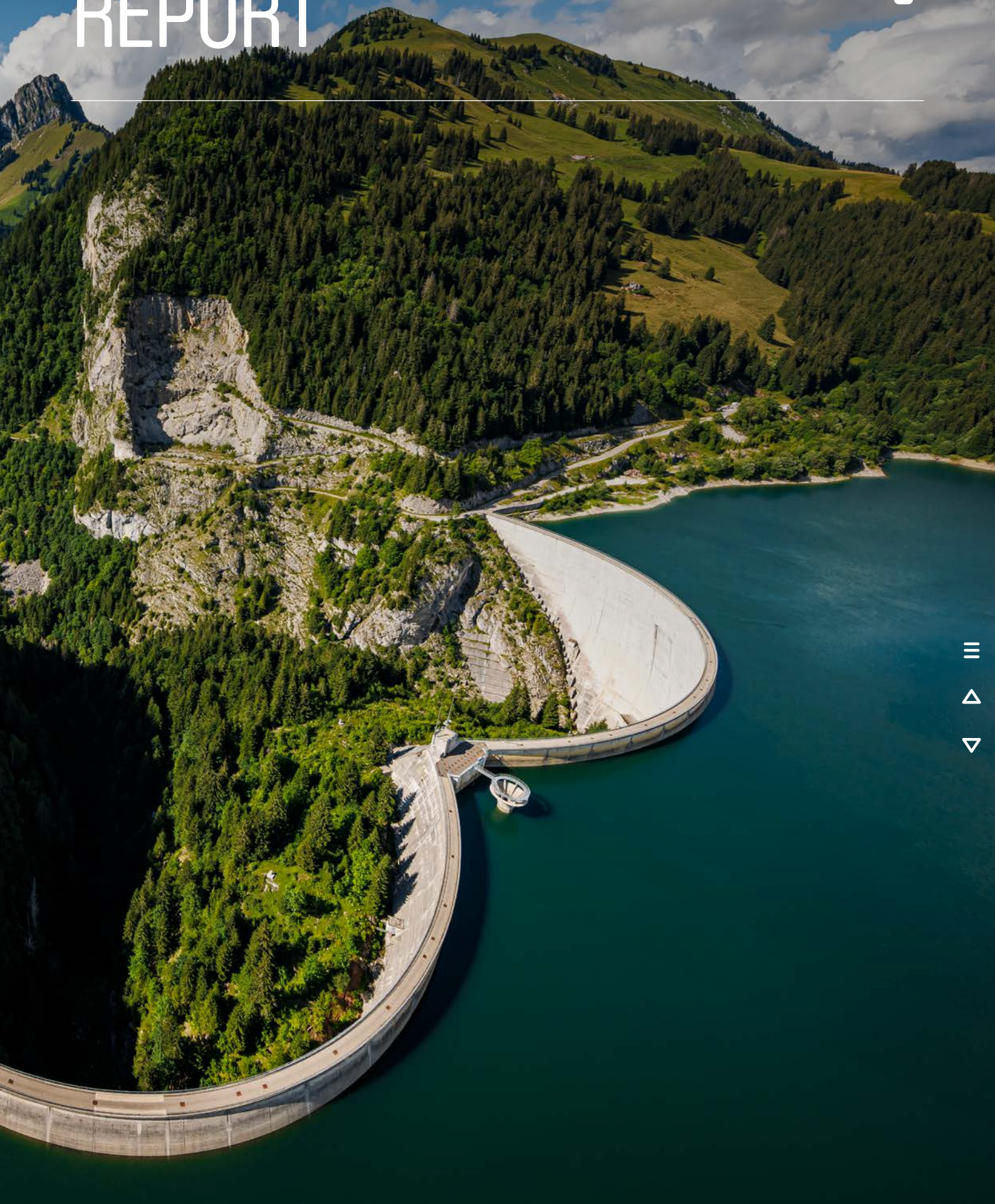


The Hongrin dam



SUSTAINABILITY REPORT

4



INTRODUCTION

SCOPE, CONTENT AND OBJECTIVES OF THE REPORT

This second Sustainability Report presents the facts and figures needed for the reader to grasp the sustainability challenges that Romande Energie addressed in 2021. It covers all the business activities of the Group and of entities affiliated with Romande Energie Holding SA.

Statements made in this Sustainability Report refer to the Group as a whole. A narrower scope may apply in certain cases, however. Clear indications are provided in the commentary and charts where figures and information relate solely to specific units or countries.

Romande Energie has decided to apply the Global Reporting Initiative (GRI) standards. These are predicated on the three pillars of sustainable development (economic, social and environmental) upon which we have built our sustainability programme. Sustainability is an essential strategic priority for the continued operation and development of our business activities, and we want to forge even closer relationships with our stakeholders so we can guide and support each one through the imperative energy transition by meeting needs even more effectively. This report aims to provide a comprehensive overview of our sustainability programme, our goals and our ambitions as a responsible corporate citizen.

It forms an integral part of the 2021 Annual Report and has been prepared in compliance with the GRI standards: Essential option. It reflects the specific requirements applicable to the “Electric Utilities” sector.¹ References to the GRI indicators can be found in the index on [page 77](#).

GRI 102-1 • 102-3 • 102-45 • 102-46 • 102-50 • 102-51 • 102-52 • 102-54 • 102-55

DATA VERIFICATION

The report has been read and approved by the members of the Board of Directors. In compliance with the GRI standards, the report has been sent to the GRI to inform it of the Group’s use of the GRI standards in 2021. The content has been compiled with the greatest care, but has not been externally verified.²

GRI 102-56

MATERIALITY ASSESSMENT

In 2021, the Romande Energie group prepared its first materiality matrix by contacting and involving its key (internal and external) stakeholders. As part of a constructive and transparent two-way exchange, we sent them a questionnaire to assess the degree of influence of the economic, social and environmental impacts attributable to the Group’s activities over their decision-making. All members of our Executive Board and of our Board of Directors completed the same questionnaire. The impacts were collated based

on the various sections of the GRI standards (GRI 200, 300 and 400) plus any specific energy sector impacts in reference to the G4 “Electric Utilities” sector standards.

We have regular dealings with a large number of internal and external stakeholders ([see page 53](#)). For the purposes of this initial materiality exercise, however, our Executive Board members decided to focus on six key stakeholders (suppliers, customers, employees, municipalities, academia and sustainability rating agencies/certification bodies) to forge a dialogue and make sure we hear different points of view.

The questionnaire was used to identify material priorities for the Group and/or our stakeholders. The exercise helped establish a dialogue with our stakeholders about their respective sustainability priorities. Some of them were keen to discuss the contents of the questionnaire and the related programme with us.

GRI 102-42 • 102-43 • 102-46 • 103-1

¹ The sector GRIs are based on the GRI’s GR4 Reporting Principles. These standards are still applicable.

² Compliance with the GRI Guidelines is completely voluntary, and no external verification or the award of any certification is required.

Sustainable Leaders Charter adopted

In a step forward for our sustainability programme, Romande Energie signed up in October 2021 to the new Sustainable Leaders Charter launched in February 2021 by Swiss Leaders and the CEC European Managers, its European counterpart.

The Romande Energie Group's entire Executive Board and Oliviero Iubatti, Chief Executive Officer of Romande Energie Services SA, signed the charter, throwing their weight behind efforts to embed sustainability in the values and behaviours of our managers and our decision-makers.

With this move, we are taking our sustainability programme to the next level, firmly anchoring it as part of our new strategy.

This charter is intended for all managers and decision-makers to support the transition from a "traditional" approach to a new sustainability-based management approach in their work, in the company and its policies. Its focus is on how managers can actively enable change and lead the way for sustainable development at individual, organisational and societal levels.

The charter aims to achieve four targets in particular: the development of role models (personal sustainable development), economic sustainability, social sustainability and environmental sustainability. To date, close to 100 organisations have adhered to the charter.

GRI 102-12



THREE PILLARS AT THE HEART OF ROMANDE ENERGIE'S BUSINESS AND STRATEGY

In 2019, Romande Energie decided to put sustainability firmly at the heart of its organisation. Its approach is underpinned by the three pillars of sustainable development, each of which is monitored separately.

- **Economic pillar:** an innovative range of value-added services that appeals to our customers
- **Social pillar:** informed leadership guiding the collective intelligence of stakeholders
- **Environmental pillar:** genuine and ambitious plans to advance the energy transition

Under its new strategy for 2021–2026, Romande Energy has also set strategic objectives for each pillar:

In 2021, a new role of Sustainability Officer was also introduced by the Finance & Services support unit.

Our sustainability programme is also predicated on a shared governance model. Our key stakeholders have been identified by the Executive Board, and an employee is appointed and sponsored by an Executive Board member to monitor their individual situation on a regular basis. The stakeholders involved are our customers, suppliers, employees, investors and the planet.

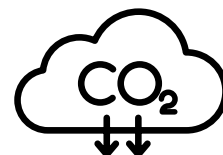
The managers monitoring stakeholders hold regular discussions for coordination purposes and report back on their progress to Executive Board members on a quarterly basis.



ECONOMIC
Generate diversified, lasting value



SOCIAL
Spark enthusiasm among our stakeholders



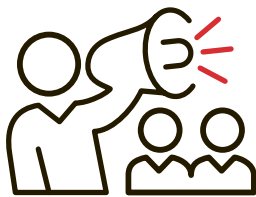
ENVIRONMENTAL
Reduce greenhouse gas emissions



STAKEHOLDERS

Stakeholders are involved in the internal processes and procedures to help us spot the latest trends, engage with them and find improvements in each and every area. We have entered our stakeholders in the ARIS (Architecture of Integrated Information Systems) framework. That helps us design and analyse our activities and our processes to achieve higher standards of reliability and more transparent communication. We have also mapped out stakeholders' interests formally in ARIS so that we better meet their needs and expectations.

The Romande Energie Group recognises the importance of dialogue with stakeholders. Indeed, we consider it to be a cornerstone of our sustainability policy. Through constructive internal and external conversations, we nurture this closely monitored, trust-based relationship to achieve a crucial advantage in assessing expectations and identifying strategic priorities for the future or for innovation, for example. We have made four commitments to our internal and external stakeholders.



INFORM

reports, brochures,
website, press releases,
events



LISTEN

evaluations, media,
online surveys, correspondence,
customer area, investor relations area,
suppliers' area, hotline



INVOLVE

meetings, workshops,
forums, intranet,
social media



COLLABORATE

partnerships,
idea-sharing platform

THE ROMANDE ENERGIE GROUP RECOGNISES THE IMPORTANCE OF DIALOGUE WITH STAKEHOLDERS. INDEED, WE CONSIDER IT TO BE A CORNERSTONE OF OUR SUSTAINABILITY POLICY

Internal and external stakeholder mapping



Our divisions are in regular contact with cantonal and federal authorities, namely the Vaud cantonal energy directorate (DIREN), the Swiss Federal Office of Energy (SFOE) and the Federal Office for the Environment (FOEN).

GRI 102-40

TRADE BODY MEMBERSHIP

Romande Energie supports the Swiss non-profit sector with its annual membership payments to around 50 trade bodies and participation at events concerning regulatory changes and the energy sector at large.

Even though we cherish each organisation we support, we are in especially regular contact with:

- SWV – Swiss association for water management
- AES – Swiss association of electricity companies
- CIFER – Western Switzerland's grid electrician training centre
- CREM – Energy and municipal research centre
- The Valais chamber of commerce and industry
- The Geneva chamber of commerce, industry and services
- The Vaud chamber of commerce and industry
- Electrosuisse
- Innovaud
- Swiss Smart Grid Association
- West Switzerland Wind Power Federation
- Suisseole
- Swisscleantech
- Swissolar
- World Energy Council

GRI 102-13

CUSTOMER SATISFACTION

Customer satisfaction is tremendously important to Romande Energie. We regularly measure the satisfaction levels of household customers and of our other main stakeholders. Our goal is to ensure our customer journeys achieve consistent standards. That will only be possible if we pool all our knowledge and expertise to create customer-focused products and services. Our 2021 Net Promoter Score (NPS) was a high 22, identical to our 2020 score.

We analyse the results of the satisfaction questionnaires and look to learn the lessons from them. The relevant points are then presented, together with recommendations, to the Executive Board, segment managers and the relevant product owners, as well as to enersuisse, our partner handling our customer relationship management. Each participant in the process is then responsible for drawing up a priority-based action plan for delivering improvements, which is then implemented and monitored. The Marketing & Communication team and the experience designers are on hand to assist the business units, providing constructive challenge and supporting these measures, where necessary.

The NPS takes the pulse of the market and helps us fine-tune programmes to achieve our strategic goal of continuously improving our customer satisfaction by providing solutions that genuinely deliver added value for users. We consider various customer pathways as part of this analysis, leveraging feedback from users continuously to achieve constant improvements in customer experience. At the same time, we actively work on developing measures to satisfy customers in real time after we have completed installations or grid connections.

Under the complaint-handling system, most issues are recorded and dealt with by enersuisse. All questions and complaints are processed, but we do not yet actively track processing times and post-resolution customer satisfaction. Romande Energie Services has its own complaint-handling system, which was approved as part of its ISO 9001 certification and includes these measures and a continuous improvement process. Each senior executive is directly involved in handling certain types of complaint.

GRI 103-2 c.iv.

**OUR 2021 NET PROMOTER SCORE
(NPS) WAS A HIGH 22, IDENTICAL
TO OUR 2020 SCORE**

COMMUNITY OF BTOC CUSTOMERS ESTABLISHED IN 2021

To facilitate the overhaul of the Romande Energie Customer Area, we created a community of testers for the eight-month period from April to November 2021, supported by its own dedicated platform. The community was made up of various stakeholders, i.e. both internal (employees) and external (specific customers) testers. The tester community's role was to work in agile mode and in a co-creation capacity with these stakeholders throughout the development of the new Customer Area. The idea was to test out the new features being developed for the Customer Area, using the community's feedback to enhance and fine-tune the initial development work.

As well as providing feedback on the Customer Area, our testers also helped us by completing questionnaires on other issues, such as charging points for electric cars and the materiality matrix.

GRI 102-43 and 102-44

ALIGNMENT WITH THE UN SUSTAINABLE DEVELOPMENT GOALS

Romande Energie's business model is underpinned by the three pillars of sustainable development, and it has demonstrated its commitment to playing a leading role in Western Switzerland's energy transition. To embed this approach and align ourselves consistently with the United Nations' 2030 Agenda, we embarked in 2020 on the process of complying with the 17 Sustainable Development Goals (SDGs).* To date, eight of these are now firmly anchored in our business strategy. We are confident in our ability to make progress through innovation and constructive dialogue and are ready for the challenge. We are truly grateful to our employees, customers, suppliers and investors for supporting this endeavour.



* <https://www.un.org/sustainabledevelopment/>

ALIGNMENT WITH VAUD CANTON'S PLANS UNDER SWITZERLAND'S AGENDA 2030 FOR SUSTAINABLE DEVELOPMENT

With climate and environmental concerns gaining real traction, Vaud Canton has undertaken to pursue a cross-sector approach and take steps to make its various public policies sustainable. The goal is to make sure the cantonal government leads the way in sustainability with an unerring focus on public goods.

Vaud Canton is one of Romande Energie's key stakeholders (main shareholder and home to the Group's registered office), and

we have a duty to lead by example. Accordingly, we support Vaud Canton's Agenda 2030 plan published in June 2021, and in particular its energy strategy. By stepping up our existing measures and introducing new measures, we aim to reduce our carbon emissions and shore up security of supply by fostering the development of renewable energies and promoting energy efficiency.

CONTACT

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michele.cassani@romande-energie.ch

GRI 102-53



MATERIALITY

We use the materiality matrix to gain insights into the core expectations of our stakeholders concerning the impact generated by our business activities and to identify the priorities our strategy needs to address.

ROMANDE ENERGIE'S NEW CONSOLIDATED MATERIALITY MATRIX FOR 2021

Very important Importance of impacts for stakeholders	<ul style="list-style-type: none"> Employee training Waste management and recycling 	<ul style="list-style-type: none"> Workplace health and safety Equal pay policy Regulatory compliance Investment in renewable energies Carbon footprint reductions Environmental compliance
	<ul style="list-style-type: none"> Responsible procurement management Contribution to the development of the local economy Dialogue with stakeholders Impact of activities on local communities Evaluation of suppliers' and customers' social impacts Data protection and security Impact on biodiversity Transparency concerning greenhouse gas inventory Evaluation of suppliers' and customers' environmental impacts Initiatives benefiting the environment (e.g. carbon sinks) 	<ul style="list-style-type: none"> Profitable management of energy resources Investments in innovation and digitisation Recruitment and employee turnover Diversity and social inclusion
	Important	Very important

Based on the materiality matrix produced in 2021, the most pressing issues we face are as follows (i.e. those classed as “very important” for Romande Energie and/or its stakeholders):

- Employee training
- Workplace health and safety
- Equal pay policy
- Recruitment and employee turnover
- Diversity and social inclusion
- Compliance with labour law regulations
- Investment in renewable energies
- Carbon footprint reductions
- Environmental compliance
- Profitable management of energy resources
- Waste management and recycling
- Investments in innovation and digitisation

The relevant priorities will again be reviewed transparently in 2022 in conjunction with our stakeholders.

GRI 102-46 and 102-47

Given the importance we place on responsible sourcing, we also wanted to comply with the requirements of GRI 204-1, which means going beyond what is required for conformity with the GRI standards.

The relevant priorities listed above in the materiality matrix are also embedded in our approach via the UN SDGs and Vaud Canton's Agenda 2030 plans.

SDG no.	SDG	Vaud Canton's Agenda 2030 plans	Relevant SDG (definition)	GRI relevant to Romande Energie
4	Quality education	Professional and social integration	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.	Employee training
5	Gender equality	Equality between the genders in law and in practice	5.1 End all forms of discrimination against women and girls everywhere. 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.	Diversity and social inclusion Employee training Equal pay policy Recruitment and employee turnover
7	Affordable and clean energy	Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix. 7.3 By 2030, double the global rate of improvement in energy efficiency.	Investments in renewable energies Investments in innovation and digitisation
8	Decent work and economic growth	Inclusive economy	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.	Diversity and social inclusion
		-	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training.	Employee training Recruitment and employee turnover
		-	-	Workplace health and safety
9	Industry, innovation and infrastructure	Corporate world	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	Investment in renewable energies Investments in innovation and digitisation
12	Responsible consumption and production	Waste	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	Waste management and recycling
		Corporate world	12.6 Encourage companies [...] to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	Responsible procurement management
		Responsible purchasing	12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities.	Responsible procurement management
13	Climate action	Fossil fuels	13.2 Integrate climate change measures into national policies, strategies and planning.	Carbon footprint reductions
		Climate change	13.3 Improve education, awareness-raising and human capacity [...] on climate change mitigation, adaptation, impact reduction and early warning.	
16	Peace, justice and strong institutions	Prevention of violence	16.5 Substantially reduce corruption and bribery in all their forms.	Compliance with economic, social and environmental regulations
		Participation	16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels.	



CORE PURPOSE MAPPED OUT TOGETHER WITH ROMANDE ENERGIE'S EMPLOYEES

As part of the Group's cultural realignment, we began in 2021 the process of bringing our core purpose up to date and assembled a diverse team of employees to define collectively what we stand for.

In addition to our economic role and our corporate purpose, which is to acquire, sell and manage a portfolio of investments in the energy and related sectors, we aim to make a noticeable difference to society and the environment. We firmly believe that having an uplifting core purpose energises and galvanises us. It facilitates dialogue within our organisation and with our external stakeholders, as well as making sense of what we do in our work. It also provides an effective rallying call for change in pursuit of a common cause. Lastly, it helps us to set ourselves apart from other market participants.

We have launched a participatory co-creation programme involving 21 company representatives known as Pathfinders, who will refine the work on our core purpose and our values and then act as ambassadors for change inside Romande Energie. They will be given training and provided with tools to make sure they have an impact at all corporate levels, from services and business lines to management.

The project began in 2021 with a small team, but all employees and our stakeholders will ultimately be able to have their say during 2022.

ENVIRONMENTAL COMPLIANCE



The goal of Romande Group's environmental pillar is to find ways for us to tread more lightly on our natural environment by taking action at three levels—via our employees, Group initiatives, and the products/services we provide to our customers.

As a responsible Swiss energy producer, we strive to align all our activities and the actions we take with federal, cantonal and community initiatives. We carefully monitor measures under discussion, such as the amended Energy Supply Act (ESA), containing provisions on security of supply based on renewable energies, the consultation on the revised CO₂ Act and the 2030 Sustainable Development Strategy, chiefly aimed at finding ways to deliver on the UN's 17 SDGs.

Our Legal and Compliance unit carefully monitors all legal developments (new laws and legislative changes, especially in the energy sector), and our divisions also keep a close watch on regulatory changes specific to their activities.

We regularly hold briefings for various environmental organisations, stakeholders, Vaud Canton and the SFOE on issues related to biodiversity, natural habitats and the countryside. [GRI 307-1](#)

As regards our systems for managing environmental complaints, we have received occasional complaints about noise, especially from residents during the development of our facilities. In most

cases, these occur during the construction phase or concern noise from flows exiting tailrace tunnels. These complaints are all addressed and in certain cases prompt adjustments to the works planned and/or to existing installations. [GRI 103-2 c.vi.](#)

Lastly, Romande Energie carefully considers the impacts it has on biodiversity. In 2019, the Vaud Canton land and environmental authorities brought in a wastewater treatment obligation concerning five hydropower facilities belonging to Romande Energie on the river Orbe, in accordance with the federal legislation in force. Romande Energie is responsible for keeping the water clean, managing fish migration and clearing debris at the relevant installations. The methodology developed by the Swiss Federal Office for the Environment (SFOE) is applied for these purposes. Studies are currently under way.

In addition to the infrastructure Romande Energie owns, cleaning the hydro turbines on the river Orbe also involves facilities belonging to Usines Métallurgiques de Vallorbe SA (UMV) and VO Energies SA. As a result, steps have been taken to coordinate the studies and hold joint meetings of all the hydropower facility operators on the Orbe. The cantonal and federal authorities and the various environmental organisations and NGOs involved attend the information sessions.

FOCUS

RESPONSIBLE PROCUREMENT

MANAGEMENT

Romande Energie's Purchasing department carefully assesses goods and services to ensure they meet demanding economic, environmental and social standards throughout their life cycle. To enhance the supply chain's efficiency and make it as responsible and sustainable as possible, we rely on a transparent and constructive dialogue with our stakeholders and partner suppliers. In 2021, we implemented several strategic initiatives to achieve these goals, including an extensive review of the Supplier Charter, the introduction of new processes to evaluate the impact generated and active participation in various institutions and trade bodies to make our efforts more effective by embracing best practice.

Overhaul of the Supplier Charter

Romande Energie's Supplier Charter underwent a thorough review in 2021. The Supplier Charter is designed to solicit a commitment from our suppliers that they will meet exacting social and environmental responsibility standards over the long term. It sets a high standard of quality for their activities and services. We treat our suppliers as long-term partners and give priority to businesses that make commitments and fulfil their social and environmental responsibilities. The Purchasing department is constantly raising the bar in terms of the environmental and social standards it applies.

The Group's new Supplier Charter was drafted together with some of our suppliers operating in various core businesses.

The Purchasing department held a workshop on 23 September 2021 for around 20 of our suppliers, which was aimed at establishing a constructive and transparent dialogue with our suppliers. Several key ideas were identified and added to the Supplier Charter based on the analysis of the economic, social and environmental pillars.

The charter is now available on our [website](#) (in French only) and covers the following fundamentals:

- The golden rules of the ethics of purchasing
- The principles of fairness, transparency and mutual respect
- The rules of competition
- Conflicts of interest and insider trading
- Compliance with anti-corruption law

Romande Energie works directly with its suppliers and seeks to make its supply chain more secure by entering into framework agreements. To maintain a high-quality supplier base, we choose the partners we work with carefully, asking for references and conducting evaluations and audits. Supplier or service-provider evaluations and audits are a cornerstone of the quality assurance process covering the products and services we buy in. Not only are they a useful source of information that goes beyond the normal scope of administrative and business discussions; they also help to forge closer ties and build partnerships. To safeguard compliance with the new Supplier Charter, the Purchasing department plans to add further questions during 2022 in connection with its environmental and social evaluation. These will cover points such as the absence of all discrimination or use of child labour by suppliers working in emerging markets.

Our responsible purchasing policy is geared to reducing our social and environmental impact

Romande Energie's Purchasing department builds in supplier selection criteria in pursuit of sustainable development. Wherever possible, we work with competitive, socially responsible suppliers and service providers who are competitive, socially responsible and committed to protecting the environment.

We regularly assess our suppliers based on an audit and evaluation schedule listing all the tasks performed and the valuation outcomes. We carry out various types of audit and evaluation, including ahead of the start of a partnership, for a major supplier, for the sole supplier of a product, or for resolving a failure.



Two main steps were taken in 2021:

- Firstly, the Purchasing department reviewed the evaluation criteria listed in public tender documents and added new questions concerning social and environmental criteria, and their weighting in the final score was scaled up (qualitative criteria based on cantonal reference frameworks).
- Secondly, the Purchasing department has begun sending out a self-reporting questionnaire to its suppliers so they could evaluate their own economic, social and environmental impacts. Following this programme, our Purchasing department will rate the suppliers based on sustainability criteria.

Enhancing the supply chain's efficiency and making it more responsible and sustainable are among the Purchasing department's strategic objectives. Greenhouse gas emissions linked to purchases of goods and services account for a large proportion of our total emissions at Group level (see greenhouse gas emission inventory on [page 63](#)). The Purchasing department intends to work more closely with its partner suppliers to identify ways of reducing our environmental footprint.

Waste management, recycling and recovery

Romande Energie is committed to selective sorting of our own administrative and industrial waste and that of our subcontractors:

- Offices: paper is collected separately from other waste (glass, PET, batteries, etc.) and recycled cardboard cups are used for coffee machines.
- Transformer oil: we are required to abide by our ESTI permit, which checks compliance with the standards in force.
- Disposal of worksite waste: central services are responsible, under a partnership with Spontis SA, for disposing of all waste. Collection and sorting containers for worksite waste have been set up in our production/operations sites, supported by an information campaign for our employees.
- Special waste: this is managed in accordance with the legal requirements (identity of organisation transferring the waste, monitoring slip, transfer solely to officially licensed waste disposal companies, etc.).

Since Romande Energie's waste is largely subcontracted, we do not currently have any accurate figures for the quantity of waste provided or the percentage of waste recycled or recovered. To address this, we set up a circular economy programme in late 2021 by contacting some of our subcontractors in order to gain a clearer picture of how our waste is processed and recovered. This task will continue throughout 2022.

GRI 301 and 306

Partner-supplier satisfaction levels

Romande Energie regularly studies satisfaction levels among its suppliers through anonymous surveys. In 2020, Romande Energie showed the way forward in this area by setting up an NPS. Our suppliers awarded us an exceptionally high score of 50, despite the continuing pandemic, reflecting the care and attention we pay to our relationships with them. Our NPS of 46 in 2021 demonstrated that our suppliers remain satisfied.

Responsible procurement management firmly anchored in our ecosystem

To expand our constructive and realistic dialogue, a workgroup including suppliers from different sectors of activity was also set up in 2021, together with dss+, a Geneva-based company (formerly known as Sofies) specialised in sustainable development. Four sessions were organised on responsible purchasing to foster the sharing of best practices based on an open and constructive dialogue.

On 25 November 2021, an event on responsible sourcing was held by the Purchasing department at our offices, under the aegis of procure.ch (leading Swiss trade association for purchasing and supply management, of which Romande Energie is a member). It attracted 25 buyers from right across Western Switzerland. Greenhouse gas emission reporting, the circular economy and, more broadly, carbon footprint management were among the main topics discussed.

Responsible procurement management also has a social dimension. Consequently, we work with local suppliers whenever we can. In 2021, 45% of our purchases (in CHF, before VAT) were sourced from suppliers in Western Switzerland, and 27% from suppliers in Vaud canton. This percentage is a conservative estimate because certain suppliers have their registered office elsewhere in Switzerland, but we may actually do business with one of their subsidiaries in Western Switzerland.

GRI 102-9 • 102-44 • 103-1 • 103-2 • 103-3 • 204-1

ROMANDE ENERGIE'S CLIMATE STRATEGY

MANAGING CLIMATE CHANGE RISK

Climate change creates both risks and opportunities for the Group, with many of the strategy's focuses on products or services to achieve reductions in greenhouse gas (GHG) emissions. Concerning risks, the Group's generation and distribution assets are subject to extreme weather events, the probability of which is increasing over time. This can lead to downtime or faster wear and tear. Climate change has manifold impacts on hydrology (changes in precipitation patterns, increased evapotranspiration (ET) in winter and spring, a

lower ratio of solid/liquid precipitation, earlier melting of snow cover, retreating glaciers, conflicts over water use, and so on). In the long term, an approximate 10% drop in production is expected as well as an operating expenses increase of the same magnitude. For wind farms, the reduction in deliverability caused by the reduction in air density – as a result of increased temperatures – is taken into account in the Group's assessments.

GRI 102-11 and 201-2

OUR INITIATIVES TO CUT OUR CARBON FOOTPRINT

As part of its 2021-2026 strategy, Romande Energie has adopted a clear and ambitious strategic positioning—to play a leading role in the decarbonisation of Western Switzerland by 2040. By doing so, we are helping to achieve the central government's net zero goal under its Energy Strategy 2050 plan.

This trajectory relies on three key pillars:

- **Reducing our emissions**, as confirmed by an annual carbon footprint in line with the international GHG Protocol. This is our top priority as we intend to cut our emissions to the lowest possible level.
- **Reducing our customers' emissions**, a priority that we started to consider internally during 2021 in a bid to spot potential carbon savings on our products and services.
- **Increasing carbon sinks** outside our value chain by funding reforestation projects.

	Reducing our emissions	Reducing our customers' emissions	Increasing carbon sinks
Impact	In our value chain	In our value chain	Outside our value chain
Monitoring indicator	Carbon intensity	Internal indicator	tCO ₂ e* emissions sequestered
Target	5% p.a. in our carbon intensity (in grams of CO ₂ per franc of revenue)	Not disclosed	Between 1,900 and 2,100 tCO ₂ e* p.a.
Sample actions	<ul style="list-style-type: none"> • Partial review of the methodology used to calculate greenhouse gas emissions associated with purchases • Waste generated by operations 	<ul style="list-style-type: none"> • Commune Rénove • Ma Commune et moi 	Two reforestation agreements reached in June 2021 with On a Mission and arboRise

* tCO₂e: tonnes of carbon equivalent



CARBON FOOTPRINT REDUCTIONS

The greenhouse gas emissions linked to Romande Energie's activities are calculated in line with the international standards in force based on the Greenhouse Gas Protocol, the most widely used reference framework.

This is our third consecutive annual inventory of greenhouse gas emissions, as we published our first in 2019. Mirroring the growing importance placed on decarbonisation within society, our internal corporate culture has taken major strides forward. Carbon issues are now integral to our decision-making. The case for each new project needs to be made based on its contribution to the three pillars of sustainable development, with the environmental pillar mostly involving its carbon footprint.

We have also worked hard to make our reporting more comprehensive over the years:

- **2019:** Scopes 1 and 2 were reported at consolidated level
- **2020:** Scopes 1, 2 and 3 were reported at consolidated level, and we published our "carbon intensity" strategic target
- **2021:** Scopes 1, 2 and 3 were reported at consolidated level and per business unit, and we published our "carbon intensity" strategic target

REVISION OF THE 2020 GREENHOUSE GAS EMISSIONS INVENTORY

In 2021, we undertook a finer-grained analysis of our greenhouse gas emissions in conjunction with our various specialised divisions. As a result, we have been able to gain a better grasp of certain types of emissions than we had in the past.

To facilitate comparisons and adjust the carbon intensity of our revenue, we decided to make retroactive adjustments to 2020, the reference year for our strategic target.

The main difference between the published 2020 GHG inventory (as published in our 2020 Annual Report) and the revised 2020 GHG inventory reflects the electricity distributed, with GHG emissions included in scopes 2 (transmission and distribution losses) and 3 (electricity sold to customers and used internally). This is mainly due to the updating of the emissions calculation in connection with current covered by incentive measures, for which the breakdown by source of energy could be specified a posteriori.

We have made some further minor adjustments related chiefly to the following types of emission:

- **Scope 1 – Fugitive emissions:** reduction in SF6 leakage following an update to the reporting methodology.
- **Scope 3 – Purchases of goods and services:** a partial improvement was made in 2021. The refinement process is continuing in 2022, and so the related emissions are subject to change in the future.
- **Scope 3 – Waste generated by operations:** additional data sources were added in 2021. The assessment approach will be updated in 2022, and so future changes are possible.

	Revised 2020 GHG inventory	Published 2020 GHG inventory	Change (in tCO ₂ e)	Change (%)
Scope 1 (direct GHG emissions)	5614	5914	-300	-5%
Building heating and worksite equipment (fossil fuels)	234	234	0	0%
District heating (fossil fuel, wood pellets)	3593	3593	0	0%
Travel with RE vehicles	1553	1553	0	0%
Fugitive emissions (air con./cooling/circuit breakers)	234	534	-300	-56%
Scope 2 (GHG emissions from distribution grid losses)	802	805	-3	0%
Transmission and distribution losses	802	805	-3	0%
Scope 3 (emissions upstream and downstream of Romande Energie)	79183	73218	5965	8%
Indirect Scope 1 emissions	1042	1042	0	0%
Electricity sold to customers and internal use	20671	19521	1150	6%
Employee business travel	157	157	0	0%
Employee commuting	1411	1411	0	0%
Purchases of goods and services	54713	50000	4713	9%
Upstream transport of products and materials purchased	766	700	66	9%
Waste generated by operations	360	324	36	11%
Downstream transport of products and waste	63	63	0	0%
Total	85598	79937	5661	7%

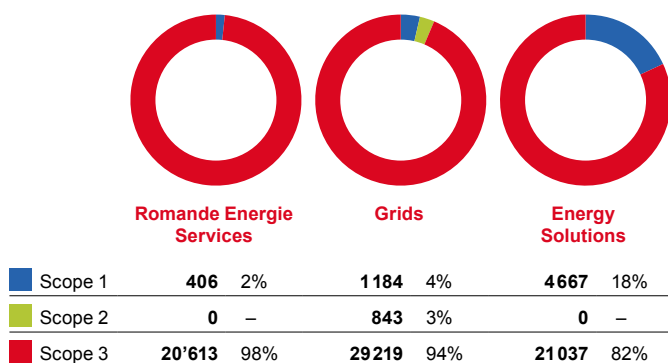
2021 GHG INVENTORY: CHANGES, OBSERVATIONS AND EXPECTED IMPROVEMENTS

The 2021 GHG inventory totalled 88,805 tCO₂e, up 3,207 tCO₂e from the revised 2020 GHG inventory.

	2021 GHG inventory	Revised 2020 GHG inventory	Change (in tCO ₂ e)	Change (%)
Scope 1 (direct GHG emissions)	6404	5614	790	14%
Building heating and worksite equipment (fossil fuels)	146	234	-88	-38%
District heating (fossil fuel, wood pellets)	4576	3593	983	27%
Travel with RE vehicles	1582	1553	29	2%
Fugitive emissions (air con./cooling/circuit breakers)	100	234	-134	-57%
Scope 2 (GHG emissions from distribution grid losses)	843	802	41	5%
Transmission and distribution losses	843	802	41	5%
Scope 3 (emissions upstream and downstream of Romande Energie)	81558	79183	2375	3%
Indirect Scope 1 emissions	1198	1042	156	15%
Electricity sold to customers and internal use	21740	20671	1069	5%
Employee business travel	178	157	21	13%
Employee commuting	1754	1411	343	24%
Purchases of goods and services	55469	54713	756	1%
Upstream transport of products and materials purchased	777	766	11	1%
Waste generated by operations	380	360	21	6%
Downstream transport of products and waste	63	63	0	0%
Total	88805	85598	3207	4%

This year, we also calculated the GHG inventory by business unit, and 2021 emissions break down by business unit and by scope as follows:

Inventory of GHG emissions (tco₂e) by business unit



The main changes between 2020 and 2021 were observed in the following emissions:

- **Scope 1**
 - **Building heating (down 88 tCO₂e):** fuel oil consumption lowered at our Morges offices by installing a heat pump.
 - **District heating (up 983 tCO₂e):** heat production increased as a result of the larger number of heating networks in service. This figure is expected to keep rising as the business expands. The carbon savings achieved by installing these district heating networks are recorded by our district heating customers, rather than by us. As such, the carbon savings achieved are far higher than the CO₂ emissions.
 - **Fugitive emissions (down 134 tCO₂e):** no leaks were recorded in 2021.
- **Scope 2 (up 41 tCO₂e) and Scope 3 / Electricity sold to customers and used internally (up 1,069 tCO₂e):** increase in solar origin certificates, for which the emission factor is higher than for other renewables (hydro and wind) and nuclear.

Internal initiatives to cut our emissions

As announced in our 2020 Annual Report, Romande Energie has undertaken to cut the carbon intensity by 5% p.a. per franc of revenue generated.

Following the revision of the 2020 GHG inventory (see above), we needed to review the carbon intensity of our 2020 revenue and recalculate the carbon intensity anticipated between 2021 and 2026, without changing our original target, i.e. reducing this intensity by an average of 5% p.a. Our carbon intensity at the end of 2020 is now 155 gCO₂e per franc of revenue. Our target is set to achieve 114 gCO₂e per franc of revenue by the end of 2026.

As a result, we can confirm that we met this target again in 2021, achieving 145 gCO₂e per franc of revenue.

That said, we recognise we need to make further efforts to shrink our carbon footprint, and so we have already lined up improvements in 2022 to achieve this goal:

- A more accurate estimate of emissions caused by purchases – one of the largest, but also one of the hardest-to-evaluate components of the GHG inventory
- Inclusion of emissions related to the use and end-of-life of products disposed of/sold by Romande Energie

Preparing the GHG inventory, the measures taken to refine our assessment and the improvements made to cut our carbon footprint is a major undertaking for our group. This represents an opportunity for our divisions to strategise jointly and to work hand in hand with our stakeholders (e.g. suppliers), making them aware of the mutual challenges and also guiding and supporting them through the change management process we have also embarked on internally.

GRI 201-2 • 302-1 • 302-2 • 302-3 • 302-4 • 302-5 • 305-1 • 305-2 • 305-3 • 305-4 • 305-5

SOLUTIONS ADVANCING OUR CUSTOMERS' ENERGY TRANSITION

We support our customers' energy transition programme by providing them with innovative solutions and suitable services. The imperative acceleration in real estate energy efficiency upgrades sparked several innovations in 2021.

Commune Rénové

At present, building stock's heat and electricity consumption in Switzerland stands at around 100 TWh p.a. and only 1% of it has been upgraded to current standards.

In view of this and the Energy Strategy 2050 targets, the Commune Rénové service introduced in 2021 aims to address the energy consumption and emissions of Western Switzerland's building stock. Commune Rénové, supported by the federal government and Vaud Canton, aims to raise the energy efficiency of buildings by providing owners and property managers with technical and administrative support. The new service fits the needs of major municipalities looking to reduce the energy consumption and carbon footprint of their rental housing.

In close conjunction with the municipal authorities, Commune Rénové supports the execution of energy strategies by implementing practical measures to accelerate the pace of building energy upgrades and to forge closer ties with real estate decision-makers.

Morges and Vevey joined the project in 2021.

Ma Commune et moi

Ma commune et moi is a programme that was launched in September 2021 under which municipalities offer personalised coaching to their inhabitants helping them to reduce household environmental footprints. It provides a new way for municipalities to achieve their climate targets and to track progress. Piloted by the Epalinges municipality, the programme's customised support has been designed by Romande Energie in conjunction with sustainability consulting firm Alterna.

Over the three-month personalised coaching programme, sustainable alternatives are offered in the three areas identified as having the greatest impact on households' carbon footprint (66% of the total): i) housing, ii) mobility, and iii) food. Approaches such as development of short food circuits, community-building and soft mobility can help improve people's quality of life in the municipalities.

Our commitments to creating carbon sinks

Our commitment to reforestation is underpinned by the three pillars of our sustainable development model. Aside from the environmental benefits of restoring natural forests to sequester carbon and offset our emissions, we also support socially responsible initiatives in local communities. Romande Energie has supported two projects, one in Nepal and another in Upper Guinea, since June 2021.

GRI 102-12



arboRise: 50 hectares reforested per year in Upper Guinea with Romande Energie's assistance

Lausanne-based non-profit arboRise aims to reforest damaged regions in Upper Guinea through a local, participation-based approach. Through a resolute commitment to sustainability, it is among the select few biodiversity specialists able to guarantee the resilience of young forests and maximise their carbon absorption. The NGO has selected 40 local tree species, with seeds collected by communities.

Local populations' participation is the second element of arboRise's approach, with up to 70% of local villagers involved in revitalising their forestry heritage. This generates additional income for families collecting the seeds and sowing them on land earmarked through joint decisions, without disrupting their agricultural activities. Every year, Romande Energie reforests the equivalent of 50 hectares with arboRise as part of its contribution to reaching Sustainable Development Goals 1 (no poverty), 5 (gender equality), 13 (climate action) and 15 (life on land).

ON A MISSION.

On a Mission: 41,000 trees planted by Romande Energie in Nepal

On a Mission, a Lausanne-based non-profit, provides a way for businesses to offset their greenhouse gas emissions by investing in sustainable reforestation projects. Projects are selected based on their potential impact on the climate, as well as on local communities and biodiversity. On a Mission achieves complete transparency and traceability for the projects by using satellite images and algorithms to track tree and forest growth, as well as providing a quarterly follow-up report.

The reforested area allocated to Romande Energie is located in Nepal. To date, over 165,000 trees have been planted since the project was launched in 2019, including 41,000 on Romande Energie's behalf since June 2021, or the equivalent of 150 person days' work. On a Mission has formed a partnership with Eden Reforestation Projects to pursue the project in an area where the local population is highly dependent on agricultural yields. The project also helps to support the employment of women in a region plagued by major inequalities.

GRI 103-1 • 103-2 • 103-3 • 201-2 • 302-1 • 302-2 • 302-3 • 302-4 • 302-5 • 305-1 • 305-2 • 305-3 • 305-4 • 305-5

INVESTMENTS IN RENEWABLE ENERGIES AND PROFITABLE MANAGEMENT OF ENERGY RESOURCES

Under its new strategy, the Group plans to invest more than CHF 1 billion francs out to 2026 to underpin its status as a leading force in decarbonising and accelerating the energy transition of Western Switzerland. In line with the federal government's Energy Strategy 2050, Romande Energie has pledged to generate more local renewable energy.

These investments will primarily be channelled into the following areas:

- Increases in its own fully renewable electricity generation (hydro, wind and photovoltaic) and generation of renewable thermal energy (e.g. biomass-based district heating or lake water)
- The sale of new solutions for our customers aimed at boosting energy efficiency and saving resources (insulation, building upgrades), plus decentralised generation of renewable energies (heat pumps, solar generation)
- The development of smart grids and meters supporting the electrification of society and optimising energy flows in our grid and third-party grids (integrated microgrid solution)

This investment plan is aligned with Romande Energie's long-term revenue growth targets. The aim is to build a diversified business portfolio that can withstand market fluctuations by establishing firm foundations for the future and meeting investors' required rate of return over the long term. Funding will come primarily from the cash we generate and, to a lesser extent, from our closest financial partners, where necessary.

GRI 103-1 • 103-2 • 103-3 • 203-1



ISOLAGRIN: SWITZERLAND'S FIRST AGRIVOLTAIC PILOT PROJECT

The pilot was set up jointly by Insolight, Romande Energie and Agroscope in July 2021 at the Agroscope site in Conthey (Valais). The 165 m² installation, which is supported by the Swiss Federal Office of Energy (SFOE), stands above sheltered crops of raspberries, with strawberries to be introduced in 2022. Insolight has developed and supplied the solar module technology, as well as the light control system. Agroscope studies the plants' physiology, the yield and the quality of the harvests. Romande Energie built the installation and is supervising the generation operations. Over a four-year period, the agricultural and electrical yield data will be collected and analysed to optimise the installation's performance.



NEW LED TECHNOLOGIES HARNESSSED FOR STREET LIGHTING REFURBISHMENTS AND EFFICIENCY UPGRADES

Romande Energie Services has broken new ground by entering into a new energy performance contract (EPC) with the Municipality of Cugy (Vaud canton). The aim is to address the issues of ageing street lighting equipment, constantly increasing operating costs and disproportionately high electricity consumption. This innovative and responsible approach can deliver a significant reduction in electricity consumption (-72%).

The EPC, which in this instance entails a complete upgrade to optimise the management of street lighting, will use new LED technologies and smart lighting management solutions. Aside from a major saving in electricity consumption, these new technologies enhance night-time visibility and provide greater safety, while helping to conserve biodiversity and reduce light pollution. The remote management system provides flexible lighting management, paving the way for the introduction of awareness-raising campaigns and full-scale testing.





AURORA, A PIONEERING PROJECT TO EXPLORE VARIOUS DIFFERENT TECHNOLOGY OPTIONS FOR ADDING HYDROGEN TO THE REAL-ESTATE ENERGY MIX

Aurora is a large-scale project led by Nomads Foundation together with its partners GreenGT SA, Romande Energie SA and Realstone Group. The goal is to develop solutions using locally produced hydrogen to provide an energy source for the property sector. The Nomads Foundation also aims to plan ahead in the training sector for the new skills that the construction industry will need in the future.

This partnership employing a hydrogen molecule capable of ratcheting up the efficiency of renewable energies will pave the way for the introduction of integrated solutions, such as water electrolysis and fuel cells, to existing systems, such as solar photovoltaic and storage battery technologies. Harnessing this complementary approach will help to meet demand for heating and electricity. The multi-year project initially aims to model, then install the system in a set of buildings, and ultimately market solutions employing green hydrogen. The implementation phase could potentially then be supported by public infrastructure and regional development institutions.

Aurora includes various innovations in hydrogen production, distribution and utilisation. By joining forces, the partners want to explore the efficacy of several technological solutions as a means of addressing the climate emergency and decarbonising the building stock. They possess the complementary engineering, energy and properties skills crucial for the project's success and will work together via a foundation that is planning ahead for the changes in jobs linked to the energy transition. Their goal is to create a pioneering building that can serve as a model for how to incorporate hydrogen in the building stock's energy mix.



SAINTE-CROIX: VAUD CANTON'S FIRST WIND FARM

Wind power is an invaluable part of the energy mix. Wind tends to be stronger in winter, offsetting the lower wintertime output from solar and hydro installations. Having each of these renewable energies working in harmony is a vital plank of the Energy Strategy 2050 and Vaud Canton's Climate Plan.

Sainte-Croix will be the first wind farm in the canton, which has the greatest potential for generating wind power in Switzerland. It will give those living in the Jura region of the canton access to a locally generated renewable source of energy, representing a step forward in the transition to green power. The power generated will be injected into the grid at the existing Sainte-Croix substation.

The Eoliennes de Sainte-Croix project involves the construction of six turbines on two different sites, La Gittaz-Dessus and Mont-des-Cerfs. By producing 22 million kWh annually, they can cover the average annual demand for the municipality of Sainte-Croix, including industry.

This project is a case study in how to protect biodiversity. All the necessary steps have been taken concerning the preparation of the land for crop purposes. The priority is to maintain the ecosystems in the upper soil layers so seeds can be sown again on the land and the land's greenery restored once wind turbines have been assembled.

Unfortunately, we had to cut down a number of trees for the project. However, the trunks will be used to make enclosures for the new plantations. The tree stumps will also be put to good use on the site, either as catalysts for biodiversity in the new enclosures or in the forest, or in ground-up form as nutrient-rich humus.



Our fleet of electric company cars

Romande Energie started switching over to electric vehicles in 2020. Between 2021 and 2024, we plan to phase out conventional combustion-engine vehicles and replace them with electric vehicles. Our fleet of electric vehicles allocated to Group employees increased by 20 vehicles in July 2021, and a further batch is due to arrive in 2022.

The Mobility team selected the vehicles by carrying out a number of tests on the fleet, as well as by seeking employee feedback and analysing the results of specialist reports. The team visited our sites in November to present the two vehicle models available (Nissan Leaf and Env200) and explain how they are suited the demands of our specialised operations.

We have also expanded our charging infrastructure. We added rapid charging points (DC) at Morges, Noville and Rolle, and more will be installed at our other sites in 2022. More slower-charging points (AC) will also be brought on stream during 2022 as and when demand arises.

Powering up soft mobility

Every year, Romande Energie takes part in the Bike to Work challenge, which aims to show as many people as possible the joys of cycling to work. Employees are being offered electric bikes at no cost for the duration of the programme.

Romande Energie also provides an annual payment and Swiss federal railways vouchers (half-price travel card) to encourage employees to use public transport and soft mobility solutions.

Energy-generating bike shed at the Morges facility

The self-powered shelter fitted with photovoltaic panels provides an innovative and secure solution for bike users, perfectly aligned with the three sustainable development pillars and helping to promote intermodal solutions for employees.

From an economic and environmental perspective, the bike shelter harnesses the principles of the circular economy as it has provided a second lease of life to the solar panels originally used at the local Gimel secondary school. This infrastructure promoting decarbonised towns and cities generates electrical energy that can be used to champion cycling.

From a social perspective, the whole design process has been undertaken internally, with the metal structure erected by local skilled workers.



EMPLOYEES AND WORKING ENVIRONMENT

Our installations are not our only source of energy – everyone who works for Romande Energie helps to provide a real spark. Our People & Talent policy seeks to nurture the development and harness the energy of every single one of our employees.

Diversity and social inclusion

As a responsible and forward-looking employer, Romande Energie has aligned its HR policy with its authentic culture of kindness, mutual respect and positive regard for others.

Our policy of inclusiveness is underpinned by these core values and closely connected to diversity and gender balance. As we are an inclusive business, we are able to attract, welcome and unlock the full potential of employees from a wide range of cultural and social backgrounds. Developing inclusive leadership that values individuals' uniqueness makes the business better able to innovate, be creative and understand the world we live in. It also helps to put equal opportunities and a commitment not to discriminate in any way at the heart of our People & Talent strategy.

Our ethos is to treat everyone equally, especially when we are recruiting, making adjustments to working conditions, setting pay and incentivising personal development. The Group achieved equal-salary certification between 2014 and 2017. In 2018, our People & Talent department started using Logib, the Swiss federal government's equal pay self-assessment system, and is now L&M-Aba-R® certified.

We fully recognise the value for people and for businesses that can be unlocked through a shift towards greater diversity and inclusion, but we are also aware of the amount of work this change entails.

GRI 103-1 / 103-2 / 103-3 / 405-1

Recruitment and employee turnover:

human capital at the heart of our business strategy

Recruitment is a major strategic driver for the business because it provides a powerful means of growing and developing sustainably. Human capital is every bit as important as finance and technology, as our people contribute day in, day out to our continued success.

Our recruitment process has three core elements:

- Attracting talents forming the best fit with our values thanks to the quality and appeal of our employer brand
- Hiring our future employees through effective recruitment processes based on clear job offers and careful selection of the best applications
- Welcoming and onboarding our new employees through an integration process rapidly giving them a sense of belonging

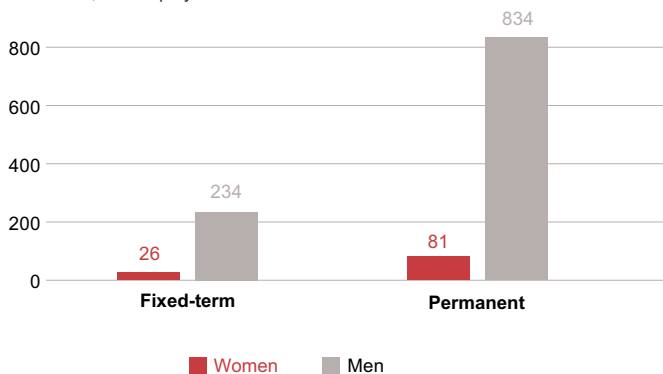
In 2021, the Romande Energie group brought in 200 new employees, including 34 women and 112 men (not counting apprentices and interns). The strong growth in engineering jobs at Romande Energie Services accounts for the fact that 23.4% of its total headcount are women. Our new hires include 24 new apprentices in seven different specialised areas and 13 internships.

To open up opportunities for the largest number of applicants and ensure the best possible work-life balance, our job offers usually provide for part-time working options.

GRI 102-8 • 103-1 • 103-2 • 103-3 • 401-1

a Total number of employees by employee contract, permanent and temporary

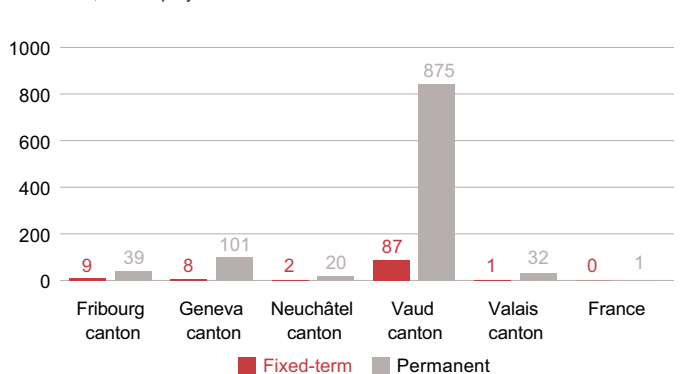
Total: 1,175 employees



GRI 102-7

b Total number of employees by employee contract, permanent and temporary, by region

Total 1,175 employees



WORKPLACE HEALTH AND SAFETY

Tight grip on safety issues

The Group has introduced an ISO 45001-compliant Occupational Health and Safety Management System (OHSMS) to prevent accidents of all kinds and also occupational illness. A safety specialist and three safety associates oversee all activities related to occupational health and safety under the oversight of the workplace health and safety officer. In accordance with the standard, a successful follow-up audit and over 260 safety audits covering all sectors of activity were conducted at the Romande Energie Group's worksites in 2021, plus around 60 safety reviews in conjunction with each segment's officers. A special application is now used to conduct safety audits, ensuring that all follow-up actions are tracked. In addition, our crisis management unit coordinated a raft of preventative measures during the pandemic.

We actively raise awareness among employees in a bid to reduce non-occupational accidents and prevent addictions. We organised various road (visibility and concentration), cycling and skiing safety campaigns during 2021. We also maintained our policy of reimbursing the cost of flu and tick-borne encephalitis vaccines for our employees.

No assaults, incidents or harassment were recorded in 2021, but the number of workplace accidents sadly increased. The number of occupational accidents rose to 34 in 2021 from 29 in 2020 (including apprentices), or to 31 in 2021 from 22 in 2020 (excluding apprentices). This unacceptably high number reflects the growth in the number of employees and apprenticeships and the addition of new construction-related business lines. None of our employees or our subcontractors suffered serious accidents (disability or after-effects) in 2021.

Lastly, an absence management system helps us to manage personal issues at an early stage.

Championing sport

Our Health & Safety programme encourages sport through preferential-rate gym membership packages and discounted sports equipment. The buildings' facilities, which include showers and changing rooms, together with flexible working hours make it much easier to organise sports activities.

Catering worthy of a responsible and sustainable business

We carried out a satisfaction survey of employees in late 2021 to gather their thoughts on the "Catering of the future". In addition to a satisfaction rate of over 80%, the survey revealed that employees have taken to heart the need to eat higher quality, but smaller amounts of food.

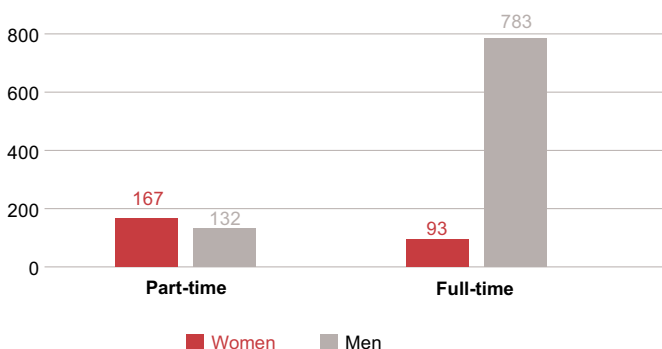
Our employees care about their health (local, high-quality, traceable products) and about their environmental footprint (reduced waste, vegetarian options, less packaging).

Taking their feedback into account, we will action a plan during 2022 to better meet their expectations and provide even more sustainable and flavourful catering.

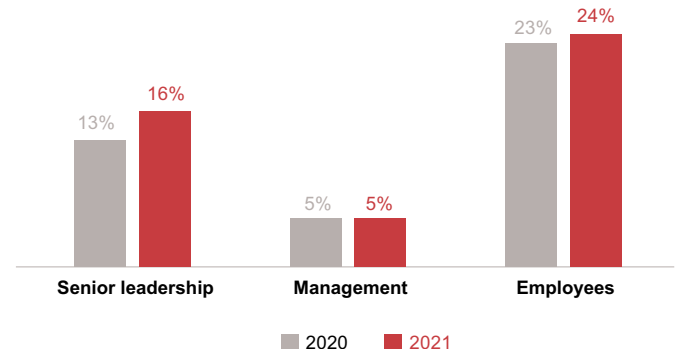
GRI 103-1 • 103-2 • 103-3 • 403-1

c The total number of employees by type of job (full-time or part-time) by gender

Total 1,175 employees



d Percentage of women on Romande Energie Group's payroll - 2020 and 2021





EMPLOYEE TRAINING

Cultural realignment supported through training for employees

Romande Energie is a learning organisation committed to the well-being and personal development of our employees. We are breaking new ground and implementing new training solutions to help embed our corporate culture predicated on mutual respect, kindness and collective intelligence. The People & Talent support unit is helping to drive forward our cultural realignment through an ambitious training policy. It encourages our employees to play an active role in our organisation and to prepare themselves for the challenges ahead.

In 2021, every employee received an average of 10 hours' training (average attendance per course: 205) versus 36 hours for Executive Board members and other managers (average attendance per course: 60). On average, women accounted for 20% of attendees at training courses. These figures do not include the mandatory training sessions for new employees.

Onboarding new arrivals

Irrespective of their employment status (interns, or on a permanent or temporary contract), Romande Energie's new employees are given mandatory training in the first three months after joining.

This course includes a module on the Rules and Code of Business Conduct (code of conduct, anti-corruption efforts and social media) and another on competition law, a module introduced in 2021. Employees who were not recent arrivals also took the course on an ad hoc basis.

Taking action

On 21 January 2020, the Executive Board validated the Agir maintenant (Taking Action) project that aims to embed sustainable habits and behaviour in our employees' everyday working practices. This three-year project implemented together with WeAct began with each of our employees calculating their environmental footprint on a voluntary basis. Every year the project holds three weeks of "challenges", during which participants carry out various health, environment-related and team-building exercises either individually or in teams. Employees are also given the option of participating in workshops, training and webinars on issues related to the environment, green practices and well-being.

Two sets of challenges have been held under the programme to date – in September 2020 and May 2021. The third and final round will take place from 2 to 22 May 2022 and will be followed by a fresh programme of sustainability training covering areas such as environmental anxiety, reforestation and electric vehicles.

The programme dovetails perfectly with the Group-wide focus on the environmental pillar and is helping to create an internal culture that is strong in these areas and backed up by practical, individual and collective initiatives. The Executive Board has called on all our employees to join the effort and fully supports the programme.

A feedback culture

As part of our cultural realignment, during 2021 we laid on training on how to provide feedback for all our employees. The goal is to become an even more effective learning organisation and to speak with a more authentic voice, at every tier of the organisation.

Managers as coaches

We encourage our managers and senior managers to act as coaches wherever they can, providing support and encouragement (down-to-earth attitude, actively listening, etc.) This programme is firmly embedded in our corporate culture and aims to foster collective intelligence and at the same time to develop individuals and talents within teams.

A three-year training course leading to a qualification has been introduced to help managers gain skills useful for both themselves and for our whole organisation.

Preventing risks

People and their safety are our paramount concern in all circumstances. Nothing can justify putting them in harm's way. Accordingly, we place the utmost importance on the health and safety of all our employees and other stakeholders in the workplace.

Looking after yourself and others

For over a year now, the pandemic and the measures we have been obliged to take have created a real predicament for many of our employees, who may be experiencing social isolation, a loss of motivation and/or stress. These unusual circumstances and these sources of vulnerability may be accentuated by the backdrop of a cultural and organisational realignment and heavier workloads.

To support employees, awareness-raising workshops open to everyone have been arranged, backed up by a "prevention to action" programme to help managers.

In 2021, three workshops were held addressing:

- Sedentary lifestyles: stress and safety
- Managing your outlook: how to stay positive and confident
- How to harness positive energy?

This collective approach to prevention was backed up by an employee survey identifying risk factors to facilitate effective and enduring risk prevention. These activities have now been expanded to the cantons of Valais, Fribourg, Geneva and, most recently, Neuchâtel.

IT security awareness training

Like many other businesses, Romande Energie is experiencing a growing number of cyberattacks.

With over 80% of cybersecurity incidents attributable to human error—such as via phishing emails, ransomware and links to fraudulent websites, users are being targeted by various lines of attack.

A successful breach of cybersecurity can produce serious consequences for the business, such as bringing operations to a halt for several weeks. In addition, technology alone cannot provide co-protection against cyberattacks.

To prepare our employees as best we can, IT security awareness e-training sessions are run every three months. It aims to help them spot and guard against these cyberthreats. The courses help to promote a security-oriented attitude and culture that makes protecting Romande Energie's data the top priority. Simulated attacks are also regularly organized to help drill employees.

GRI 103-1 • 103-2 • 103-3 • 404-1

TRIP TO THE MOIRY GLACIER

Climate change and the melting of our glaciers are issues we sadly have to confront on a daily basis. Since Romande Energie is exposed to climate change, we wanted to show our employees its effects at first hand. With a glacier specialist as their guide, the participants were able to see for themselves how far the Moiry Glacier (Valais canton) has receded. Everyone came away with a clear grasp, if they did not have it already, of just how fragile our Alpine environment and its giant ice monsters are. Not only do the glaciers provide drinking water for a large number of people, but they also fill the dams we use to generate clean, local power and thus help to underpin the security of our energy supply.



EQUAL PAY POLICY

Changes to the Gender Equality Act (GEA) require employers in Switzerland with 100 or more employees to carry out an analysis of whether they offer equal pay and have this verified by independent auditors by 30 June 2022. An external consulting firm conducted the assessment during 2021 on behalf of Group companies Romande Energie SA and Romande Energie Services SA. Under the L&M-Aba-R® review procedure, the results showed that the companies analysed comply with the principle of equal wages for work of equal value. The Group's auditors will verify the results by the required deadlines.

GRI 103-1 • 103-2 • 103-3 • 405-2

Involving employee representatives

Employee representatives are regularly briefed on business trends and are involved in and consulted on changes to the HR policy. Management's goal is to leverage collective intelligence and empower every employee by involving them as much as possible in the decisions affecting them. In addition, the Romande Energie employee representatives are the official body that management must inform before implementing measures concerning employees, such as altering the HR policy or conditions of employment.

Negotiations are held every year concerning changes to conditions of employment and pay, and meetings with the Executive Board take place throughout the year.

The employee representatives were elected in April 2021. Five representatives were elected by Romande Energie SA, and another two appointed by tacit agreement at Romande Energie Services, to serve a four-year term from 1 June 2021 to 31 May 2025.

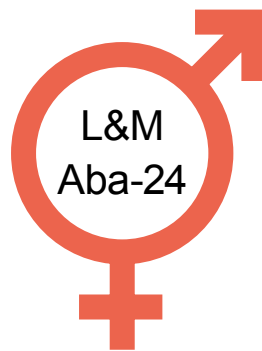
GRI 102-41

Employee satisfaction

Romande Energie regularly carries out employee satisfaction and engagement surveys. The response rate is always close to 80%. The 2021 survey confirmed our employees' satisfaction remained at a high level, with a buy-in index of 7.8 and an employer brand index of 7.9.

We make the detailed results, together with action proposals, available to every business unit to help drive continuous improvement.

GRI 102-44



COMPLIANCE WITH LABOUR LAW

To monitor all the latest developments, a member of the People & Talent department is assigned to keep track of each key aspect of labour law. These monitoring activities involve tracking changes, communicating about them, applying them and checking they are implemented. As part of this process, external training courses are regularly arranged for personnel administrators so they can stay up to date with the latest developments. Several team members are qualified specialists in social insurance, pension funds and human resources, and we also have a qualified social insurance expert on board. The People & Talent department is also supported by the Group's Legal department, chiefly in labour law issues.

Every year, a joint personnel review is carried out in the form of a THASAI (social insurance and related information overview). Our ninth such assessment in 2021 highlighted the need to change our

rules on awarding additional family benefits owing to changes in Vaud Canton's legislation and to clarify the concept of related carers, in addition to the pension and disability system reforms in progress. It also raised the issue of the numerous consultations concerning more flexible working hours in line with labour law.

We track trends in the labour market through Swiss employment indicators and published job-market indices. We made tax-related adjustments to reflect the changes in wage certificates, including the private use of business vehicles. Changes in collective bargaining conditions affecting the Group's operations are also monitored.

No legal proceedings concerning labour law are currently pending, and none took place in 2021.

GRI 103-1 • 103-2 • 103-3 • 419-1

INVESTMENTS IN INNOVATION AND DIGITISATION

Innovation forms a cornerstone of our strategy and helps us address our key aim of playing a leading role in the decarbonisation of Western Switzerland. Several initiatives helped energise our efforts and achieve progress in 2021. We launched two projects aimed at harnessing collective intelligence in 2021 – the La Serre intrapreneurship project and the Academia community of interest, which aims to build a bridge with academic research. We also established partnerships with innovative start-ups such as Urbio (urban analyst) and Swiss4net (fibre-optic specialist).



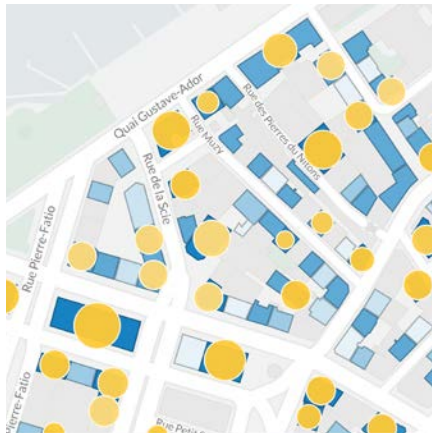
LA SERRE: INTRAPRENEURSHIP IN PURSUIT OF INNOVATION

In 2021, the Group launched, via the Lab, an intrapreneurship programme to harness the talent and creative flair of its employees. This new exploratory unit called the La Serre (greenhouse) aims to identify potential sources of business and to introduce new types of products and activities benefiting Romande Energie's customers.

La Serre plays host to projects and their leaders and helps them explore ideas by testing their assumptions and collecting evidence from the marketplace to reduce uncertainties. Throughout the various stages in their journey, intrapreneurs are supported through training (innovation course), coaching from the Lab, a budget and free time.

The first La Serre round was launched in March 2021 to accelerate our exploration of the energy efficiency space. Following the call for projects from among all the Group's employees, 11 projects of the 27 original ideas put forward advanced to the investigation phase, then 4 to the validation stage after getting the green light from the internal selection committee.

The programme harnessing our collective intelligence is aligned with our three-pillar sustainability strategy, provides training for our employees and benefits the entire Group through the cross-disciplinary activities it fosters.

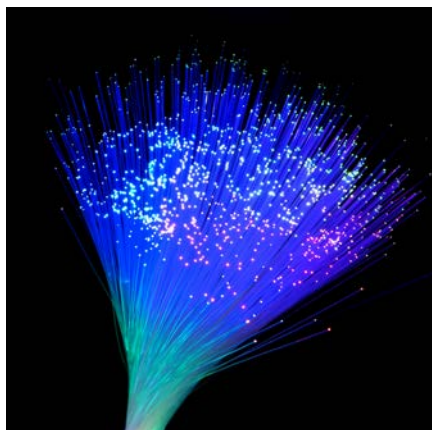


ROMANDE ENERGIE PUTS SWISS START-UP URBIO'S EXPERTISE TO GOOD USE

In 2021, Romande Energie drew on the expertise of Swiss start-up Urbio, a digital platform specialised in energy system planning.

Under our solar and building energy efficiency plan, two strategic development avenues for both Romande Energie and the Swiss government, we were looking for an innovative, digital approach. Urbio's truly comprehensive, multi-fluid approach leverages a combination of machine learning and generative design, and it helps our engineering and sales teams respond more rapidly and deliver more effective offerings.

We roll out our solutions (solar, energy efficiency, self-consumption) based on a multi-criteria analysis in Urbio that can work out the optimum implementation scenario (costs, environmental impact, return). All the preliminary technical design and financial projections are thus fully automated.

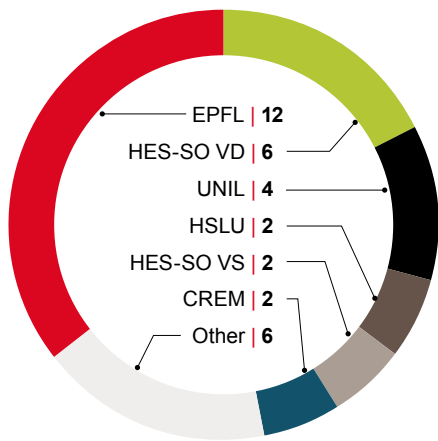


NEXT-GENERATION, LARGE-SCALE FIBRE ROLL-OUT

Romande Energie has sealed a partnership with Swiss4net, a Swiss fibre-to-the-home (FTTH) business that develops, builds and operates FTTH networks, to roll out next-generation fibre optics in several municipalities located next to Lake Geneva. Morges will be the first municipality in the area served by Romande Energie to boast a point-to-point FTTH network (OTO ready for service) with around 10,000 connections.

The project will go ahead under our long-term partnership with Swiss4net. Swiss4net will finance construction of the FTTH network and will roll it out together with Romande Energie via existing conduits. Morges4net SA, a newly formed company (solely owned by Swiss4net), will operate the network.





Status of activities	Total	R&D
Planned	11	9
Negotiated	2	
Active	14	11
Completed	5	5
Abandoned	2	2
Total	34	27

ACADEMIA

Academia is a strategic community of interest formed of employees in regular contact with academic circles. It was set up in 2021 at the initiative of the CEO's Office. Its initial goal is to scale up and indeed maximise value creation by harnessing our relationships with academia in Switzerland and in Western Switzerland in particular.

The project aims to take our innovation processes to the next level, nurture the development of our employer brand and enhance the efficiency of our academic activities.

Academia accelerates, facilitates and tracks implementation of activities of all kinds with academic circles, including projects dedicated to research and development, teaching, recruitment and institutional support. In all, 34 projects were undertaken in 2021, including 27 in R&D. These resources are housed in and shared via the Catalogue, which is made available to all the Group's employees.

The community, which currently has around 20 members, gives us connections to almost 80 contacts in 14 institutions located across French- and German-speaking Switzerland.

INNOVATION

- Taking advantage of the open innovation framework
- Refer to Romande Energie as a preferred industrial partner
- Boost our innovation culture
- Accelerate our innovation capacity

EMPLOYER BRANDING

- Nurture our employer brand through the use of this springboard
- Develop our talents and acquire new skills

KNOW-HOW AND KNOWLEDGE

- Share and consolidate our knowledge of long-term issues
- Provide business lines systemic guidance towards the most appropriate institution
- Maintain the efficiency of our academic interchange and investments

SAMPLE PROJECTS

Romande Energie, a Red Lab 2022 partner

The Red Lab, co-founded and supported by Romande Energie in 2021 together with the EPFL (Swiss Federal Institute of Technology in Lausanne) and its CREM R&D centre, is a living lab helping to reinvent the energy system using data and digital tools. It is part of a programme fostering innovative, collaborative projects by and for energy and mobility sector companies.

The programme has four main objectives:

- Analysing and formally establishing existing data-related opportunities and challenges
- Nurturing cooperation between the various partners
- Co-designing projects
- Communicating the programme's results to the key stakeholders

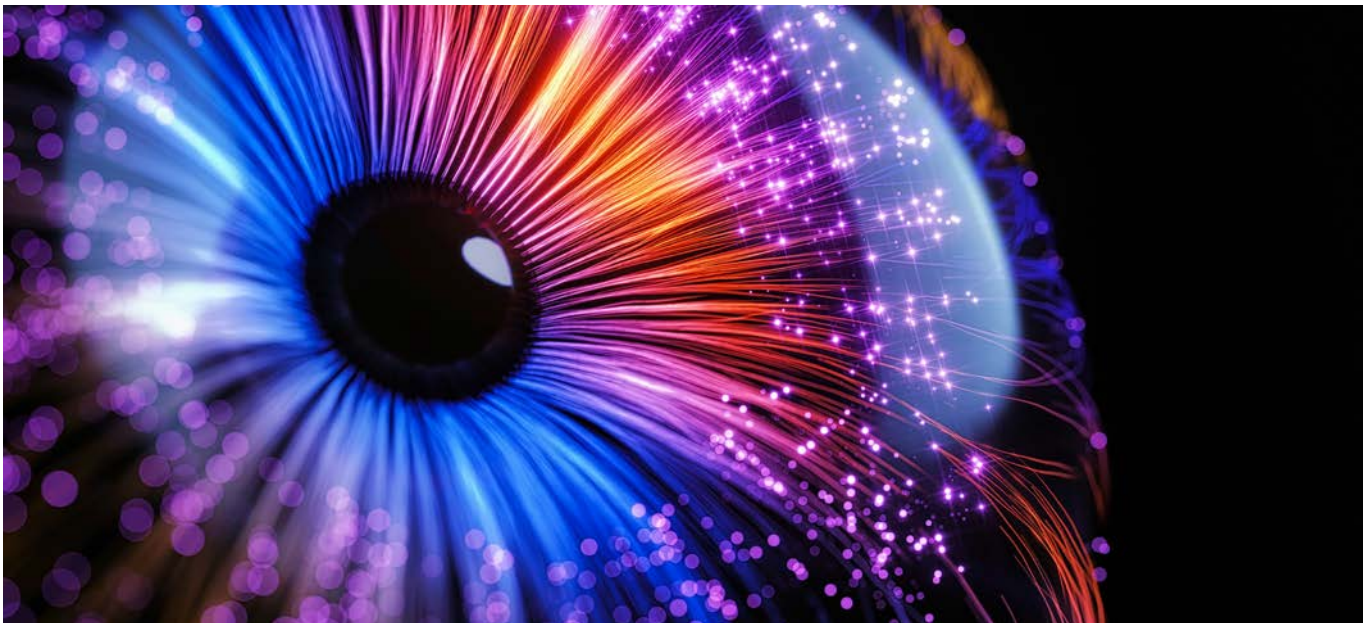
The hackathon idea generator will take place over three days in May 2022.

BioAsh project: reusing biomass ash

This engineering project aims to reuse ash from our biomass and district heating plants in cement and concrete production, rather than sending it to landfill.

In partnership with partners HEIG-VD (School of Engineering and Management Vaud), Effizienzagentur Schweiz AG and Cand-Landi SA, it is taking place in four stages (we are currently at stage three):

- Selection of the installations (chiefly Enerbois) and volume estimates
- Use of ash to manufacture a product based on the OLED method/protocol
- Ash sampling and analysis
- Results



Digital responsibility is part and parcel of our governance framework and dovetails with our three sustainability pillars. Our Digital & Innovation support unit was set up in 2020, and Assia Garbinato has been at its helm since July 2021. It endeavours to offer customers, employees and other stakeholders the requisite digital agility to ensure that the digital transition powers carefully considered, sustainable innovation. Its goal is to put customer experience, the creation of new business models and process efficiency at the very heart of its approach.

Romande Energie has pledged that its digital transformation will embed clearly defined ethical, social and environmental factors to ensure transparent data use for AI purposes and eco-friendly management of its data centres. We are a trailblazer in digital ethics, and our experts are part of research and analysis groups in Western Switzerland looking at these areas.

The innovation unit, which is currently drafting its charter, considers ethics in all its plans.

It supports the Group's divisions with their digital transformation and brings to bear the relevant expertise in terms of culture, methodology and technological potential to address the complexities of current times. It provides the benefit of its knowledge to the Board of Directors and to employees so that they are all perfectly aware of the stakes arising from data and the potential of new technologies.

Cybersecurity

IT and industrial security is a major concern for Romande Energie. Our information systems and employees are experiencing a mounting number of attacks. To address this situation, Romande Energie has formulated a cybersecurity strategy predicated on three pillars: strategy, operations and people. An information systems security policy, reflecting management's strategic vision of security, has been mapped out and implemented via technical and organisational measures.

Given the sophistication of the attacks, we also employ security technologies based on artificial intelligence and overseen by a

security operations centre that operates round-the-clock, seven days a week. To make the management of people-related risks more effective, we have introduced cybersecurity awareness sessions for all our employees. Every year, we measure the efficacy of IT and industrial security using independent audits conducted by specialist cybersecurity companies.

Compliance with data protection rules

Romande Energie takes data protection very seriously and carefully protects the personal data it processes. In line with the revised Federal Act on Data Protection (FADP), we have tightened up our data protection measures to comply with the new legal requirements.

The action plan is underpinned by an approach based on IT security, legal issues and data governance. Risk lies at the centre of Romande Energie's data protection strategy, and our employees are heavily involved in this approach.

Managing our data centre's environmental impact

The Romande Energie Group is mindful of the data centre's environmental impact. We have looked into ways of reducing its energy consumption and raising its energy efficiency. Installation of an air-conditioned alleyway between servers and systematic consideration of energy consumption in tenders for new equipment are practical examples of the measures put in place to lighten our impact on the environment.

In addition, we have brought in the EPFL's Green IT unit and the Zero Emission Group to participate in a European benchmarking study and analyse our information systems. This study will provide access to the GreenIT.fr club's information, as well as a detailed report and recommendations. This commitment is planned during 2022. Likewise, we support the Ecole 42 Lausanne initiative, which teaches students ways of minimising the power consumption of their computers together with novel learning techniques.



ROMANDE ENERGIE GROUP'S CERTIFICATIONS: PERFORMANCE POWERED BY QUALITY

The Romande Energie Group boasts a long track record of operational excellence. Our integrated management system consistently aims to boost the performance of our services, harness the skills of our employees and to meet the expectations of our customers. It encompasses health and safety, sustainable development, and responsibility to society.

ISO certification to meet our customers' expectations

To comply with the requirements for ISO certification, Romande Energie has set concrete targets for meeting customers' expectations. Choosing and monitoring relevant indicators and carrying out satisfaction surveys at several points in the service delivery life cycle gives us a clear picture of how customers think, helping us to make improvements and develop new service offerings.

Certified integrated management system empowers our employees

The ISO-certified integrated management system helps to coordinate execution of the strategy and its management using efficacy and performance metrics. It provides a Group-wide framework focusing all our teams firmly on the goal of continuous improvement. Our management system is predicated on a common culture that aims to get rid of any silos, communicate the importance of employees' individual performance and develop interfaces between our various units.



ISO 9001
Quality



ISO 17020
Inspection bodies



ISO 45001
Health & safety

**CERTIFIED INTEGRATED
MANAGEMENT SYSTEM
EMPOWERS OUR EMPLOYEES**



ISO 55001
Asset management



EcoEntreprise
Corporate social responsibility
Sustainable development

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