



Waga Energy

Public limited company (*société anonyme*) with a Board of Directors and share capital of €204,833.50  
Registered office: 5 avenue Raymond Chanas, 38320 Eybens  
Grenoble Trade and Companies Register no. 809 233 471

## **EXTRACT FROM THE UNIVERSAL REGISTRATION DOCUMENT 2022**

### **Chapter 12 : ESG Report**

#### **Waga Energy's CSR strategy**

Corporate Social Responsibility ("CSR") has always been an integral part of Waga Energy's DNA: from its founders to all its employees, everyone is committed to protecting the environment on a daily basis, while ensuring respect for human rights.

In 2022, the Group undertook a voluntary and active approach to structuring its CSR policy, in order to develop and formalise a CSR strategy based on three central pillars, together with concrete actions.

The Company, driven by its executives and with the support of a specialised external firm, identified its main CSR challenges in 2022, then carried out a diagnosis of the maturity of its practices and, lastly, with the dedicated working group, elaborated the CSR policy presented below.

In the course of 2023, indicators will be selected and action plans put in place to monitor and improve them.

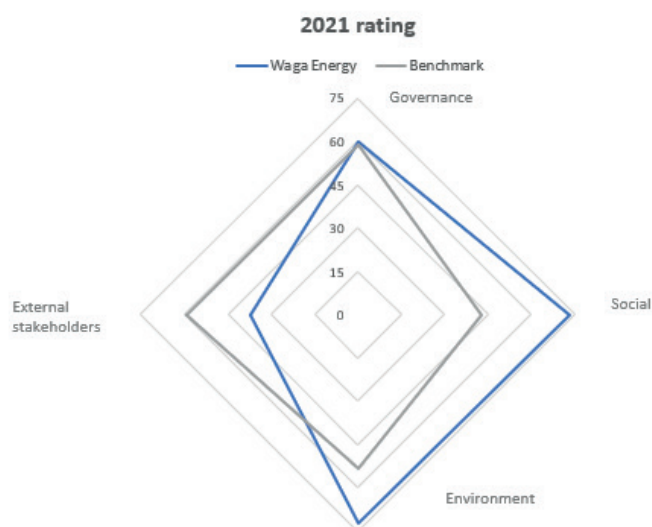
The Group wishes to formalise the elements of this report on a voluntary basis with the dual objective of:

- providing information to its stakeholders on its virtuous practices in the areas of governance, labour relations and environmental protection;
- better understanding and anticipating reporting expected in the future.

However, the Company notes that the Group is below the thresholds that make it mandatory to file a Statement of Non-Financial Performance under French commercial regulations, together with an assessment of eligibility and alignment with the European Taxonomy. This report has not been verified by an independent third party.

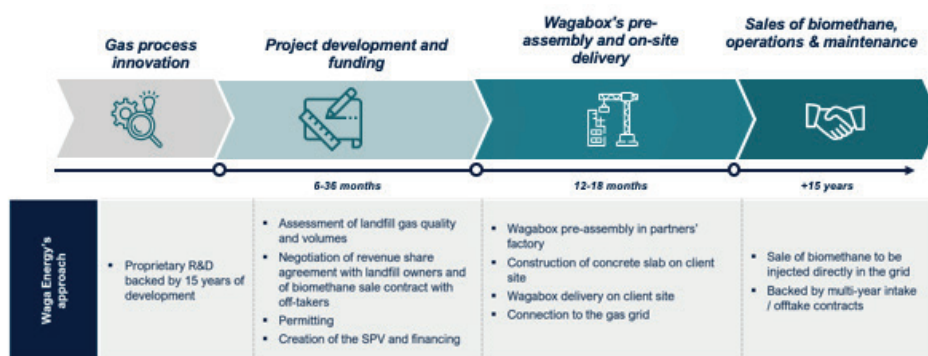
## CSR performance

The Company obtained an ESG rating of **65/100** during the Gaïa Research 2022 campaign (2021 data) for a benchmark (25 companies in the Energy sector rated during the Gaïa Research 2022 campaign) of 50:



## 1.1 A business model for the energy transition

The Group is committed to the fight against climate change, which offers an innovative technological solution, WAGABOX®, to produce biomethane from the gas emitted by waste storage facilities. Thus, Waga Energy contributes to reducing the methane emissions from these facilities and provides local energy injected directly into existing networks to supply private individuals and businesses with renewable gas.



### 1.1.1 Contributing to the fight against global warming

Methane (CH<sub>4</sub>) is the second largest contributor to climate change after carbon dioxide (CO<sub>2</sub>). Over a 20-year period, its warming power is 80 times greater than that of carbon dioxide. Thus, reducing human-made methane emissions is essential to contain the increase in the average global temperature to well below 2°C compared to pre-industrial levels, a target set by the Paris Agreement signed in 2016 by 196 countries.

More recently, at the United Nations Climate Change Conference (COP26) of 2021, more than 110 countries committed, under the “Global Methane Pact”, to reducing their methane emissions by 30% compared to 2020 by 2030.

The Group intends to make a voluntary contribution to these international environmental objectives by capturing the methane emitted by waste storage sites and transforming it into biomethane, a renewable substitute for fossil natural gas, injected directly into existing gas networks.

#### 1.1.2 Converting a major source of air pollution into easily accessible renewable energy

The degradation of organic matter contained in waste spontaneously produces biogas consisting of methane (CH<sub>4</sub>) and carbon dioxide (CO<sub>2</sub>). This biogas must be captured to avoid methane emissions into the atmosphere. This operation is carried out through aspiration devices which also recover air. Gas from storage sites therefore results from a mixture of methane, carbon dioxide, nitrogen and oxygen, to which are added various volatile organic compounds, depending on the type of waste stored. Its composition and flow rate are unpredictable and vary constantly, depending notably on weather conditions.

The recovery of this complex gas represents a technical, economic and ecological challenge. In the absence of an efficient and profitable solution, most operators simply burn it in a flare, or let it escape into the atmosphere, which contributes to climate change. Millions of cubic meters of methane are lost. The Group's goal is to put an end to this energy waste.

To this end, the Group has developed a purification solution that is unique in the world, the WAGABOX<sup>®</sup>, making it possible to transform gas from storage sites into biomethane, a renewable substitute for fossil natural gas. This innovative technology combines membrane filtration and cryogenic distillation to separate methane from other components. It guarantees the production of biomethane that can be injected directly into existing distribution networks to supply individuals and businesses.

By recovering a by-product from waste treatment, the Group is able to produce large volumes of biomethane at a competitive and guaranteed price over periods ranging from 10 to 20 years. The Group intends to promote an ecological alternative to natural gas, facilitate the adoption of biomethane by as many people as possible, and help reduce dependence on fossil fuels. Biomethane, an element of the energy transition, makes it possible to decarbonise, as of today, certain sectors such as industry, transport and housing, which are still heavily dependent on fossil fuels and contribute to greenhouse gas emissions.

The Research & Development team works on the continuous improvement of our technological WAGABOX<sup>®</sup> solution, which it protects by regularly filing of patents.

#### 1.1.3 Creating a circular economy that generates value for each stakeholder

The Group deploys the WAGABOX<sup>®</sup> technology under a developer, investor and operator model: the Group finances the preliminary feasibility studies and the construction of the units, and is in charge of their operation and maintenance under long-term contracts (10 to 20 years) with storage site operators; the Group generates revenue by reselling biomethane through over-the-counter contracts. In some cases, the Group provides operation and maintenance under a purification service contract.

WAGABOX<sup>®</sup> units intended for European markets are built in France, in the Auvergne-Rhône-Alpes region, using components purchased mainly in Europe and Japan. The units intended for the North American market are built in Canada, with the exception of the cryogenic distillation modules, which are all manufactured in France. The construction, operation and maintenance of WAGABOX<sup>®</sup> units are carried out in strict compliance with current European and North American regulations and quality standards.

The Group deploys the WAGABOX<sup>®</sup> solution at waste storage sites operated by industrial groups, local authorities or mixed associations. Biomethane produced by WAGABOX<sup>®</sup> units is sold to energy companies, who distribute it to end consumers, or to companies wishing to decarbonise their activities.

The Group's business model creates value for each of the stakeholders involved in a project:

- **the operator of the waste storage site** receives additional revenues (sale of raw gas to Waga Energy, or sale of biomethane produced by the WAGABOX® unit in the case of a purification service contract), without having to invest in landfill gas recovery equipment or manage its operation and maintenance.
- **the buyer of biomethane** has access to large volumes of renewable gas at competitive prices which are guaranteed for periods of 10 to 20 years, to decarbonise its activities or meet consumer demand,

The Group is thus positioned at the heart of a circular economy:



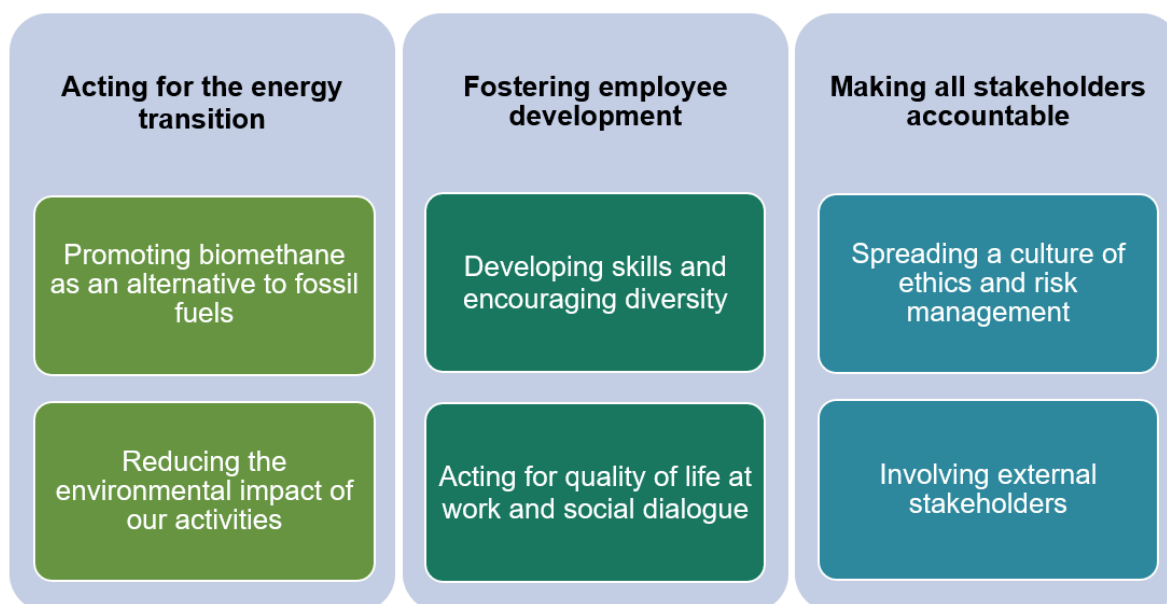
## 1.2 Identification of risks

The Group has identified the main risks and challenges to which it may be exposed. The main risk factors likely to have a significant negative impact on the Group, its business, its financial position, its results or its outlook are presented in Chapter 3 of the Universal Registration Document (of which Section 3.5 deals more specifically with CSR risks).

An initial risk mapping was carried out internally on this basis and validated by the Audit Committee of the Company's Board of Directors. The Risk Committee analyses changes in these risks and challenges, both financial and non-financial, every six months.

## 1.3 Our CSR policy

The Group has developed a CSR policy based on three pillars, each of which has two ambitious goals (summarised in the diagram below), on the basis of which indicators will soon be formalised, in order to give the Group a trajectory for the continuous improvement of its practices.



Internally, this policy is rolled out so that CSR is well understood by all Group employees and executives.

With regard to our external partners, this policy is proof of the Group's efforts to remain exemplary at all levels.

Among the 17 Sustainable Development Goals adopted by the UN in 2015, the Group contributes directly, through its activities and actions, to at least nine of them:



#### 1.4 Acting for the energy transition

A pioneer in the production of biomethane from waste, the Group is committed to the energy transition and the fight against climate change.

The Group attaches particular importance to the environmental challenges of its activities, in particular energy and climate issues, as well as the circular economy and biodiversity.

All these topics are an integral part of the environmental approach initiated at Group level by General Management, the Legal & Compliance Department, and the Quality, Health, Safety and Environment Department. They are then embodied on a daily basis by all employees, both in terms of the design and operation of production units, and across all support functions.



Regulatory monitoring is structured around environmental issues (environmental code, urban planning authorisations, ICPE, etc.).

Environmental reporting to measure and monitor several environmental indicators at Group level is being finalised. In addition, an ISO 14001 certification process is under way.

#### 1.4.1 Promoting biomethane as an alternative to fossil fuels

##### ❖ **Positive environmental externalities of the WAGABOX® technology**

The technologies developed by the Group aim to contribute to the preservation of the environment by:

1. Reducing or avoiding significant emissions of methane into the atmosphere and
2. Transforming this gas into biomethane, a renewable and local energy source.

Capturing methane to transform it into biomethane contributes to the energy transition and to the greenhouse gas emission reduction targets set by governments at the international level. The WAGABOX® unit produces renewable energy from a hitherto little-valued resource. ISCC certification (International Sustainability and Carbon Certification) guaranteeing the renewable nature of the biomethane produced was obtained on the first WAGABOX® unit installed in Spain and is under way for the WAGABOX® unit located in Claye-Souilly. This certification process is directly integrated into the Group's sustainable development strategy and includes the greenhouse gas emissions avoided.

The following indicators are already being monitored:

##### ➤ **Plant capacity/Annual renewable energy production**

In 2022, the WAGABOX® units in service injected 216 GWh of biomethane into the networks, compared to 145 GWh in 2021 (+49%). They ensured an average availability of over 95% (excluding outages attributable to landfill operators or network operators).

At the date of publication of this Universal Registration Document, the Group had injected nearly 60 million cubic meters of biomethane into the French gas network since the start of the first WAGABOX® unit in February 2017.

##### ➤ **Greenhouse gas emissions reduced or avoided by biomethane production**

The Group is currently working on the development of a scientific measurement methodology for the greenhouse gas emissions avoided thanks to its solution. Based on the Base Empreinte database developed by ADEME, the Group estimates that its biomethane production for 2022 avoided the emission of around 35,700 tonnes of CO2 equivalent into the atmosphere.

The measurement of the tonnes of CO2 equivalent avoided is used by the IPCC to compare the impact on the climate of gases with different warming powers and lifetimes in the atmosphere. In the case of methane, the CO2 equivalent is 28, which means that one tonne of methane will have the same impact on the rise in temperatures over 100 years as 28 tonnes of CO2.

The Group assesses the environmental impact of its units by measuring the tonnes of CO2 equivalent avoided by replacing fossil natural gas with biomethane. As biomethane produced by WAGABOX® units is injected directly into gas infrastructures, the Group considers that each cubic meter of biomethane injected avoids the consumption of one cubic meter of fossil natural gas. The impact is calculated by multiplying the volume of biomethane injected by the ratio established between the biomethane and natural gas emission factors included in the ADEME carbon database.

The installation of a WAGABOX<sup>®</sup> unit encourages operators to efficiently capture the methane emitted by their storage site, in order to increase the revenue generated by the sale of this raw gas. In addition, the revenues generated help them maintain and improve their collection systems, thus reducing fugitive methane emissions into the atmosphere. As it is unable to quantify these avoided methane emissions, the Group does not take them into account in the assessment of its environmental impact.

#### ➤ Number of households supplied

The estimation of the number of households supplied by WAGABOX<sup>®</sup> units is based on the average gas consumption of households complying with the 2012 Thermal Regulation (RT2012). This regulation applies to almost all buildings for which a building permit has been filed in France as of 1 January 2013, and limits primary energy consumption to an annual average of 50kWh/m<sup>2</sup>/year. According to GRDF, the main gas distributor in France, a household complying with the RT2012 standard consumes an average of 6,000 kWh/year. On this basis, the Group estimates that the WAGABOX<sup>®</sup> units supplied approximately 36,000 households in France during 2022.

#### ❖ European green taxonomy

As part of the Green Deal for Europe, the European Union has taken important steps to build a sustainable finance ecosystem. Thus, the European taxonomy is a standardised classification of economic activities that substantially contribute to the achievement of environmental objectives according to scientific criteria.

Even if the Group is not yet subject to the European Green Taxonomy with regard to the regulatory thresholds, it is committed to enabling its partners to report on these matters.

At the end of 2021, the Group entrusted Ethifinance with the analysis of its eligibility for the European taxonomy.

Ethifinance's report concluded that there was **100% eligibility** of the Group's revenue, in the "biogas supply" category (4.13). The reader is informed that this Ethifinance report was prepared at the Company's request, as the Company is not subject to taxonomic regulations. The information included in this report, which is partial, is provided only on a voluntary basis.

## EXECUTIVE SUMMARY

# 100%

of WAGA Energy 2020 turnover is

Eligible under the EU  
Taxonomy



Evaluation date: 8<sup>th</sup> of October 2021

#### 1.4.2 Reducing the environmental impact of our activities

##### ❖ **Energy consumption**

The Group attaches the greatest importance to controlling direct and indirect energy consumption throughout the life cycle of its products: from the design of WAGABOX® units through to the supply of raw materials, the construction of units, or their maintenance.

The Group has implemented numerous actions in terms of energy efficiency and sobriety, notably:

- Development of the new Eybens registered office designed to minimise energy consumption (optimisation of lighting systems through the use of LED bulbs, presence detectors), and to recycle some of the materials already present in the building;
- Gradual renewal of the Group's car fleet in France with 19% of vehicles running on BioNGV;
- Use of local partners whenever possible. The Group works with boilermakers, integrators and electricians located in the Auvergne Rhône-Alpes region for its Western European market;
- Short-circuit supply of consumables as soon as possible, use of more environmentally-friendly products (oils, biosourced filtration media).

The following indicators are already being monitored

Key indicators (data for France)	2021	2022
Total electricity consumption in GWh	13.89	20.78
Renewable energy consumption in GWh	2.78	1.75
Production of renewable energy (biomethane) in GWh	144.68	216

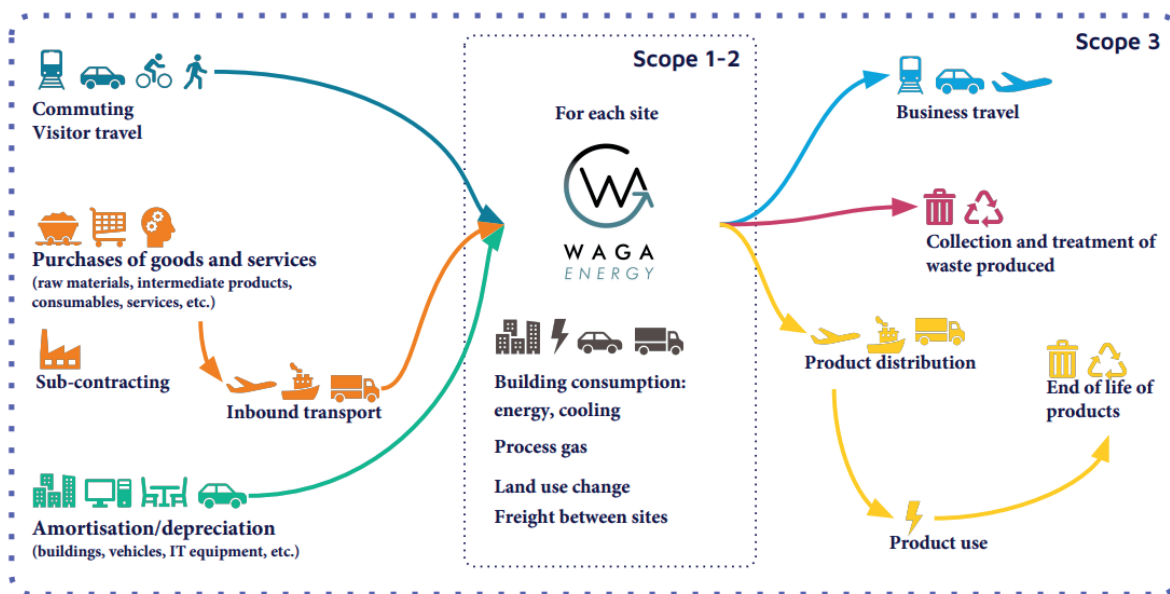
##### ❖ **Climate change and carbon footprint**

The Group's biomethane production units are not very sensitive to climate risks. However, as a preventive measure, the French units are shut down when outdoor temperatures exceed 40°C.

The Research & Development teams anticipate the necessary changes, such as to respond to recurring hot weather phenomena.

The Group is also committed to limiting its own environmental footprint and has thus launched a Carbon Assessment ("Bilan Carbone") process with an external firm, the conclusions of which are expected in 2023.





Scope 1, 2 and 3 as defined by the GHG Protocol

The Carbon Assessment expected by the Company provides for the indication of CO<sub>2</sub> emissions for Scopes 1, 2 and 3 with an indication of upstream and downstream emissions for Scope 3.

### ❖ Air quality

Atmospheric pollutants generated by activities come from two sources:

- Refrigerants or heat transfer fluids used in production processes, notably for refrigeration and cryogenics. These fluids can damage the ozone layer.  
Lean gases, not recovered by injection and treated by a thermal oxidizer. In France, this combustion treatment generates fumes that are strictly monitored by the prefectural order issued under the legislation on facilities classified for the protection of the environment (ICPE) and controlled by the regional environment, planning and housing department (DREAL).
- These two potential sources of air pollution are subject to regulations. Regular checks are carried out in accordance with the regulations in force and sent to the DREAL through the operator of the waste storage site. Where appropriate, in other regions of the world, such monitoring may also be imposed and controlled by the competent environmental authorities, according to the applicable local regulations. This monitoring ensures compliance with regulations and the quality of the air surrounding the industrial units.

### ❖ Waste and the circular economy

The Group attaches the greatest importance to the management of waste generated by the manufacture or operation of its units, and to limiting the consumption of non-renewable raw materials.

During construction phases, waste is sorted and removed. All material that can be reused is retained to limit waste.

All waste from the operation and maintenance of units is listed, monitored and treated in accordance with the regulations in force in France and Europe. When a waste is produced, its treatment method is determined by prioritisation: reuse, recycling, recovery, elimination.

Throughout the waste life cycle, the waste monitoring form is kept up to date by all parties involved - producer, transport company, treatment company - and then archived by the Company.

Since 1 January 2022 (Decree 2021-321 of 25 March 2021), hazardous waste is recorded on a national online register (*Waste track*). The Group has chosen to use this national register to monitor and process all of its hazardous or non-hazardous waste:

Waste (data for France)	2021	2022
Non-hazardous waste in tonnes	185	396
Hazardous waste in tonnes	7	41
% of waste recovered	65%	99%

The increase in the tonnage of waste is linked to the Group's strong growth, but everything is being done to limit its impact on the environment.

#### ❖ Water

The manufacture and operation of industrial units do not require water in its natural state and therefore do not generate conflicts of use. The two glycol water networks used to run the purification process (drying and cooling the gas) operate in a closed circuit (around 2,000 litres). During the maintenance or cleaning of civil engineering works, water may be used, but in very small quantities. Lastly, the condensate discharged by the WAGABOX® units comes from the presence of water in the biogas and is treated by the operator of the waste storage site.

#### ❖ Biodiversity

The installation and operation of a WAGABOX® unit at waste storage sites generates virtually no harm to biodiversity.

The use of rotating machines such as compressors generates noise pollution for the natural environment. The Group has designed its WAGABOX® units in such a way as to limit this pollution, by designing containers with wall thicknesses that reduce noise. For other equipment, the noise levels comply with the standards in force and the commissioning of new machines is systematically accompanied by noise measurements.

Amendments to the prefectural orders to which landfill sites are subject for the installation of a WAGABOX® unit systematically include provisions related to biodiversity and the unit's impact on the natural environment.

### 1.5 Fostering employee development

The Group strives to offer its teams a working environment in line with its human values and corporate culture.

As part of a dynamic of rapid growth and of the reinforcement of teams in France and internationally, each theme that makes up well-being at work (diversity, health and training) is addressed with careful attention. The Group's innovative nature and its model of protecting the environment are key factors in attracting, recruiting and retaining highly qualified profiles with the same goals.

The Group also ensures the development of each of its employees throughout their career through a continuous training programme.

Lastly, in 2022 the Group set up a Quality of Life at Work barometer (The Predictive Index) in order to measure the well-being at work of all employees, as well as their level of commitment. This barometer was the subject of specific action plans and will be repeated each year to measure the progress made.

#### 1.5.1 Developing skills and encouraging diversity

##### ❖ **Structuring employment**

At 31 December 2022, the Group had 153 employees in four countries (78% in France, 10% in the United States, 9% in Canada and 3% in Spain). The workforce is 42% women and 58% men

More than 12 different nationalities are represented at the Group.

##### ❖ **Developing skills**

The Group's success is based on the experience and expertise of its employees. Training is therefore key to ensuring the employability of employees.

In 2019, the Group set up a training course adapted to future growth. Each new employee at the Group benefits from a specific career path.

- Each employee receives an annual interview and a professional interview every two years.
- 100% of employees present for more than 2 years benefited from a professional interview

The integration of new employees is a decisive step for their commitment and loyalty. It includes an in-depth presentation of the Group, meeting the various teams that make up the company, and a mentoring system to share the Group's values and corporate culture.

#### Training policy

The training of our employees is essential to support the Group's growth.

Thus, the Group has a training plan that defines, for each business line, the mandatory training that each employee must follow to perform their duties.

Each training course is followed by a validation of prior learning. Monthly questionnaires completed by our employees confirm that they still have the knowledge required for their position.

Requests for additional training are taken into account during individual interviews.

#### Digitalisation of learning paths.

In addition to the strong growth in the workforce, an online training platform is being developed and will be available by the end of 2023. It will build a culture of continuous skills acquisition, but also collaborative learning, for all Group employees.

##### ❖ **Diversity and inclusion**

The Group makes diversity a strong lever for its development. The recruitment policy is based on the principles of non-discrimination, equality and inclusion. The Group strives to preserve the uniqueness of each individual and provides a working environment in which everyone can express themselves and act freely.

The Group encourages gender diversity as of recruitment and throughout professional careers, including in technical fields.

A dozen nationalities are represented at the Group, providing great cultural diversity.

- **Value sharing**

Since 2020, the Group has chosen to involve all employees in the Company's performance by setting up a profit-sharing agreement, based on quantitative and qualitative criteria linked to the achievement of economic and financial objectives.

In addition, each Group employee receives a collective bonus as part of WAGABOX® unit investment projects.

Lastly, some employees are beneficiaries of BSPCE or stock options, in order to retain them and enable them to benefit in the long term from the increase in the Company's value.

➤ **Equal pay**

The Group respects the principles of equal pay as well as gender equality and equal levels of responsibility, both in hiring and throughout a career. The Group also verifies that its salary policy is in line with the employment market.

➤ **Actions to promote the inclusion of people with disabilities**

The Group uses recruitment firms specialising in the inclusion of people with disabilities. For equivalent services, the Group favours companies working for protected employment, with which it works on a regular basis. The Group is committed to the employment and integration of people with disabilities, and to combating discrimination against them (see table in Section 16.1 "*Number of employees*" of the Universal Registration Document). Nevertheless, this number of employees remains below the legal threshold of 6% of the workforce. Consequently, the Company pays an annual contribution to Agefiph.

Employer brand

The Group is working on its employer brand to attract new talent and retain its employees through various actions:

- Recruitment from Pôle Emploi,
- Participation in various fairs and forums, notably those of the energy transition professions as part of Grenoble Green Capital 2022,
- Activities in high schools, schools and universities to promote its jobs,
- Raising awareness in schools about the place of women in industry,

Participation in the Tenerrdis and EY study for the promotion of the renewable gas sector.

1.5.2 Acting for quality of life at work and social dialogue

❖ **Ensuring the health and safety of our employees**

The health and safety of our employees is the Group's top priority. The single document for assessing the risks inherent to our business is regularly updated. It incorporates both industrial risks and psychosocial risks, enabling an exhaustive review of all risks associated with the Group's activities. Psychosocial risks are at the heart of the Group's health and safety policy. Various bodies with authority on these subjects (*e.g.*: occupational medicine) are used.

In addition, best practices and good reflexes to adopt to improve safety are shared throughout the Group. Training is also a key element in the prevention of accident risks and training and awareness-raising actions are regularly scheduled for exposed employees.

Lastly, a weekly safety update is provided by the QHSE manager to all employees and included in the internal newsletter.

The management of industrial risks and the associated safety management system is part of the Group's core business. All industrial risks relating to safety, the environment or financial matters are identified using the HAZOP risk analysis method. This method is an inductive analysis that includes several steps,

from the identification of failures to the implementation of actions to limit the residual risk. To determine the dangerousness of the risk, an objective and exhaustive rating is applied to all identified potential failures. The risk reduction measures already in place are then included in this rating to determine the actions to be implemented.

Once industrial risks have been identified and secured, the safety management system complements the risk management policy. It makes it possible to integrate and monitor the various needs for security and final risk reduction. Procedures, safety training, displays, safety indicators, reminders, awareness-raising, models, protective equipment and any other safety requirements are integrated into this system.

This comprehensive system complies with the OSHA model. It incorporates elements related to life expectancy, maintenance, change management, feedback and the identification of risky situations in safety management. The analysis of technical risks associated with the safety management system enables comprehensive and effective safety management at the Group.

#### ❖ **Work to improve the working conditions of our employees**

Quality of life at work is an integral part of their vision and values. The company agreements in force provide a respectful framework for the Group's work experience, enabling employees to reconcile professional and personal life.

#### Parenthood

The Group has set up a parenting policy which extends the duration of parental leave for new parents, grants additional leave during an employee's PACS or marriage, and provides days off for sick children. This policy is applied at the subsidiaries when possible.

#### Teleworking

The Company set up a charter organising teleworking.

#### Mobility

The Group established a "sustainable mobility" bonus in order to provide a solution in line with its values for commuting: employees are thus encouraged to favour public transport, cycling and carpooling.

#### Social security coverage

Social security coverage is an essential dimension for the Group, which, since its creation, has chosen to provide very protective conditions in terms of health and personal protection insurance, with high levels of guarantees, and without distinction of status. In France, the Company pays 90% of the contribution to employee health insurance and provides a family plan that covers the entire family without conditions. It implemented this policy at its subsidiaries; 100% of the Group's employees benefit from social security coverage.

#### Employee satisfaction survey

The Group set up an internal satisfaction survey (registered office and subsidiaries) in October 2022 using The Predictive Index solution. With an 80% participation rate, it revealed very good scores across the various categories surveyed: commitment (94%), position (79%), manager (86%), social dimension (87%) and work experience (87%). It confirms the strong commitment of the teams and the conviction that the corporate culture is a true driver of performance.

Employees received feedback on the results and an associated action plan was put in place.

This survey will be conducted on a yearly basis over the same period to assess collective satisfaction and its evolution.

#### Fight against harassment and discrimination

The Code of Conduct implemented at the Group sets out the rules on harassment and discrimination. The Group does not tolerate any form of harassment. Any situation of harassment or discrimination must be reported. To do so, the Group has set up a whistleblowing portal to report any inappropriate behaviour (discrimination, harassment, etc.). To date, no report has been made.

#### ❖ Social dialogue and internal communication

The Group attaches great importance to social dialogue within the teams.

The election of the members of the Social and Economic Committee took place in March 2023. The attendance rate was over 90% at the Managerial Body: four permanent representatives and four alternates were elected; two incumbents and two alternates were elected from the Non-Managerial Body, with a participation rate of over 87%.

All teams, including subsidiaries, meet weekly to share news from all the departments, systematically starting with a security update.

Communication with employees will be strengthened in the coming months with the deployment of an intranet to streamline the transmission of information and reinforce team collaboration.

#### ➤ Main indicators – Human resources

Breakdown of Group workforce by geographical area		
Country	2021	2022
France	68	120
Spain	1	4
United States	4	15
Canada	6	14
<b>Total</b>	<b>79</b>	<b>153</b>

Breakdown of workforce by contract as a %		
	2021	2022
Permanent employment contracts	89.9	90.2
Fixed-term contracts	10.1	9.8

Breakdown of workforce by gender as a %		
	2021	2022
Men	62	57.5
Women	38	42.5

Number of hires on a permanent employment contract		
Country	2021	2022
France	21	52
Spain	1	4
United States	2	11
Canada	5	7
<b>Total</b>	<b>29</b>	<b>74</b>



Breakdown of arrivals and departures by country and by type of contract	2021		2022	
	Arrivals	Departures	Arrivals	Departures
France	23	9	60	11
Spain	1	-	4	1
United States	5	1	8	-
Canada	2	-	11	-
<b>Total</b>	<b>31</b>	<b>10</b>	<b>83</b>	<b>12</b>
Permanent contract <i>(not preceded by a fixed-term contract)</i>	23	5	71	6
Fixed-term contract/Temporary contract	8	5	12	6
<b>Total</b>	<b>31</b>	<b>10</b>	<b>83</b>	<b>12</b>

Percentage of female managers / female workforce	2021	2022
% female managers	26.67	20

Percentage of women on the Executive Committee France	2021		2022	
	NB	%	NB	%
Nb pers. Executive Committee	9	100	11	100
Nb women	3	33.33	4	36.36

Breakdown of workforce by age group	2021		2022	
	Nb	%	Nb	%
20-29	28	35.44	58	37.91
30-39	26	32.91	52	33.99
40-49	20	25.32	33	21.57
Over 50	5	6.33	10	6.54

Training (France data)	2021	2022
Number of hours of training provided	1,664	4,006
Number of employees trained at 31 December of the financial year in question	60	114
Percentage of employees trained	88%	95%

Number and rate of workplace accidents* and occupational illnesses	2021	2022
Number of workplace accidents with lost time	2	0
Frequency rate	10.9	0
Severity rate	0.6	0
Number of recorded cases of occupational illnesses	0	0
Number of days lost due to a workplace accident	68	0
Number of deaths related to workplace accidents or occupational illnesses.	0	0

\*Excluding commuting accidents

## 1.6 Making external stakeholders accountable

The Group aims to be exemplary in the management of its business and commits all its employees to compliance with ethical and responsible standards and procedures at all levels.

### 1.6.1 Spreading a culture of ethics and risk management

The Group promotes responsible and transparent governance in the conduct of its activities. It considers business ethics to be an absolute requirement, at the level of its governance, the organisation as a whole and, by extension, its supply chain.

#### ❖ Responsible governance

Since the admission of the Company's shares to trading on the Euronext Paris regulated market in October 2021, the Group has referred to the Middlednext Code as updated in September 2021 in order to coordinate governance according to simple and consistent principles, by placing CSR at the heart of its strategy.

Several governance bodies have been set up, details of which are provided in Chapters 13 and 15 of the Universal Registration Document.

#### **Board of Directors and Committees**

The Company's Board of Directors is composed of eleven (11) members with diverse and complementary skills and expertise:

- Five women, *i.e.* 45.5% of members;
- Four independent directors with regard to the independence criteria defined by the Middlednext Code.

The Board of Directors met nine times in 2022.

On 8 October 2021, the Board of Directors approved the establishment of three committees, in accordance with the recommendations of the Middlednext Corporate Governance Code, as specified in the internal regulations:

- An Audit Committee;
- An Appointments and Compensation Committee;
- A CSR Committee.

A fourth Commitment Committee was set up by the Board of Directors on 28 February 2022, on the proposal of the Chairman of the Board of Directors.

*Actions implemented at the Board:*

- Signature by each director of the Board's internal regulations, the Code of Conduct and the Stock Market Ethics Charter,
- Annual declaration of interests of each director,
- Implementation of a Board self-assessment procedure.

#### **General Management and Group Management Committee**

The Company's Management Committee is composed of complementary profiles and experts in their field, who manage the various departments of the Company, under the control of the General Management. It meets weekly. Board of Director meetings are also set up at the level of each foreign subsidiary.

Since its initial public offering, the Group has continued to develop its governance and financial communication in line with best practices to ensure that all shareholders are treated equally and with the utmost transparency.

These practices are based on the following mechanisms:

- Adherence to the Middlednext Corporate Governance Code (in its latest version of September 2021) and objective of compliance with the said code's recommendations;
- Participation in the GAIA socially responsible investment index;
- Creation of a space dedicated to shareholders and investors on the Company's website;
- Dialogue with investors and shareholders according to financial communication rules;
- Reminder of internal stock market ethics rules, notably through a dedicated charter;
- Monitoring of insider lists.

#### ❖ **Non-financial risk management**

Non-financial risks are managed by the CSR Manager, in conjunction with General Management and the Finance Department to strengthen and monitor CSR actions. The Group has identified the following CSR risks in its risk mapping:

##### **Risk related to the IT infrastructure**

The Group's activities are supported by IT tools (operations, engineering, accounting, logistics, support, etc.) capable of processing high volumes of content and data. However, the Group could encounter IT failures, system and network disruptions, cyber-attacks, accidents, electrical failures, or physical or electronic intrusions in the course of its business and particularly during the implementation of the highly automated WAGABOX<sup>®</sup> unit. To guard against this, the Group had a cybersecurity audit carried out in 2022, the conclusions of which were satisfactory.

##### **Risk related to climate, weather and environmental fluctuations**

Severe weather events such as heavy rains, significant changes in temperature, hail or snow could damage the Group's facilities but also lead to prolonged shutdowns, as well as an increase in operating and maintenance costs.

The Group is aware that climate change will have an upward impact on ambient temperatures across all regions. To cope with this increase, new facilities are designed to operate at temperatures of up to 45°C.

##### **Risk related to the ability to retain key managers and employees and the hiring and retention of new qualified employees**

In general, the Group's business sector requires executive managers with a high level of expertise and specialists in their field of competence, whether in financing, design, construction or the operation of WAGABOX<sup>®</sup> units, or in recent technological and market innovation. The limited number of qualified candidates and the strong competition for the recruitment of such executives could prevent the Group from benefiting from skills equivalent to those of these executives. The Group may also fail to attract new talent and retain experienced staff.

##### **Ethics and corruption risk**

The Group's growth has led to the development of its business in many countries. Unethical or non-compliant practices by its representatives or employees could expose the Group to criminal and civil sanctions and damage its image.

Since 2022, the Group has implemented an anti-corruption programme.

These risks and the associated risk management measures are further discussed in Chapter 3 of the Universal Registration Document.

### ❖ **Business ethics**

As a responsible economic player, the Group is committed to ensuring that all its stakeholders comply with the rules of transparency and ethics across all its business relationships. The Group relies on its values which are shared with its employees and all stakeholders to establish and implement programmes and tools that guarantee transparency and business ethics on a daily basis.

### **Dedicated governance**

In this context, the Group decided to strengthen its governance and organisation in terms of compliance and business ethics, by appointing a Legal Director, who joined in June 2022 to manage and monitor the various compliance programmes, in close collaboration with the Human Resources Department, the Finance Department and the operational departments. All matters are reported directly to the Management Committee. Regular updates on these subjects are also presented to the Board of Directors. The Group is also supported by a specialised independent firm.

### **Code of Conduct**

In 2022, the Group adopted a Code of Conduct. It details the principles of action and specifies the rules that everyone must apply on a daily basis. The Code of Conduct and its content also apply to the Group's relations: customers, suppliers, commercial intermediaries and any other person encountered in a professional environment. The Group asks these third parties to comply with the Code of Conduct and to ensure that their own suppliers and subcontractors comply with equivalent principles.

The Group intends to comply with the following regulations:

- the Principles of the Universal Declaration of Human Rights (1948);
- the main conventions of the International Labour Organization (ILO);
- the OECD Guidelines for Multinational Enterprises and the Convention on

Combating Bribery of Foreign Public Officials in International Business Transactions (1999) and the 2009 anti-bribery recommendations;

- the principles of the United Nations Global Compact (2000);
- the law on transparency, the fight against corruption and the modernisation of economic life ("Sapin II" 2016);
- the Foreign Corrupt Practices Act (1977); and
- the European regulation on "the protection of individuals with regard to the processing of personal data and on the free movement of such data", known as the General Data Protection Regulation (GDPR).

A procedure for auditing commercial partners, notably on aspects related to corruption, has been put in place so that each project developer carries out a precise analysis of potential partners to identify any risks, which are then addressed by Management.

Comprehensive corruption audits of the main commercial partners are also carried out by the external firm that supports the Company.

### **Whistleblowing portal**

A whistleblowing system has been put in place to enable any employee or partner to report a serious breach of the Group's Code of Conduct. This reporting portal allows any employee but also third parties to report any behaviour or situations that are contrary to the Code of Conduct:

- Conflict of interest,
- Corruption and influence peddling,
- Fraud, embezzlement and theft,
- Discrimination and harassment,
- Non-compliance with the principles set out in the Code of Conduct,
- Infringement of fundamental freedoms.

No alert was identified at the date of publication of the Universal Registration Document.

## **Stock Market Ethics Charter**

A Stock Market Ethics Charter was drafted in 2022 to draw the attention of the Group's employees and partners to the principles and rules in force in terms of stock market ethics and the need to scrupulously comply with them. Lists of insiders are drawn up, listing who may not trade in Waga Energy shares during the abstention periods preceding the Group's financial publications (or at any time if they hold inside information) and who must ensure the strict confidentiality of inside information.

This document also aims to provide a reminder of the preventive measures implemented at the Group. It is available on the Group's intranet site and, if they have any questions, the reader is invited to consult the Group's Legal Department.

### *Actions implemented:*

- Awareness-raising and signature of the Code of Conduct and the Stock Market Ethics Charter by all French employees; roll-out currently under way at the level of foreign subsidiaries,
- Awareness-raising and signature of the Code of Conduct and the Stock Market Ethics Charter by each new employee as part of their onboarding process,
- Signature of the Code of Conduct and the Stock Market Ethics Charter by all Directors,
- Dissemination of the Code of Conduct and the Stock Market Ethics Charter on the Group's website,
- Implementation of anti-corruption training for all teams exposed to risk, mainly project developers and the Management Committee.

### 1.6.2 Involving external stakeholders

#### **❖ Product quality and offering enhancement**

Regulatory monitoring is carried out by the Quality, Health, Safety and Environment (QHSE) team, composed of four people in France, to ensure compliance with the regulations in force.

The products (consumables) and equipment (materials) used comply with applicable regulations depending on the country of use.

The Group incorporates quality into its operational strategy through a continuous improvement policy based on the ISO 9001 standard. A quality policy and objectives are defined and validated by the leadership process of this standard.

The Group is aiming for ISO 9001 and ISO 14001 certification for Europe and Canada in the course of 2023.

In order to promote the quality of the services offered and the biomethane recovered, the Group's model units (in Claye-Souilly, France and Can Mata, Spain) are or will also be ISCC-certified (International Sustainability and Carbon Certification). This certification, which is directly in line with the Group's sustainable development goals, is a guarantee of the quality of the biomethane produced and the greenhouse gas emissions avoided thanks to the solution.

The establishment of an ERP (Enterprise Resource Planning) in early 2023 allows the Group to optimise the management of the various products supplied. Potential cases of non-compliance identified are reported directly and managed *via* the software. Suppliers are thus assessed with regard to the quality of the services they provide. The assessment of suppliers, carried out according to the ISO 9001 standard, is notably based on these results.

#### **❖ Supplier relations**

### Economic impacts and dependency

The Group is mindful of its economic impact on its suppliers in order not to create dependency and to ensure a suitable distribution of expenses. Supplier mapping was initiated to assess this impact and is updated annually. This mapping is based on the following criteria:

- Financial elements of the relationship with the supplier
- Possibilities in terms of alternative sourcing
- Supplier competitiveness
- Capacity to ramp up
- Supplier's financial health
- Quality
- Deadlines

The resulting final score makes it possible to measure the risk and the actions to be implemented so as not to place suppliers and subcontractors in a situation of economic dependence on the Group, and likewise to not place the Group in a position of dependence on a single supplier.

#### Collaboration and partnerships

The Group's teams want to develop a relationship of mutual trust with suppliers and subcontractors. Outlook meetings with strategic stakeholders are organised, in order to allow all parties to better anticipate orders and discuss their innovations. These moments of discussion are also an opportunity to assess their ability to follow the evolution of the Company, and where necessary to discuss the adaptations needed to support this evolution.

In order to secure these partnerships and retain suppliers while giving them the clearest possible vision of the Company's goals, several framework agreements were negotiated. Strategic suppliers, carriers of innovative technologies or presenting a flagship product for the operation of the WAGABOX® (e.g. nitrogen), were the first to be subject to framework contracts.

As part of a continuous improvement approach, feedback meetings are regularly organised at the end of the project, to review the initial specifications and discuss the progress made or difficulties encountered, in order to identify areas for improvement.

#### **❖ Responsible purchasing**

The Group strives to build a responsible and sustainable supply chain, favouring, where possible, the use of products with a lower impact on the environment.

Suppliers are chosen according to selection criteria such as their social responsibility (notably in terms of corruption), their environmental impact and the quality of their service. This monitoring is conducted through compliance with the ISO 14001 and ISO 9001 standards currently being validated. These international standards require strict monitoring of suppliers but also of their own suppliers.

The Group's goal is to formalise a responsible purchasing policy in 2023-2024.

#### **❖ Customer relations and satisfaction**

The development, project, operation and sales administration teams are in daily contact with customers and landfill operators, from the development of the project through to its construction and its operation/maintenance.



They assess the quality of the Group's services and monitoring, in the context of long-term relationships, with projects being developed over periods ranging from 10 to 20 years.

The main players in the French waste management market have entrusted several projects to the Group and have continued to trust it since 2017.

Questionnaires are being finalised to measure the satisfaction of the Company's customers as regards the three phases of projects (development, construction and operation), which will be communicated on a regular basis.