

TCFD framework

TCFD RECOMMENDATIONS	DOCUMENT	PAGE	CONTENT	DESCRIPTION
1. Governance				
Describe the boards' oversight of climate-related risks and opportunities	NFS 2023	130	Climate change risk management	Board of Directors: is responsible for strategic guidance, designing the Group's green future, analysing the economic, regulatory and market scenarios in order to identify the best development opportunities while continuing to support decarbonisation;
	NFS 2023	110, 112	Control, Risk and Sustainability Committee	Performs the role and tasks envisaged by the Corporate Governance Code for the Control and Risk Committee as well in relation to Sustainability and in particular it supports the Board of Directors' evaluations and decisions relating to the ICRM System, as well as those relating to the approval of the periodic financial reports, the consolidated non-financial statement, the ESG Plan, those relating to Group Governance, the obligations pursuant to Italian Legislative Decree no. 231/01, anti corruption, Finance and Risk Management.
	NFS 2023	130	Climate change risk management	Management is responsible for managing the assets, with an increased focus on issues such as managing maintenance to optimise production, technological development and increasing the efficiency of plants in order to extract the greatest possible value, the integrity of assets and the environmental and safety management needed to ensure business continuity.
Describe management's role in assessing and managing climate-related risks and opportunities.	NFS 2023	118	ESG Committee	ESG COMMITTEE: Directs, plans and supervises the implementation of ESG/CSR and Internal and External Communication objectives and in particular: - defines the Group's medium to long-term sustainability guidelines and promotes the implementation of consistent practices and projects in the field of corporate social responsibility; - approves the ESG Initiatives Plan as an integral part of the Group's Business Plan, monitors the execution, the achievement of targets and the priority areas for intervention; - approves the Internal and External Communication Plan, also aimed at promoting the plan's ESG initiatives, monitoring their implementation and enhancing their growing importance in strategic terms; - manages the preparation and dissemination of the "Non-Financial Statement" (NFS) and other reporting methods related to ESG topics; - approves the allocation of proceeds from Green Bond issuances and related annual reporting in line with the Green Bond Control Framework.
	NFS 2023	127-128	ERM	Enterprise Risk Management (ERM) is the Group structure that supports management in identifying, assessing and monitoring risks, as well as in defining the most effective response strategies to mitigate them. The ERM Process envisages the involvement of all Group structures. The Group's Risk Universe, meaning the standard catalogue of homogeneous risk classes, was updated in 2023 to include "Emerging Risks", among with "climate change".
	NFS 2023	57-61	Engagement with stakeholders	Our relations with the institutions are therefore aimed primarily at participating in and contributing to this development. In such a dynamic context, dialogue with trade associations and with the main players in the sector makes it possible to develop and strengthen our demands as an operator in the renewable energies sector, while supporting decarbonisation policies that are fundamental for our business and for the fight against climate change. In 2023, we again actively participated in several energy and environmental policy working groups and documents, providing our industrial expertise and knowledge of the sector.
2. Strategy				
Describe the climate-related risks and opportunities the organization has identified over the short- medium-and long-term.	NFS 2023	5	Letter to shareholders and stakeholders	In this highly volatile and uncertain scenario, ERG has reaffirmed its strong propensity for change and its vision, successfully finalising the transformation of its business model from oil to green. The sale of the CCGT thermolectric asset in Sicily was a historic step, which marked our definitive exit from fossil fuels. ERG is now a pure renewable operator focused on solar and wind power with a Net Zero target by 2040, a milestone that is actually achievable. The Science Based Target initiative's (SBTi) approval of our emission reduction targets, in line with the threshold necessary to keep the global temperature increase within 1.5°C confirms the validity of our decarbonisation strategy
	NFS 2023	129-130	Climate change risk management	Starting from the identification of the risk and opportunities, we have structured an analysis of the impacts that climate change may have on our business, developed following the guidelines of the TCFD (Task Force on Climate-related Financial Disclosure)
	NFS 2023	142-145	TCFD Framework	TCFD Framework (risk and opportunities; impact)
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	NFS 2023	5	Letter to shareholders and stakeholders	In this highly volatile and uncertain scenario, ERG has reaffirmed its strong propensity for change and its vision, successfully finalising the transformation of its business model from oil to green. The sale of the CCGT thermolectric asset in Sicily was a historic step, which marked our definitive exit from fossil fuels. ERG is now a pure renewable operator focused on solar and wind power with a Net Zero target by 2040, a milestone that is actually achievable. The Science Based Target initiative's (SBTi) approval of our emission reduction targets, in line with the threshold necessary to keep the global temperature increase within 1.5°C confirms the validity of our decarbonisation strategy
	NFS 2023	37	Strategy	Becoming Net zero by 2040
	NFS 2023	16-17	Strategy	ESG Plan
	NFS 2023	52	Innovation	Innovation
	NFS 2023	129-130	Climate change risk management	Starting from the identification of the risk and opportunities, we have structured an analysis of the impacts that climate change may have on our business, developed following the guidelines of the TCFD (Task Force on Climate-related Financial Disclosure)
	NFS 2023	142-145	TCFD Framework	TCFD Framework (risk and opportunities; impact)
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	NFS 2023	129-130	Climate change risk management	Starting from the identification of the risk and opportunities, we have structured an analysis of the impacts that climate change may have on our business The scenarios chosen in 2019 from among those most accredited in the literature were confirmed, in particular that developed by the Intergovernmental Panel of Climate Change (IPCC). We also considered two transition scenarios that focus on assumptions of the development of policies and technologies to reduce GHG emissions: • the Below 2 Degree Scenario (B2DS) of the International Energy Agency (IEA), used by the Science Based Target Initiative (SBTi) to set the greenhouse gas emission reduction targets; • the Sustainable Development Scenario (SDS) of the International Energy Agency (IEA) which uses the UN's Sustainable Development Goals (SDGs) as targets

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3. Risk Management				
Describe the organization's processes for identifying and assessing climate related risks.	NFS 2023	129-130	Climate change risk management	Starting from the identification of the risk and opportunities, we have structured an analysis of the impacts that climate change may have on our business, developed following the guidelines of the TCFD (Task Force on Climate-related Financial Disclosure) 10 – Climate Change: Climate change risk is the possibility that climate changes in the short, medium and long term may have impacts on ERG's business with economic/financial consequences in terms of (some examples): decreased availability of renewable resources (water, wind and sun); limitations or impediments to operations, increased O&M costs, increased insurance costs, higher compliance costs, etc MANAGEMENT: • diversification of the generation portfolio from both a technological (Wind/Solar) and geographical (at European level) point of view in order to compensate for changes to contributions in the various renewable sources (wind/sun); • use of as accurate as possible forecasting systems to define the production plan and short-term operating activities; • scheduling of stoppages at renewable energy plants during periods of low input from renewable energy sources; • use of industrial control systems (SCADA) for the continuous monitoring of the performance of plants – through specific KPI indicators – and of their status, which make it possible to intervene promptly in the event of accidental failure and to reduce machinery downtime; • programmes for the continuous improvement of the processes for managing and maintaining assets in order to ensure their ever increasing efficiency; • insurance coverage to mitigate the risks related to Business Interruption and Property Damage in the generation portfolio.
	report on corporate governance 2023	20	Main Risks- Climate Change	
Describe the organization's processes for managing climate-related risks.	NFS 2023	5	Letter to shareholders and stakeholders	In this highly volatile and uncertain scenario, ERG has reaffirmed its strong propensity for change and its vision, successfully finalising the transformation of its business model from oil to green. The sale of the CCGT thermoelectric asset in Sicily was a historic step, which marked our definitive exit from fossil fuels. ERG is now a pure renewable operator focused on solar and wind power with a Net Zero target by 2040, a milestone that is actually achievable. The Science Based Target initiative's (SBTI) approval of our emission reduction targets, in line with the threshold necessary to keep the global temperature increase within 1.5°C confirms the validity of our decarbonisation strategy
	NFS 2023	36	Science Based Target approves our decarbonisation targets	On 7 July 2023, the Science Based Target initiative (SBTI) approved the ERG Group's greenhouse gas (GHG) emission reduction targets, in line with the threshold necessary to keep the global temperature increase within 1.5°C
	NFS 2023	37	Becoming net zero by 2040	Our path to decarbonisation has three stages: 1. production and sale of 100% renewable energy; 2. consumption of our plants and facilities based exclusively on 100% renewable energy; 3. decarbonisation of our supply chain, by accompanying our main suppliers on an emission reduction pathway, certified by the Science Based Targets initiative (SBTI).
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	report on corporate governance 2023	20	Main Risks- Climate Change	
	NFS 2023	129-130	Climate change risk management	Starting from the identification of the risk and opportunities, we have structured an analysis of the impacts that climate change may have on our business, developed following the guidelines of the TCFD (Task Force on Climate-related Financial Disclosure)
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	NFS 2023	134-137	Sustainable supply chains	Sustainable supply chains
	NFS 2023	127-128	ERM	Enterprise Risk Management (ERM) is the Group structure that supports management in identifying, assessing and monitoring risks, as well as in defining the most effective response strategies to mitigate them. The ERM Process envisages the involvement of all Group structures. The Group's Risk Universe, meaning the standard catalogue of homogeneous risk classes, was updated in 2023 to include "Emerging Risks", among with "climate change".
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4. Metrics and Target				
Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	NFS 2023	28-29	Methodological note	
	NFS 2023	36	Science Based Target approves our decarbonisation targets	On 7 July 2023, the Science Based Target initiative (SBTI) approved the ERG Group's greenhouse gas (GHG) emission reduction targets, in line with the threshold necessary to keep the global temperature increase within 1.5°C
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	NFS 2023	38	CO2 avoided	Thanks to the clean energy production (wind and solar), ERG avoids the emission of several million tonnes of CO2 each year
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	NFS 2023	39	Our emissions	
	NFS 2023	39; 168	Our emissions	
Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets.	NFS 2023	16-17	ESG Plan and 2023 Reporting	Our target and resulted achieved in 2023
	NFS 2023	37	Becoming net zero by 2040	Our path to decarbonisation has three stages: 1. production and sale of 100% renewable energy; 2. consumption of our plants and facilities based exclusively on 100% renewable energy; 3. decarbonisation of our supply chain, by accompanying our main suppliers on an emission reduction pathway, certified by the Science Based Targets initiative (SBTI).
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