



ITALIAN SUSTAINABILITY WEEK 2022

6 September 2022

DISCLAIMER

This document contains certain forward-looking information that is subject to a number of factors that may influence the accuracy of the statements and the projections upon which the statements are based.

There can be non assurance that the projections or forecasts will ultimately prove to be accurate; accordingly, the Company makes no representation or warranty as to the accuracy of such information or the likelihood that the Company will perform as projected.

AGENDA

- ❑ ERG as a pioneer in the Energy Transition
- ❑ A best-in-class Governance Model
- ❑ ERG Tomorrow
- ❑ An infrastructural Business Model
- ❑ ESG always at the Core
- ❑ 1H 2022 & 2021 ESG Key Figures
- ❑ 2022-2026 Targets & Financial Strategy

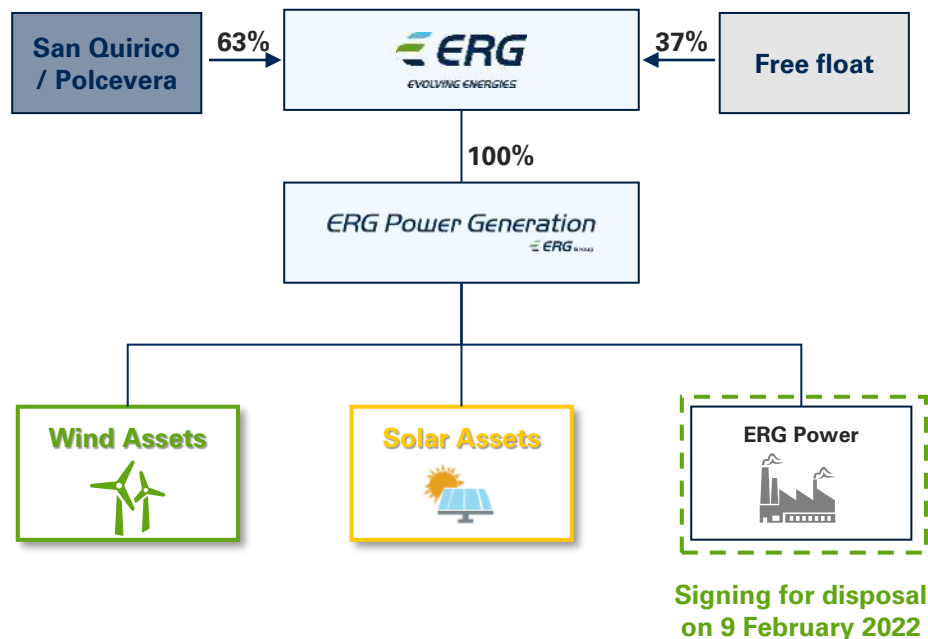




ERG AS A PIONEER IN THE ENERGY TRANSITION

GROUP'S STRUCTURE AND TOP MANAGEMENT

ERG Group's structure⁽¹⁾



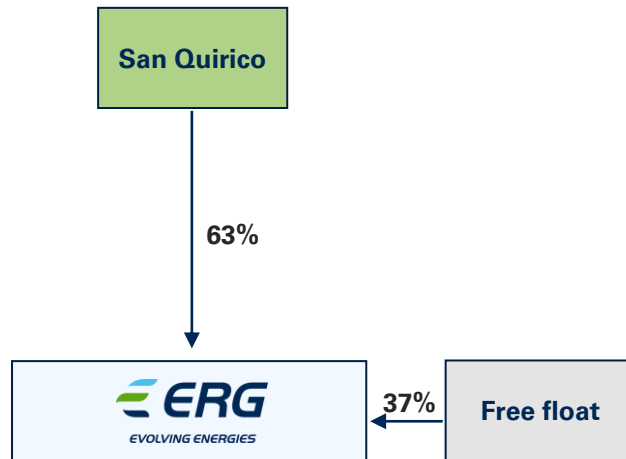
Top Management



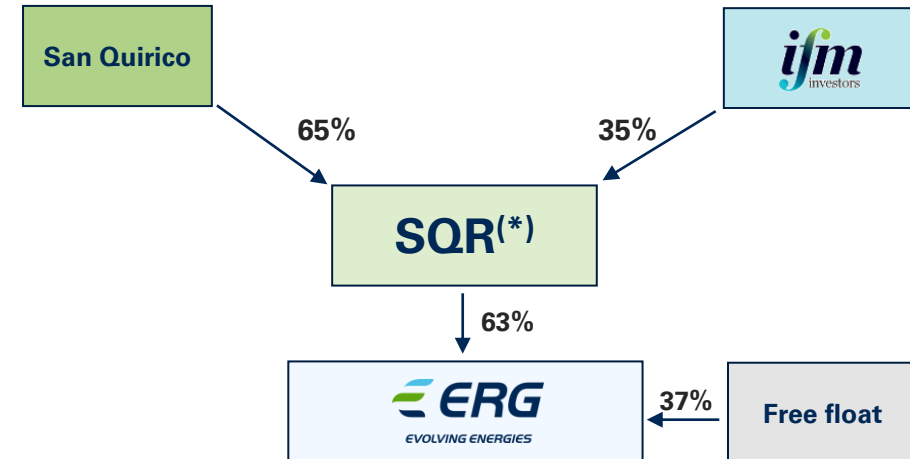
⁽¹⁾ Data as at July 5, 2022

EVOLUTION IN ERG SHAREHOLDING STRUCTURE

As of today



To be post-Closing



(*) San Quirico Renewables

A LONG HISTORY...

Production commences at the San Quirico Refinery in Genoa.



1947



The ERG share is listed on the Stock Exchange.

1997



ERG enters the renewables sector with the acquisition of EnerTAD.

2006

ERG Power's combined cycle power plant (480MW) fuelled by natural gas enters operation.



TotalERG is established, a joint venture for the sale of oil products.

2010

ERG transfers the ISAB Energy plant and the fuel network of ERG Oil Sicily.



2014



ERG enters the wind market in the United Kingdom with a 47.5MW project. At the end of 2016, installed wind capacity is 1,720MW.

2016

ERG enters the solar power sector (30 photovoltaic plants acquired, 89MW in operation).



At the end of 2018, installed wind power totals 1,822MW. Definitive exit from Oil with the sale of TotalERG.

2018

ERG enters the solar sector in Germany: co-development agreement with AREAM (600MW).



Installed wind power at the end of 2020 totals 1,967MW.

2020

1938

Edoardo Garrone founds ERG in Genoa.



1975



Production commences at the ISAB Refinery in Priolo.

2000

ERG - through ISAB Energy - starts to produce and sell electricity from the gasification of the heavy residues from refinement.



2008



ERG sells 49% of the ISAB Refinery to LUKOIL.

2013

ERG becomes the leading wind operator in Italy with an installed capacity of 1,087MW and among the top ten in Europe (with a total of 1,340MW), and acquires a company for wind farm O&M activities.



ERG transfers the ISAB Refinery and completes its exit from refining.

2015

ERG enters the hydroelectric sector with plants in Umbria, the Marches and Lazio (527MW).



ERG acquires 6 wind farms in France (64MW) and constructs 3 wind farms in Poland for a total of 82MW. At the end of 2015, installed wind capacity is 1,506MW.

2017



ERG's growth in the wind sector continues: 48MW in operation in Germany; 16MW in operation in France. At the end of 2017, installed wind capacity in Europe is 1,814MW.

2019

ERG closed the acquisition of Andromeda (51MW) assets, increasing its PV total capacity up to 141MW.



Wind: ERG acquired 52MW in France and 34MW in Germany. At year end, installed wind capacity in Europe is 1,929MW.

2021

Wind: ERG enters the Sweden market, and starts operation in U.K.. At year-end installed wind capacity in Europe is 2,198MW. On August 2, ERG signs an agreement with ENEL for the sale of ERG Hydro S.r.l.⁽¹⁾.



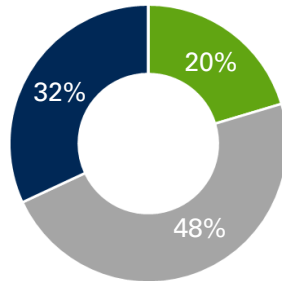
ERG enters the solar market in France (79MW) and Spain (92MW)⁽²⁾.

⁽¹⁾ The closing for the sale of the Hydro portfolio to Enel took place on January 3, 2022
⁽²⁾ The closing of the solar acquisition in Spain (92MW) took place on January 31, 2022

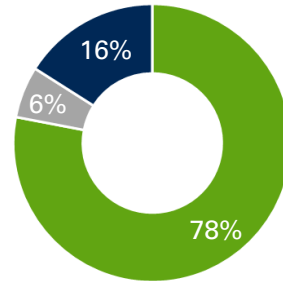
A RAPID TRANSFORMATION...

Capital Employed

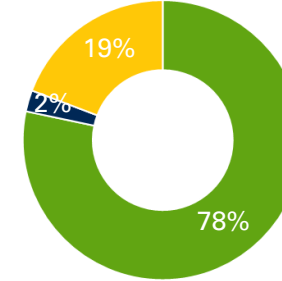
2008 (€2.2bn)



2014 (€2.1bn)



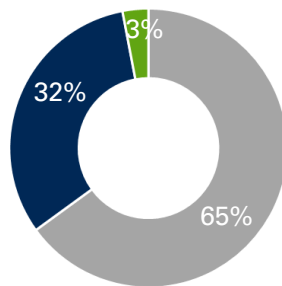
2021 restated (€2.8bn)



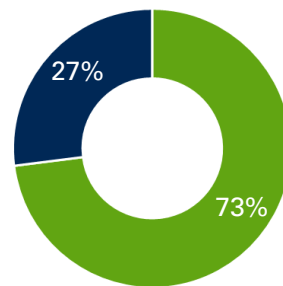
- Wind
- Solar
- Natural Gas
- Oil

2008-2014-2021
EBITDA

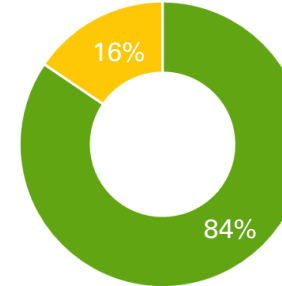
2008



2014



2021 restated



CO₂ Avoided

2008



2014



2021



2008-2021



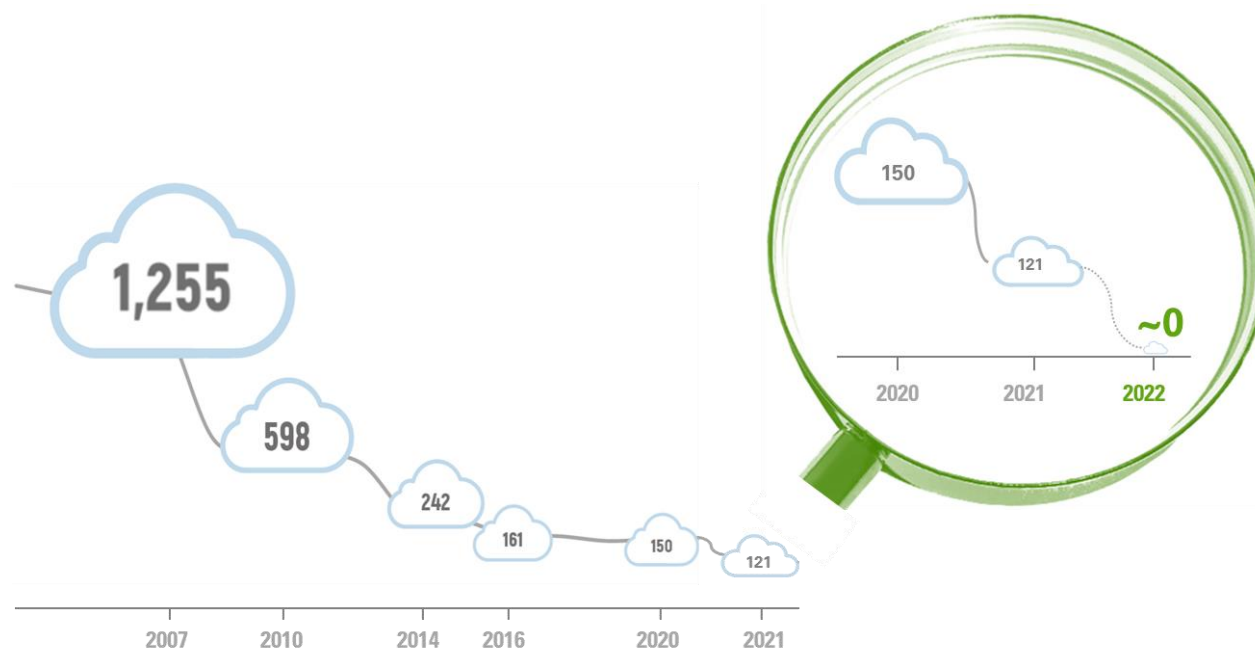


ACCELERATION OF DECARBONIZATION

Carbon Index

Pre Asset Rotation

Post Asset Rotation



- Carbon index down 20% in 2021 (baseline 2020)
- Carbon index down to «Zero» after Asset Rotation

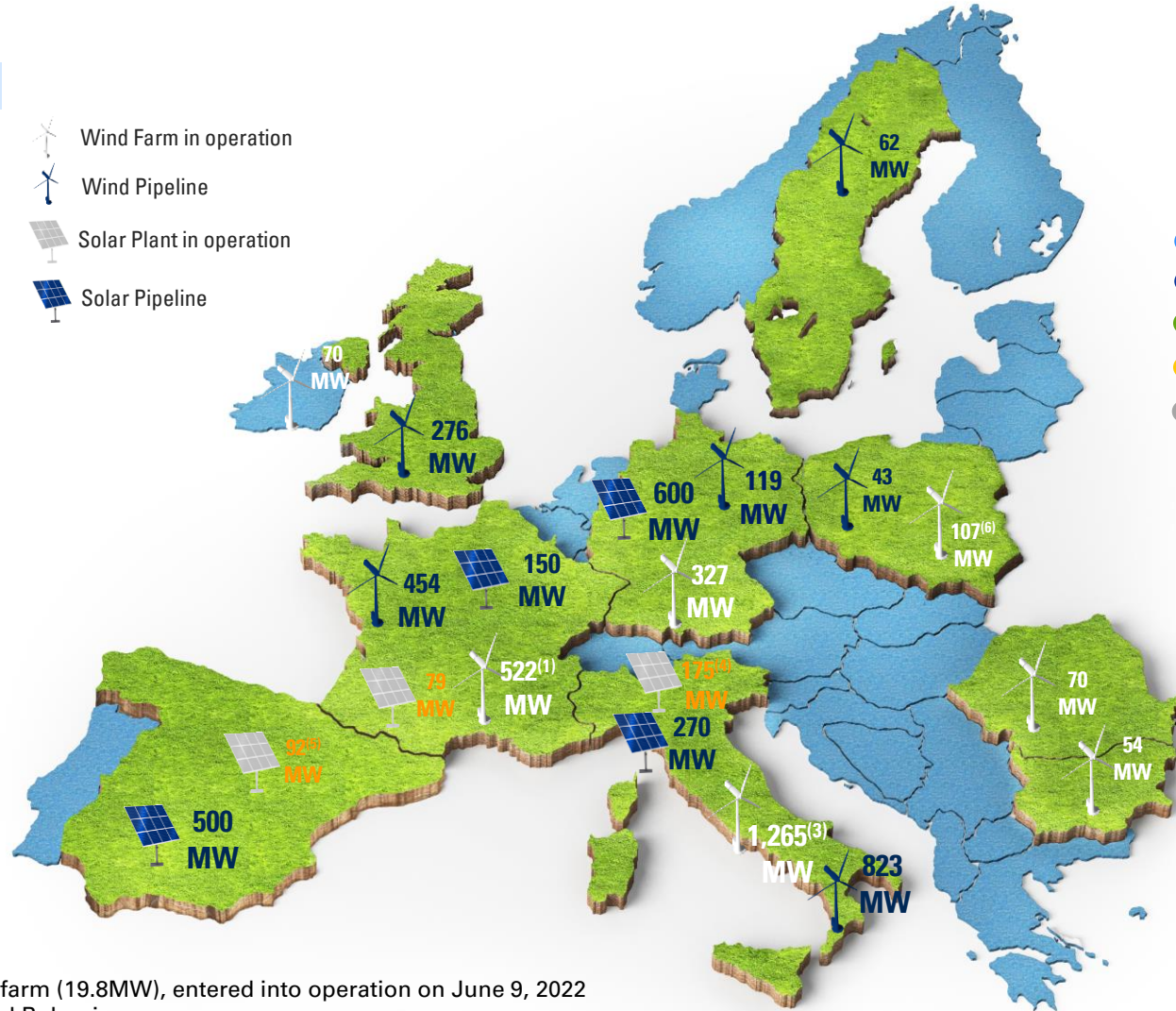
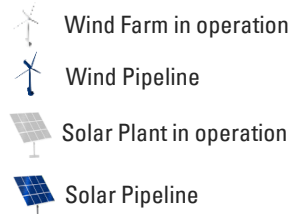
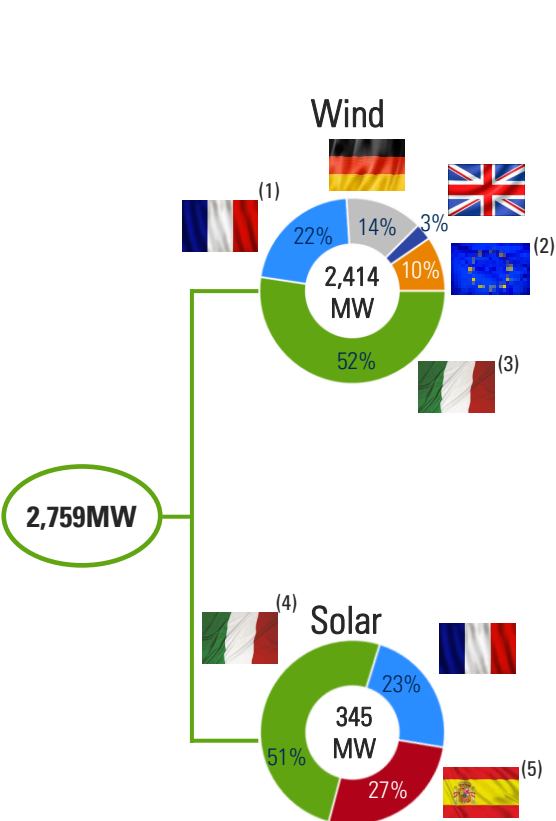
CO₂ Avoided



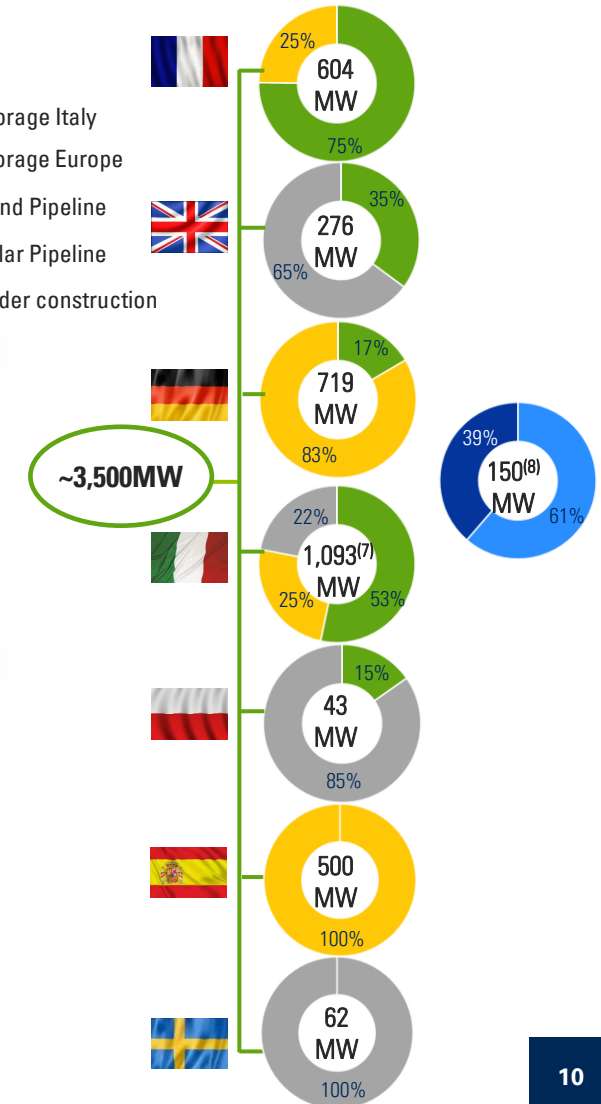
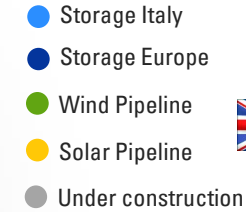
- >3mn t of CO₂ avoided in 2021 and >15mn t over the last 5 years

ERG TODAY: A SOLID PLATFORM OF ASSETS TO BOOST FUTURE GROWTH

Total installed Capacity




Wind, Solar & Storage⁽⁸⁾ Pipeline



(1) It includes Champagne 1 wind farm (19.8MW), entered into operation on June 9, 2022
 (2) It refers to Poland, Romania and Bulgaria
 (3) It includes the recent wind acquisition (172.1MW), whose closing is expected by 3Q 2022
 (4) It includes the recent solar acquisition (33.8MW), whose closing took place on July 7, 2022
 (5) It refers to the solar acquisition of 91.6MW, whose closing took place on January 31, 2022
 (6) It includes Piotrkow wind farm (24.5MW), entered into operation on July 7, 2022
 (7) Repowering is on a gross basis
 (8) It includes ~150MW storage of which 22MW with auction awarded

ERG AS A "TOP PERFORMER" IN THE MAIN ESG RATING

ESG Rating Company	Rating
	
	
	
	80/100
	
	
	20.9 Medium Risk
	EE+
	
	81 / 100
	ESG Vulnerability Score = Tier 1 ⁽¹⁾

- ✓ ERG included in **S&P Clean Energy Index**
- ✓ **Science Based Target initiative (SBTi)** has approved ERG's emission reduction targets (well below 2° C); in 2022 we committed to Net Zero target
- ✓ ERG entered the **MIB ESG Index**, dedicated to the 40 most important listed Italian issuers performing the best practices in Sustainability
- ✓ ERG entered the **Bloomberg's Gender Equality Index (GEI)**, which measures companies' commitment to supporting gender equality
- ✓ ERG signed the **Women's Empowerment Principles** and entered the **United Nations Global Compact**
- ✓ ERG included in the **TOP 10** of the "Integrated Governance Index 2022", among the Italian best practices in terms of Corporate Governance



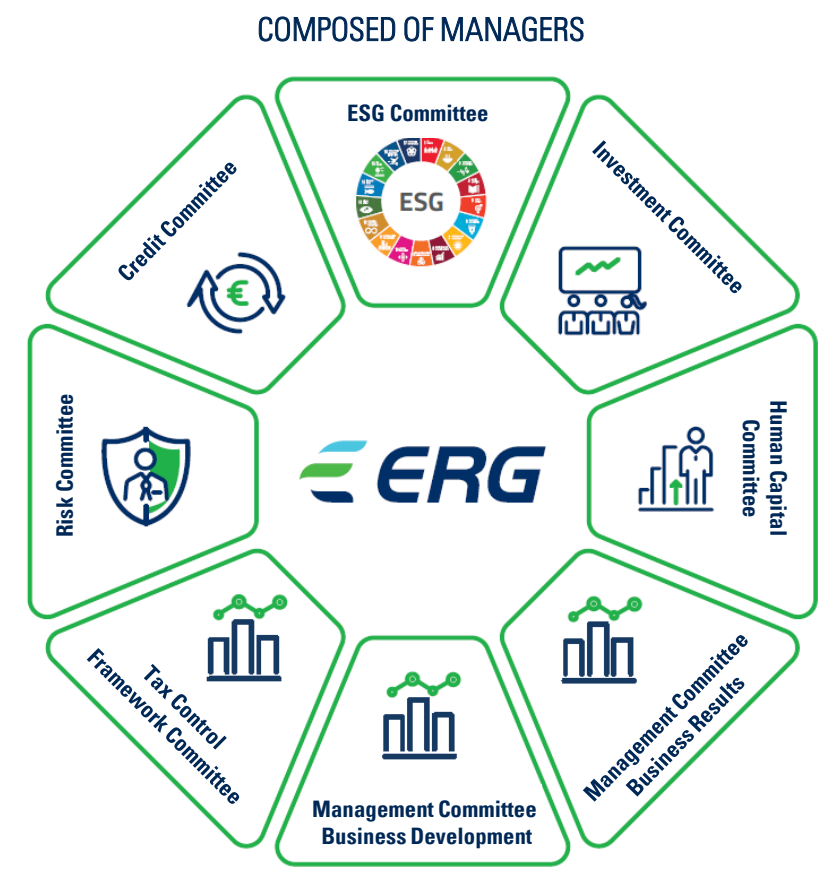
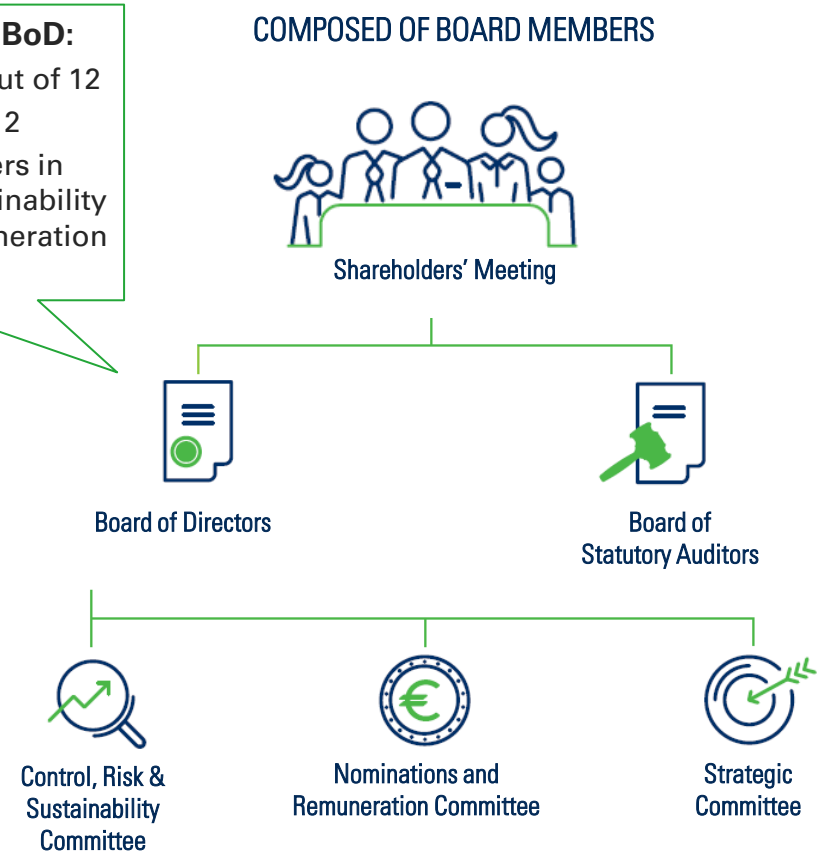
(1) With a score <10 [scale from 0 to 100] ERG is placed at the very top of the utility universe

A BEST IN CLASS GOVERNANCE MODEL

A BEST-IN-CLASS GOVERNANCE MODEL

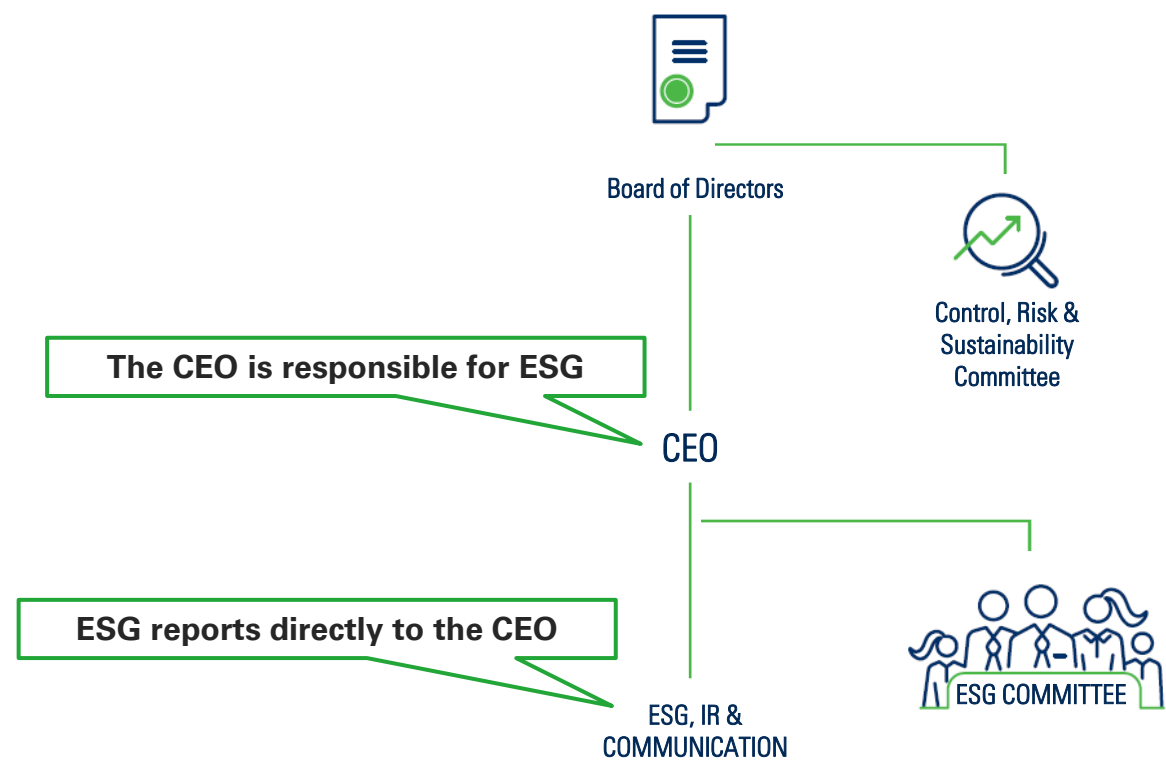
Key elements of the new BoD:

- 6 independent members out of 12
- 5 female members out of 12
- 100% independent members in both Control, Risk & Sustainability and Nominations & Remuneration Committees



A Board Performance Review yielded solid results for 2021

SUSTAINABILITY GOVERNANCE MODEL



CR&SC

A renewed Control, Risk and Sustainability Committee, appointed by the Board of Directors on 26 April 2021, that is responsible to support the Board in its decisions about:

- the approval of the ESG LT strategy and its implementation;
- the approval of the Non-Financial Disclosure;
- the supervision of all the sustainability topics (e.g. Climate Change; D&I; Governance)

ESG Committee ⁽¹⁾

Composed by: Chairman; Executive Deputy Chairman; CEO; CFO; Top management.

Duties:

- defines the Group's guidelines on medium to long-term sustainability and promotes the implementation of consistent practices and projects in the field of corporate social responsibility;
- approves the ESG Plan as part of the Group's Business Plan, monitors the execution, the achievement of the targets and the priority areas of intervention;
- manages the preparation and dissemination of the NFR and other reporting methods related to ESG issues.

ESG, IR & Communication

ESG Duties:

- drawing up the ESG Strategic Plan and the external communication strategy and to the financial market;
- managing the ESG rating processes;
- drawing up the ESG initiative plan, in coordination with the departments of the Group involved, ensuring its implementation and periodically monitoring the achievement of the predetermined targets;
- ensuring the drafting of the NFR.

Our Principles:

- ✓ Code of Ethics
- ✓ Sustainability policy
- ✓ Human Rights policy
- ✓ D&I policy

⁽¹⁾ The ESG Committee is also appointed as Green Bond Committee

... AN ADVANCED SYSTEM OF REWARD POLICY, SUCCESSION AND CAREER PLANNING



Rewarding Policy:

- **A revised remuneration system for CEO** to enhance correlation with strategy execution and share performance (60% MBO+LTI and 40% fixed)
- **An enlarged⁽¹⁾ LTI system** based on shares with escalation mechanism based on stock performance and execution of ESG KPI
- **MBO:** Short-Term objectives linked to EBT⁽²⁾, MW growth and ESG targets
- **100% of management** committed to **ESG 2022-2026 strategy**

High Degree of satisfaction in AGM 2021 for the Rewarding policy 21-23 (96% voted in favour⁽³⁾)

⁽¹⁾ LTI enlarged to more than 20 key leaders of the Group





⁽²⁾ EBT: Earning Before Taxes

⁽³⁾ % on total votes in AGM







GOVERNANCE - REWARDING POLICY - ESG TARGET

Sustainability objectives CEO

Weight objective	Weight indicators	Pillars	Objectives
20%	5.0%	 Planet	2.5% Circular Wind: Repowering recovery of materials and/or energy
			2.5% Circular Solar: Revamping recovery of materials and/or energy
	5.0%	 Engagement	Contributions to local communities of the wind parks Sandy Knowe Stage 1 (UK), Creag Riabhach, Piotrkow e Laszky [COD] e Partinico/Monreale
	5.0%	 People	2.5% Predictive safety: HSE severity index <1 and improvement of frequency index [internal + contractors]
2.5% Incidence of women in workforce increase			
5.0%	 Governance	Suppliers engagement in continuous improvement process. Rating review IVQ 2022: Increase in average scoring of strategic suppliers	

Sustainability objectives MBO for Key Managers⁽¹⁾




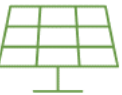




Weight objective	Weight indicators	Pillars	Objectives
10%	2.5%	 Planet	1.25% Circular Wind: Repowering recovery of materials and/or energy
			1.25% Circular Solar: Revamping recovery of materials and/or energy
	2.5%	 Engagement	Contributions to local communities of the wind parks Sandy Knowe Stage 1 (UK), Creag Riabhach, Piotrkow e Laszky [COD] e Partinico/Monreale
	2.5%	 People	1.25% Predictive safety: HSE severity index <1 and improvement of frequency index [internal + contractors]
1.25% Incidence of women in workforce increase			
2.5%	 Governance	Suppliers engagement in continuous improvement process. Rating review IVQ 2022: Increase in average scoring of strategic suppliers	

100% of management committed to ESG 2022-2026 Strategy

⁽¹⁾ Persons who hold the functions/offices indicated in Annex 1 to the current ERG Group Procedure for transactions with related parties (with the exception of the members of the Board of Directors and the Board of Statutory Auditors of ERG S.p.A.)

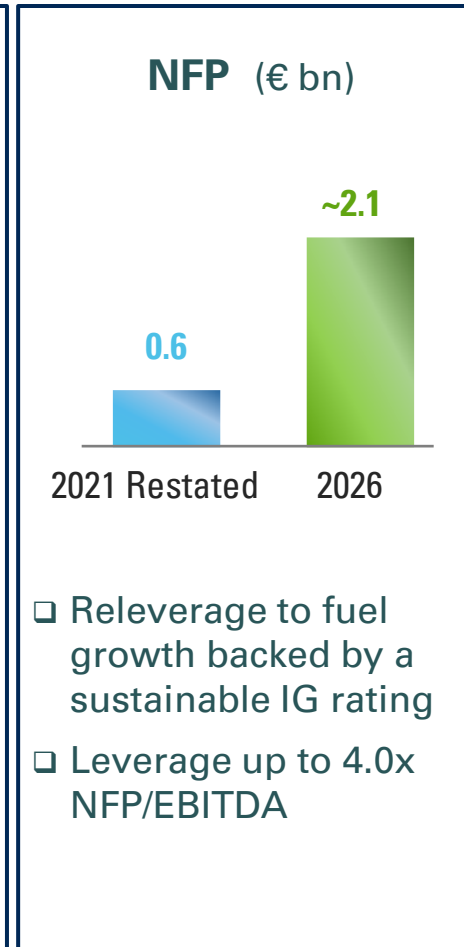
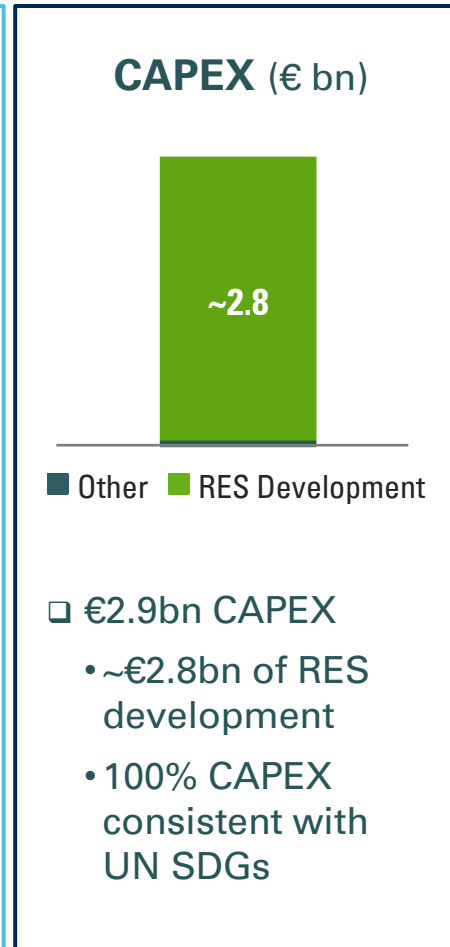
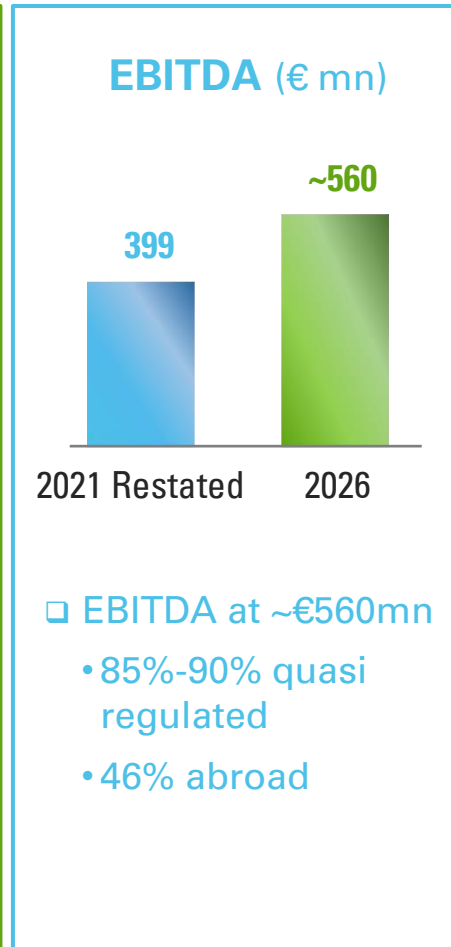
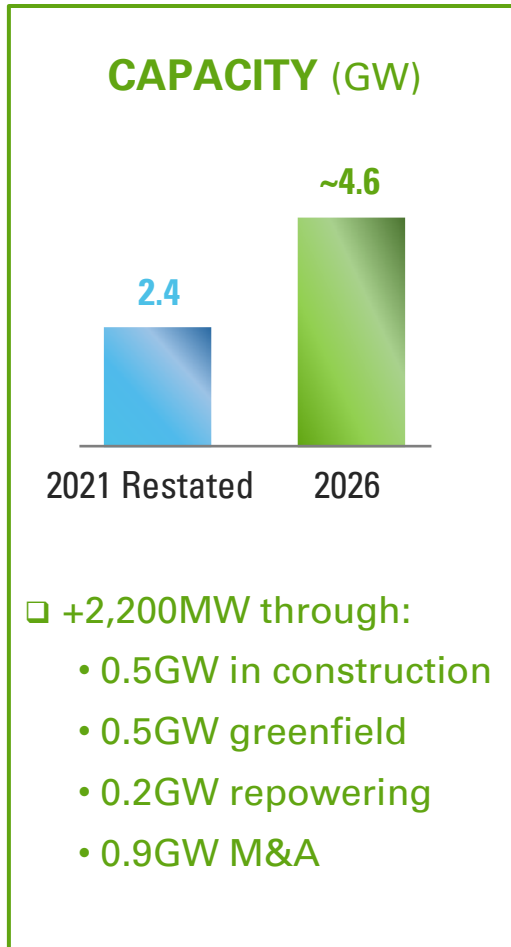
ERG TOMORROW

ERG'S NEW TARGETS TO 2026

	ERG'S 21-25 Targets	ERG'S new targets to 2026
 Growth in scale	+1.5GW through RPW, Greenfield and M&A	+2.2GW in 2022-26 (~450MW pa) 4.6GW Installed Capacity in 2026
 Energy Sales / Mgmt	80% regulated	85-90% regulated on total EBITDA
 Geographical diversification	Increase in geographical diversification	9-10 countries: EBITDA abroad at ~ 50% @2026
 Solar as strategic pillar	+0.5GW of solar PV	~650MW of solar PV (out of +2,200MW) ~20% of solar on group capacity @2026
 Seeding in Innovation	Scouting of opportunities in Storage and Hydrogen	~50MW storage @2026 (o/w 22MW already secured) Scouting on circularity, hydrogen and floating offshore
 Conventional is "legacy"	Opportunities of asset rotation	Completion of CCGT disposal (subject⁽¹⁾ to antitrust approval)
 Integration of ESG	ESG Plan	Updated ESG Plan with more challenging KPI
 Dividend Policy	0.75 € per share	0.90 € per share (+20% vs previous)

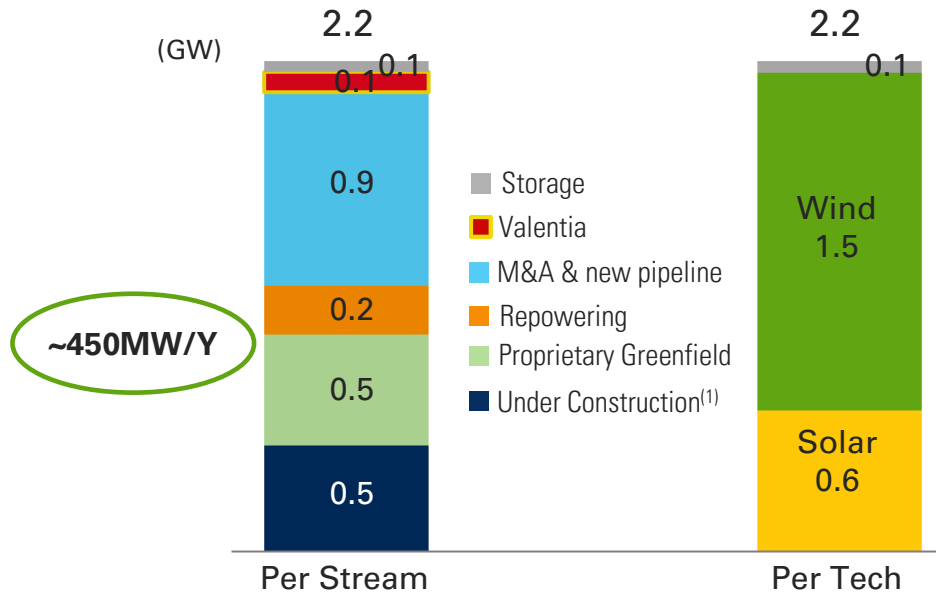
⁽¹⁾ Golden Power clearance already obtained

2022-2026 BP KEY TARGETS

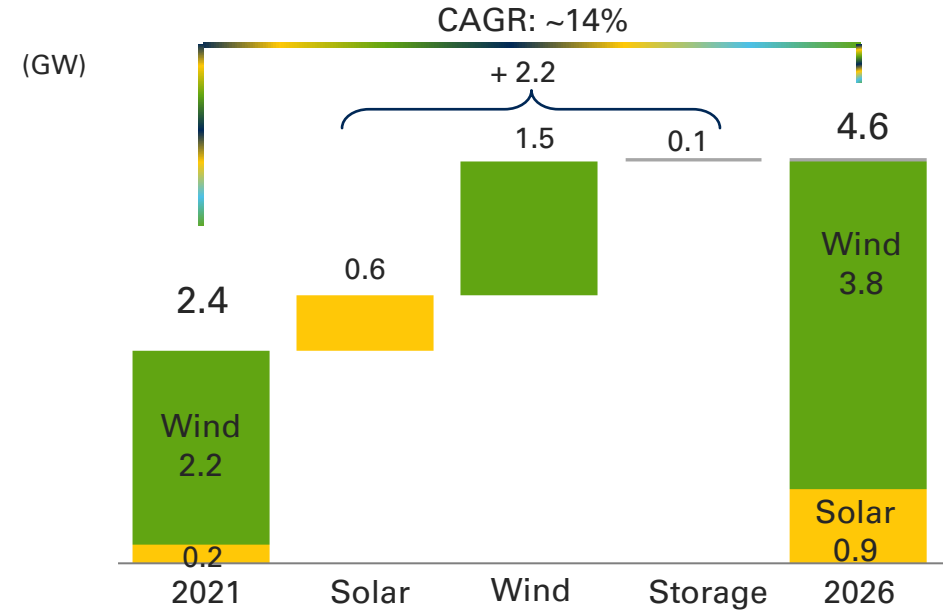


2.2GW ADDITIONAL THROUGH: REPOWERING, GREENFIELD & M&A

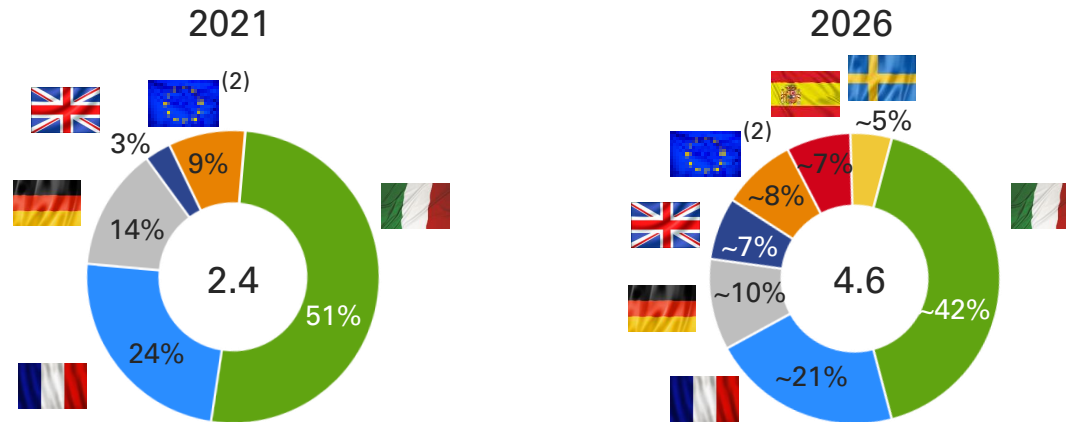
Cumulative RES additional installed Capacity 2022-2026 (GW)



Wind & Solar installed Capacity (GW)



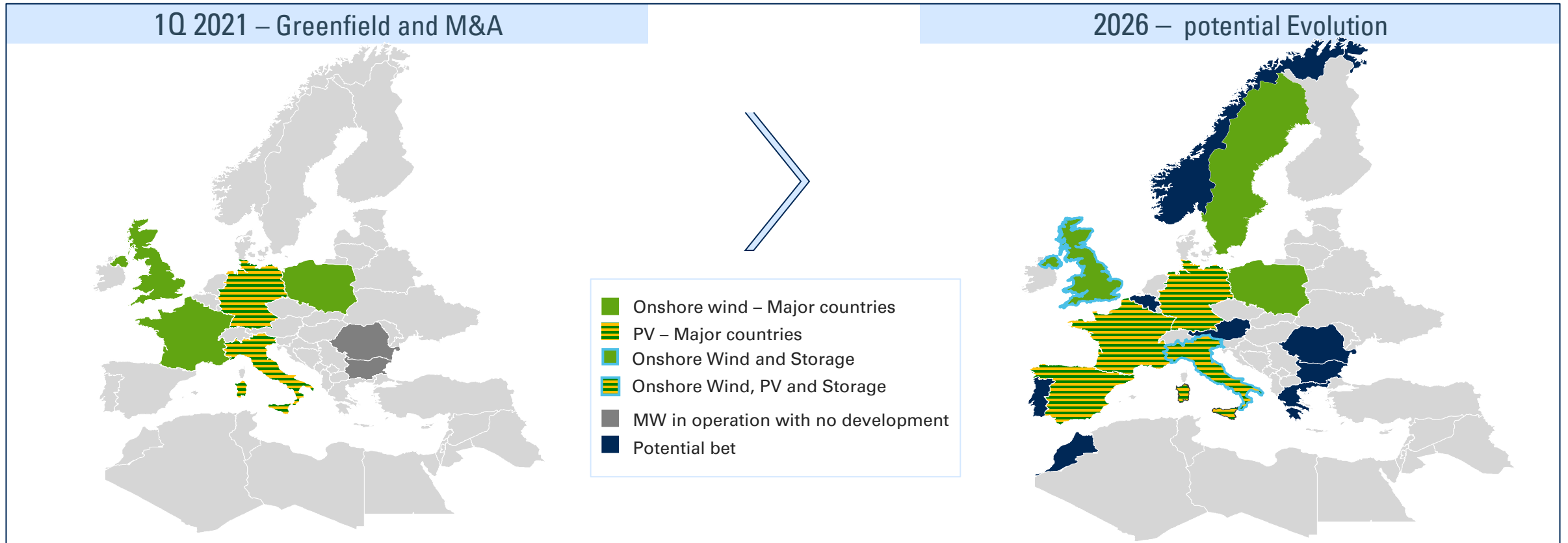
GW by geography



⁽¹⁾ It includes about 100MW of Repowering under construction

⁽²⁾ It refers to Poland, Romania and Bulgaria

THE EXPECTED EVOLUTION: MORE GEOGRAPHIES TO ADD DIVERSIFICATION



Towards a new enlarged and technologically diversified portfolio

RECENT DEVELOPMENTS

Strategic Update



Acquired 18 high quality solar plants in Italy, for a total installed capacity of 34MW



Commissioning of the Les Bouchats wind farm in France for 20MW and of Piotrkow in Poland (24.5MW)



Fitch affirms ERG's BBB- rating and stable outlook, based on ERG fully renewable and quasi regulated business model



Agreement to acquire 7 operational onshore wind assets in Italy, for a total installed capacity of 172.1MW



2 repowering projects for a total capacity of ca. 120MW fully authorized in Italy in the period

ESG



Signature of the Women's Empowerment Principles and entry into the UN Global Compact for a just and inclusive transition



MSCI confirms the Group's "AA" rating



The Group enters the Top 10 of the "Integrated Governance Index 2022"

Shareholding Structure



Long-term partnership agreement between San Quirico and IFM Investors to foster ERG's leading position in the RES

ACQUISITION OF 34MW OF SOLAR IN ITALY

Transaction Overview

- **Acquisition** of a portfolio 18 operational PV assets in Italy, for total installed capacity of 34MW
- **2021 EBITDA:** €16.6mn
- **Closing** on July 7, 2022

Location



Rationale

- Consolidation of ERG's position in the PV Italian market, reaching ~175MW
- Portfolio composed of high performing PV assets (24% of load factor)
- Long-term regulated cashflows: FiP regime ranging from 2nd to 4th Conto Energia (maturity as of June 2031)
- Possible portfolio industrial optimization through revamping and repowering



Solar PV Plants Overview

Total Capacity:	34MW
Energy Production:	46GWh (~24% load factor)
Enterprise Value:	€128mn
COD:	June 2011⁽¹⁾
Route to Market:	State regulated – Conto Energia II, III, IV

⁽¹⁾ Average weighted by each plant's installed capacity

CONSOLIDATING LEADERSHIP POSITION IN WIND IN ITALY

Transaction Overview

- **Acquisition** of a portfolio 7 operational onshore wind assets in Italy for total installed capacity of 172MW
- **1H 2022 EBITDA:** ~€36mn
- **Closing** expected by 3Q 2022

Location



Rationale

- Unique opportunity to further consolidate ERG's leading position in the Italian wind market, reaching 1,265MW
- Fully operational wind portfolio with 20Y CfD as of COD⁽¹⁾.
- Portfolio strategically located close to ERG's existing assets and pipeline
- Quality assets with average load factor of ~26% in 2021
- Sizeable and high-quality portfolio with proven performance track-record

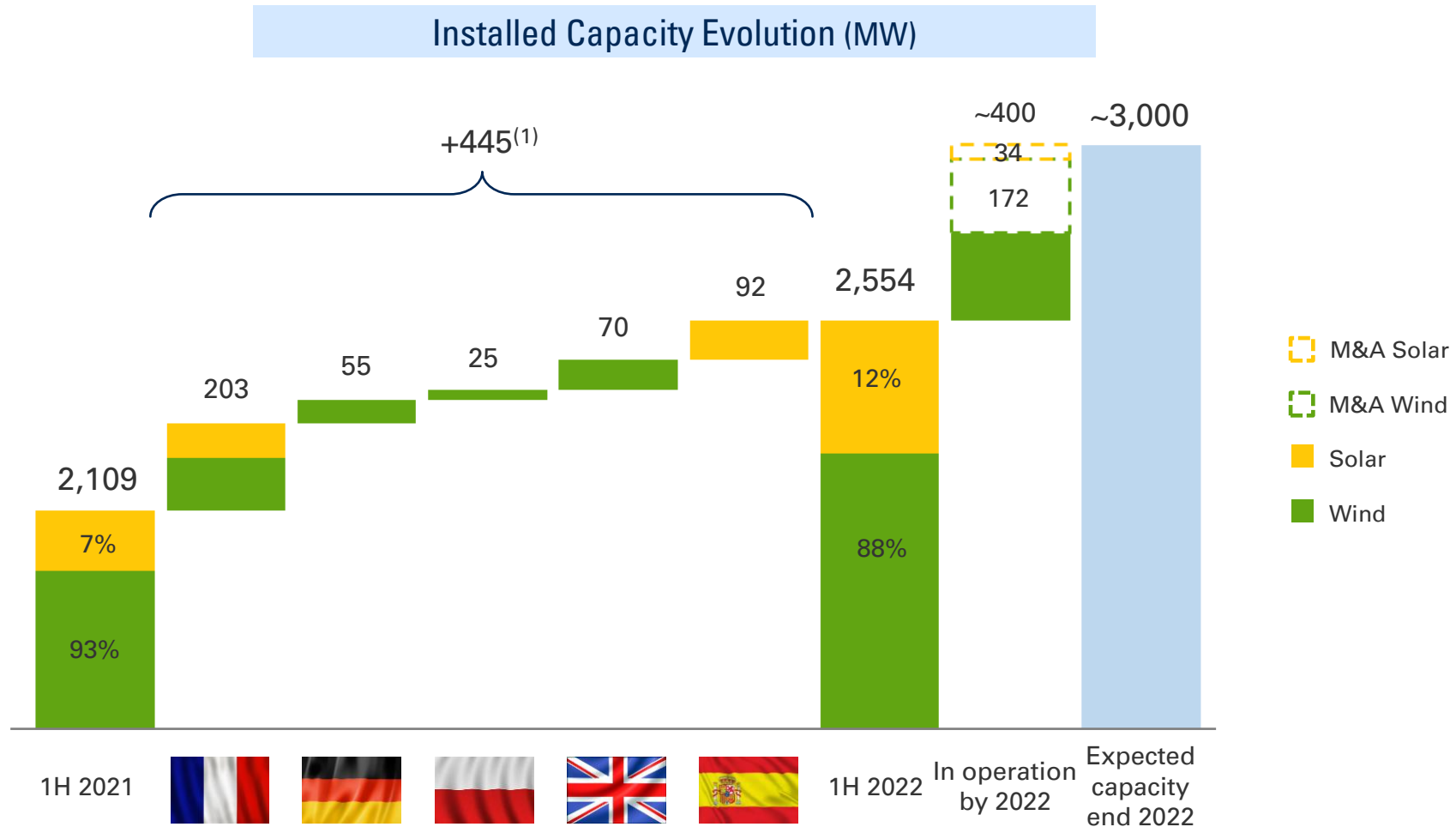


Wind Farm Overview

Total Capacity:	172MW
Energy Production:	~400GWh (~26% load factor)
Enterprise Value:	~€420mn
COD:	October 2019⁽¹⁾
Route to Market:	State regulated – Contract for Difference

⁽¹⁾ Average weighted by each plant's installed capacity

UPDATE ON STRATEGY EXECUTION

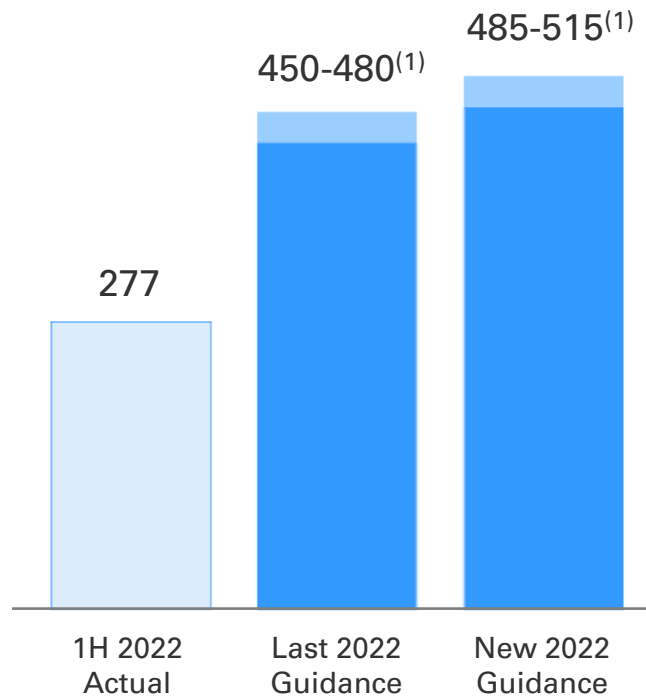


Accelerating RES growth through reinvestment of proceeds from asset rotation

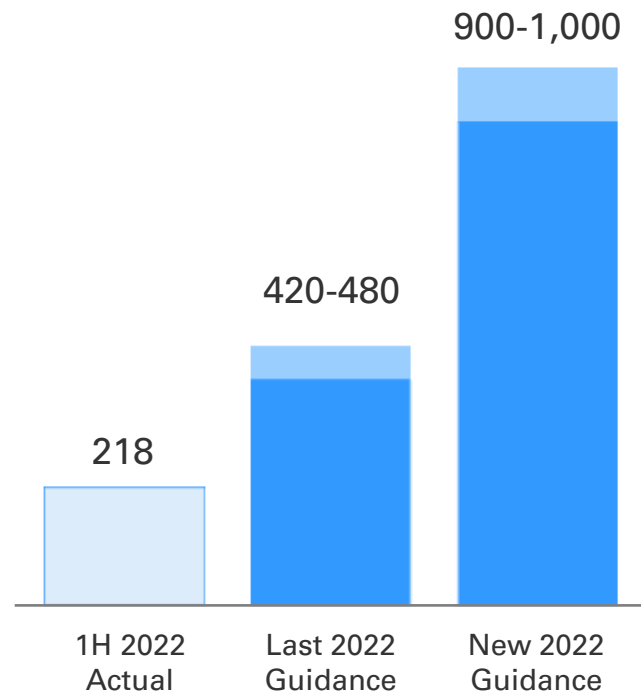
⁽¹⁾ It includes 80MW (58MW wind and 22MW solar), acquired in France in late June 2021, with economical contribution as of July 1, 2021

2022 GUIDANCE

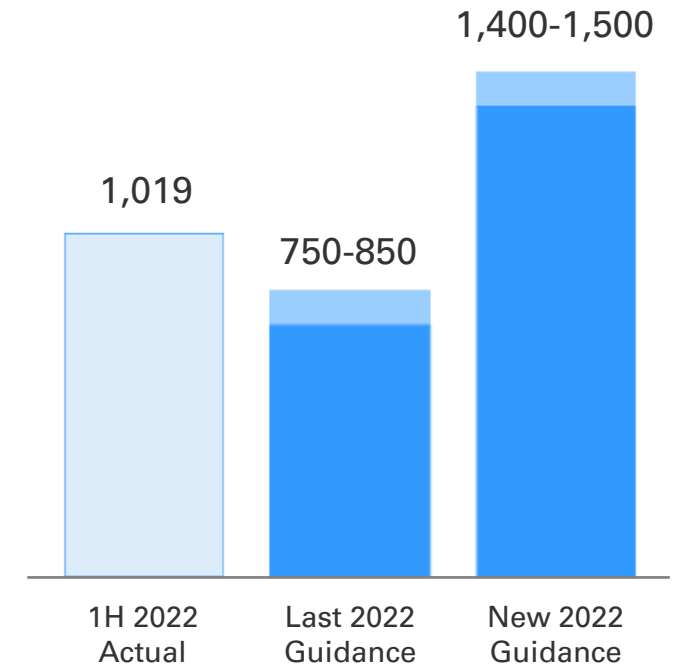
Adjusted EBITDA (€ mn)



CAPEX (€ mn)



Adjusted NFP (€ mn)



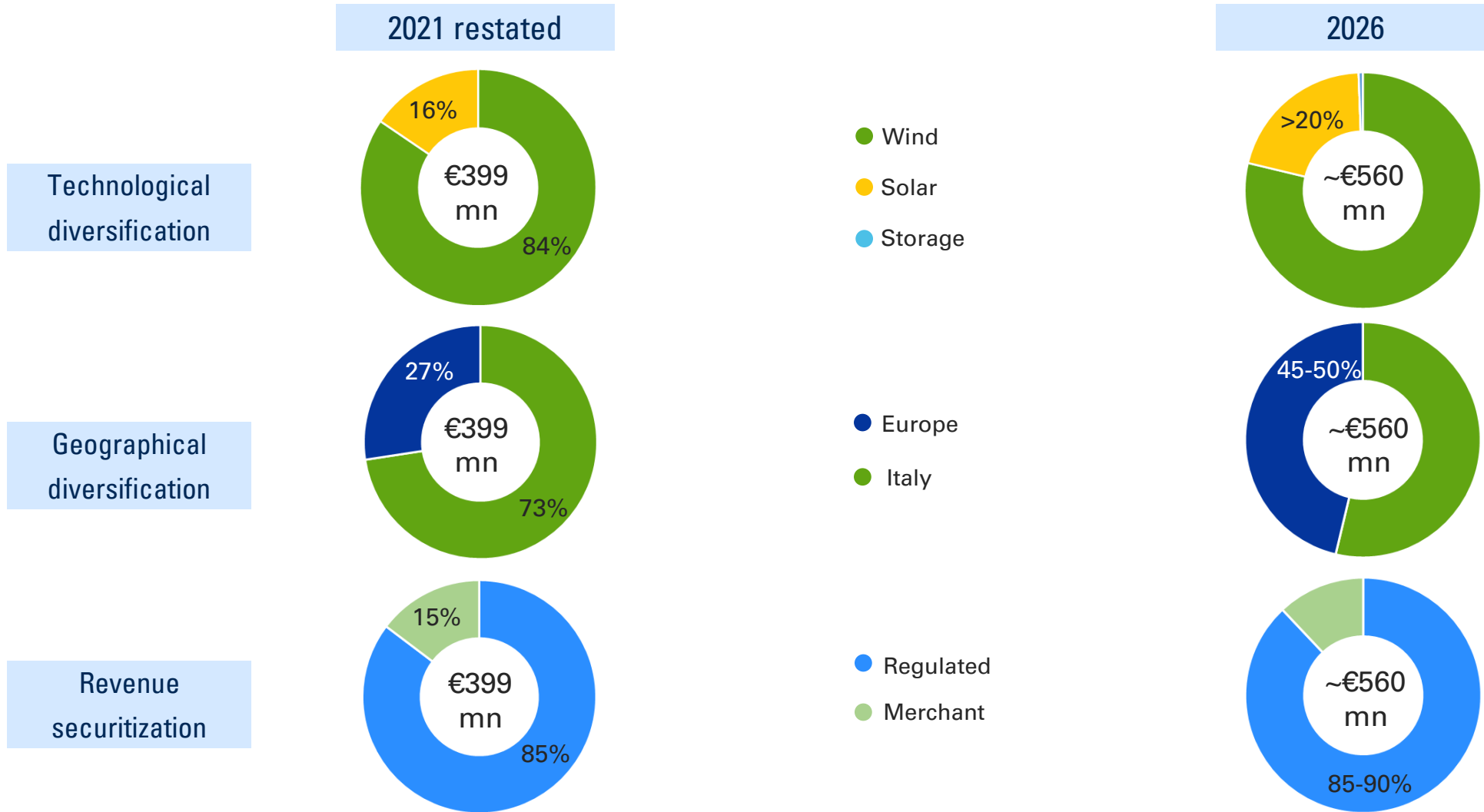
Actual Guidance Guidance range

Guidance up to factor installed capacity additions from M&A

(1) It does not include any contribution pro-tempore related to CCGT, which will be consolidated on a reported basis in the discontinued operations from January 1, 2022 to Closing Date

AN INFRASTRUCTURAL BUSINESS MODEL

EBITDA EVOLUTION IN THE PLAN PERIOD



A more diversified portfolio with a rising infrastructural revenue component

OUR STRONG INDUSTRIAL FOOTPRINT: REBLADING & SOLAR REVAMPING

Reblading

What it is: replacement of the old WTGs' rotor, with innovative blades, both in the materials and aerodynamic profile

What we are doing: concluded reblading for 249 blades

Deployment plan: Planned in other Wind Farms where the repowering is not made possible

Dismantling consistent with ESG Strategy: >98% circular

-  83 turbines certified with new blades and new controller
-  249 blades replaced
-  249 blade bearings replaced
-  total overhaul of all mechanical components accompanying the blades
-  19.982 man-hours for blade and controller assembly
-  1.452 man-hours in pre-assembly at blade factory
-  0 accidents/incidents











Revamping

What it is: replacement of the old PV modules, with new ones with lower degradation rate and higher efficiency

What we are doing: Planning the dismantling on worksite for about 160k solar PV panels

Deployment plan: Planned revamping for a total installed capacity of 30MW

Dismantling consistent with ESG Strategy: >90% circular

-  30 MW
-  18 PV farms
-  160k solar PV panels
-  12 months revamping project
-  20% increase of energy production
-  +4720 ton/year CO2 avoided
-  30% less soil consumption
-  Social purpose for solar revamping



Our in-depth knowledge of the plants and industrial expertise enhance Asset Value



SOCIAL PURPOSE PER SOLAR REVAMPING



ESG **Circular Economy Target:** Reuse of PV Modules subject to Repowering for **Social Purpose** (Max 3MW on 30MW Dismantled)



ERG is among the first international companies to **support the energy transition** through the **Circular Economy**



The selected projects have a "**significant social impact**" as they support the work of **several international NGOs**



The Plants ensure energy **self-sufficiency**, limit the environmental impact and allow for **Economic / Social development**



In Africa, the H24 supply of green energy to hospitals and schools will guarantee essential rights to health and education

WeARE#SDGsContributors:

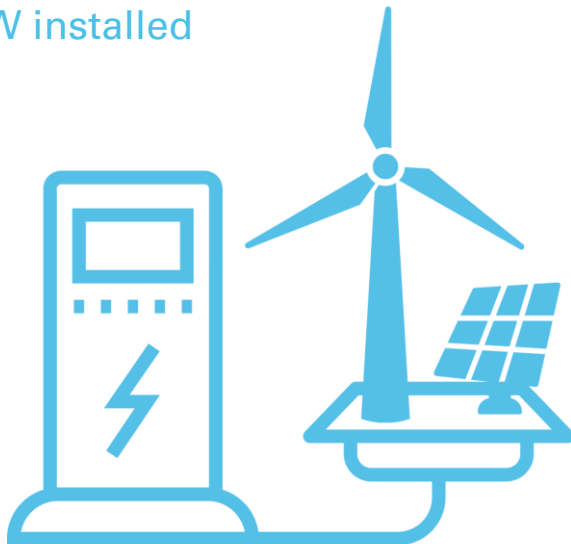


FROM SEEDING TO A CONCRETE STEP FORWARD IN INNOVATION

Storage

Storage is key to support RES:

- Assigned 22MW of Gross Capacity in the Capacity Market auction for the 2024-2039 period
- Ginestra (10MW) e Vicari (12MW), equipped with lithium technology
- Both projects will be active in MSD and load shifting
- A pipeline of projects under evaluation
- 2026 Target: 50MW installed



Digitalization

Multi-year partnership with Istituto Italiano di Tecnologia to improve asset management in particular remote control, data analysis, production optimization



Floating

Exploring opportunity with technical feasibility study and regulatory aspect for wind floating In Italy



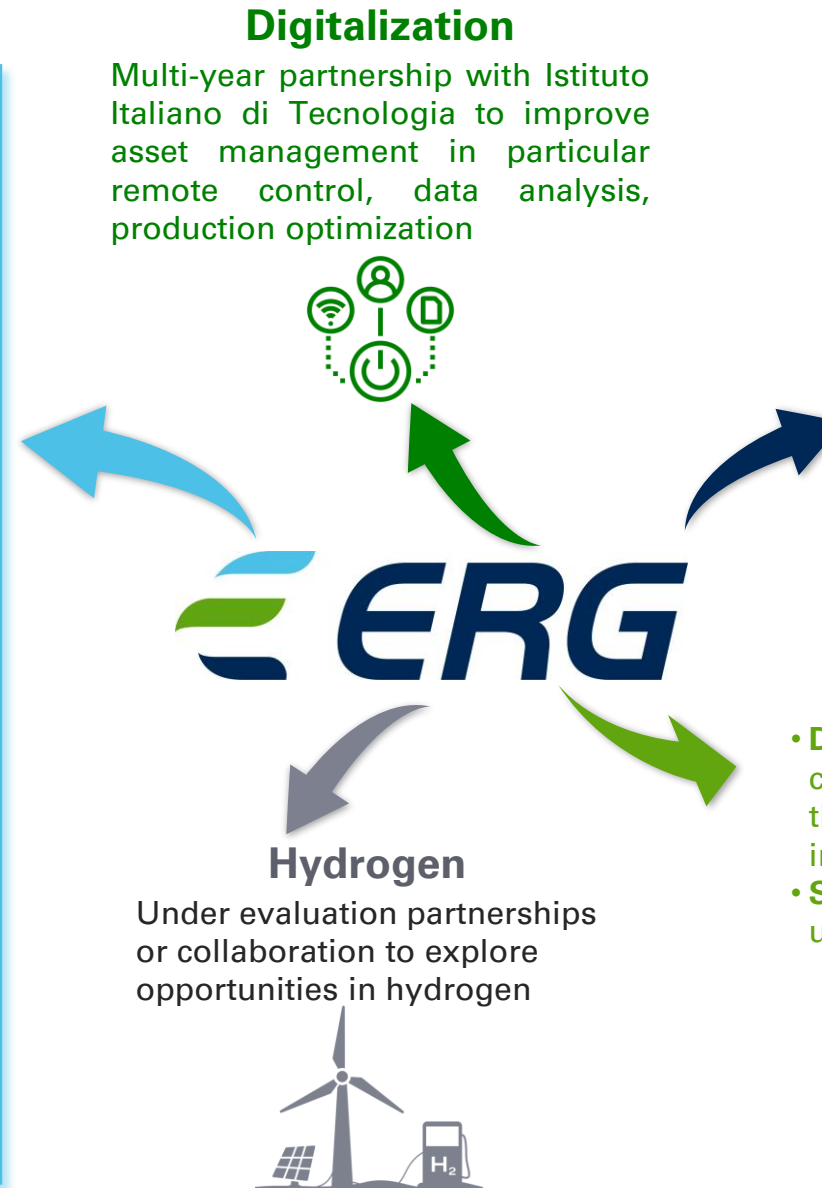
Circularity

- **Dismantled Wind Turbines.** Possible collaboration with primary utilities for the planning and realization of an industrial scale recycling pilot plant
- **Social Purpose for Solar Revamping** under study



Hydrogen

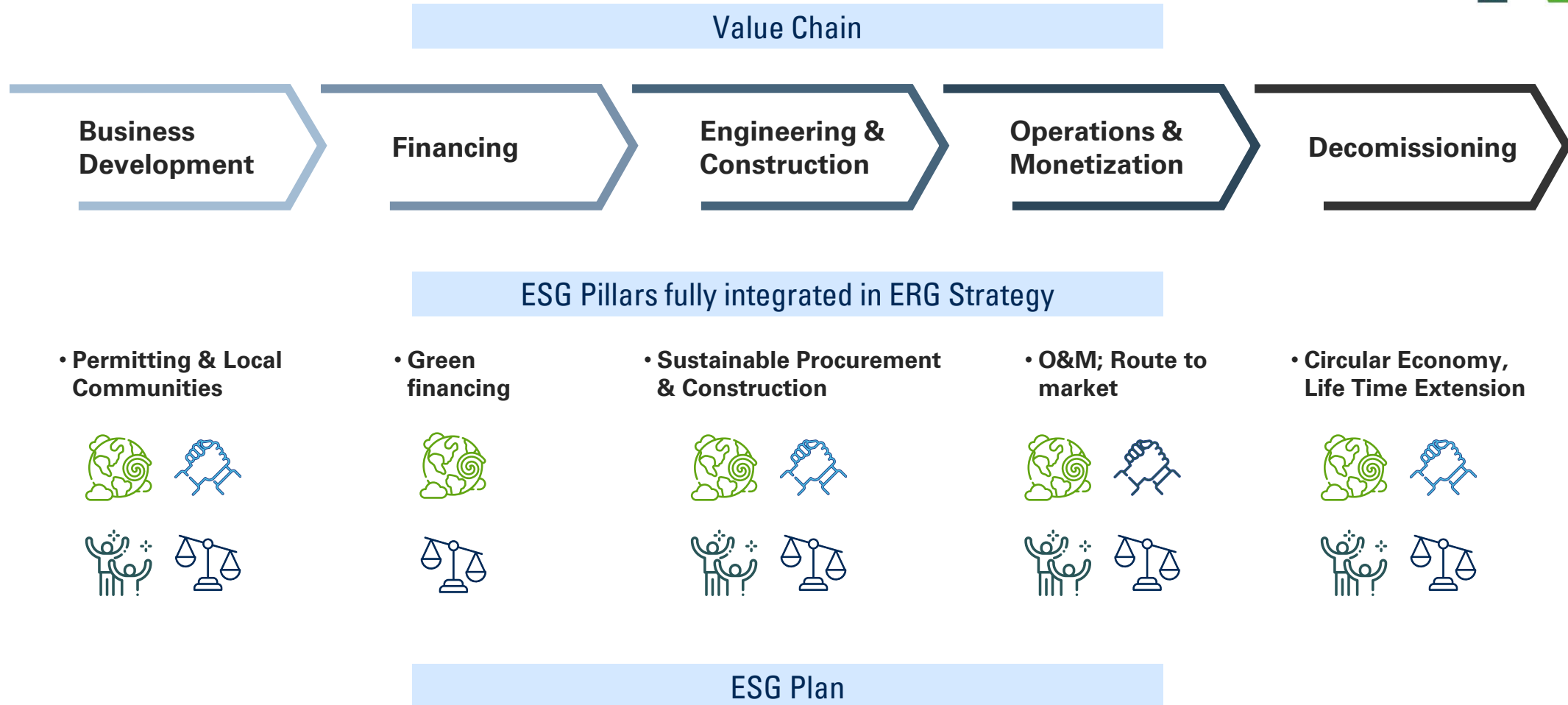
Under evaluation partnerships or collaboration to explore opportunities in hydrogen





ESG ALWAYS AT THE CORE

ESG AS A COMPLEMENTARY LEVER ALONG THE VALUE CHAIN



✓ Target ESG Plan 2022-2026 based on measurable KPI along the Value Chain

WITH SDGS AT THE CORE



Social purpose for Solar Revamping (Circular Economy of PV modules)



HSE objective refocused on Wind&Solar businesses.
Employees' well-being target



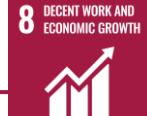
ERG Academy for Next generation (20k students by 2026 involved in Educational Activities).



Diversity & Inclusion target on ESG Plan. Signature of **Women's Empowerment Principles**.



One of the leading European RES operator. Working towards **5GW** of installed capacity by 2026.



At the end of the BP period, CAPEX of **EUR 2.9 billion** and an EBITDA of **EUR 560 million**.



100 % REVENUES, CAPEX and OPEX aligned with the EU taxonomy after Asset Rotation.



Joining the **UN Global Compact** for a **just transition**, not leaving anyone behind.



Allocate at least **1% of revenues** to the local communities next to our Wind&Solar plants.



Circular Economy: recovering **98%** of Wind Repowered materials and **90%** of dismantled Solar Plants.



Net Zero by 2040: at the forefront of the fight against Climate Change.



Biodiversity assessment for **100%** of RES organic projects with a "mitigation hierarchy" approach.



"Zero tolerance" principle towards corruption with a best-in-class governance system.



Sustainable procurement: **+10 points** in the average score of strategic suppliers.

ESG AT THE CORE OF ERG'S 2022-2026 STRATEGY



ERG 8 KEY ESG PRIORITIES...



Planet

- Net Zero
- Circular Economy (Wind & Solar)



Engagement

- ERG Academy for Next Generation
- >1% for the Community



People

- ERG Academy for ERG People
- Inclusion & Diversity



Governance

- ESG objectives into MBO and LTI
- ESG Finance

... BUT CONTINUOUS IMPROVEMENT on other 8 projects well on track



Planet:

- Energy Efficiency
- Biodiversity



Engagement:

- Trust & Reputation



Governance:

- Tax Control Framework abroad
- Sustainable Procurement
- Enhancing Governance Model



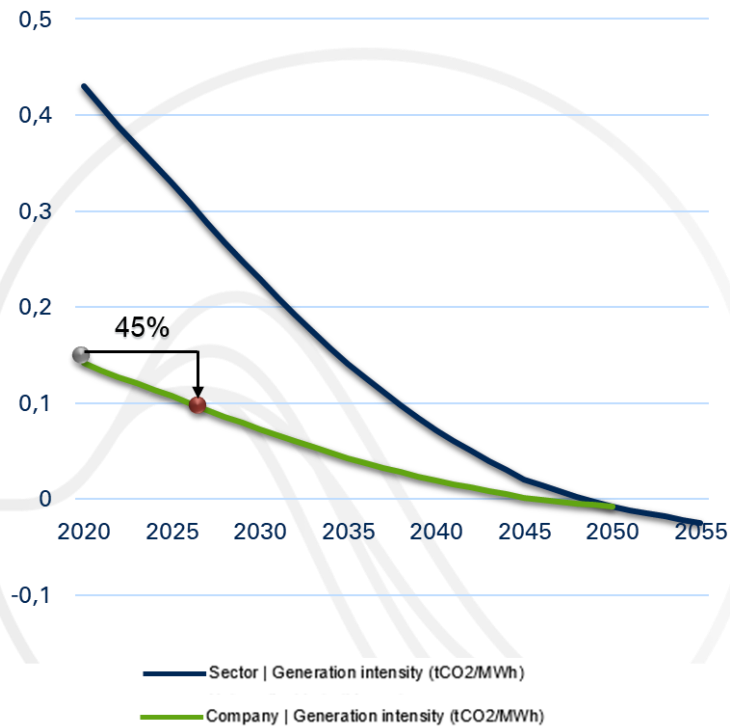
People:

- Health & Safety always
- Employees' well-being

We still focus on 8 priorities which will be the bulk of our ESG strategy

SCIENCE BASED TARGETS VALIDATED ERG TARGETS «WELL BELOW 2°C»

Generation Intensity



ERG targets (@2025)



ERG commits to reduce scope 1 and 2 GHG emissions 45.4% per MWh by 2025 from a 2020 base year



ERG commits to increase annual sourcing of renewable electricity from 94% in 2020 to 96% by 2025

SBTi approved ERG's targets in line with the R3 strategy of our 2021-2025 Business Plan

FROM CARBON NEUTRALITY... TO NET ZERO

ERG will reach Net Zero Target @2040 (to be approved by SBT)

The strategy to become Net Zero @2040

Asset Rotation
CCGT
@2022

100% RES
production
@2023

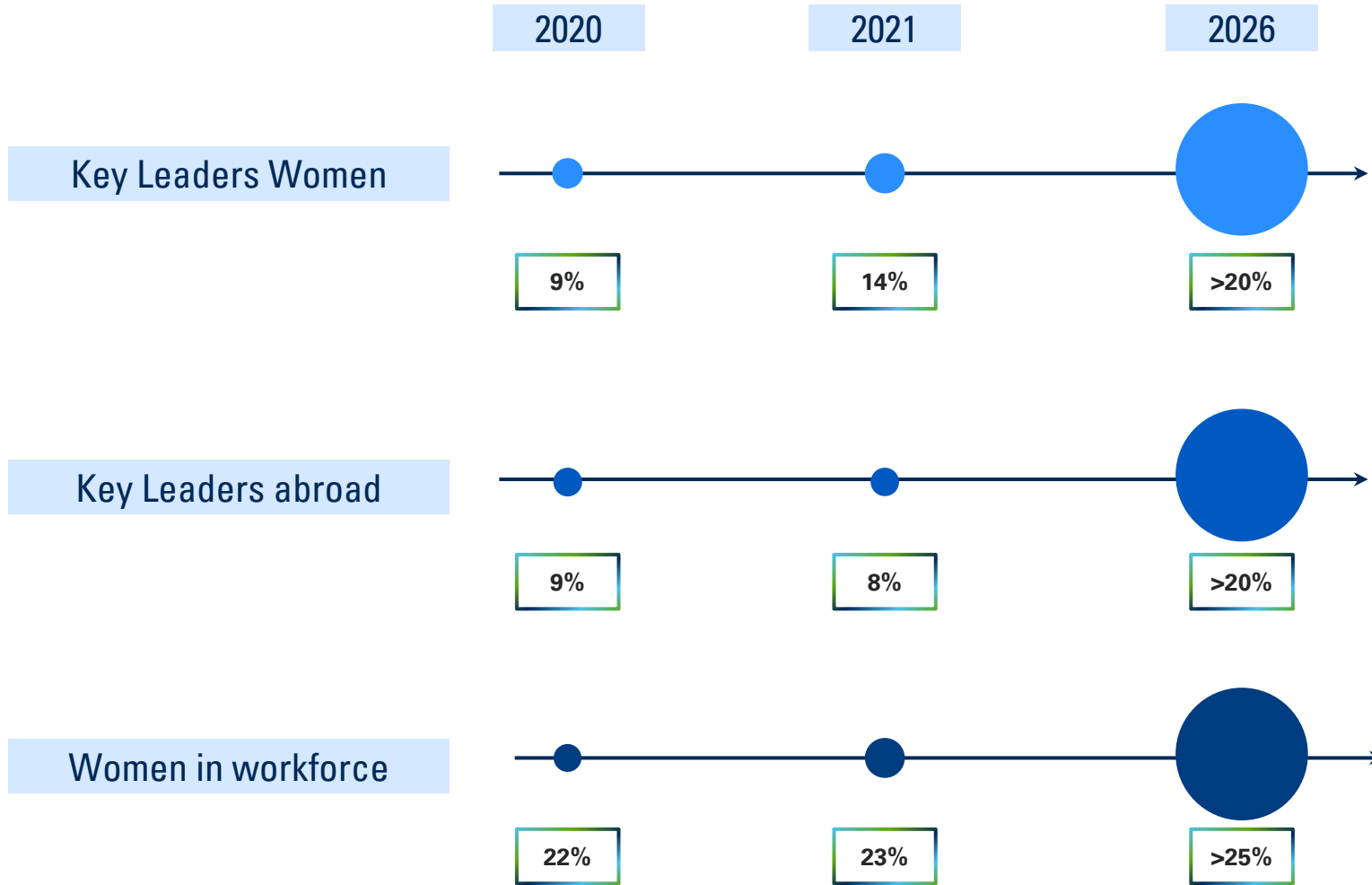
100% sales of
Green Energy
@2023

>75% of
Supplier⁽¹⁾ with
SBT target
@2030

⁽¹⁾ Turnover greater than €1mn



OUR APPROACH FOR A MORE INCLUSIVE ERG



D&I Policy approved in July 2021



ERG included **Bloomberg Gender Equality Index** in 2022



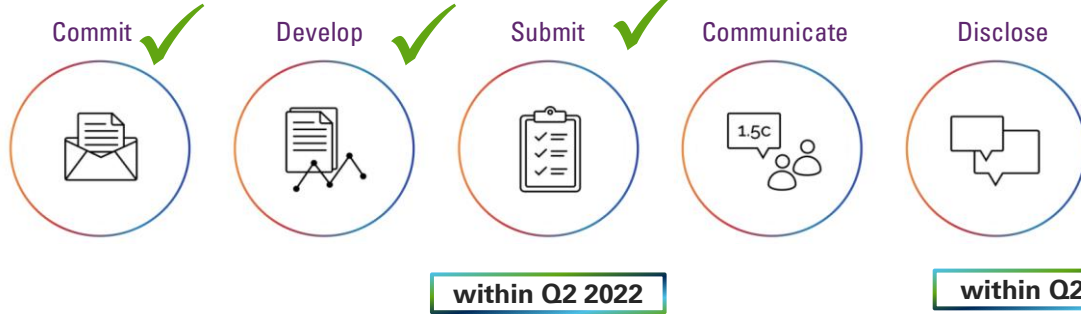
Women Empowerment Principles @ 2022



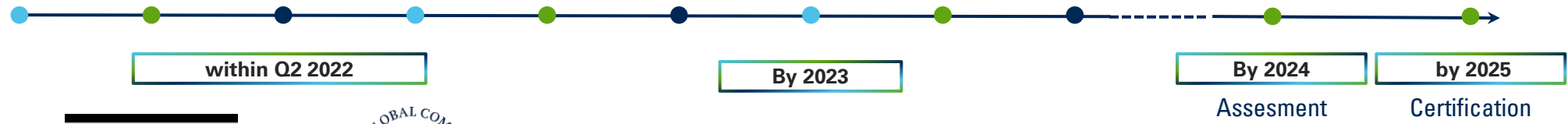
D&I certification @ 2025

ESG CERTIFICATIONS

Net Zero Standard Certification Process



Within two years from the commitment, the Net Zero target has to be approved by SBTi. ERG planned to obtain the certification within the end of 2023



✓ Adherence to **Women's Empowerment Principles**

✓ **United Nations Global Compact**
Adherence to **UN Global Compact**

Italian Certification for Gender Equality
(New target)

EDGE certification (or other internationally recognized)

Target «Net Zero» submitted to SBTi on 1 July 2022





ESG VALUE ON INVESTMENTS



Quality/quantity approach in investments evaluation currently under definition

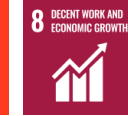
1H 2022 & 2021 ESG KEY FIGURES

MBO OBJECTIVES 2022 – ACTUAL 1H 2022

Sustainability objectives CEO / Key Managers				Results
Weight objective	Weight indicators	Pillars	Objectives	On Range
20% CEO - 10% Key Managers	5.0%	 Planet	2.5% Circular Wind: Repowering recovery of materials and/or energy	✓
			2.5% Circular Solar: Revamping recovery of materials and/or energy	✓
	5.0%	 Engagement	Contributions to local communities of the 5 Wind Parks (within December '22)	✓
	5.0%	 People	2.5% Predictive safety: HSE severity index <1 and improvement of frequency index [internal + contractors]	✓
			2.5% Incidence of women in workforce increase	✓
	5.0%	 Governance	Suppliers engagement in continuous improvement process. Rating review IVQ 2022: Increase in average scoring of strategic suppliers	⌚

Assessment will start in Q4 2022

All the ESG Objectives are expected to be “on Range”



D&I – OUR PATH



Main topics

- Valore D Adoption
- Baseline setting & ERG People Engagement
- ✓ D&I Survey for all the employees
- ✓ Inclusion Impact Index by “Valore D” baseline for KPIs definition

- Human Capital Committee: KPIs monitoring
- Gender Equality Assessment
- Leaders’ Engagement
- ✓ Training Path:
 - Inclusive Leadership,
 - Inclusive Language
 - Unconscious Bias

- Increase in women on the Board From 33% to 42%
- D&I Targets In Short- and Long-term Incentive System
- Training
- New Survey

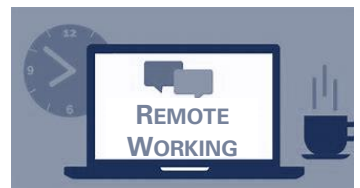
- Update of the ESG Plan
- Cultural evolution through social learning
- ✓ Mentorship Programs
- ✓ Bias Detectors
- Partnership with social stakeholders (Dynamo Camp, MUS-e)
- Remote working adoption

Milestones/ Achievements

Launch of “The Power of Diversity” Project



Remote working trial period (before the pandemic)



D&I Policy



Inclusion in Bloomberg’s Gender Equality Index



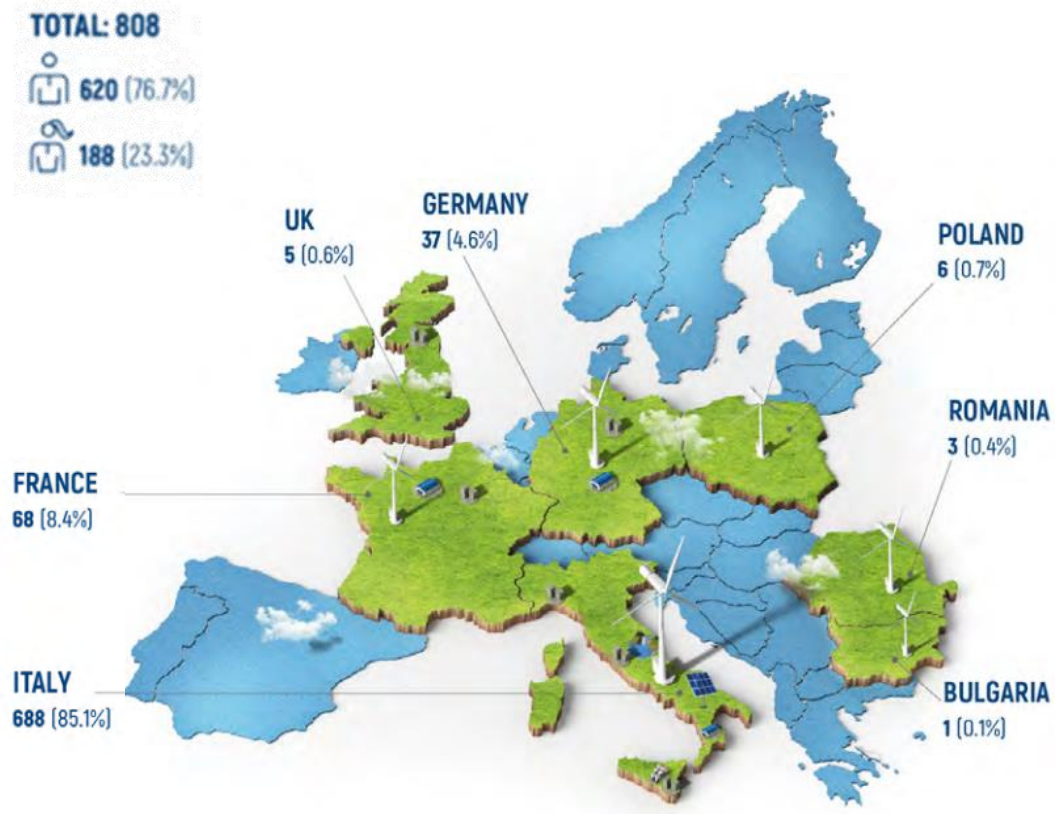
Adoption of Women’s Empowerment Principles



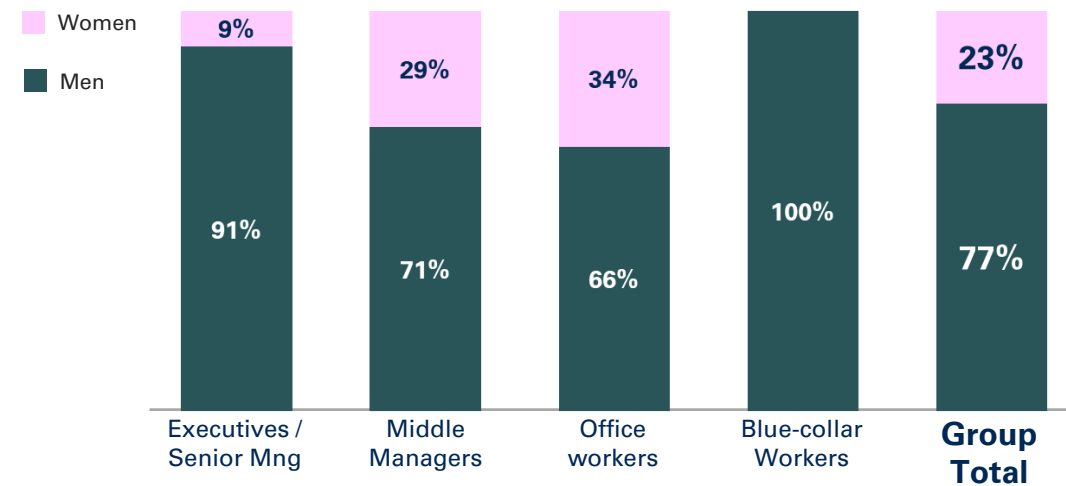
Anti Harassment Policy (coming soon)

DATA BREAKDOWN ON PERSONNEL

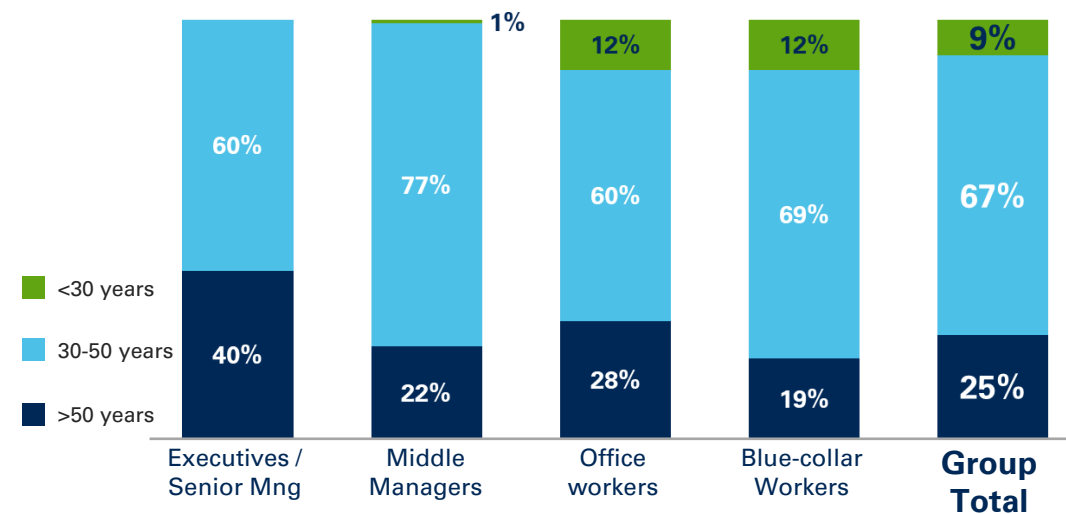
By country and gender



By professional category and gender



By professional category and age

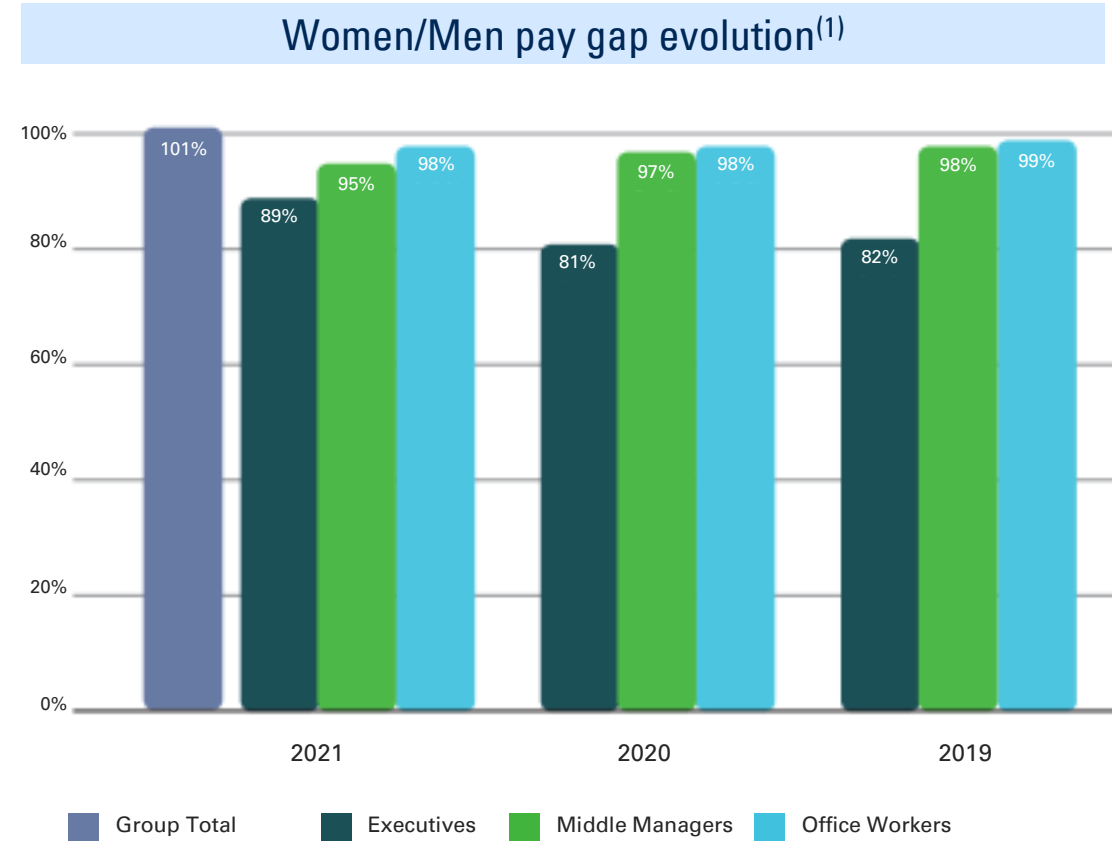


A DIVERSIFIED GROUP WITH EQUAL OPPORTUNITIES



“We are a company leader in the energy transition process and we strongly believe gender equality and women’s empowerment will enable the just transition: a great opportunity to build a decarbonized society and global growth where every diversity and every talent can thrive, not leaving anyone behind.”

Paolo Merli, CEO ERG



⁽¹⁾ Percentage ratio between the average fixed remuneration for women for each position they belong to and the average fixed remuneration for men for the same position

Targets



The Diversity & Inclusion Policy implements the principles of the Group's Code of Ethics and Human Rights Policy. It promotes actions to help achieve the goals of the United Nations 2030 Agenda for Sustainable Development.



ERG promotes equal opportunities and non-discrimination and guarantees respect for personal rights and freedoms, diversity of gender, age, ethnicity, culture, ability, religion and nationality, experiences, style of thought, sexual orientation and identity, politics, and any other subjective characteristic.



The Policy guides and inspires Diversity & Inclusion programs in all Group companies. It applies to ERG employees, collaborators, suppliers and partners and influences relations with the many stakeholders with whom the Group relates.

ERG commitment - extract

- ❑ *Act impartially and not admit any form of direct or indirect discrimination;*
- ❑ *Define clear objectives in terms of D&I to be detailed in the ESG Plan;*
- ❑ *Create the conditions so that each person can know and use their talent and continue to develop their professionalism and employability.*

HCC's commitment- extract

- ❑ *Promote the Group D&I culture;*
- ❑ *Decline the Policy at an operational level;*
- ❑ *Monitor equal opportunities and inclusion in selection processes, personal development and career opportunities, salary treatment, and initiatives to support life balance through HR metrics.*

Management of D&I alerts

- ❑ *A process of reporting non-compliant behavior with the D&I Policy to the Human Capital Committee is envisaged through the Chief Human Capital Officer as Secretary.*
- ❑ *The whistleblower is protected against any form of retaliation, discrimination, or direct or indirect penalization, for reasons connected directly or indirectly to the report.*

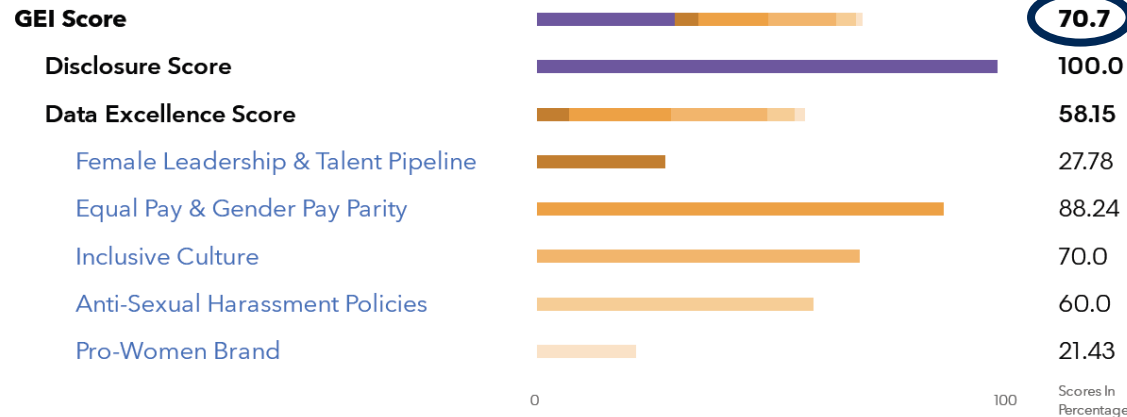
BLOOMBERG GENDER EQUALITY INDEX

New



On 26/01/2022, ERG was included in the Bloomberg Gender-Equality Index "social" stock market index with a score of **70.7 / 100**.

GEI Scores



Strengths of ERG

- Female Leadership & Talent Pipeline: we are rewarded for the presence of women on the Board, among executives and middle managers, and in ICT
- Equal Pay & Gender Pay Parity: the Gender Pay Gap is very low and verified by auditors (KPMG). We are transparent in reporting data on pay (>80% of the company population is covered)
- Inclusive Culture: we are rewarded for the retention rate of women after 12 months of return from leave (equal to 100%), the possibility of smart-working, and the training courses on Bias
- Pro-Women Brand: we are rewarded for the responsible management of gender equality on social media, the website, and the orientation days managed by the STEM Role Models.

Several improvement actions have already been launched or defined in the new 2022-2026 ESG Plan

ENVIRONMENTAL AND SAFETY CERTIFICATIONS

ERG S.p.A.
ISO 45001

ERG POWER GENERATION S.p.A.

Wind & Solar: ISO 9001, ISO 14001, ISO 45001

Thermo: ISO 14001, EMAS, ISO 45001

Hydro: ISO 14001, EMAS, ISO 45001

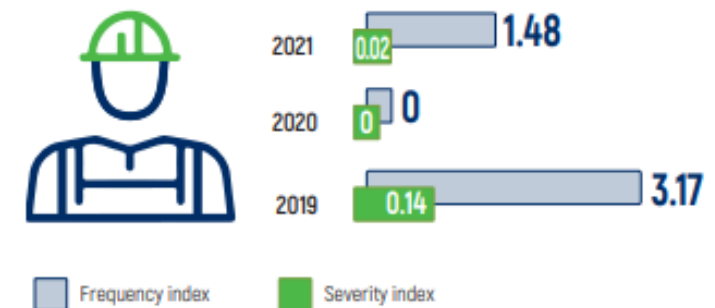
ERG GERMANY

Wind: ISO 14001, ISO 45001



- Environmental certification under ISO 14001 covers over 77% of our installed base and over 65% of our people
- Health & Safety certification, updated in 2020 according to ISO 45001, covers over 77% of our installed base and around 90% of our people

Internal accident indices



ERG ACADEMY FOR OUR PEOPLE AND NEXT GENERATION



For Next Generation:

- ✓ Italian digital platform for education in schools
- ✓ Site visits
- ✓ Role Models Women STEM
- ✓ Sponsorship for employees' children (Scholastic Excellence)
- ✓ Sponsorship to get access abroad for students
- ✓ Interactive Exhibition

For ERG People:

- ✓ 100% of ERG employees involved @2025 (97% participated in at least one learning event @2021)
- ✓ 80% of ERG employees with Individual Development Plan (@2025)
- ✓ 100% of ERG employees with disabilities with Individual Development Plan (@2025)
- ✓ 100% people with identification of their professional Purpose (Personal Mission Statement) (@2025)
- ✓ Digital upskilling & reskilling @2025 (Digital mindset & Workplace, IoT and Big Data..)
- ✓ Tutorship / Mentorship and Social Learning courses (@2025)

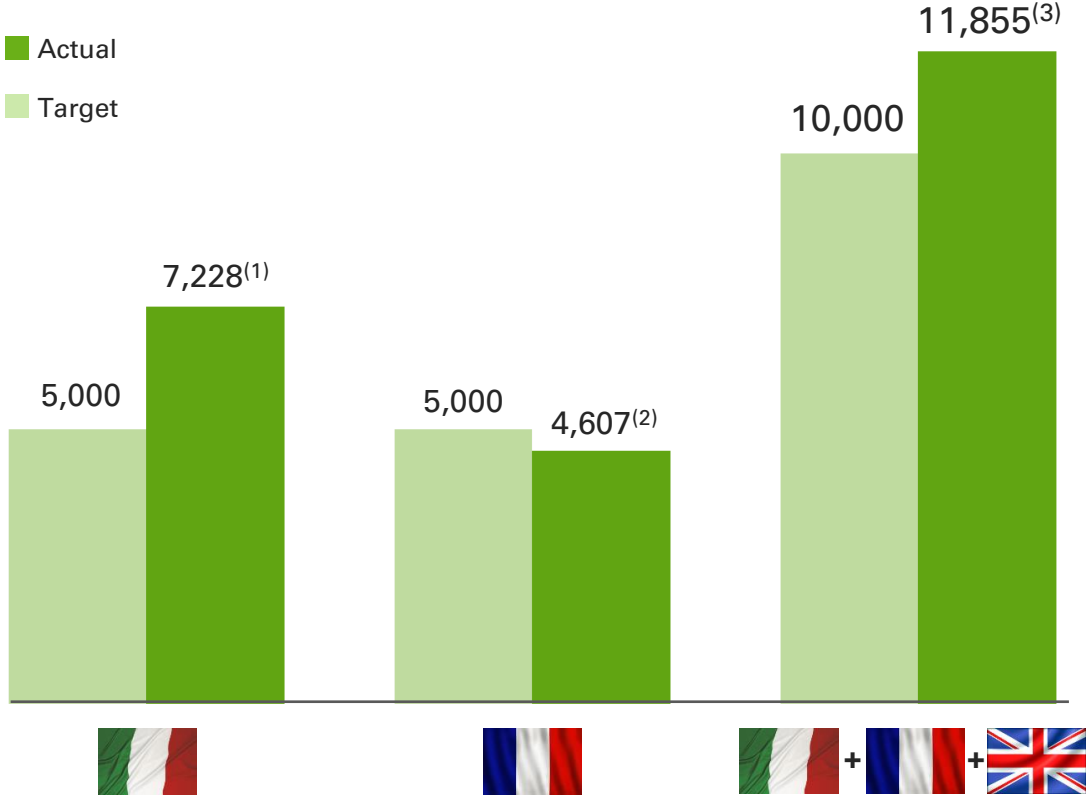
Partnership with Universities:

- ✓ Master «Energia e Sostenibilità» UniGE
- ✓ School / University/ Post Graduated Courses Projects (e.g.MACU Bicocca University, Master SAFE, CDI - College Des Ingenieurs)
- ✓ PhD POLIMI (on the recycling of composite materials)
- ✓ Hackathon «Beyond Net Zero»

ERG ACADEMY : STUDENTS INVOLVED IN EDUCATIONAL ACTIVITES

Main contents:

- RES
- Sustainability
- Career Orientation



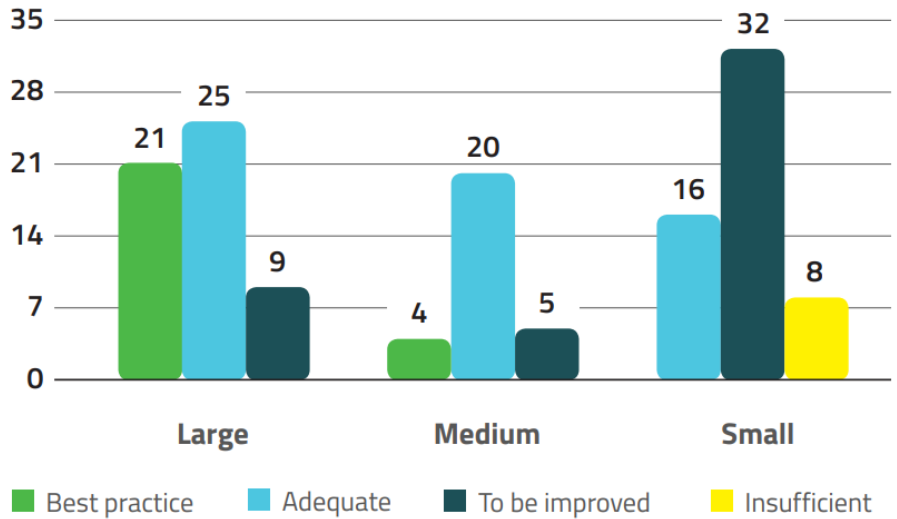
The school Year 2021/2022 ended with a positive delta of +1,855 students

(1) Persons of which: Next Generation EU (5,213), Role model (348), Progetto Scuole (258), other (1,409)
 (2) Of which: Terre Avenir (4,564), Open Day Vallee de la 2 est (43)
 (3) Including 20 students in UK

SUSTAINABLE PROCUREMENT

2021 ESG assessment involved 164 strategic suppliers, representing around 80% of our procurement volume.

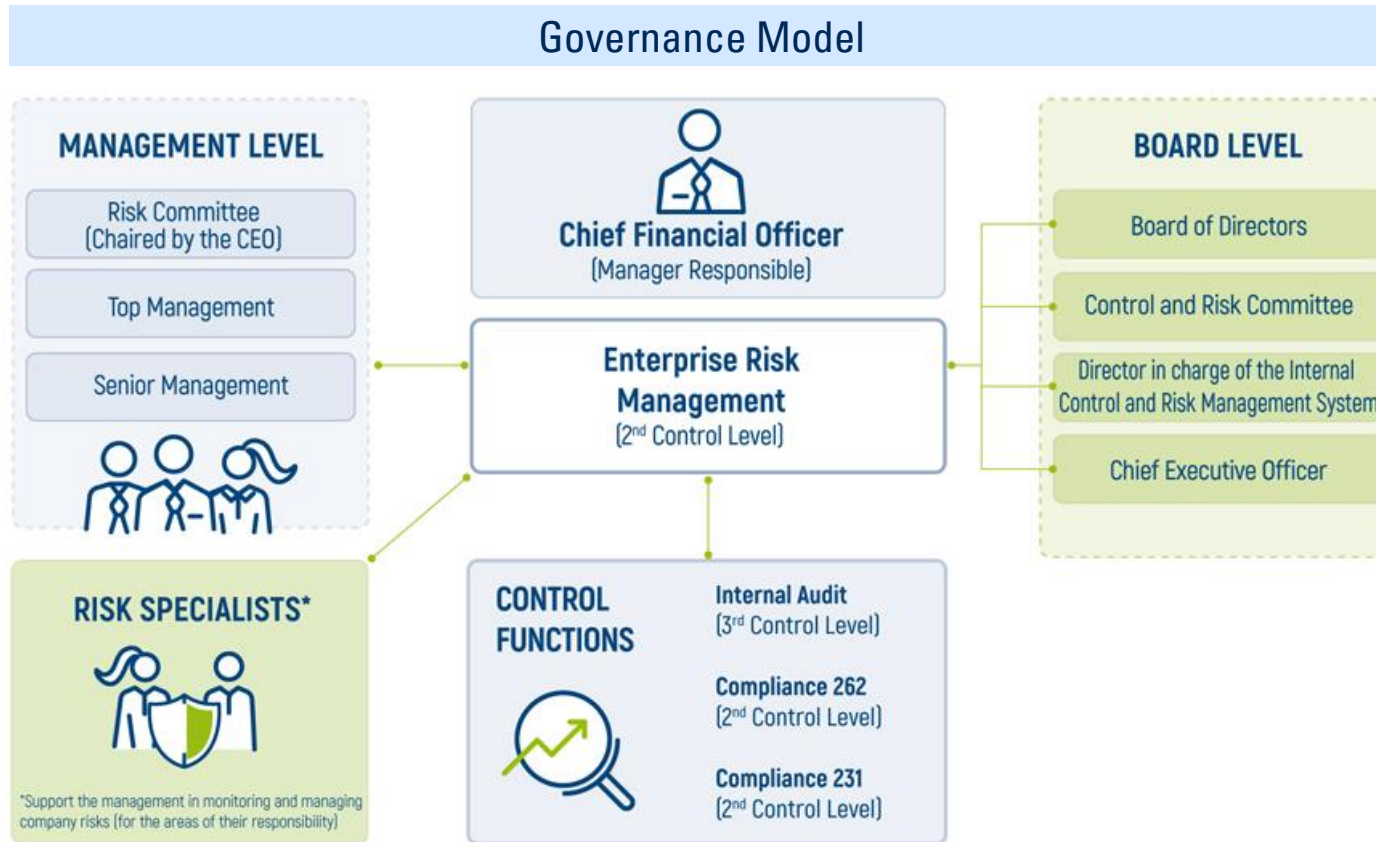
"ERG ESG Suppliers' Day" at the conclusion of the 2021 Assessment recognized the **suppliers who most demonstrate commitment and sensitivity to ESG issues**, in line with ERG's Plan objectives.



Company type	Turnover	No. employees
Large	EUR +50 million	+250
Medium	EUR 10<>50 million	50<>250
Small	EUR -10 million	-50

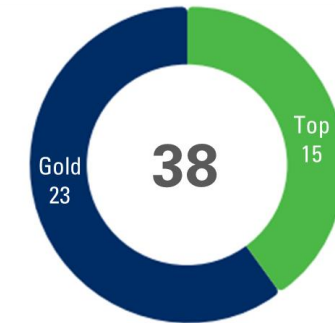


ERM - GOVERNANCE & RESULTS 2021



Results 2021

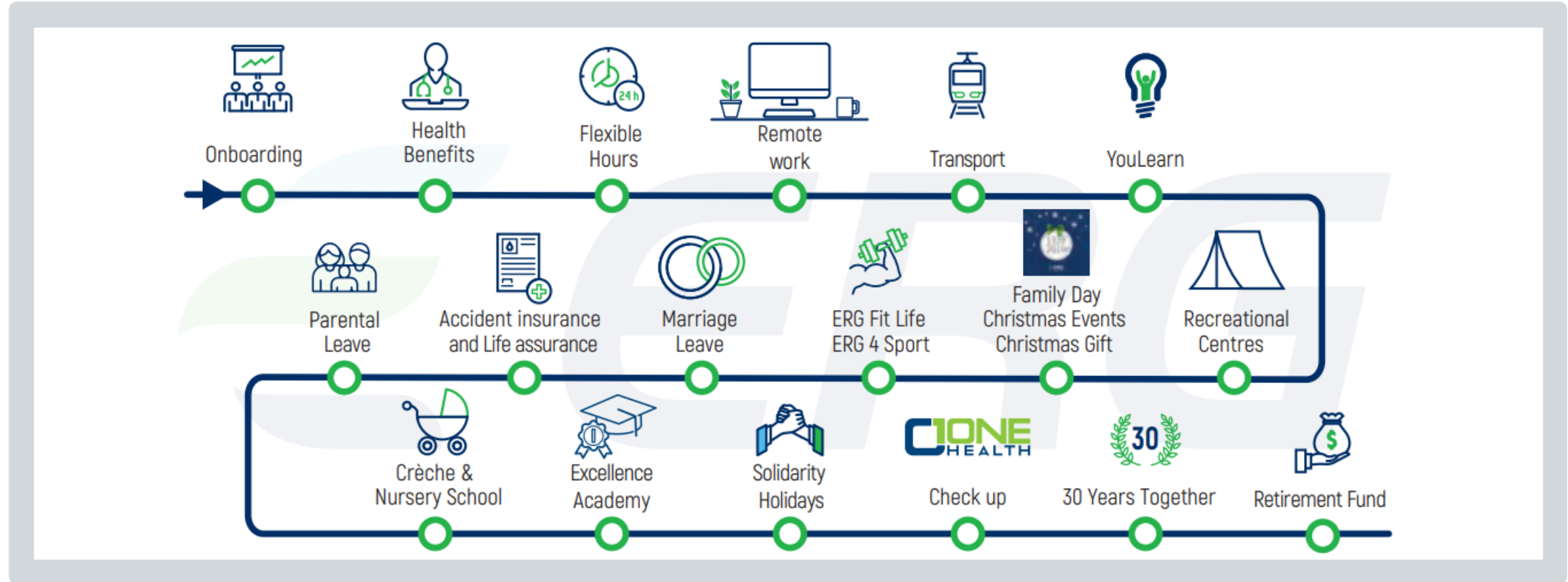
- In 2021 we have identified 38 “Main Risks” of which:
- 15 classified as **TOP** - described in greater detail to senior management.
 - 23 classified as **GOLD** - described in a concise Dashboard



- The results are reported on a six-month basis to:
- CEO / TOP management, who assess the adequacy of the risk profile assumed
 - the Board Committees, who assess the overall effectiveness of the ERM process.

ERM supports in assessing the risks and defining the most effective response strategies

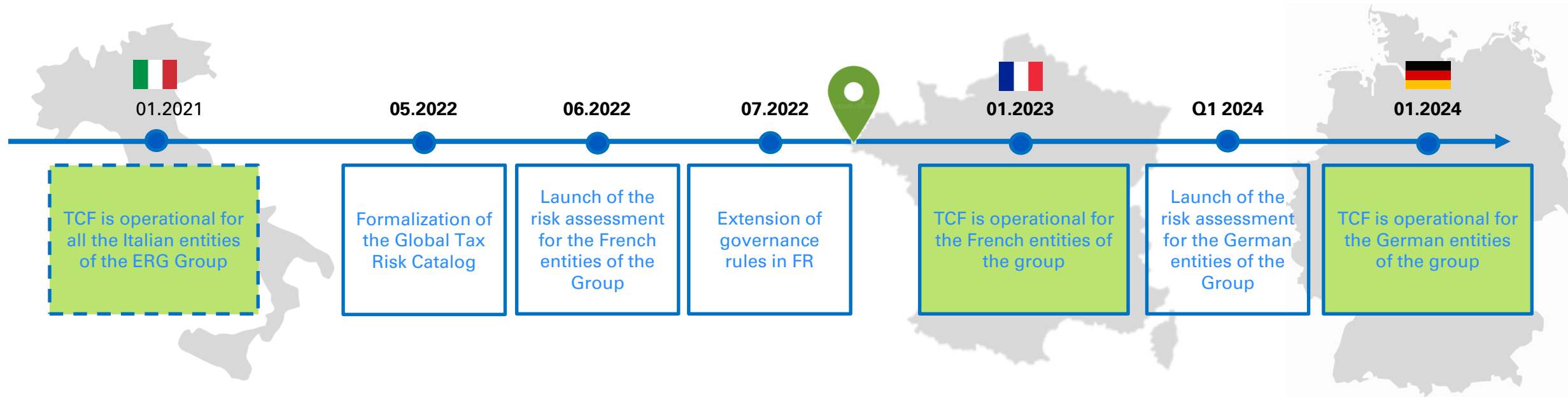
WELFARE PROJECTS FOR EMPLOYEES



ENGAGING LOCAL COMMUNITIES



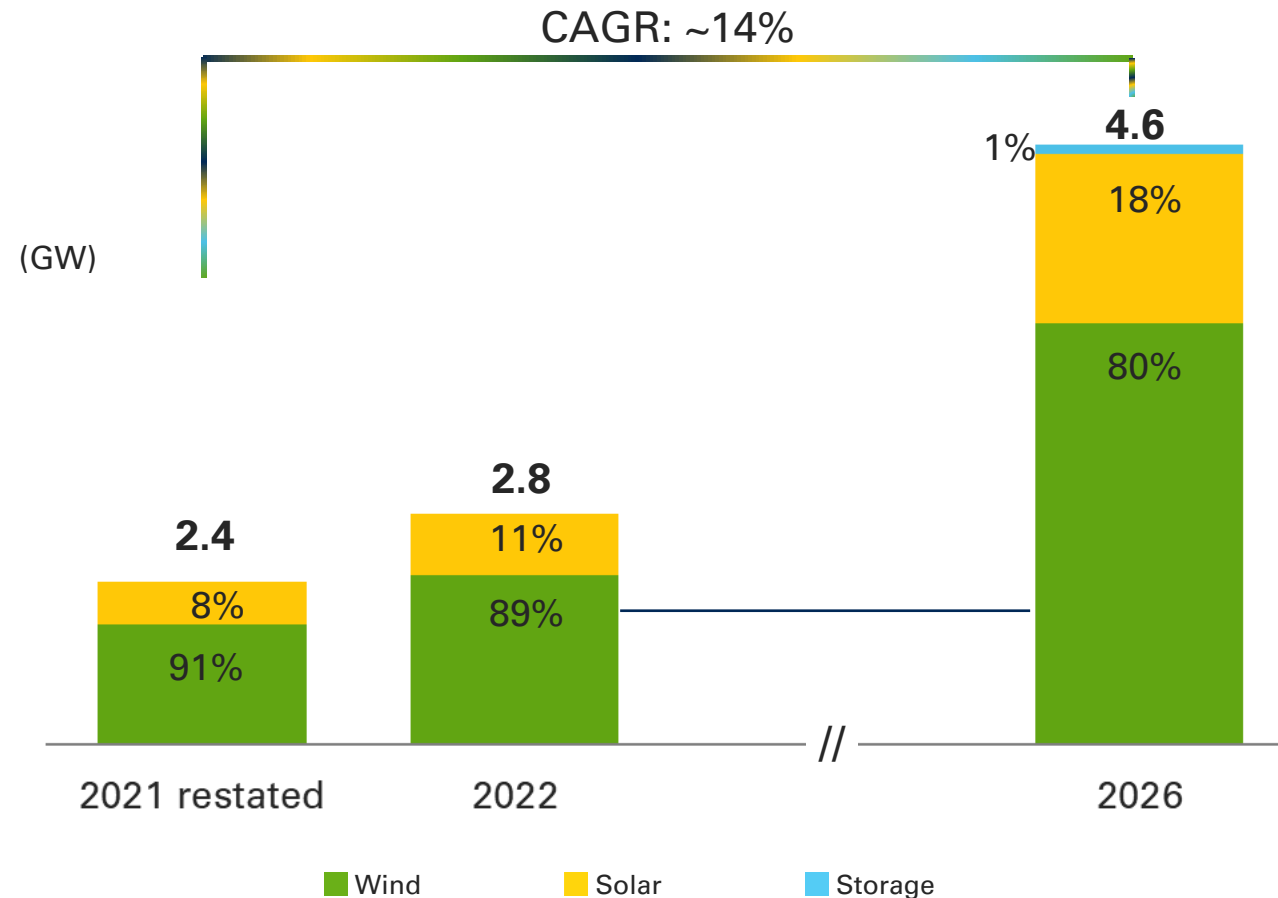
TAX CONTROL FRAMEWORK (TCF) – EXTENTION IN FRANCE & GERMANY



TCF abroad is well on track (extension in France effective 01.2023)

2022-2026 TARGETS & FINANCIAL STRATEGY

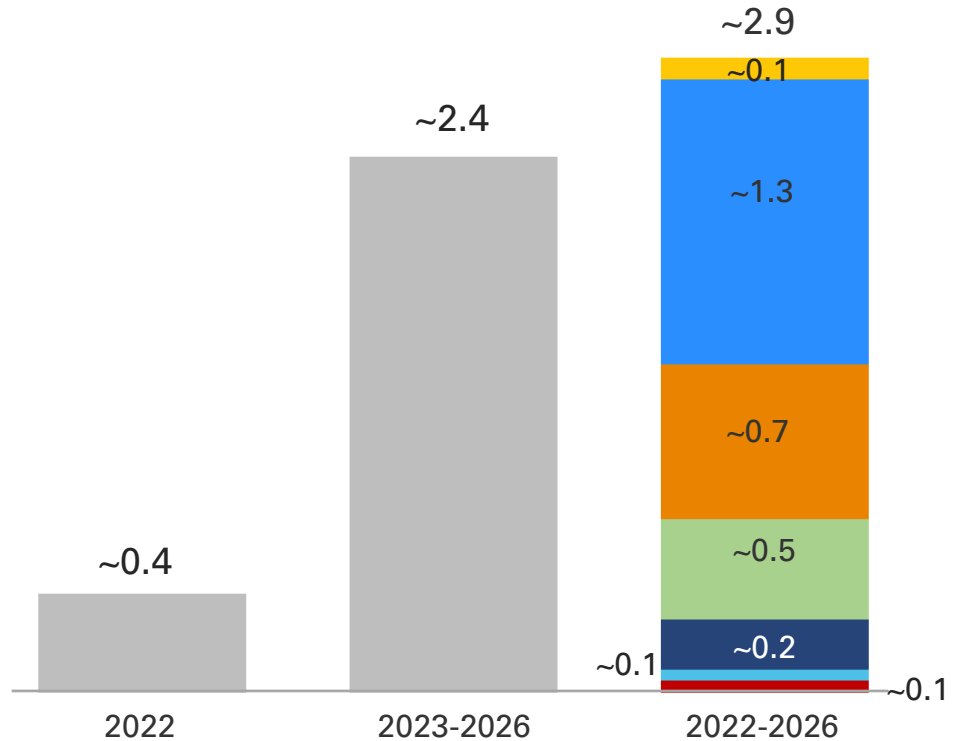
CAPACITY EVOLUTION IN 2022-2026



+2,200MW (450MW per year) added to strengthen ERG RES portfolio

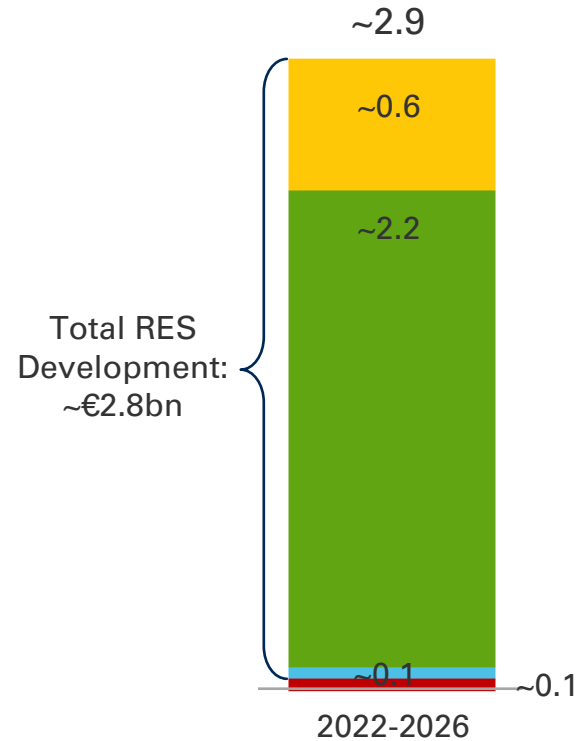
CAPEX EVOLUTION IN 2022-2026

per Stream (€ bn)



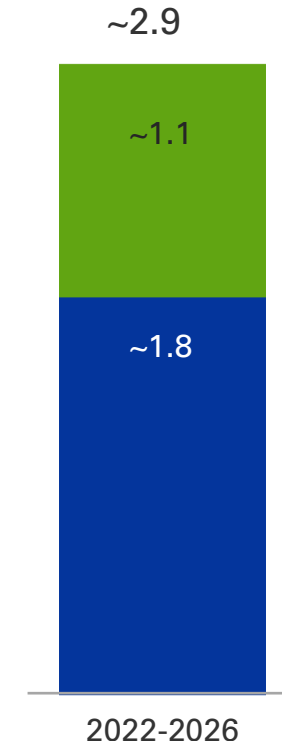
■ Storage ■ Under Construction / Ready-to-build ■ Repowering ■ Valentia
■ Maintenance ■ Proprietary Greenfield ■ M&A

per Technology (€ bn)



■ Solar ■ Storage
■ Wind ■ Maintenance









per Geography (€ bn)



■ Italy
■ Abroad

A capex plan to further enhance geographical & technological diversification

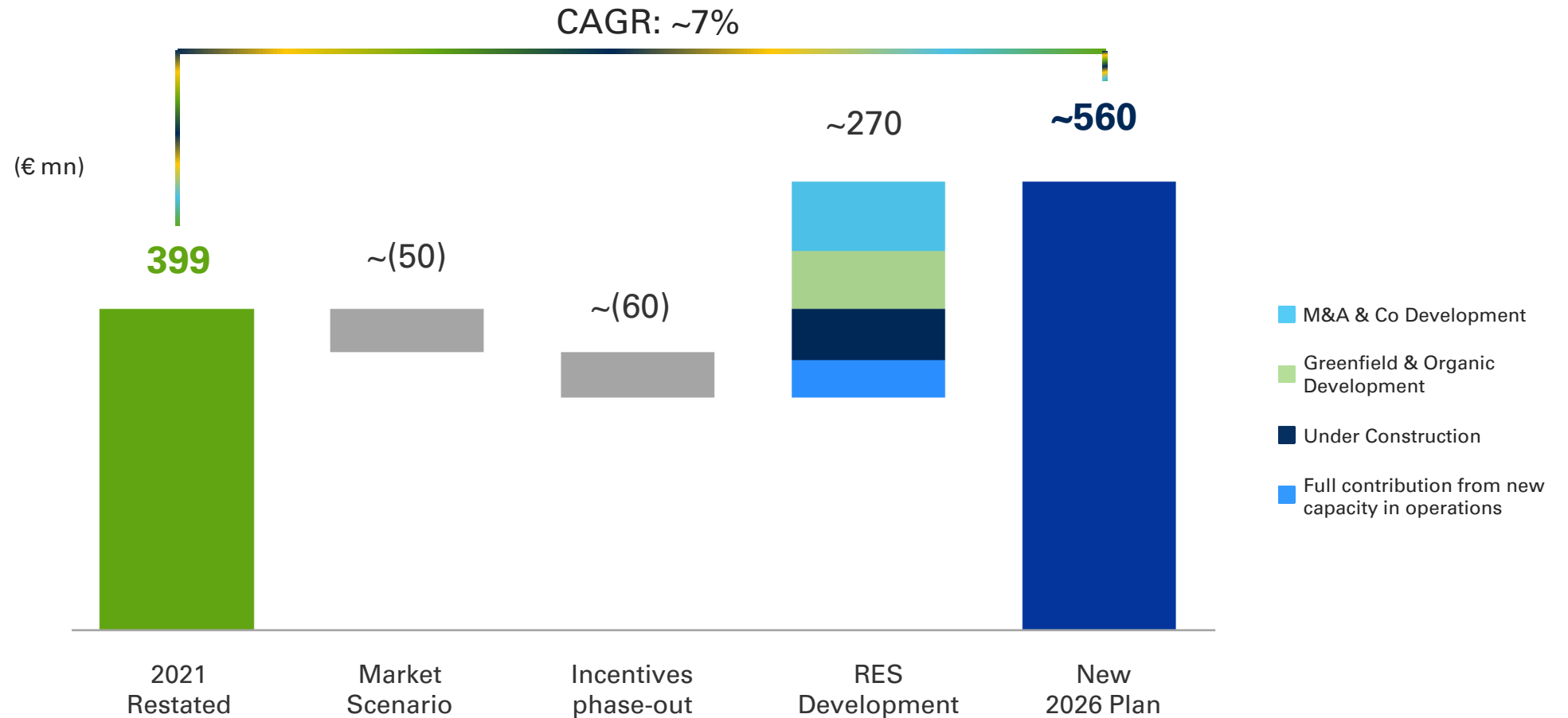
ERG PERFECTLY ALIGNED WITH EU GREEN TAXONOMY AFTER ASSET ROTATION

Business/Technology	ELIGIBLE EU Taxonomy	Alignment EU Taxonomy (MW)	FY 2021 Actual			Post Asset Rotation		
			Revenues	Opex	Capex	Revenues	Opex	Capex
			Alignment			Alignment		
Group			62%	31%	96%	100%	100%	100%
Wind	 ✓	100% 	100%	100%	100%	2022-2026 CAPEX⁽¹⁾ ~€2.9bn   } 100%		
Solar	 ✓	100% 	100%	100%	100%			

We are #SDGscontributors

⁽¹⁾ It includes also Storage and Maintenance

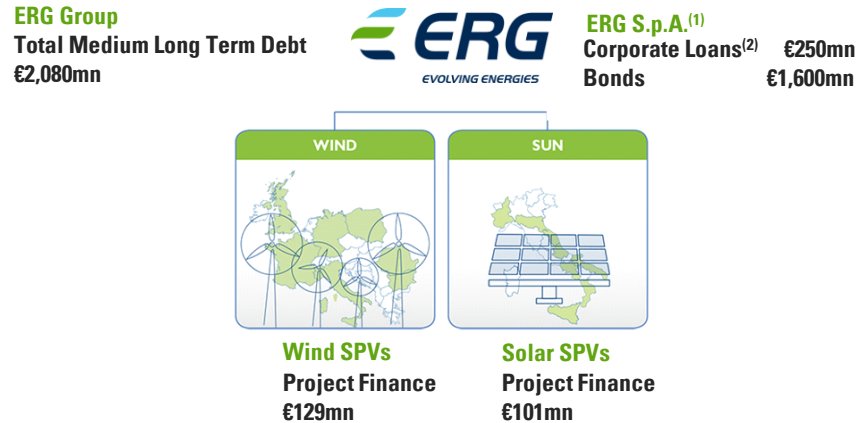
EBITDA TO BENEFIT FROM STRONG GROWTH OF RES PORTFOLIO



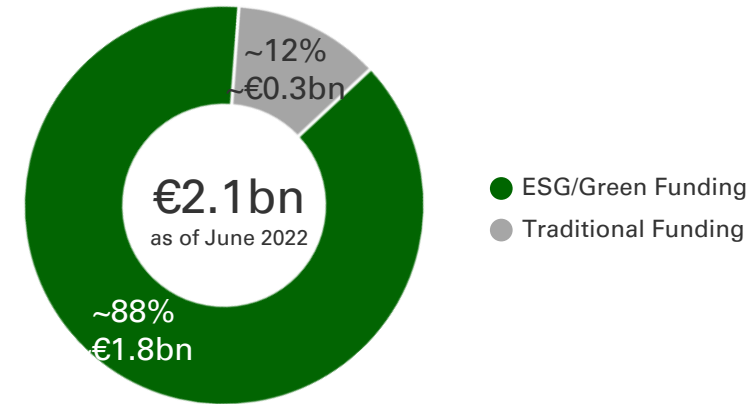
RES development to more than offset the phasing out of incentives

A ROBUST FINANCIAL STRUCTURE

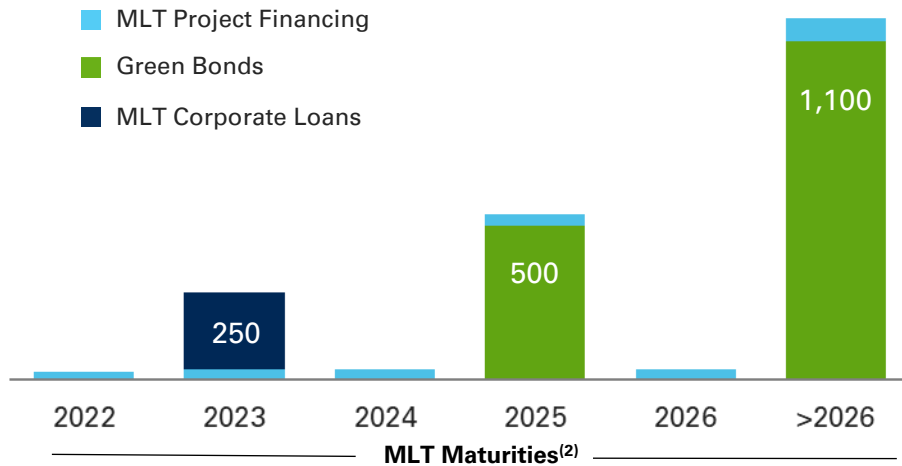
Debt Structure as of 30 June 2022



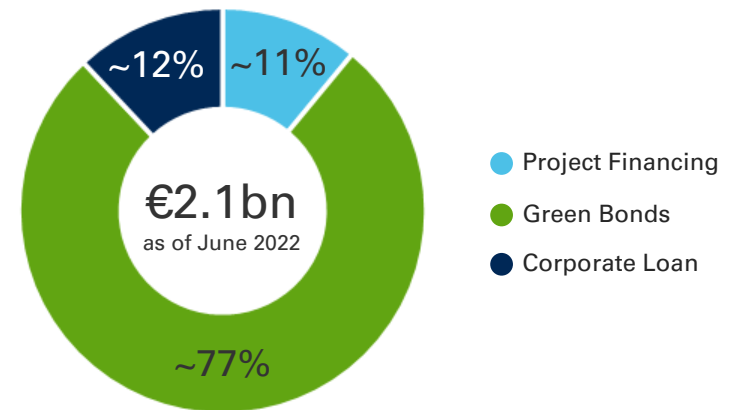
Capital structure aligned to ESG based business model



No refinancing needs until mid 2023



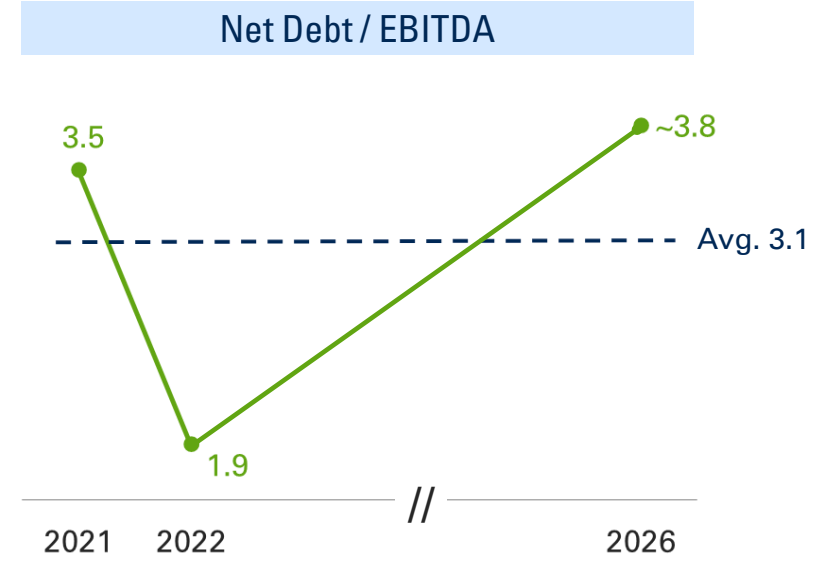
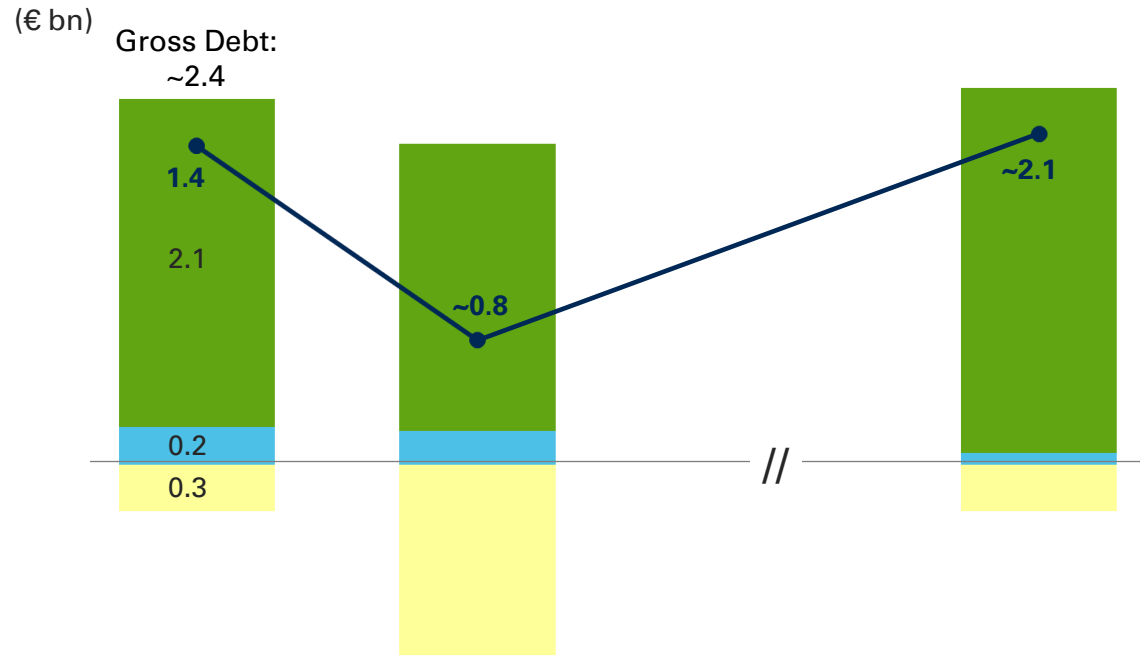
Switch from PF to DCM funding completed



⁽¹⁾ ERG SpA owns operating subsidiaries via fully owned subholding ERG Power Generation (free of debt and in cash pooling with ERG S.p.A.)

⁽²⁾ Corporate Loans for an amount of €260mn have been prepaid in early 2022

SOLID FINANCIAL PROFILE PRESERVED OVER 2022-2026 BP PERIOD



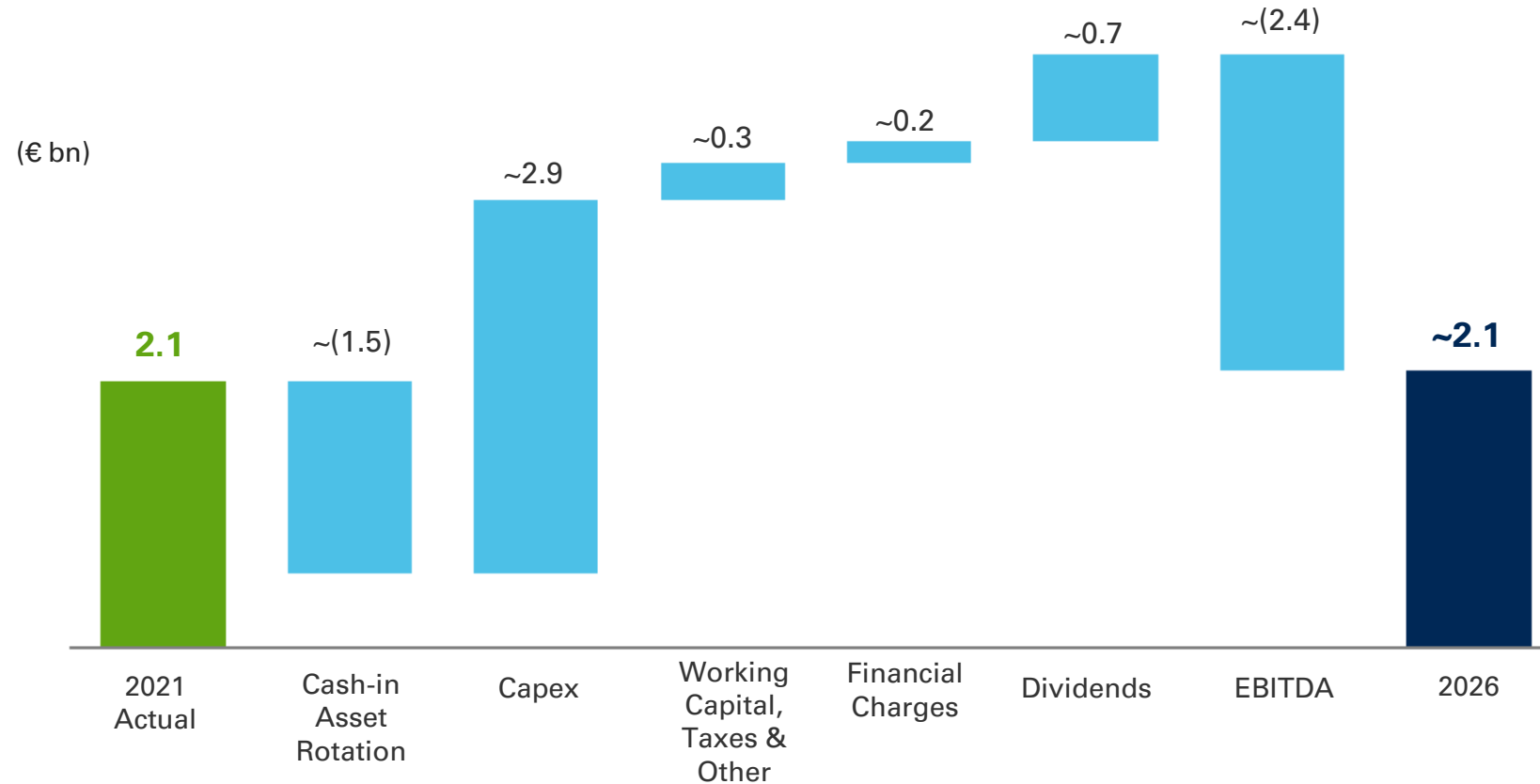
	2021	2022	//	2026
Cost of Gross Debt:	1.5% ⁽¹⁾	1.3%	//	1.3%

● NFP ■ Cash & Other ■ MLT PF ■ Green Bonds & Corporate Loans

Financial policy: maintaining BBB- investment grade rating and Net Debt/Ebitda up to 4.0x

⁽¹⁾ Kd proforma post Liabilities Management

A RELEVERAGE TO BOOST RES PORTFOLIO



Sustainable leverage increase consistent with current investment grade rating



We ARE #SDGs

