diversity generates greater innovation, improves the work environment, and attracts and retains talent while strengthening business sustainability.

As regards gender and women's participation, we plan to increase the current **22% of women's participation** across our entire structure, increasing female presence also in middle and upper management positions, as well as ensuring there is no gender wage gap which, in 2021, equaled to 11.64%.

QUANTITY OF WOMEN BY POSITION

Female Staff as of Dec. 31	102
Operators/analysts	81
Supervisors/coordinators	7
Middle managers	10
Senior managers	4

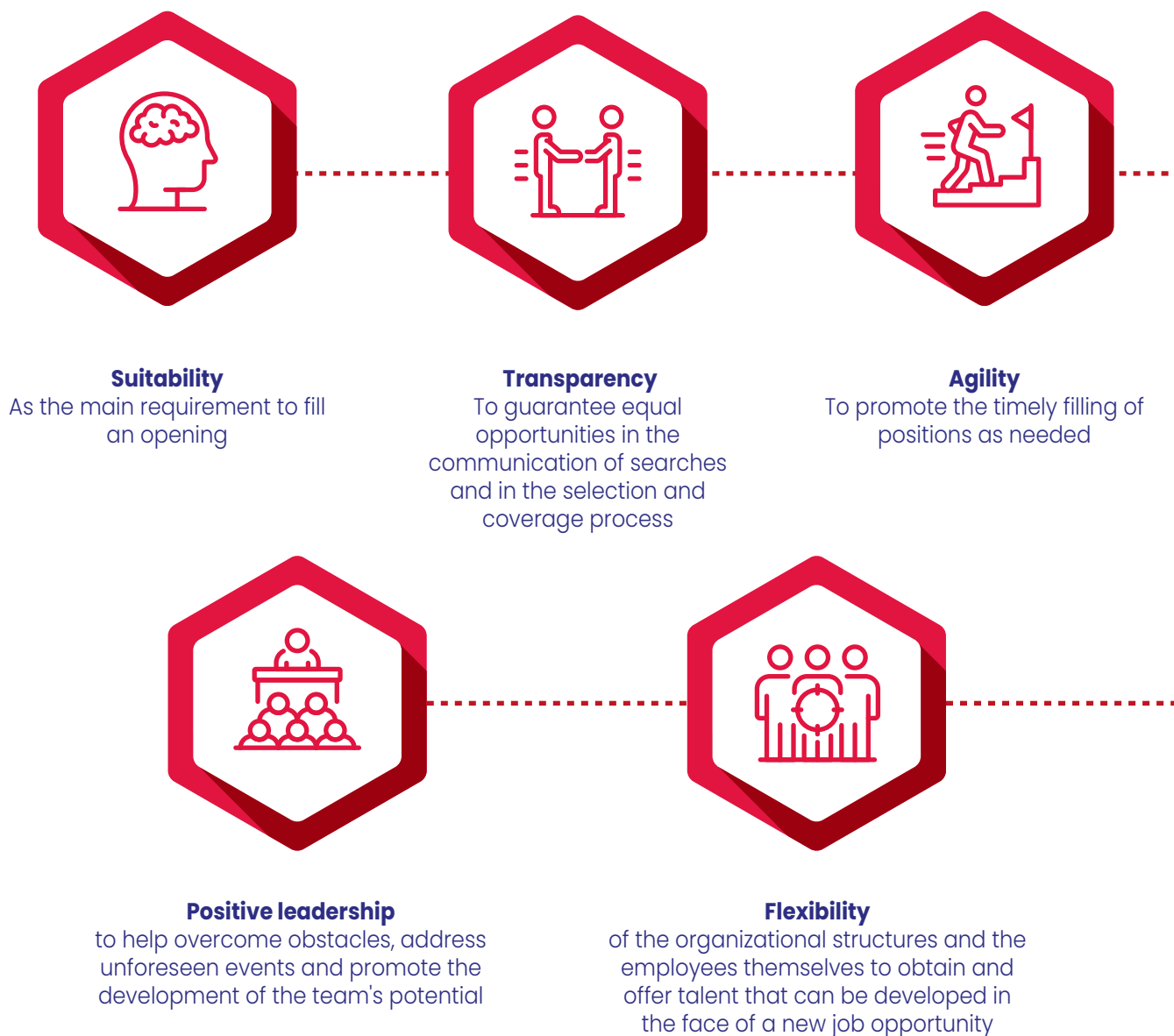
Also, we are striving to encourage a **safe workspace for the permanence of women** and their return after their maternity leave; and we guarantee paternity leaves as well. During 2021, ten employees took the leave: seven male and three female; 100% of them returned to their job positions afterwards.



Internal Mobility and Search Program (MOBI)

In order to facilitate the internal mobility of our collaborators, and to meet the functional and operational needs that improve the efficiency of the organizational structure, since 2018 we have MOBI, our Internal Mobility and Search Program. The objective is to prioritize and promote the development of internal talent by providing opportunities to learn and apply new knowledge and skills through mobility.

The guiding principles of this program are:



HEALTH, SAFETY AND WELL-BEING

Our main objective is to effectively prevent accidents and occupational diseases in all of our sites. To achieve this, we implemented a documented Corporate Safety and Health System. This system complies with all the activity's and the Companies' own applicable legal requirements.

In all our power plants we work actively to keep the number of incidents at zero. To do this, we have identified and assessed the hazards and risks of each position and we have implemented safe procedures for each task. We also provide training and conduct drills aimed at preventing accidents. During 2021, 2 incidents with temporary disability were recorded at the CT M. Maranzana power plant, with 34 days lost and a severity index of 0.49. No other incidents were recorded in the other plants during the period analyzed.

We also make available different offers intended to improve the quality of life of our collaborators within a framework of balance between professional and personal life. The staff benefits program has three areas:



Financial assistance



Experiences and well-being



Family integration

The program employs several health care professionals who implement actions related to the physical and emotional well-being to improve quality of life such as healthy diet, meditation workshops, mindfulness, elongation, among others.

TRAINING AND CAPACITY BUILDING

Our Training Policy is intended to foster the professional growth of our collaborators. To achieve this, once a year we set new training objectives in order to accompany the change and evolution in the job content, and to develop soft skills that guarantee the employability and performance of our work group.

**DURING 2021,
THE INVESTMENT IN TRAINING
AMOUNTED TO NEARLY**

12,000,000

ARGENTINE PESOS

**THE TRAINING HOURS PER PERSON
INCREASED FROM**

32 TO 43

QUANTITY OF TRAINING OFFERS

Courses, seminars and training sessions	54
Mean number of training hours per year per employee	44
Number of collaborators reached	471

Within this framework, **20,453 hours of training were provided** to staff members, focusing on the development of technical skills, which accounted for 47% of the investment in training, as well as training related to occupational health and safety and the acquisition of relationship and cooperation skills. On the other hand, we strengthened the continuing training program in languages, a key skill to develop businesses which also contributes to the personal development of our employees; this accounted for 36% of the total investment. At the same time, managers attended the School of Management Skills and the entire staff received online training on ethics and transparency.

QUANTITY STAFF TRAINED BY CATEGORY

Managers	27
Heads of department	28
Coordinators/supervisors	43
Professionals, analysts and operators	136
Technicians	237

QUANTITY OF STAFF TRAINED BY LOCATION

CABA	172
Ezeiza	19
La Rioja	20
Córdoba	47
Santiago del Estero	24
Tucumán	34
Río Negro	28
Santa Fé	68
La Pampa	59



COMPENSATION AND PERFORMANCE MANAGEMENT

Compensation for personnel covered by a collective bargaining agreement is updated according to the current collective bargaining agreement for each activity in which the group operates. Fixed remuneration is determined by local markets. Remuneration levels are determined according to local practices and strictly observe collective bargaining agreements.

The compensation of non-bargaining personnel, on the other hand, is determined through a structure based on the evaluation of each position that will help define the relative value of the position in the structure, its added value and seniority.

Thus, each job is assigned a salary grade that lets us manage staff salaries within a framework of internal equity and external competitiveness that is monitored by market surveys administered by a prestigious international consulting firm.

On the other hand, we also have a Performance Management Program to evaluate our staff's performance in eleven core competencies throughout the year. According to the result of that evaluation, we grant a variable bonus with a target assigned to each level of the organization.



COMMUNITY

One of our pillars in terms of sustainability is our strong relationship with the communities where we operate. This is the stakeholder that defines Albanesi, being the ultimate goal of our operations to supply communities with electricity.

The pandemic forced us to adapt to new ways of working and set new priorities for both our company and the communities where we operate. We not only seek to promote the development of communities by offering quality employment and the benefits this generates, but also by a close relationship that meets the particular needs of each community. For this we are always working to establish honest, fluid communication. As a result, we have identified the strategies that will have the greatest positive impact in providing quality education and a healthy and safe environment for the inhabitants.

OUR RELATIONSHIP STRATEGY

The location of our 9 plants throughout the country, the sense of belonging of our collaborators to these areas and the direct link we have with the institutions and the people that make up each of these communities, drove us to set up a relationship policy by which each of our actions is tied in with the development of inclusive, safe, resilient and sustainable cities.

We are intent on guaranteeing **inclusive and quality education**, promoting permanent learning opportunities, and **forming partnerships** to promote the sustainable development of the areas in which we are present.

To do this, we aligned our strategy with the **Sustainable Development Goals (SDGs)**, established in 2015 by all the Member States of the United Nations (UN). This initiative comprises 17 global goals with a series of specific targets that seek to involve the public and private sectors, civil society and individuals to achieve sustainable development at a global level.



We must keep in mind that all the Sustainable Development Goals are interlinked and help each other. However, some are more directly and immediately interlinked than others. In order to understand which are the goals to which the Company can make the most significant contribution, we are analyzing programs and initiatives to prioritize them in our corporate objectives.

OUR PROGRAMS AND PROJECTS



COVID-19 Solidarity Crusade

The onset of COVID-19 and its impact on institutions and communities was a major challenge for social investment, and we worked to maintain a balance between meeting emergency demands without neglecting current programs. Since 2020 and throughout 2021, we have partnered with different health care centers to survey their needs and respond to specific healthcare emergencies through various donations of supplies to assist clinics, hospitals and health centers for the elderly, such as the Dr. Antranik Eurnekian General Acute-Care Hospital in Ezeiza, the Municipal Health Care Center in Río IV, Córdoba, the Municipal Timbúes Clinic, in Santa Fe, the Mater Dei Health Care Center and the Clínicas Hospital in CABA, to name a few.



Quality Education Program

We are committed to promoting social and economic development in the communities where we operate, prioritizing access to quality education and decent work. Education is an essential pillar for the development of sustainable communities with access to opportunities and also helps them become aware of their fundamental rights. Education lets us identify and achieve personal and collective goals that benefit us as individuals and our community. For this reason, quality education is one of our main objectives as a company that is committed to local citizens. Even though the pandemic posed unforeseen obstacles to our community relations policy, we were able to adapt our programs and projects to the health emergency, prioritizing the health and well-being of the beneficiaries.

The Quality Education program consists of 3 lines of work:

The first promotes **an educational liaison with third-sector organizations**, to carry out projects aimed at **developing skills that lead to job opportunities**.

The second promotes an **educational liaison with the formal education system** and comprises projects aimed at **fostering a work culture and discovering the work environment** through content geared to all levels of formal education: elementary, high school, and university.

The third focuses on the **liaison with trade unions** and comprises projects to **develop specialization skills** to improve the employability of people registered in the Luz y Fuerza (Light and Power) trade union job banks, especially those with a local outreach.

The programs are implemented in each of the communities where we are present. We chose each program with the idea of reaching the largest possible number of beneficiaries and that these benefits last over time and can be easily replicated.

With this premises in mind, we offer workshops on how to make and improve a CV to help young people from communities close to our plants get their first job, we promote a culture of quality among our employees and their family members, we encourage visits and professional internships in our facilities, we promote the development of basic skills relevant to our activity and we give talks on health, safety, environment and our business. We also work with institutions by donating them teaching materials that can perform as educational triggers at the different levels of formal education.



Strategic Partnerships

The goal of improving the quality of life of the people living in the communities where we are present is a challenge that requires strategic partnerships with institutions so we can maximize the impact. We promote joint work and, these are some of the organizations we have partnered with:

Grano de Mostaza Foundation:

"Mi Proyecto de Vida" (My Life Project) is a program to help young people from rural communities in the Chaco Austral area to start and complete their highschool education. Our Companies fund scholarships that include tutors, workshop facilitators and economic support to help young people be admitted to the agrotechnical school and make sure they settle in the city of Campo Gallo, Alberdi Department, in the province of Santiago del Estero, the place closest to the towns where these young people come from.

Father Praolini Foundation

This is an NGO that offers remedial courses, a cafeteria and training courses in La Rioja. This organization daily feeds more than 60 boys and girls and offers lessons in arts and crafts, choir, dance and chess, to name a few. Our Companies make a monthly contribution to guarantee proper meals are served in the cafeteria and also make specific donations for use in technology and infrastructure.

Gral. Ignacio Fotheringham School

In order to address the integration, learning and interpersonal relationship issues of the more than 150 children and adolescents that attend the primary level in this school located in Río Cuarto, Córdoba, an educational psychology department was created, which our Companies support by covering the fees of the four professionals who serve in this department and with specific contributions to be used mainly in the department's infrastructure and technology.

National University of Río Cuarto

With the purpose of teaching students about the industry and through professional internships that help the students learn by doing, Albanesi has signed an agreement with the University to offer internships to students of Electronic Engineering at the School of Engineering in the province of Córdoba.

Municipality and Schools of Río Cuarto

This program is a partnership of the public, private and educational sectors where we join the Municipality and local technical agricultural schools to devise a 10-year plan to plant more trees in the city of Río Cuarto, in Córdoba, with an investment of about USD 350,000. The program was designed in three stages, the first of which – concluded in 2021 – consisted of planting 3,000 native tree and shrub species in the Susana Dillón urban reserve.

To guarantee the preservation of existing species and the maintenance of the city's trees, during 2021 we donated equipment and machinery to the Municipality to enable the planting, irrigation and maintenance of the trees. Specifically, we donated a double-action tractor with a front shovel, a three-point post hole digger and a 5,000-liter irrigation tank.



Corporate Volunteering

We have a corporate volunteering program where our collaborators dedicate time and effort to carry out charitable initiatives in the communities where we are present. During 2021, 21 people volunteered 1,647 hours.

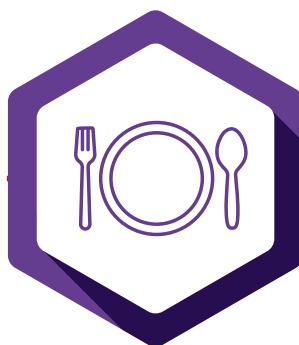
Volunteering is part of the Middle Management Continuing Training Program, where our collaborators annually put into practice the skills acquired in the module on teamwork by implementing charitable projects.

Since this is a training program involving people from all over the country, the projects are carried out as a team, seeking to extend the actions to all the locations where we are present. During 2021, three work teams were formed that promoted the following projects:



Strengthening NGOs

With the aim of strengthening territorial organizations that every day seek to improve the diet of children and adolescents from all over the country, the team planned and implemented a coordinated action to deliver non-perishable food and toiletries in different communities in: Conin Río Cuarto Center (M. Maranzana thermal power plant), Sumampeña Association (CT Frías and CT La Banda power plants), Proyectar Esperanza Foundation (CT Roca power plant), Llegando a vos (CT Ezeiza power plant), Camino Foundation in association with the Conin Foundation (Rosario generation), Pablo Enrique Praolini Foundation (CT Riojana), Nuestro Hogar Children's Home (CABA - La Matanza).



Strengthening the Río Cuarto Food Bank

To support this important institution that facilitates access to food, a strategic plan was designed and implemented to raise funds in a steady way, on the one hand by launching a six-month fundraising campaign to give money and provisions that guarantee the distribution of healthy meals in community centers in the city. On the other hand, we worked on different strategies intended to establish the traceability of the donations received by the NGO and related activities, and the NGO staff was trained to apply properly for the different tax benefits associated with donations that are available to civil society organizations.



Strengthening of the "Santa Magdalena Social, Sports and Cultural Club", Guernica

In order to support this outstanding institution in the city, which promotes different activities to include young people in sports and culture, a needs assessment survey was conducted, and one need that came up was to provide new outfits for the soccer team; different strategies were implemented to raise money to purchase new player and reserve jerseys for the entire soccer team.



GRI CONTENT INDEX

GRI STANDARDS	CONTENTS	LOCATION OR REFERENCE
GRI 102 General contents		
Organization Profile		
102-1	Name of the organization	About us
102-2	Activities, brands, products, and services	About us
102-3	Location of headquarters	About us
102-4	Location of operations	About us
102-5	Ownership and legal form	About us
102-6	Markets served	Value chain
102-7	Scale of the organization	About us
102-8	Information on employees and other workers	Human capital
102-9	Supply chain	Value chain
102-10	Significant changes to the organization and its supply chain	Value chain
Strategy		
102-14	Statement from senior decision-maker	Letter from the Chairman
102-15	Key impacts, risks, and opportunities	About us
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	About us and Corporate Governance
102-17	Mechanisms for advice and concerns about ethics	Corporate Governance
Governance		
102-18	Governance structure	Corporate Governance
102-19	Delegating authority	Corporate Governance
102-20	Executive-level responsibility for economic, environmental and social issues	Corporate Governance
102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainable management
102-22	Composition of the highest governance body and its committees	Corporate Governance
102-23	Chair of the highest governance body	The chairman of the highest governance body is an executive, fulfilling the role of representative and CEO of the company.
102-24	Nominating and selecting the highest governance body	Corporate Governance
102-25	Conflicts of interest	Corporate Governance
102-26	Role of the highest governance body in selecting objectives, values and strategy	Corporate Governance
102-27	Collective knowledge of the highest governance body	Corporate Governance
102-28	Evaluating the highest governance body's performance	Corporate Governance

Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainable management
102-41	Collective bargaining agreements	Human capital
102-42	Identifying and selecting stakeholders	Sustainable management
102-43	Approach to stakeholder engagement	Sustainable management
102-44	Key topics and concerns raised	Sustainable management
Reporting Practices		
102-45	Entities included in the consolidated financial statements	Corporate Governance and Sustainable management
102-46	Defining report content and topic Boundaries	Sustainable management
102-47	List of material topics	Sustainable management
102-50	Reporting period	Sustainable management
102-51	Date of most recent report	This edition is the first of the company
102-52	Reporting cycle	Sustainable management
102-53	Contact point for questions regarding the report	Sustainable management
102-54	Claims of reporting in accordance with the GRI Standards	Sustainable management
102-55	GRI content index	Annex
102-56	External assurance	The document was not externally verified
Management Approach		
103-1	Explanation of the material topic and its Boundary	Sustainable management
103-2	The management approach and its components	Sustainable management

GRI 200 Economic performance		
Market Presence, Indirect Economic Impacts and Procurement Practices		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Collaborators
203-1	Infrastructure investments and services supported	About us
204-1	Proportion of spending on local suppliers	Value chain
Anti-corruption		
205-1	Operations assessed for risks related to corruption	Corporate Governance
205-2	Communication and training about anti-corruption policies and procedures	Corporate Governance
205-3	Confirmed cases of corruption and measures taken	During the 2021 period, Grupo Albanesi does not have any cases of corruption related to each of the companies that comprise it, employees and business partners.
Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	During the 2021 period, Grupo Albanesi does not have legal actions for corruption cases.

GRI 300 Environmental Performance		
Energy		
302-1	Energy consumption within the organization	Environment
302-3	Energy intensity	Environment
Water and effluents		
303-1	Interaction with water as a shared resource	Environment
303-2	Management of water discharge-related impacts	Environment
303-3	Water withdrawal	Environment
303-4	Water discharge	Environment
303-5	Water consumption	Environment
Emissions		
305-1	Direct (Scope 1) GHG emissions	Environment
305-4	GHG emissions intensity	Environment
305-5	Reduction of GHG emissions	Environment
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environment
Waste		
306-1	Water discharge by quality and destination	Environment
306-2	Waste by type and disposal method	Environment
306-4	Transport of hazardous waste	Environment
306-5	Water bodies affected by water discharges and/or runoff	Environment
306-1	Waste generation and significant waste-related impacts	Environment
306-2	Management of significant waste-related impacts	Environment
306-3	Waste generated	Environment
306-4	Waste diverted from disposal	Environment
306-5	Waste directed to disposal	Environment
Environmental compliance		
307-1	Non-compliance with environmental laws and regulations	

GRI 400 Social Performance		
Employment		
401-1	New employee hires and employee turnover	Human capital
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human capital
401-3	Parental leave	Human capital
Health and Safety at Work		
403-1	Occupational health and safety management system	Human capital
403-2	Hazard identification, risk assessment, and incident investigation	Human capital
403-3	Occupational health services	Human capital
403-5	Worker training on occupational health and safety	Human capital
403-6	Promotion of worker health	Human capital
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human capital
403-8	Workers covered by an occupational health and safety management system	Human capital
403-9	Work-related injuries	Human capital
403-10	Work-related ill health	Human capital
Training and Education		
404-1	Average hours of training per year per employee	Human capital
404-2	Programs for upgrading employee skills and transition assistance programs	Human capital
404-3	Percentage of employees receiving regular performance and career development reviews	Human capital
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Corporate Governance and Human capital
405-2	Ratio of basic salary and remuneration of women to men	Collaborators
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	In relation to cases of discrimination during the 2021 period, Grupo Albanesi has not had any complaints and/or reports associated with it.
Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	Community
Public Policy		
415-1	Political contributions	There were no contributions and/or contributions to political parties and representatives.



Realization:

Contents: Grupo Albanesi

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