



# EURONEXT SUSTAINABILITY WEEK 2024

10 September 2024

## 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

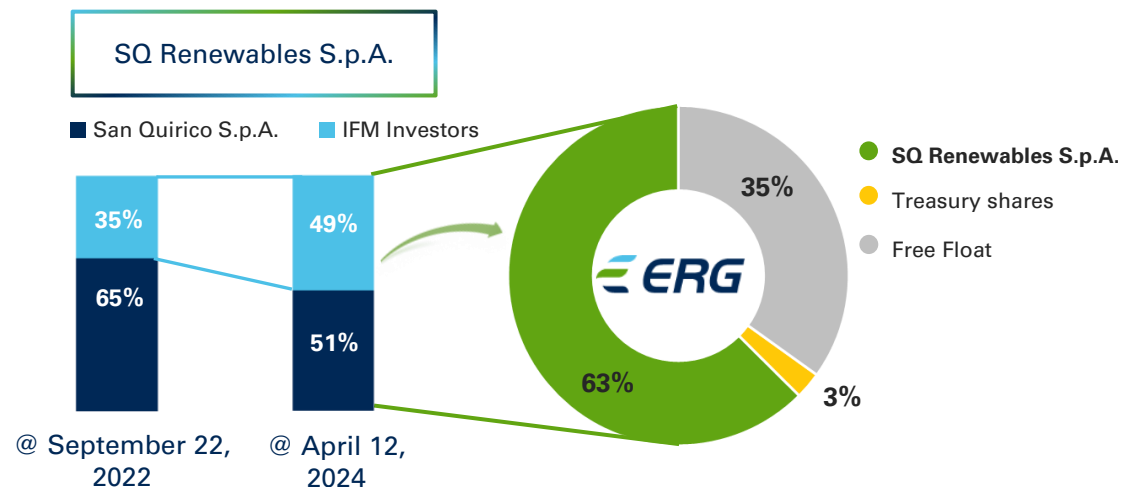
- ❑ ERG as a pioneer in the Energy Transition
- ❑ A best-in-class Governance Model
- ❑ ERG Tomorrow
- ❑ 2024 Guidance & 2024-2026 BP Key Figures
- ❑ ESG as a concrete and substantial Choice



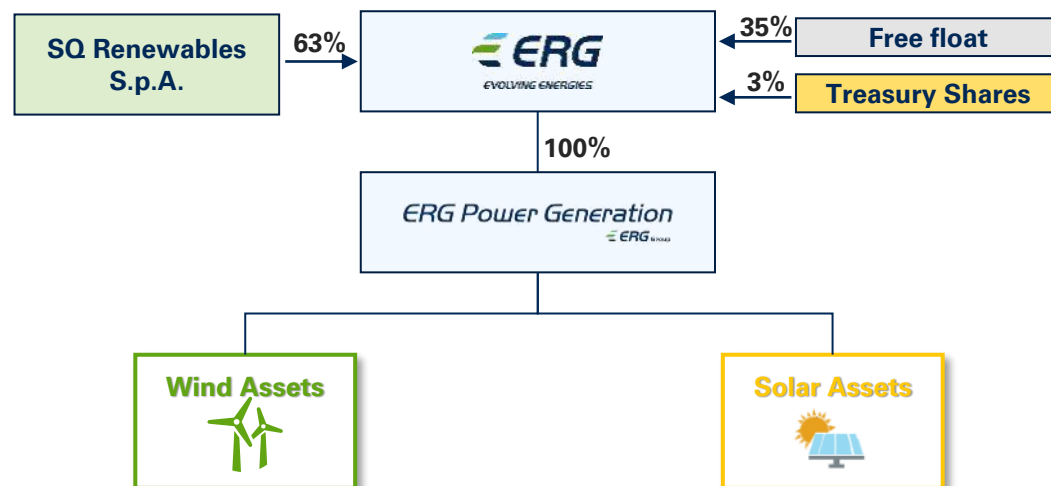
# **ERG AS A PIONEER IN THE ENERGY TRANSITION**

# GROUP'S STRUCTURE AND TOP MANAGEMENT

## A new Shareholders' structure<sup>(1)</sup>



## ERG Group's structure<sup>(1)</sup>



<sup>(1)</sup> Data as at May 23, 2024

## Top Management



**Edoardo Garrone**  
Chairman of the Board



**Alessandro Garrone**  
Executive Vice President  
in charge of Internal Control and  
Risk Management System



**Giovanni Mondini**  
Vice President



**Paolo Merli**  
CEO



**Luca Bragoli**  
Regulatory & Public  
Affairs



**Emanuela Delucchi**  
ESG, IR &  
Communication



**Giorgio Coraggioso**  
Human Capital & ICT



**Andrea Navarra**  
Corporate & Legal  
Affairs



**Corrado Bosio**  
Corporate Strategy &  
Mergers & Acquisitions



**Costantino Deperu**  
Business Development,  
Engineering & Construction



**Renato Sturani**  
Generation  
& Market



**Michele Pedemonte**  
Administration, Finance,  
Control & Procurement

# 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**

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



Wind: ERG grows (+86MW) in France and Germany.

**2019**

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.<sup>(1)</sup>.



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

**2021**

On October 17 ERG sells the CCGT, becoming a pure renewable player.



ERG starts up the first two repowered wind farms in Sicily, and increases its solar assets in Spain (+149MW).

**2023**

**1938**

Edoardo Garrone founds ERG in Genoa.



**1975**



Production starts at the ISAB Refinery in Priolo.

**2000**

Through ISAB Energy, ERG starts producing and selling electricity from gasification of the heavy residues from refinement.



**2008**



ERG sells 49% of the ISAB Refinery to LUKOIL.

**2013**

ERG is the leading wind operator in Italy (1,087MW) and among the top ten in Europe (1,340MW), and acquires a company for wind farm O&M activities.



ERG completes its exit from refining.

**2015**

ERG enters the hydroelectric sector acquiring the Terni Complex in Central Italy (527MW).



Wind: ERG continues its growth (+146MW) in France and Poland.

**2018**

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



Definitive exit from Oil with the sale of TotalERG.

**2020**

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



**2022**

Wind: ERG acquires 172MW in Italy, and starts up ~230MW in Europe.



With a 35% share in SQ Renewables SpA, IFM NZFI becomes ERG's indirect shareholder, alongside Garrone-Mondini Family.

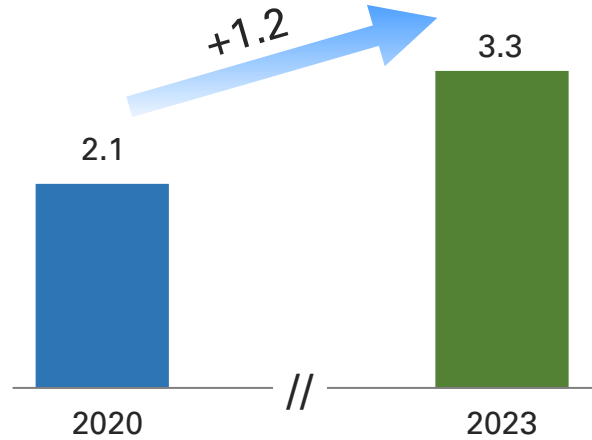
<sup>(1)</sup> The closing for the sale of the Hydro portfolio to Enel took place on January 3, 2022

<sup>(2)</sup> The closing of the solar acquisition in Spain (92MW) took place on January 31, 2022

# COMPLETION OF OUR ENERGY TRANSITION

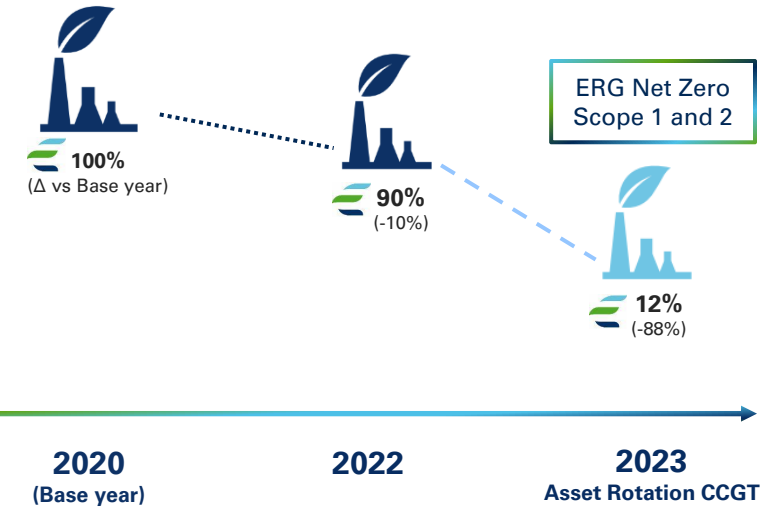
**STRONG  
EXECUTION**

Wind & Solar Installed Capacity (GW)



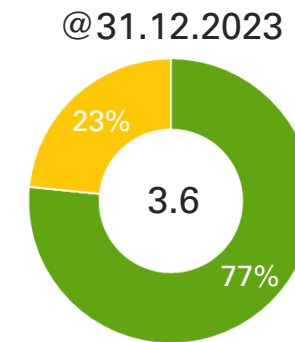
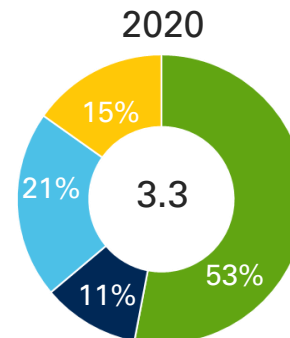
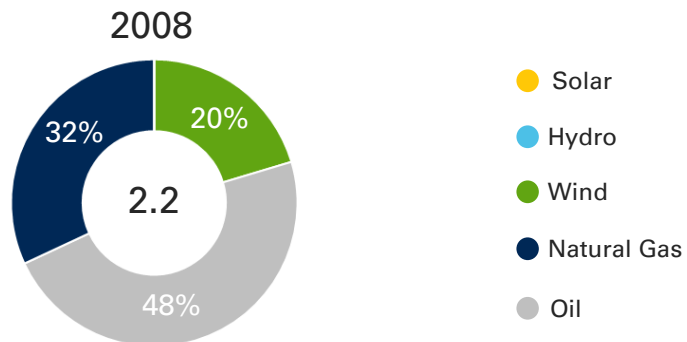
CCGT divestment crucial for 'Net Zero' Target

Carbon Index % [g CO<sub>2</sub> e/KWh] (Scope 1+2+3)

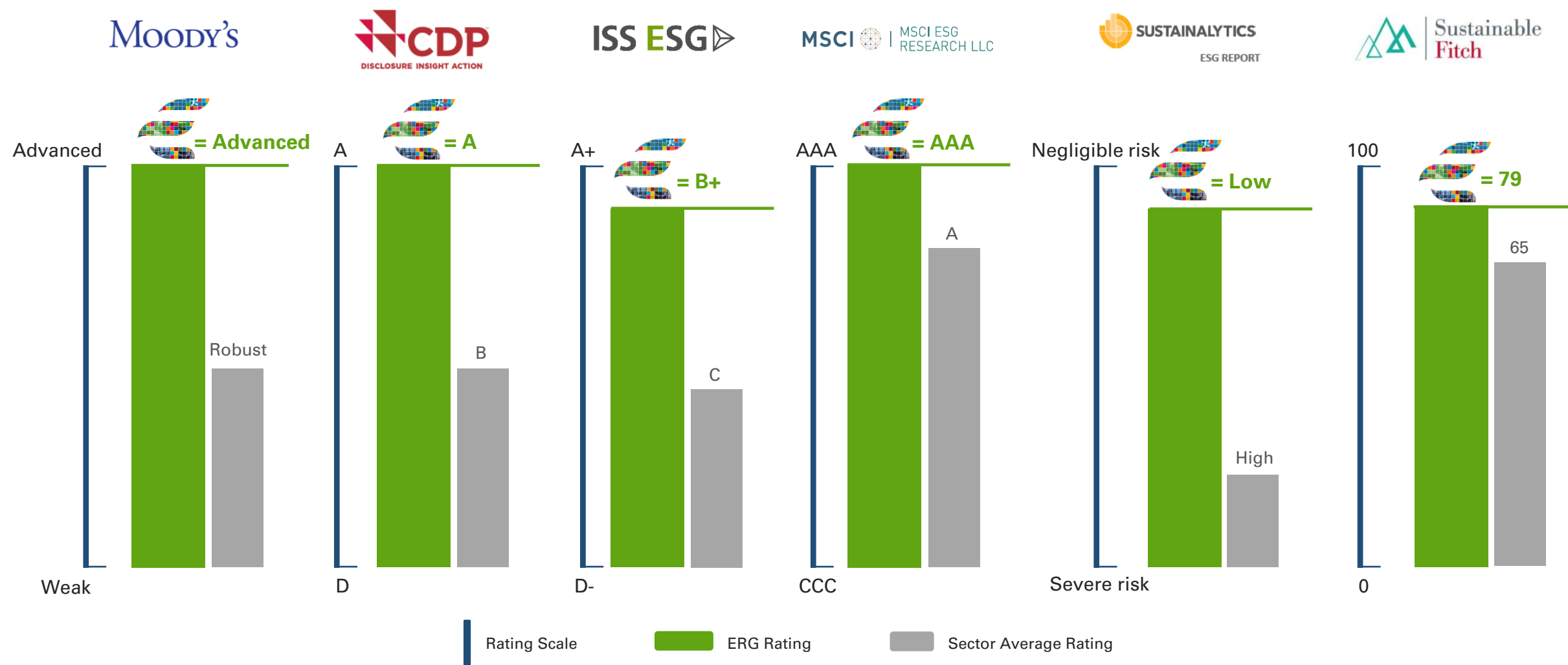


**COMPLETION  
OF ENERGY  
TRANSITION**

Evolution of Capital Employed (€ bn)



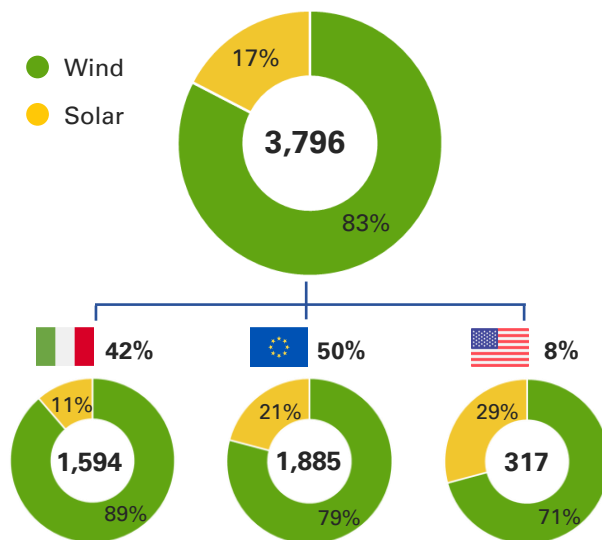
# TOP TIER ESG RECOGNITION



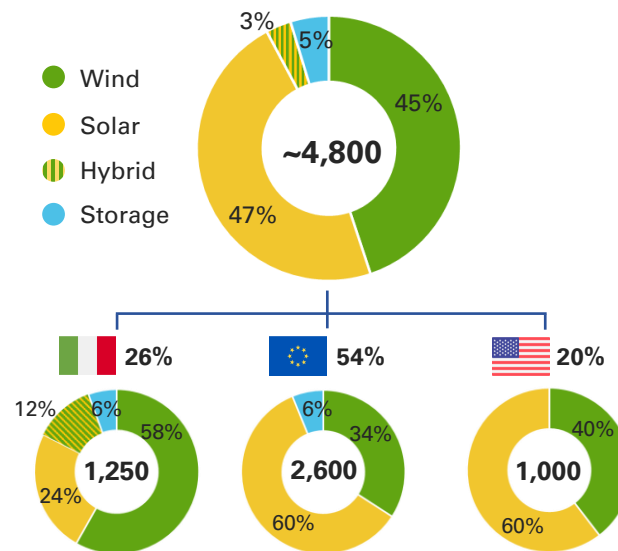
**ERG best-in-class in ESG: 28<sup>th</sup> worldwide and 1<sup>st</sup> in Italy in the Corporate Knights Global 100**

# ERG AS OF TODAY: A SOLID AND INTERNATIONAL PLATFORM

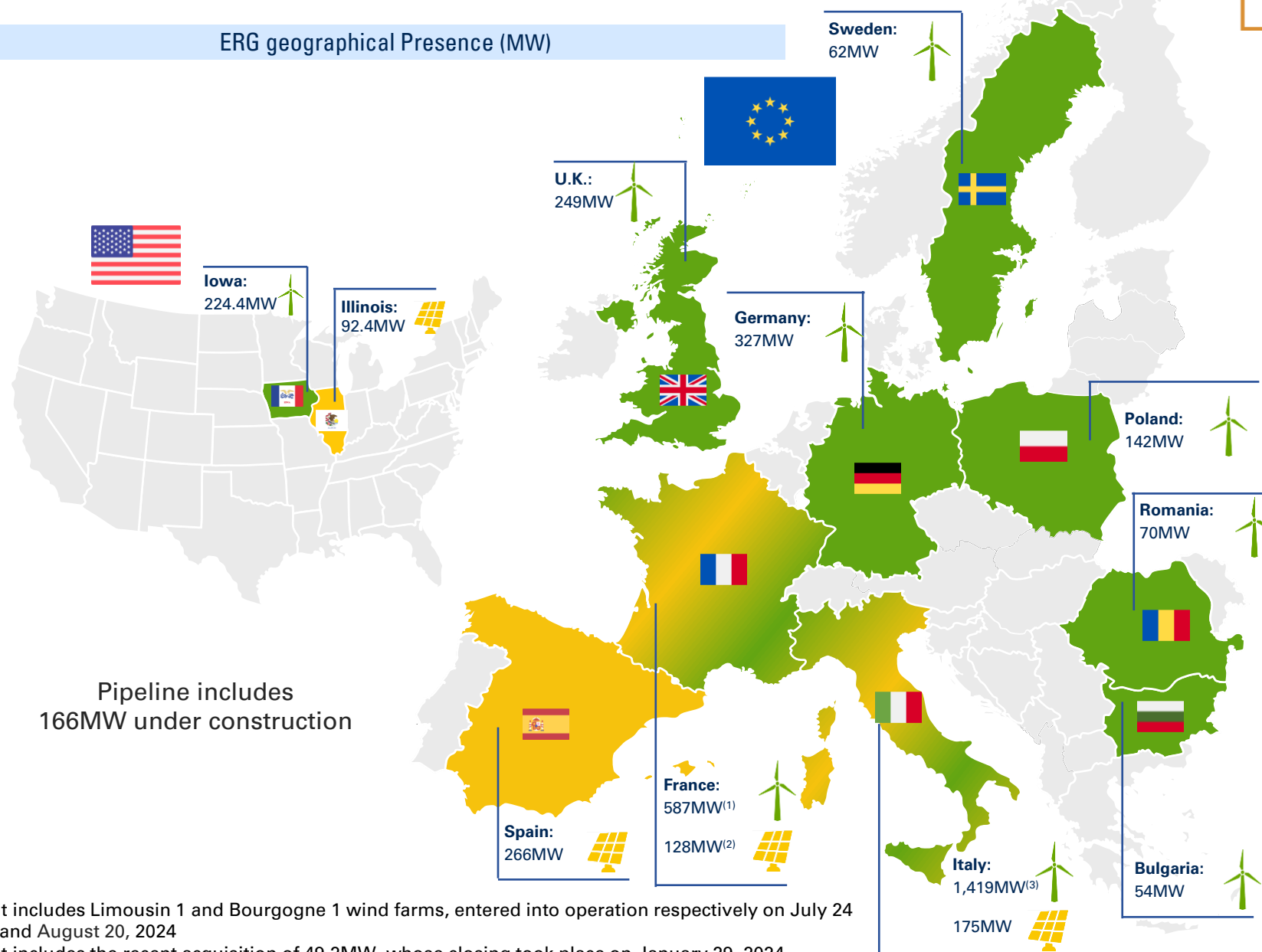
## Installed Capacity (MW)



## Pipeline (MW)

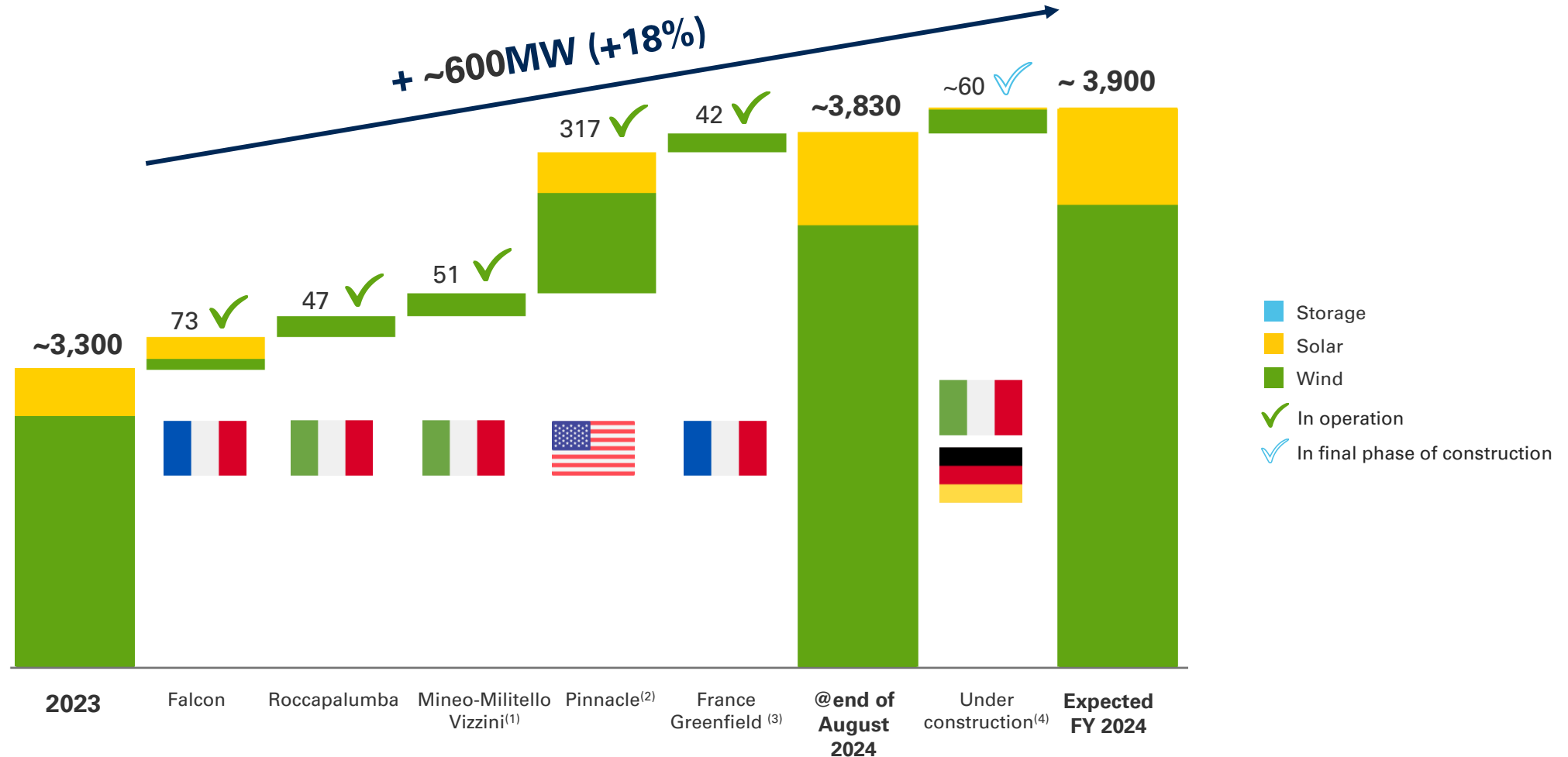


## ERG geographical Presence (MW)



- (1) It includes Limousin 1 and Bourgogne 1 wind farms, entered into operation respectively on July 24 and August 20, 2024
- (2) It includes the recent acquisition of 49.2MW, whose closing took place on January 29, 2024
- (3) It includes Mineo-Militello-Vizzini wind farm (101MW), entered into operation on April 24, 2024 after completion of repowering activities

# EXECUTION WELL ON TRACK



## A secured and international mix of organic projects and M&A

<sup>(1)</sup> Mineo-Militello-Vizzini (50.9MW on a differential basis; gross capacity post-repowering = 101MW) entered into operation on April 24, 2024 after completion of repowering activities

<sup>(2)</sup> Closing on April 24, 2024

<sup>(3)</sup> Limousin 1 (Saint Maurice La Clouère, 9.2MW) wind farm, entered into operation on July 24, 2024, and Bourgogne 1 (Moulins du Bois, 32.4MW) wind farm, entered into operation on August 20, 2024

<sup>(4)</sup> Of which, Wind: Salemi-Castelvetro + Reinsdorf (50.4MW + 3MW on a differential basis; gross capacity post-repowering = 76MW + 6MW), and Solar: Siena (gross capacity post-repowering = 29MW)

# BUILDING UP A LARGER AND WELL DIVERSIFIED PORTFOLIO IN EUROPE



|                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Salemi-Castelvetro (RPW)</b><br> 76MW to be,<br>50MW $\Delta$ vs as-is<br><br>COD: 4Q 2024<br>Producibility: 2,300 heq | <b>Picardie 1</b><br> 18MW<br><br>COD: 1Q 2025<br>Producibility: 2,670 heq | <b>Corlacky</b><br> 47MW<br><br>COD: 4Q 2025<br>Producibility: 3,760 heq |
| <b>Reinsdorf (RPW)</b><br> 6MW to be,<br>3MW $\Delta$ vs as-is<br><br>RTB<br>COD: 4Q 2024<br>Producibility: 1,823 heq     | <b>Siena (RPW)</b><br> 6MW<br><br>COD: 4Q 2024<br>Producibility: 1,800 heq | <b>Vicari</b><br> 12.5MW<br><br>COD: 2025                                |

**~170MW<sup>(1)</sup> currently under construction**  
**~500MW<sup>(2)</sup> of further projects fully authorized**

**Adding visibility to our growth prospects in IT, FR, UK and DE. First move in Storage**

<sup>(1)</sup> Tot. MW under construction: on absolute terms = 166MW, on a differential basis = 137MW

<sup>(2)</sup> Tot. MW fully authorized: on absolute terms = 485MW, on a differential basis = 300MW

# A PLATFORM OF PPA WITH TIER 1 OFF-TAKERS TO STABILIZE REVENUES

| Country & Asset Type                                                                                                                                                                                   | Plants & Capacity                                   | Price Structure               | Tenor / Start Date                  | Counterparty                                                                         | Volume                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------|-------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------------|
|   <b>Greenfield</b>                  | Evishagaran / Craiggore<br>tot. 70MW                | Fixed Price                   | 6 years<br>Jan '22                  |   | ~250GWh/Y<br>Pay as Produced                      |
|   <b>Asset Based<br/>FiP expired</b> | Bois Bigot, Bois de l'Arche/Theta PTF<br>72MW       | Fixed Price                   | 5 years<br>Sept – Dec '21           |   | ~150GWh/Y<br>Pay as Produced                      |
|   <b>Greenfield</b>                  | Mulligan<br>70W                                     | Fixed Price                   | 12 years<br>Jan '23                 |   | ~Avg. 133GWh/Y<br>Fixed Shape                     |
|   <b>Greenfield</b>                  | Great Pathfinder<br>224W                            | Fixed Price                   | 12 years<br>Apr '23                 |   | ~831GWh/Y<br>Pay as produced                      |
|   <b>Greenfield</b>                  | Sandy Knowe / Creag Riabhach<br>tot. 179W           | Fixed Price                   | 10 years<br>Jan '23                 |   | ~400GWh/Y<br>Baseload                             |
|   <b>Greenfield</b>                  | Garnacha<br>149MW                                   | Discount to Mkt<br>with Floor | 12 years from COD<br>(exp. Apr '24) |   | ~190GWh/Y<br>Pay as Produced                      |
|   <b>Repowering</b>                  | Partinico-Monreale<br>42MW                          | Fixed Price                   | 12 years<br>Jan '23                 |   | ~70GWh/Y<br>Baseload                              |
|   <b>Greenfield</b>                  | Chaume Solar<br>29MW                                | Fixed Price                   | 15 years<br>Jan '25                 | <b>les Mousquetaires</b>                                                             | ~35GWh/Y<br>Pay as Produced                       |
|   <b>Asset Based<br/>FiP expired</b> | Wind Portafolio<br>160MW equiv.                     | Collar Structure              | 9 years<br>Jan '23                  |   | ~420GWh/Y Baseload +<br>~120GWh/Y Pay as Produced |
|   <b>Repowering</b>                  | Camporeale + Mineo-Militello- Vizzini<br>tot. 150MW | Fixed Price                   | 15 years<br>Jan '24                 |   | ~260GWh/Y<br>Baseload                             |
|   <b>Greenfield</b>                 | Roccapalumba<br>47MW                                | Fixed Price                   | 20 years from COD<br>(exp. Apr '24) |  | ~100GWh/Y<br>Pay as Produced                      |

TOT: ~2.9TWh/Y<sup>(1)</sup>

## Pro-active route to market approach through volatile years



<sup>(1)</sup> Corresponding to ca. 30% of full-year production

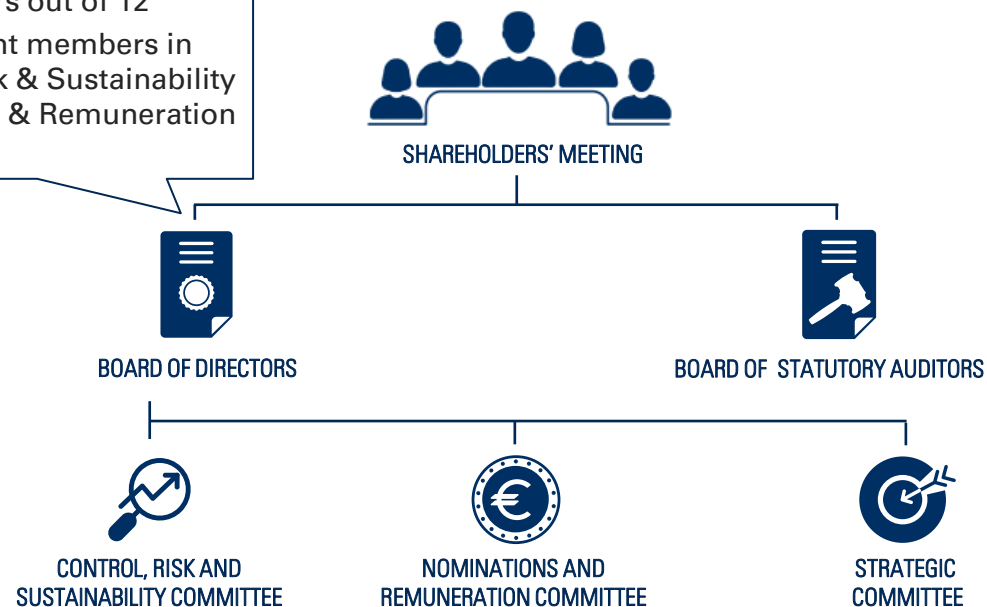
# **A BEST-IN-CLASS GOVERNANCE MODEL**

# A BEST-IN-CLASS GOVERNANCE MODEL

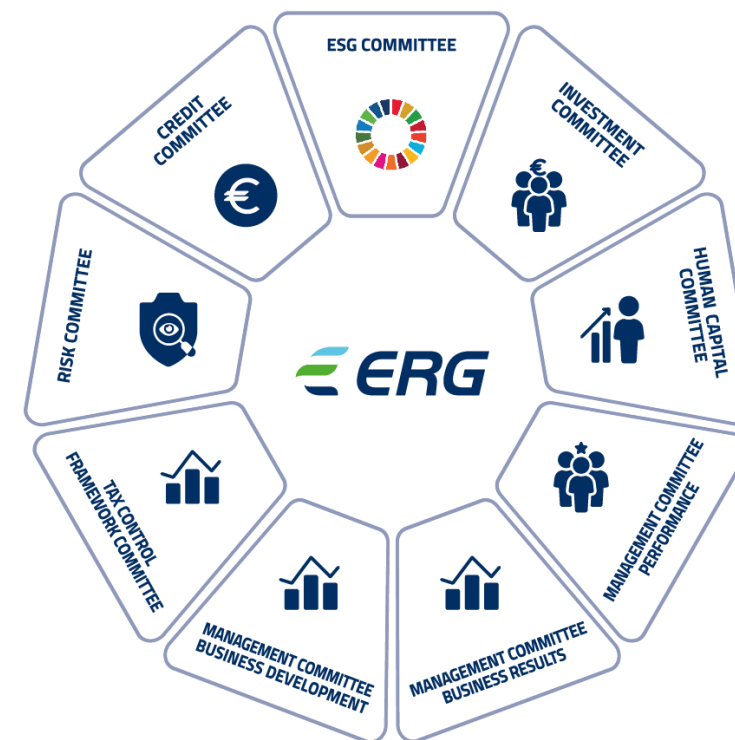
## ERG's Governance Model

### Key elements of the new BoD:

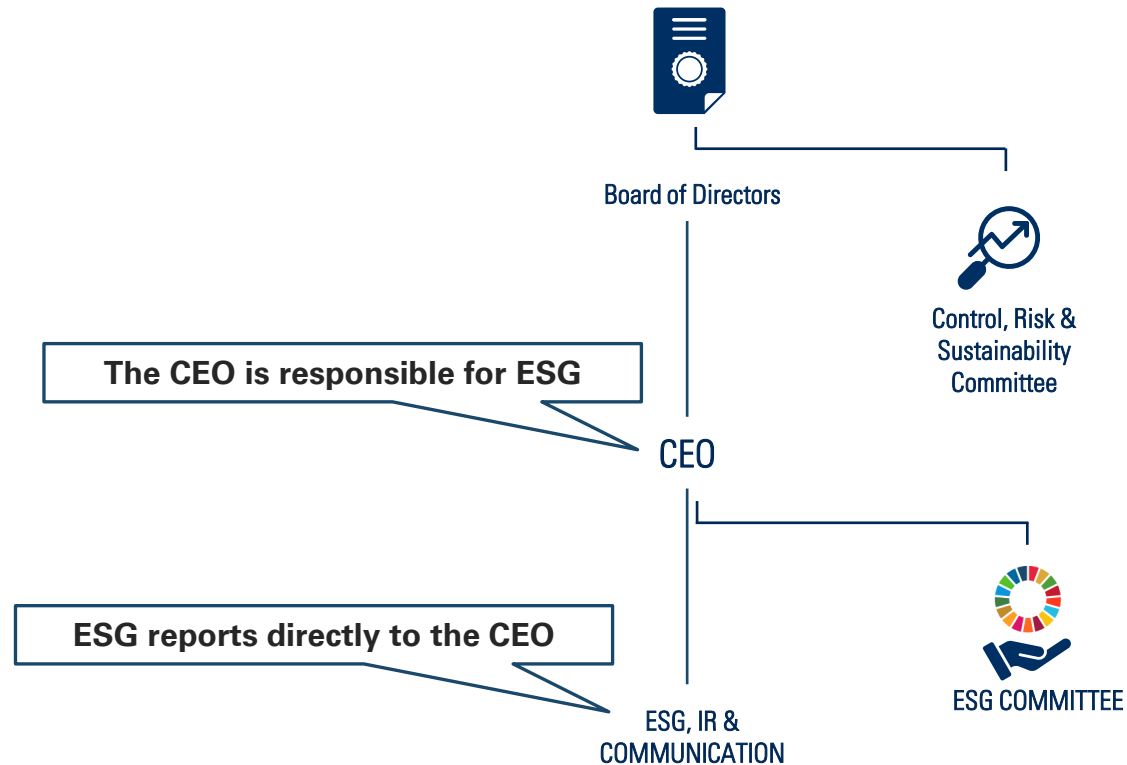
- 5 independent members out of 12
- 6 female members out of 12
- 100% independent members in both Control, Risk & Sustainability and Nominations & Remuneration Committees



## Managers Committees to oversee strategy



# ESG GOVERNANCE MODEL



## Control, Risk and Sustainability Committee

**A renewed Control, Risk and Sustainability Committee, appointed by the Board of Directors on 23 April 2024**, 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 Statement (NFS);
- the supervision of all the sustainability topics (e.g. Climate Change; D&I; Governance)

## ESG Committee<sup>(1)</sup>

**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 NFS and other reporting methods related to ESG issues.

## ESG, IR & Communication

**ESG Duties:**

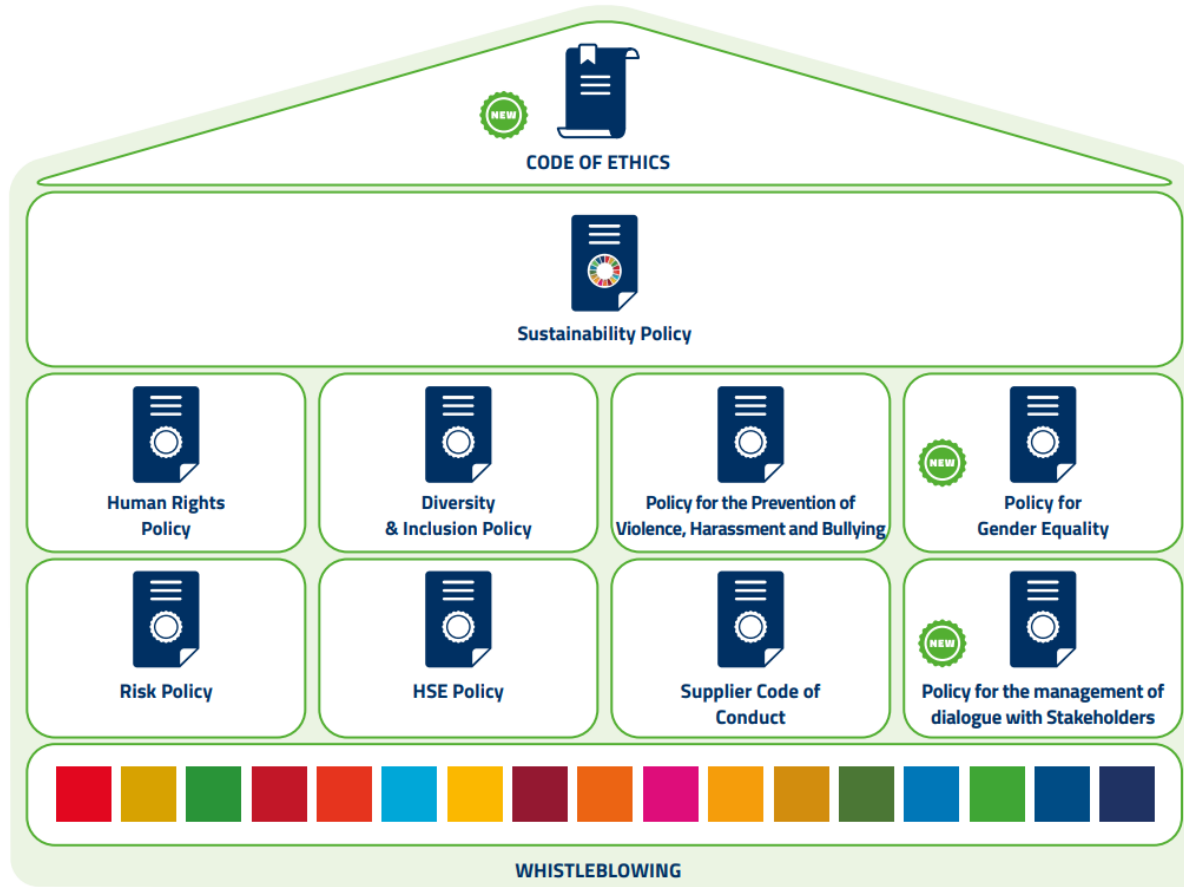
- drawing up the ESG Strategic Plan and the external communication strategy and to the financial market;
- managing the ESG rating processes;
- drawing up the ESG initiative plan, in coordination with the departments of the Group involved, ensuring its implementation and periodically monitoring the achievement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

## Our Principles:

- ✓ Code of Ethics
- ✓ Sustainability policy
- ✓ Human rights policy
- ✓ D&I Policy
- ✓ Gender Equality Policy

<sup>(1)</sup> The ESG Committee is also appointed as Green Bond Committee

# OUR SUSTAINABILITY POLICIES



Policy New or Renewed

In 2023, ERG adopted three new policies:

- The "Code of Ethics" was renewed in December 2023, following the completion of the transformation process into a Pure Wind and solar operator.
- The "Gender Equality Policy" was established as an executive document of the Diversity and Inclusion Policy.
- The "Policy for the management of dialogue with Stakeholders" aims to regulate the dialogue with all stakeholders.

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



## Rewarding Policy:

- **A remuneration system for CEO** to enhance correlation with strategy execution and share performance
- **An enlarged LTI system** based on:
  - Share Price (60%)
  - ESG (20%)
  - Economic/Financial (20%)
- **MBO:** Short-Term objectives linked to EBT<sup>(1)</sup> (50%), MW growth (30%) and ESG targets (20%)
- **100% of management** committed to **ESG 2024-2026 strategy**

**Approved in the Annual General Meeting for the Rewarding policy 2024**

<sup>(1)</sup> EBT: Earning Before Taxes



# REWARDING POLICY - ESG TARGET (MBO / LTI)

| Weight objective                 | Weight indicator | Pillars                                                                                        | 2024 Target - MBO System                                                                                                                                                                                                                                   |
|----------------------------------|------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20% CEO<br>10% KM <sup>(1)</sup> | 20%              | Planet        | 10% Circular Wind: Repowering recovery of materials and/or energy                                                                                                                                                                                          |
|                                  |                  |                                                                                                | 10% Circular Solar: Revamping recovery of materials and/or energy                                                                                                                                                                                          |
|                                  | 20%              | Engagement    | 10% ERG Academy for Next Generation: number of youngsters involved in training programmes on sustainability and renewables (at least in 4 countries)                                                                                                       |
|                                  |                  |                                                                                                | 10% Social Purpose for Solar Revamping (number of projects carried out)                                                                                                                                                                                    |
|                                  | 50%              | People        | 40% Predictive safety HSE: No fatalities e rispetto degli indici di Frequenza [interni + contractors] : generale [IF] e di gravità [IF <sub>Sev</sub> ]                                                                                                    |
|                                  |                  |                                                                                                | 10% Incidence of women in workforce increase                                                                                                                                                                                                               |
|                                  | 10%              | Governance  | 10% Number of projects implemented:<br>1) Internal implementation of the CSRD<br>2) Percentage increase of suppliers monitoring their carbon footprint (+2% vs 44% baseline in 2023)<br>3) Sustainable Procurement: Average supplier scoring (≥ 64 points) |
|                                  |                  |                                                                                                |                                                                                                                                                                                                                                                            |
|                                  |                  |                                                                                                |                                                                                                                                                                                                                                                            |
|                                  |                  |                                                                                                |                                                                                                                                                                                                                                                            |

| Weight indicator | Pillars                                                                                        | 2024-2026 Target - LTI System                                                                                                                           |
|------------------|------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20%              | Planet      | Target Net Zero: % Green Energy on Total consumption increase (Scope 2)                                                                                 |
| 20%              | Engagement  | Rating S&P CSA increase                                                                                                                                 |
| 50%              | People      | 40% Predictive safety HSE: No fatalities e rispetto degli indici di Frequenza [interni + contractors] : generale [IF] e di gravità [IF <sub>Sev</sub> ] |
|                  |                                                                                                | 10% Incidence of Key leader women on total Key Leader increase (%)                                                                                      |
| 10%              | Governance  | Sustainable Funding: Incidence of sustainable funding on total funding increase (%)                                                                     |

100% of management committed to ESG Strategy

<sup>(1)</sup> 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 BoD and the Board of Statutory Auditors of ERG S.p.A.)

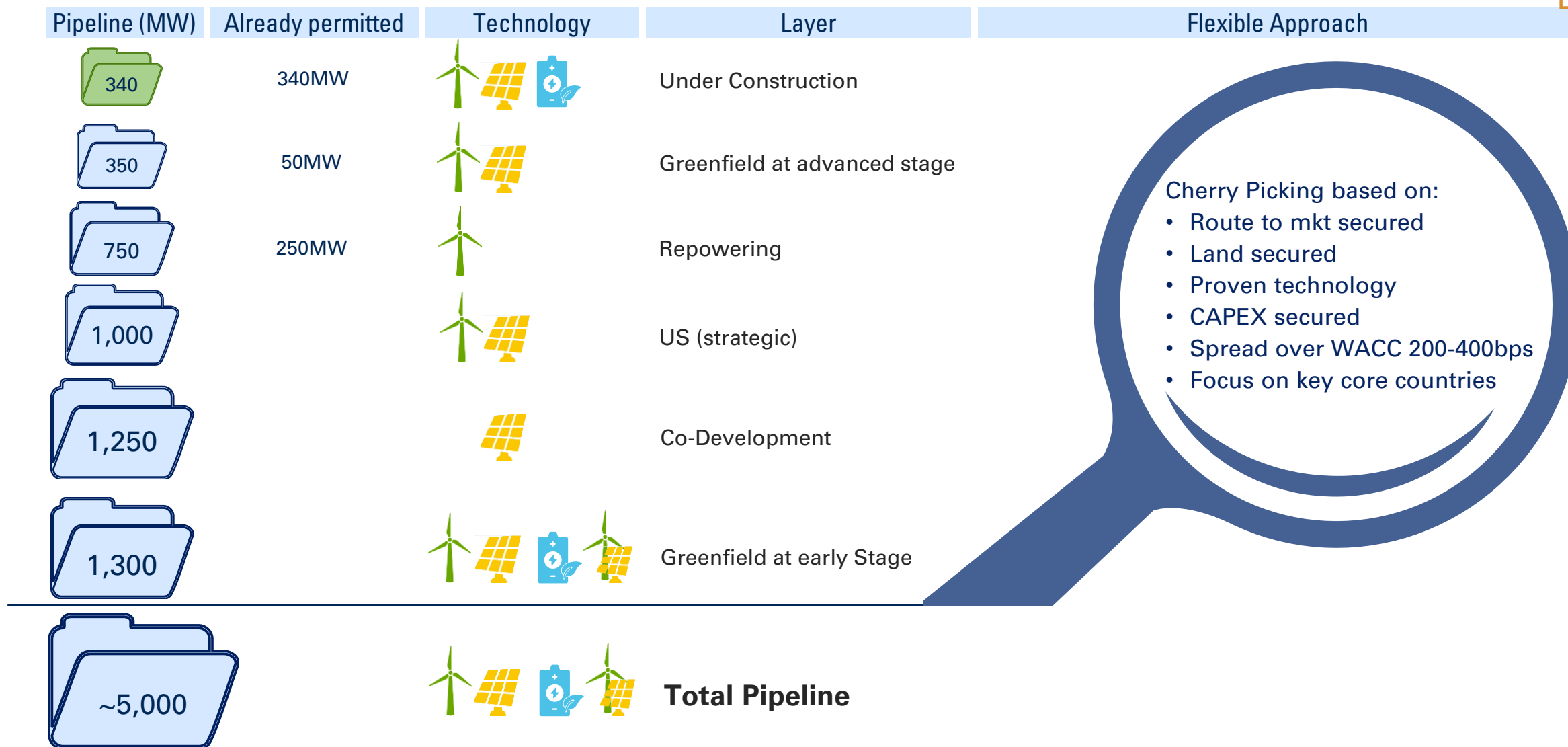
# ERG TOMORROW

# ERG'S 2024-2026 PLAN: VALUE OVER VOLUME

## ERG'S new targets to 2026

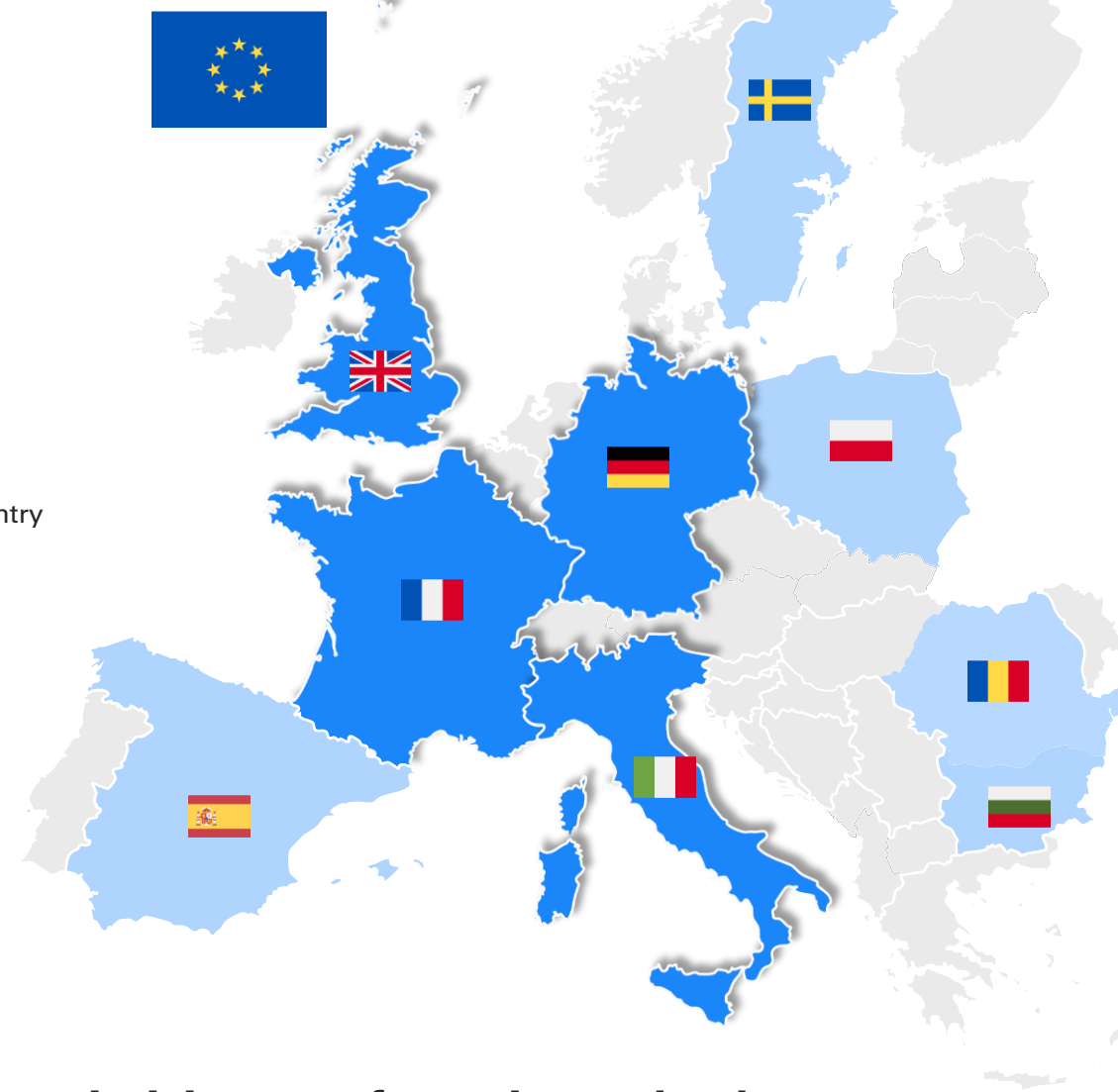
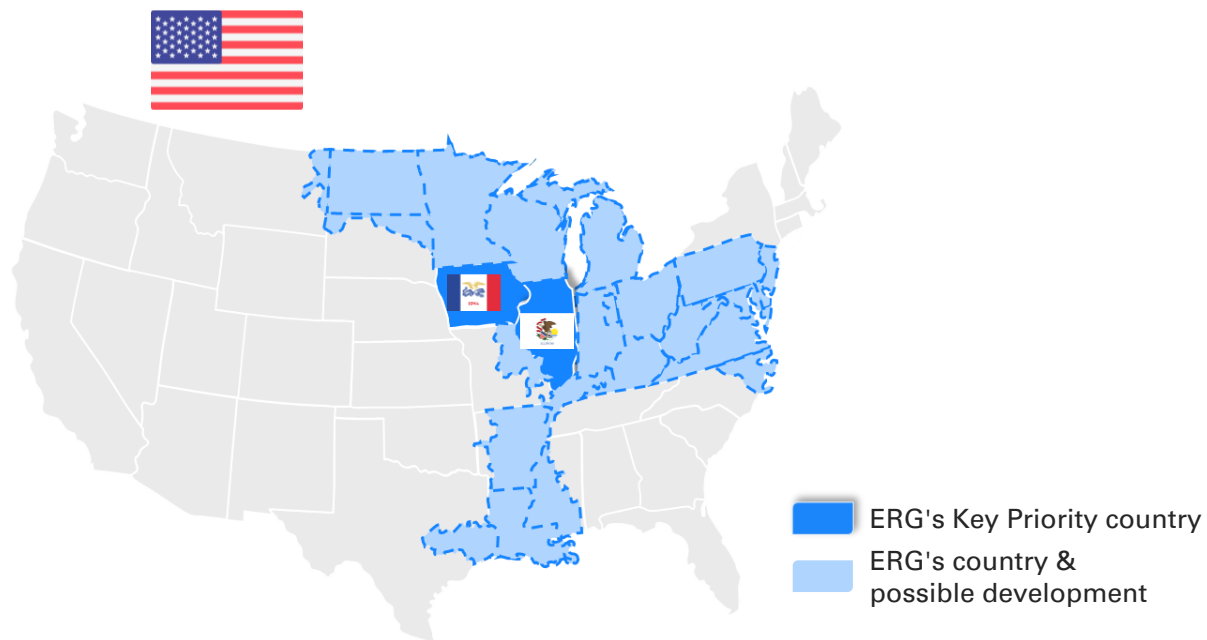
- 
**Selective growth**
  - > **Ca. 4.5GW (+1.2GW)** installed Capacity in 2026 (**> 5.0GW in 2028**) pursued via a cherry-picking approach from our Pipeline and/or M&A
- 
**Investments/EBITDA**
  - > **CAPEX: €1.2bn 2024-2026; EBITDA: €600-€650mn @2026**
- 
**Route to market**
  - > **Confirmed target 85%-90%** regulated on total EBITDA through CFD & PPA
- 
**Value creation**
  - > **Unlevered IRR targeted 200-400bps over WACC**
- 
**Geographical diversification**
  - > **~10 countries in 2024:** Selective Prioritization of geographies
  - > Assessing **asset rotation** opportunities
  - > Targeting **0.5-0.7GW in the US**
- 
**Storage, hybridization & digitilisation**
  - > Storage and hybridization under development to increase Asset PTF Flexibility
  - > Digitalization to optimize the performance of assets
- 
**ESG**
  - > Leveraging on ESG 2021-2023 track record to pursue new targets in all the pillars
- 
**Enhanced Shareholder Remuneration**
  - > **Annual shareholder remuneration with a floor at €1ps as dividend and a cap at €1.3ps based on yearly performance and perspectives (upside payable also through buyback)**

# PURSUING GROWTH WITH A "VALUE OVER VOLUME" APPROACH



**Value over Volume strategy based on a stricter financial discipline**  
**M&A still a selective and flexible option to accelerate growth**

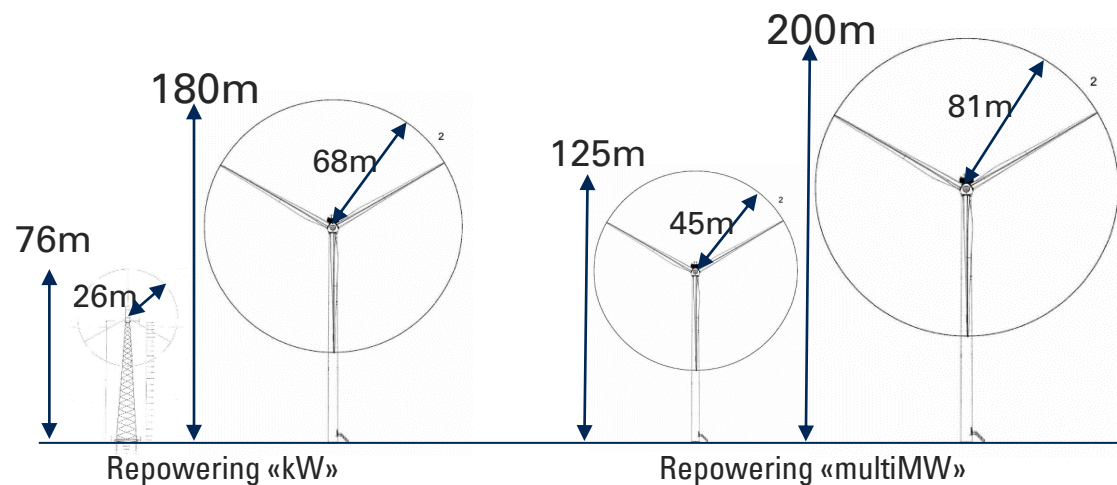
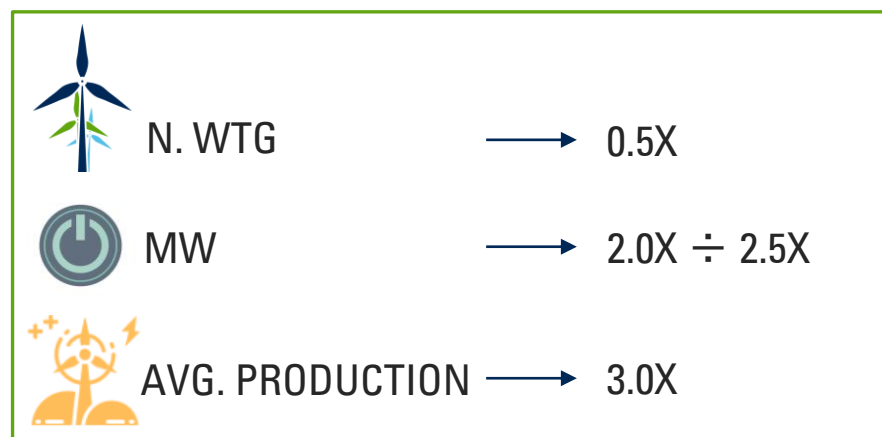
# A FLEXIBLE AND SELECTIVE APPROACH TO GROWTH



- Focus on key core countries to consolidate ERG's presence
- Supportive regulatory framework as a key driver
- US as a priority with a "learn & grow" approach
- Assessing asset rotation opportunities

**M&A/Asset rotation as option to accelerate growth, optimizing geo-footprint and enhance returns**

# OUR REPOWERING PROJECTS IN EUROPE ARE GAINING VISIBILITY



REPOWERING  
kW

| Project           | MW as is   | MW to be   | Delta MW  | Delta Prod. | VIA Decree | AU Decree |
|-------------------|------------|------------|-----------|-------------|------------|-----------|
| 1                 | 10         | 20         | 2x        | 2x          | ✓          | ✓         |
| 2                 | 10         | 20         | 2x        | 3x          | ✓          | ✓         |
| 3                 | 50         | 100        | 2x        | 3x          | ✓          | ✓         |
| 4                 | 30         | 60         | 2x        | 3x          | ✓          | ✓         |
| 5                 | 10         | 20         | 2x        | 3x          | ✓          | ongoing   |
| 6                 | 30         | 35         | 1x        | 2x          | ✓          | ongoing   |
| 7                 | 40         | 120        | 3x        | 4x          | ✓          | ongoing   |
| 8                 | 15         | 45         | 3x        | 3x          | ✓          | ongoing   |
| 9                 | 35         | 70         | 2x        | 2x          | ✓          | ongoing   |
| <b>Subtotal</b>   | <b>230</b> | <b>490</b> | <b>2x</b> | <b>3x</b>   |            |           |
| 10                | 30         | 60         | 2x        | 3x          | ongoing    | ongoing   |
| 11                | 40         | 60         | 1x        | 2x          | ongoing    | ongoing   |
| 12                | 30         | 50         | 2x        | 2x          | ongoing    | ongoing   |
| <b>Subtotal</b>   | <b>100</b> | <b>170</b> | <b>2x</b> | <b>2x</b>   |            |           |
| <b>Permitting</b> |            |            |           |             |            |           |
| no. 3             | 40         | 50         | 1x        | 2x          | ✓          |           |
| no. 3             | 40         | 50         | 1x        | 2x          |            | ongoing   |
| <b>Subtotal</b>   | <b>80</b>  | <b>100</b> | <b>1x</b> | <b>2x</b>   |            |           |
| <b>TOTAL</b>      | <b>410</b> | <b>750</b> |           |             |            |           |



FRANCE &  
GERMANY

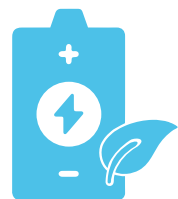
Pioneer in the RPW with:

- 193MW already in operation
- 82MW under construction

A solid pipeline in Repowering to be activated opportunistically based on market dynamics

# FIRST STEP IN STORAGE AND HYBRIDIZATION TO INCREASE ASSET PTF FLEXIBILITY

## Leveraging on ERG's >200MW pipeline in storage

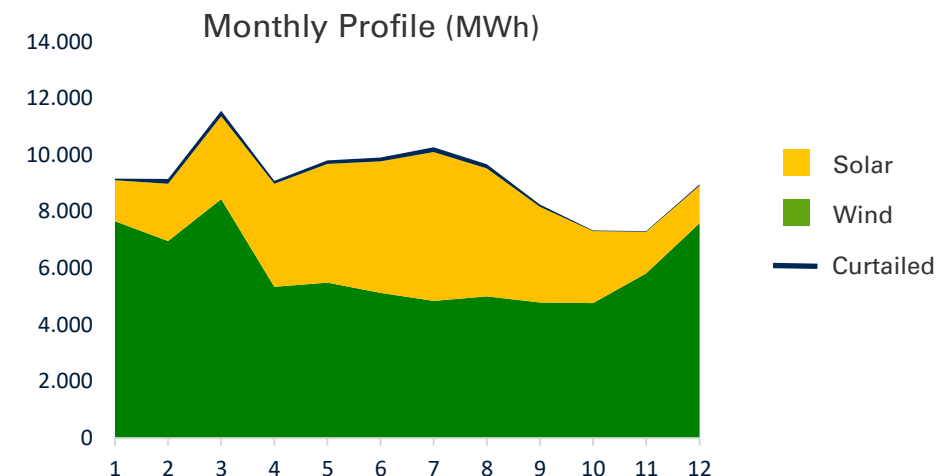


- Building a Pipeline >200MW in batteries in Italy, Spain, France and UK
- Regulatory framework for batteries still evolving
- First Italian project under construction in Sicily

### Pilot Project Vicari<sup>(1)</sup> Key Data:

| Project        | ERG - Base Case |
|----------------|-----------------|
| Power (MW)     | 12.5            |
| Capacity (MWh) | 50              |
| Duration (h)   | 4               |
| COD            | 2025            |

## >150MW of Hybridization Pipeline in Italy



- Building a pipeline >150MW of hybridization in Italy
- Solar hybridization of wind assets leads to a **50% rise in load factor**
- Leveraging on existing grid infrastructure
- Pilot project under development at Palazzo San Gervasio wind farm (34MW)

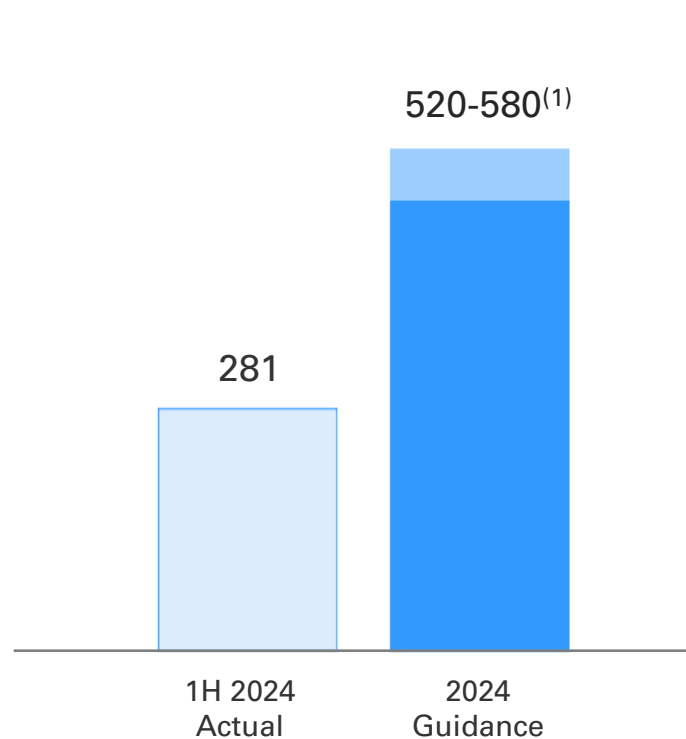
## Storage and hybridization complementary for RES development

<sup>(1)</sup> The plant will be able to charge and discharge directly from the grid

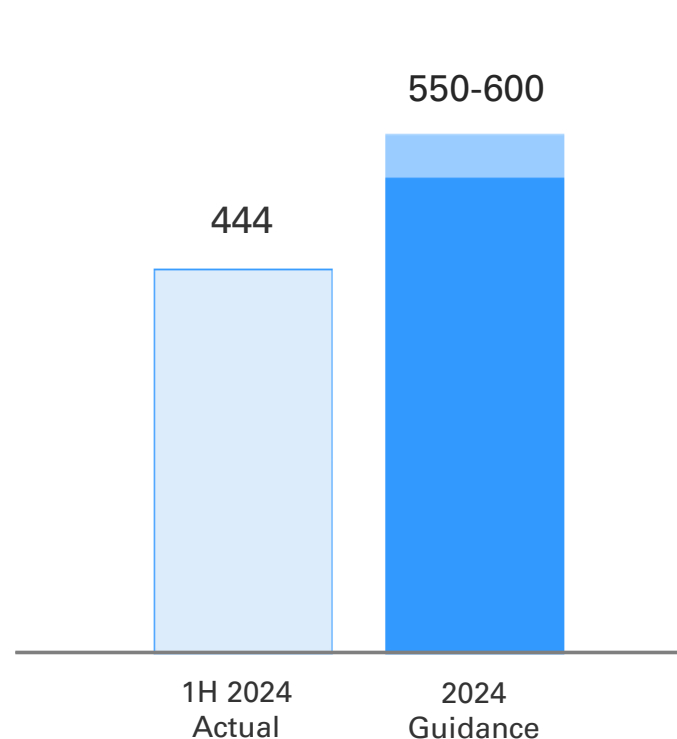
# **2024 GUIDANCE & 2024-2026 BP KEY FIGURES**

# CONFIRMING 2024 GUIDANCE

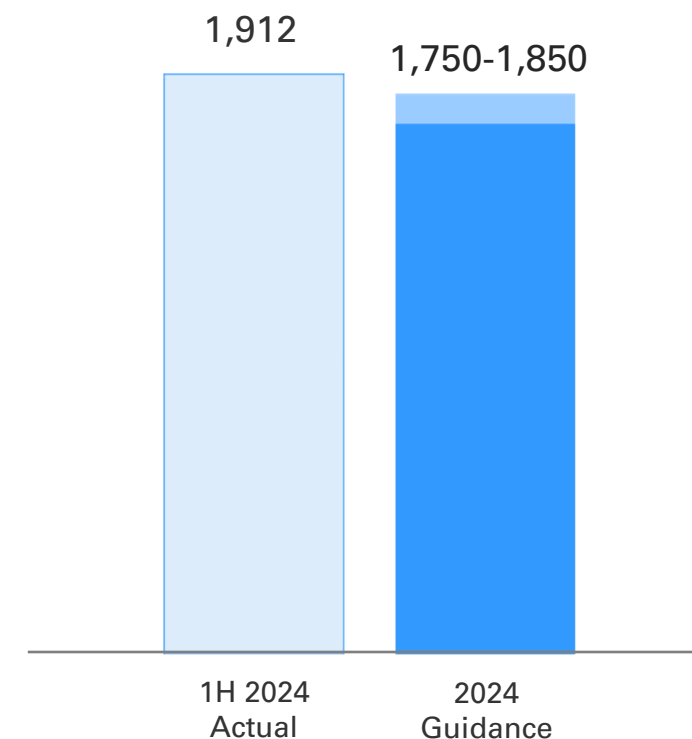
Adjusted EBITDA (€ mn)



CAPEX (€ mn)



Adjusted NFP<sup>(2)</sup> (€ mn)



Actual

Guidance range

<sup>(1)</sup> EBITDA guidance net of clawbacks. It includes IFRS 16 effect for €15mn

<sup>(2)</sup> It does not include IFRS16 liability, amounting respectively to €213mn (actual 1H 2024) and ~€210mn (2024 guidance)

# ERG IS AIMING AT CREATING VALUE IN A COMPLEX SCENARIO

## SELECTIVE GROWTH



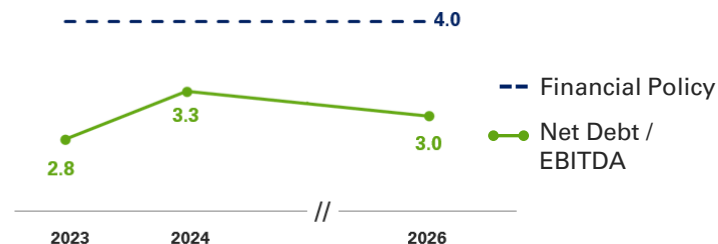
- Targeting 200-400bps over WACC
- Visible growth
- Solid pipeline underpinning the target
- Assessing asset rotation to maximise value

## QUASI-REGULATED BUSINESS MODEL



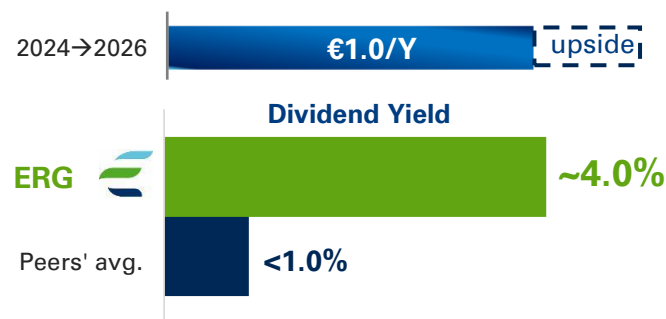
- EBITDA range at €600-650mn
  - Still 85%-90% quasi regulated, to face volatility
  - Evolving towards a more international business model

## STRONG BALANCE-SHEET



- Further room for re-leverage and accelerate growth
- Maintaining an IG rating
- Competitive cost of financing

## ENHANCED SHAREHOLDER REMUNERATION (€/sh)



- Annual shareholder remuneration with a floor at €1ps as dividend and a cap at €1.3ps based on yearly performance and perspectives, with upside payable also through buyback

# **ESG AS A CONCRETE AND SUBSTANTIAL CHOICE**

# A NEW APPROACH TO ESG AS OF 2021



**ESG, IR & Communication** directly reporting to CEO in place as of 2021 focused on ESG Strategy & Reporting



**Governance Best in class** with Board Committee and Managerial Committee overseeing the ESG strategy and achievements



**ESG Plan** developed internally and embedded in ERG's Business Strategy



**Remuneration Scheme:** variable incentive (Short-Term and Long-Term) linked to ESG Targets



**Decarbonization path** certified by Science Based Target initiative (@2021 Carbon Neutrality; @2023 Net Zero)

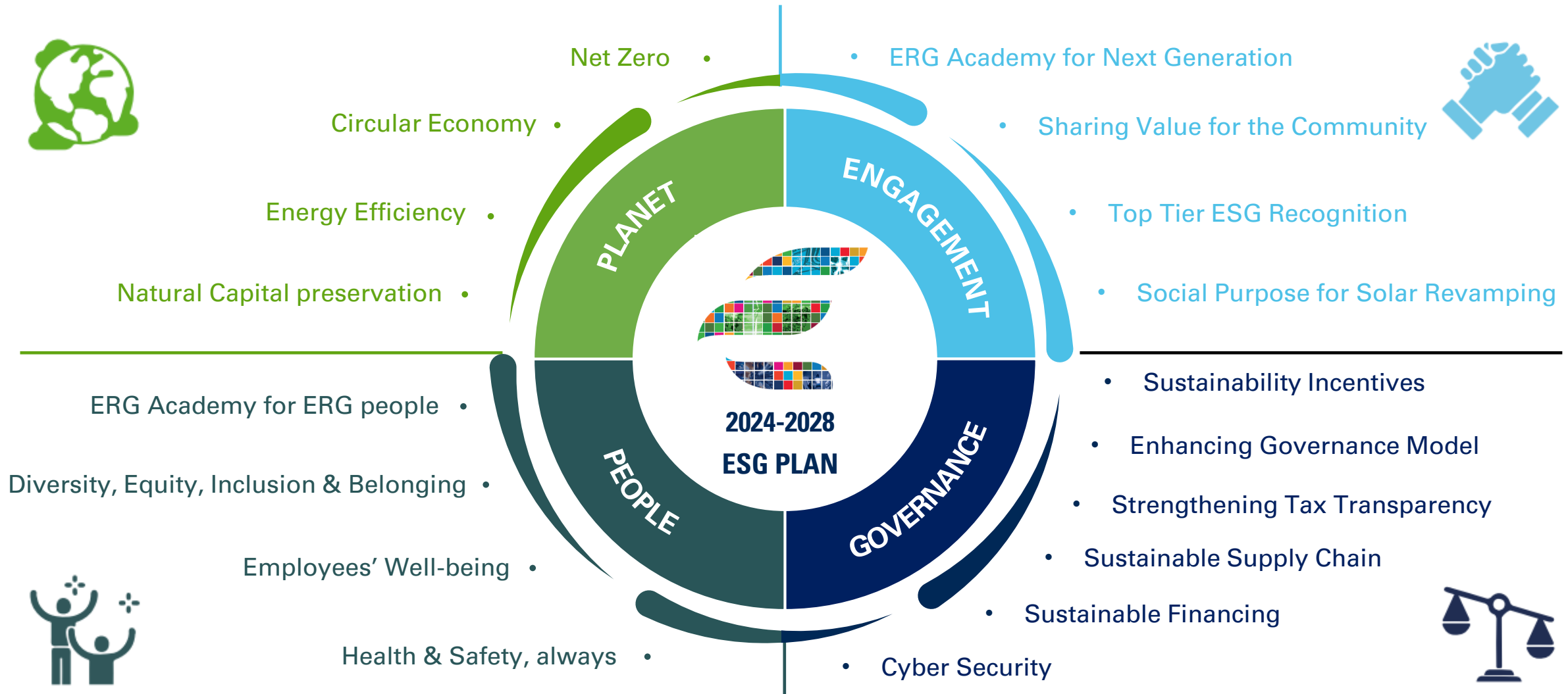


Adopting **Best Practices on Climate Change** and Impact Assessment (e.g. TCFD framework and Analysis on Wind Assets)



Top Tier in Main ESG Rating, **increased number of ESG Index** from 2 in 2020 to 29 in 2024 (e.g. S&P Clean Energy Index)

# ESG STRATEGY 2024-2028



# WITH SDGs AT THE CORE



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



**HSE objective**  
**Employees' well-being** target



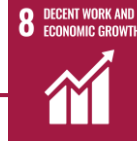
**ERG Academy** for Next generation (24.5k students by 2026 involved in Educational Activities).



**Diversity & Inclusion** target on ESG Plan and certification program.



One of the leading European RES operator. Working towards **4.5GW** of installed capacity by 2026.



At the end of the BP period, CAPEX of EUR **1.2 billion** and an EBITDA of EUR **600-650 million**.



**Storage** and **Ibridization** to increase asset portfolio flexibility.



Joined the **UN Global Compact**, and **WEP<sup>(1)</sup>** for a **just transition**, not leaving anyone behind.



Allocate at least **1% of revenues** at the Group level to the local communities.



Circular Economy: no waste to landfill on Wind Repowering and **> 90%** of dismantled Solar Plants.



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



**No net loss by 2030**. Biodiversity assessment for 100% of RES organic projects.



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



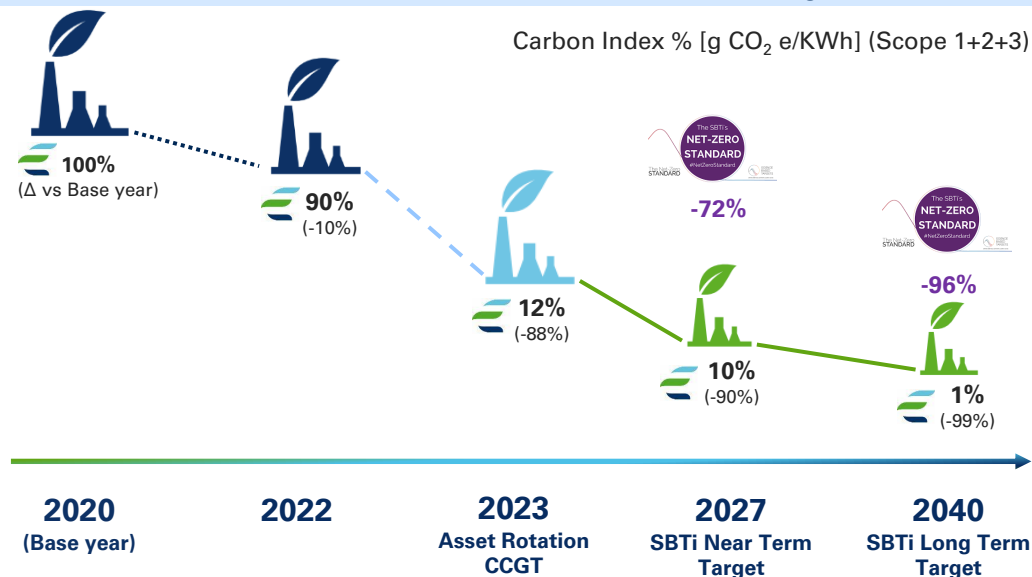
**Sustainable Procurement**: +10% suppliers with carbon footprint and D&I measurement.

<sup>(1)</sup> WEP = Women Empowerment Principles

# ERG STRATEGY IN PLANET



## CCGT divestment crucial for 'Net Zero' Target



## Main Strategies

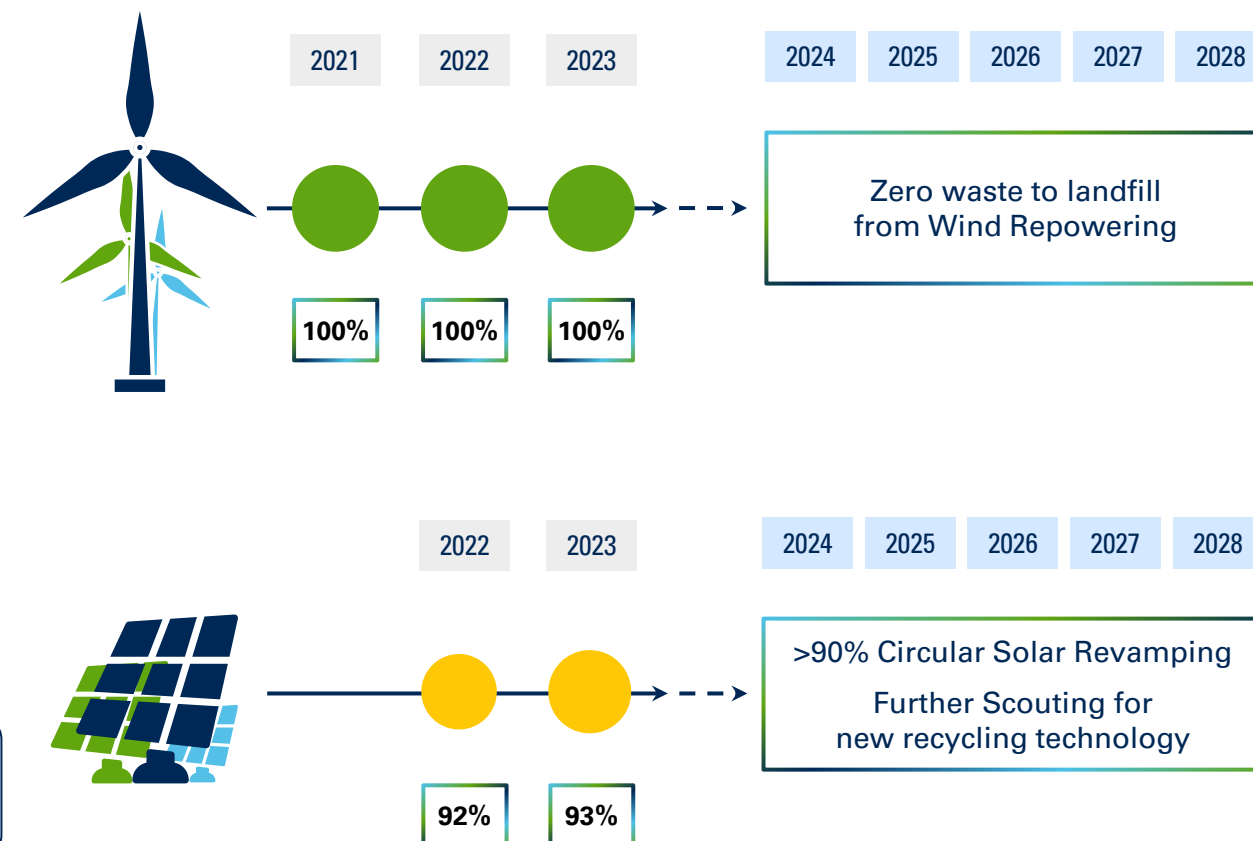
100% Production and Sales of Green Energy

100% Green Company Cars <sup>(1)</sup> @ 2030

100% Green Energy consumption @ 2030

>75% of Suppliers <sup>(2)</sup> with SBT target @ 2030 (>90% @ 2040)

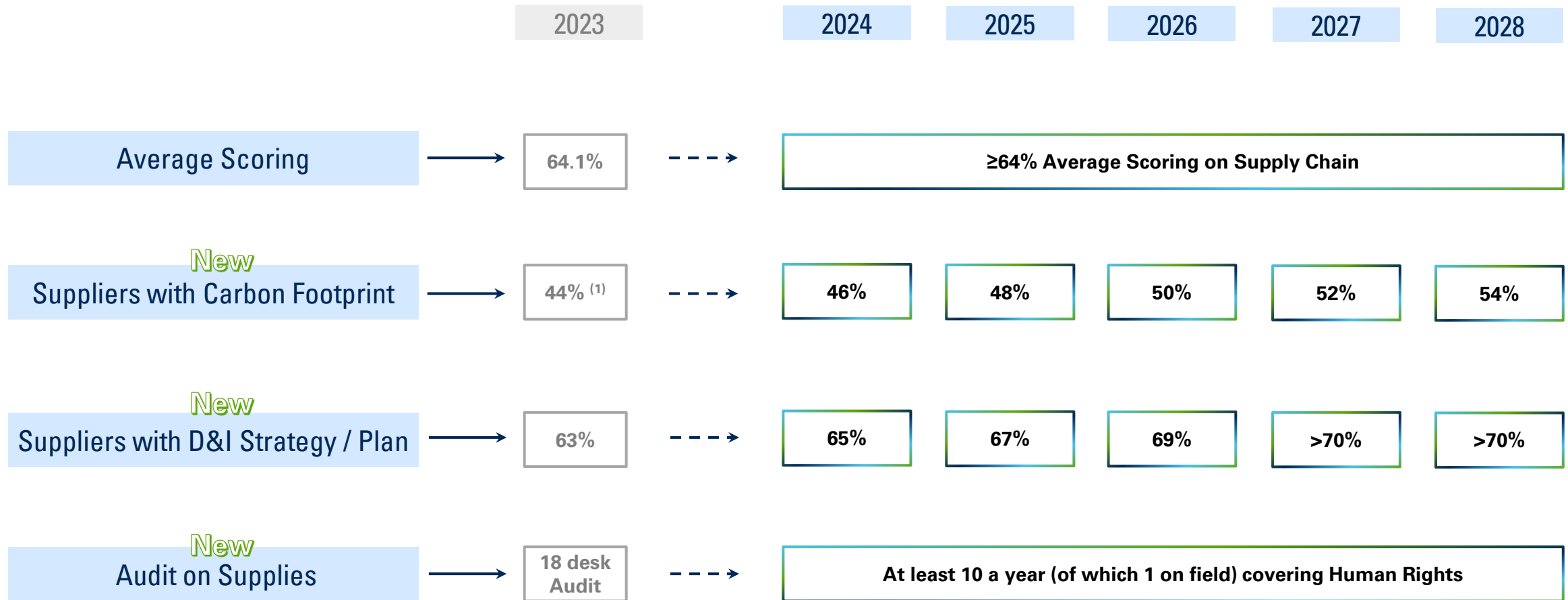
## Towards Zero Waste



<sup>(1)</sup> Green Company Cars = 100% Electric or Plug-in. O&M and 4 Wheel cars are excluded

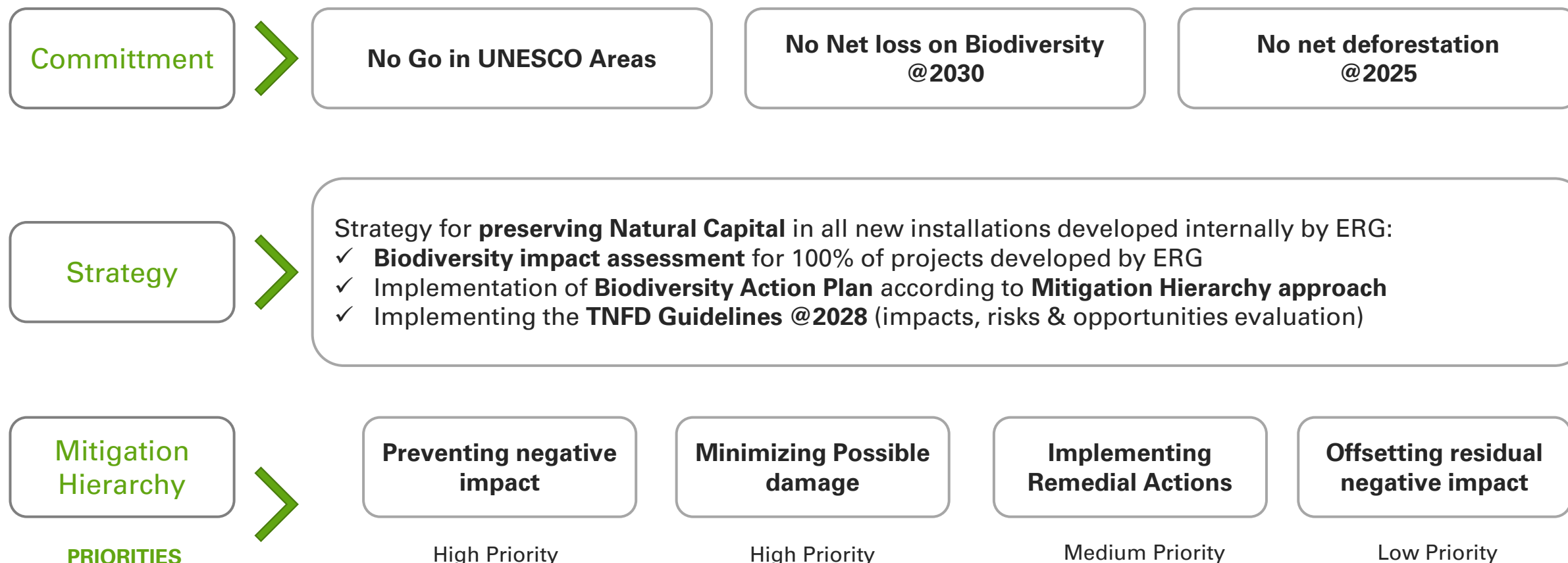
<sup>(2)</sup> Turnover greater than €1mn

# SUSTAINABLE SUPPLY CHAIN



<sup>(1)</sup> Of which 18% with SBTi target approved

# STRATEGY FOR THE “NATURAL CAPITAL” PRESERVATION



## Note:

No negative impact of areas subject to new installations developed internally by ERG, implementing remedial actions for reducing the impact to “Low / Negligible”

No net deforestation of areas subject to new installations developed internally by ERG, replanting flora if alternative solutions cannot be found

Biodiversity Impact Assessment in based on the local requirements in accordance with the EU directive (2014/52/EU);

TNFD: Taskforce on Nature-related Financial Disclosures

# SOCIAL PURPOSE FOR SOLAR REVAMPING

Multi-year project, fully **integrated in the ERG's ESG Plan**, which envisages the **reuse of PV modules in new plants** on behalf of the NGOs with **"Social Value Purpose"**



## Circular Economy

- ✓ To support the energy transition through concrete actions of circular economy
- ✓ To give a second-life to used PV modules subject to revamping



## High Social Impact

- ✓ To have a significant social impact, supporting the NGOs
- ✓ Guaranteeing essential rights (e.g. health, education)
- ✓ Accelerating the economic/social development of the local communities



## Stakeholder engagement

- ✓ A multi-stakeholder approach, leveraging on collaboration with other industrial entities
- ✓ Several partners are involved (e.g. in-land and maritime logistic, designer, supplier of main components)

WeARE#SDGsContributors:



# SHARING VALUE FOR COMMUNITIES



## COMMITMENT

Sharing Value for Local Communities where ERG is operating



## STRATEGY

ESG Plan Target: At least 1% of ERG Turnover shared with Community at the Group Level



## INSTRUMENTS

Guidelines on sharing value

Local Communities Engagement Plan

ESG Investment evaluation

Continuous Monitoring



## INITIATIVES

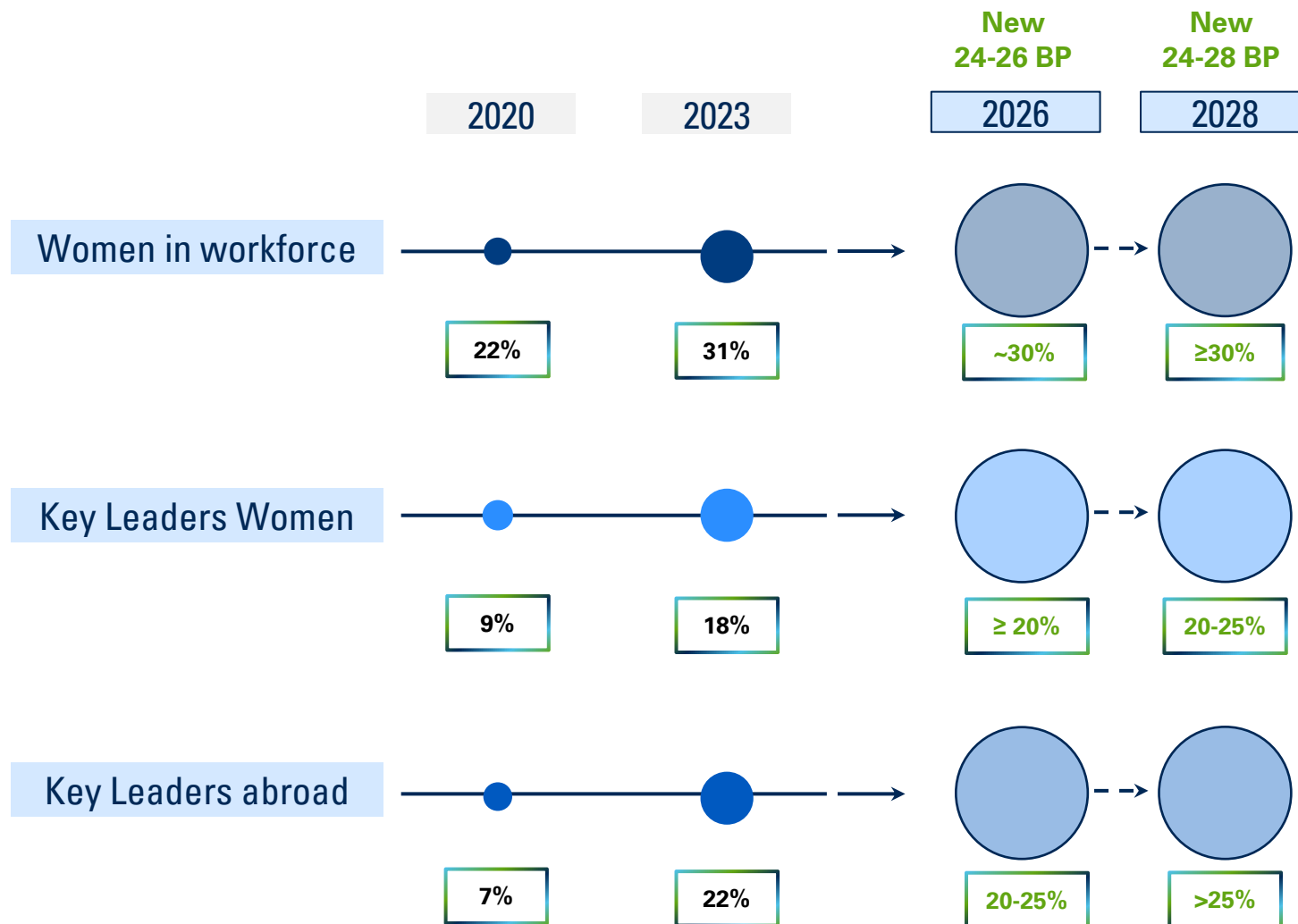
Socio-economic development of local communities

Promoting culture of sustainability and RES

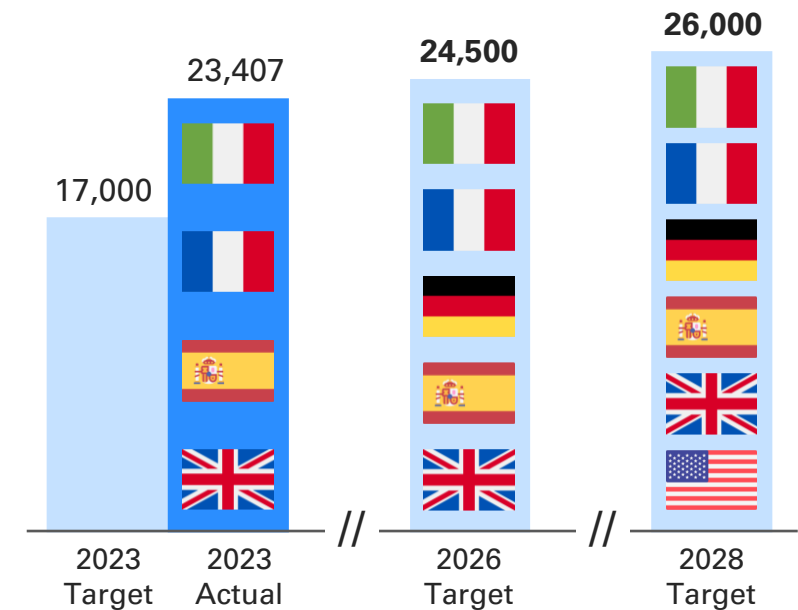
Next Generation Education

Push for Innovation in the territories

# OUR PATH FOR AN INCLUSIVE AND CULTURAL EVOLUTION



## Students involved in educational activities

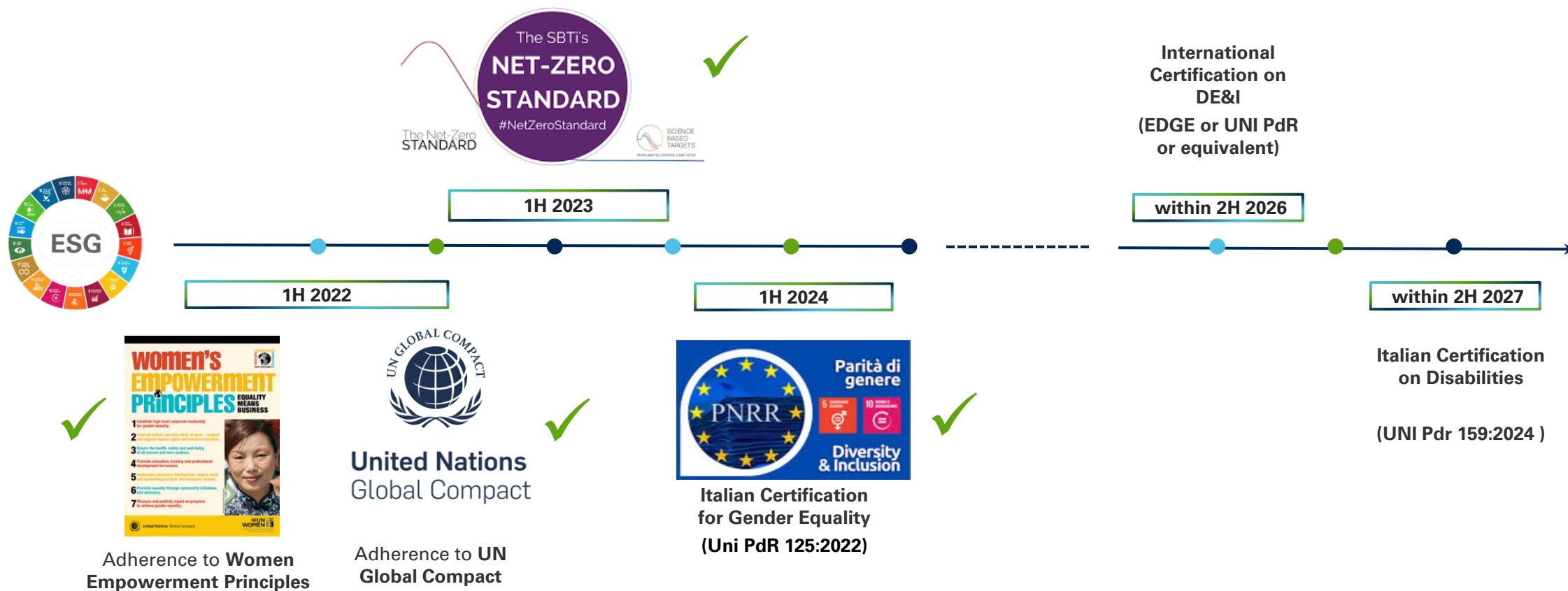


# ERG'S DIVERSITY & INCLUSION JOURNEY

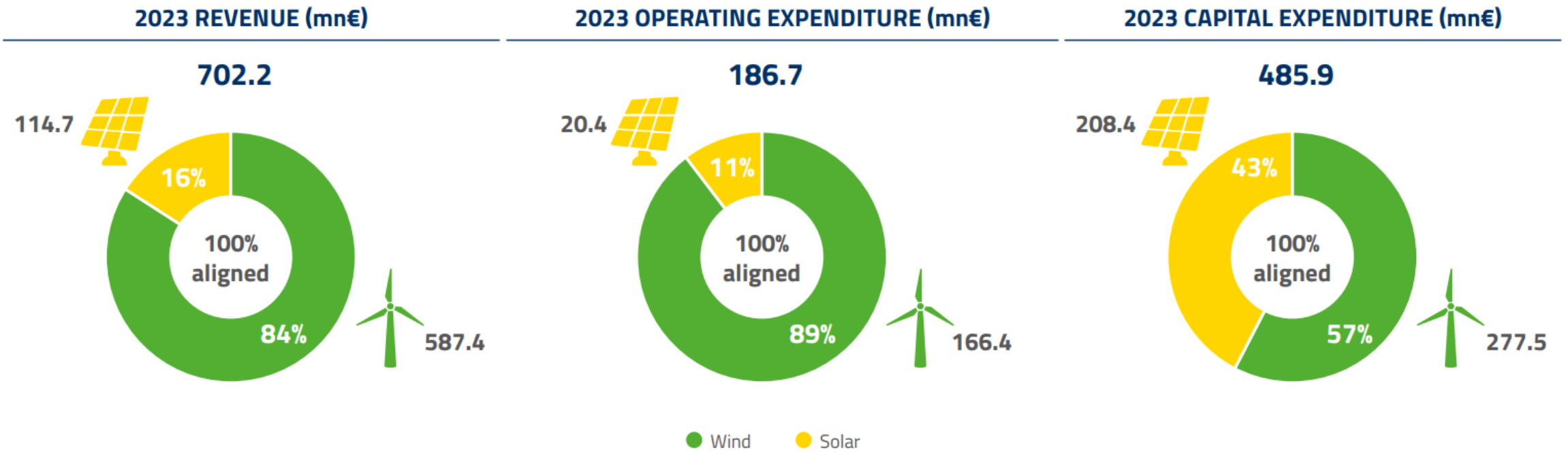
|            | 2019                                                                                                                                                                                                                                                                                                                                  | 2020                                                                                                                                                                                                                                                                                                                                                                                                 | 2021                                                                                                                                                                                                                                           | 2022                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2023                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | AWARENESS                                                                                                                                                                                                                                                                                                                             | CHANGE DESIGN FOR CULTURE AND PROCESSES                                                                                                                                                                                                                                                                                                                                                              | D&I A KEY ELEMENT OF OUR ESG PLAN                                                                                                                                                                                                              | IMPLEMENTATION OF OUR ESG PLAN                                                                                                                                                                                                                                                                                                                                                                                                              | PEOPLE AND PARTNERSHIP PROCESSES UPDATE                                                                                                                                                                                                                                                                                                                                                                                                    |
| KEY ISSUES | <ul style="list-style-type: none"> <li>• Endorsement of <b>Valore D</b></li> <li>• <b>Definition of guidelines and involvement of ERG People</b> <ul style="list-style-type: none"> <li>✓ Survey on D&amp;I aimed at all ERG People</li> <li>✓ “Valore D” Inclusion Impact Index as the basis for defining KPI</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Human Capital Committee: <b>monitoring KPIs</b></li> <li>• Gender Equality Assessment</li> <li>• <b>Involvement of People Managers</b> <ul style="list-style-type: none"> <li>✓ Training course: <ul style="list-style-type: none"> <li>- inclusive leadership</li> <li>- inclusive language</li> <li>- unconscious bias</li> </ul> </li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• <b>Increase of women on the BoD</b> from 33% to 42%</li> <li>• <b>D&amp;I targets in the short- and long-term Incentive System</b></li> <li>• <b>Training</b></li> <li>• <b>Our survey</b></li> </ul> | <ul style="list-style-type: none"> <li>• <b>Update of ESG Plan</b></li> <li>• <b>Cultural development through social learning</b> <ul style="list-style-type: none"> <li>✓ mentorship programmes</li> <li>✓ launch of Bias Detectors</li> </ul> </li> <li>• <b>Collaboration with socially engaged stakeholders</b> (Dynamo Camp, Mus-e)</li> <li>• Agreement on <b>remote working</b></li> </ul>                                           | <ul style="list-style-type: none"> <li>• Creation of <b>D&amp;I Working Group</b></li> <li>• <b>People Processes Update</b></li> <li>• <b>ESG Plan Update</b></li> <li>• <b>Code of Ethics update</b></li> <li>• <b>Partnership with other stakeholders</b> <ul style="list-style-type: none"> <li>✓ mentorship programmes</li> <li>✓ launch of Bias Detectors</li> </ul> </li> <li>• Agreement <b>parenting and caregivers</b></li> </ul> |
| MILESTONES |  <p>Launch of “The Power of Diversity” Project</p>                                                                                                                                                                                                   |  <p>Experimental period of remote work (before the pandemic)</p>                                                                                                                                                                                                                                                    |  <p>D&amp;I Policy</p>                                                                                                                                      |  <p>Inclusion in Bloomberg Gender Equality Index</p>  <p>Adoption of Women's Empowerment Principles</p>  <p>Policy for the Prevention of Violence, Harassment and Bullying</p> |  <p>Gender Equality Policy</p>                                                                                                                                                                                                                                                                                                                          |

In 1H 2024 ERG has obtained the Italian Certification for Gender Equality (Uni PdR 125:2022)

# ESG CERTIFICATIONS @2028

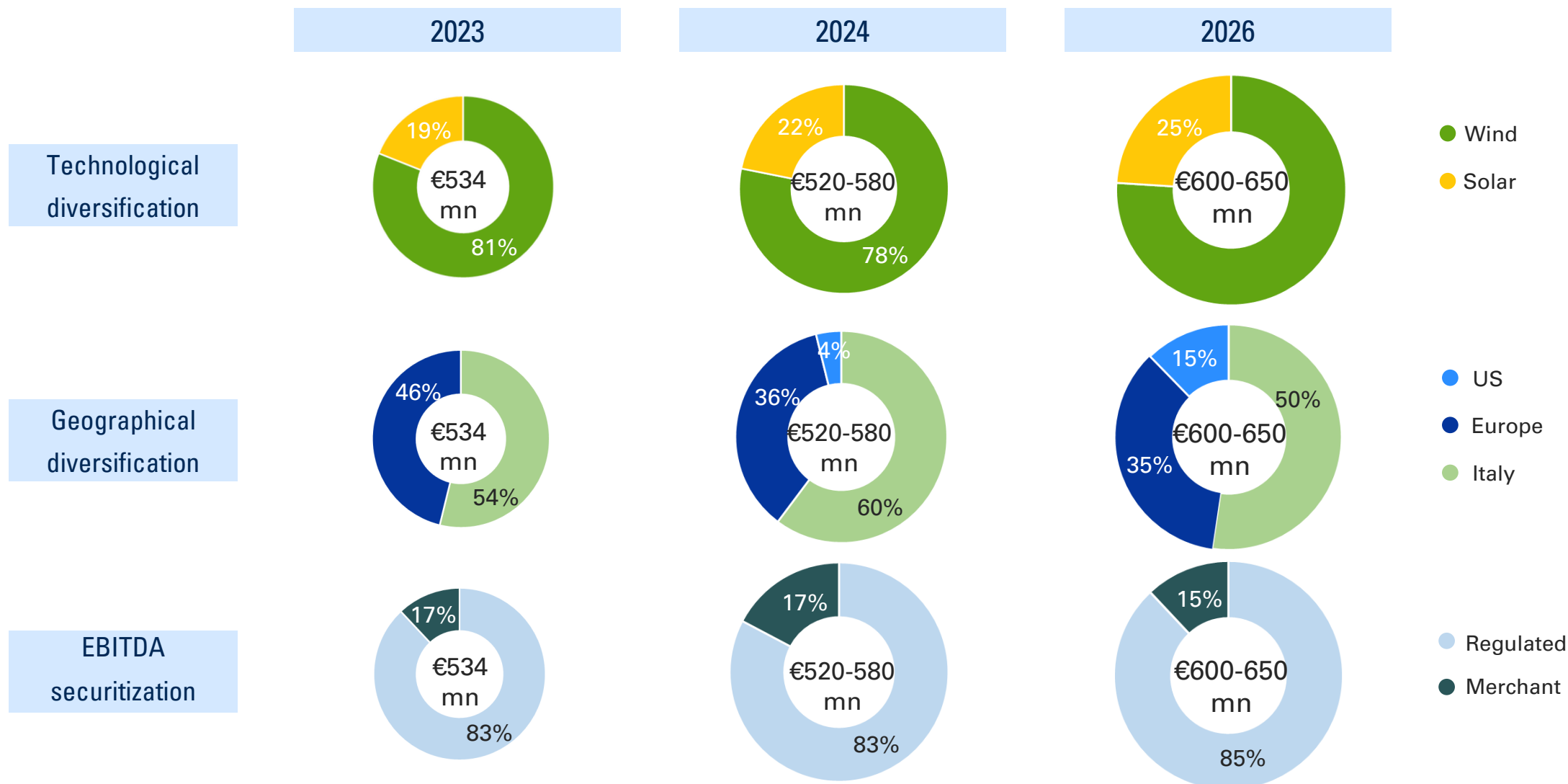


# ERG PERFECTLY ALIGNED WITH EU GREEN TAXONOMY



# FINANCIALS & CAPITAL STRUCTURE

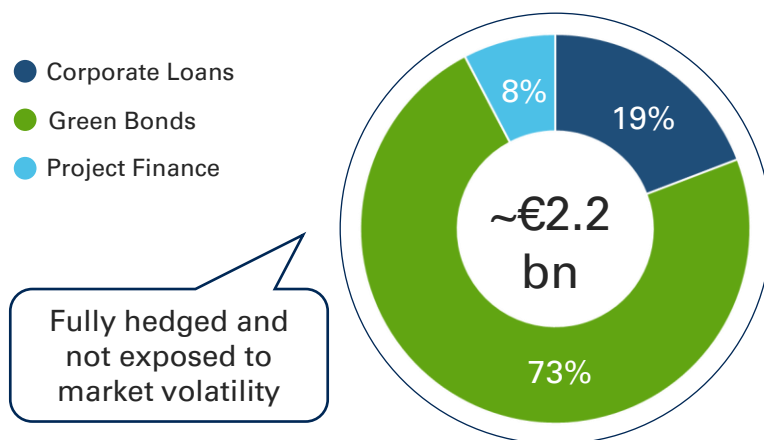
# EBITDA EVOLUTION IN THE PLAN PERIOD



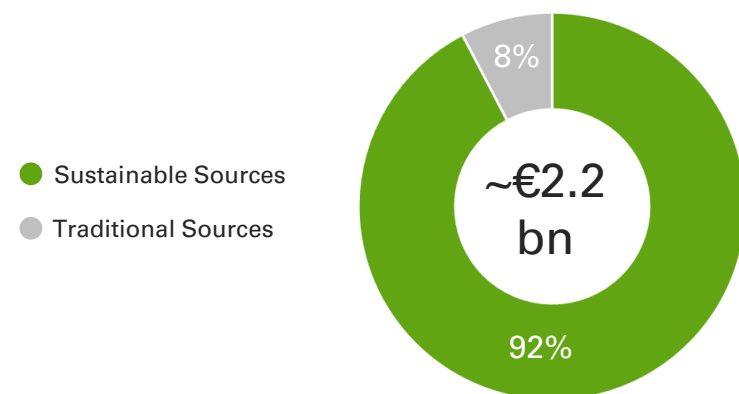
**Still a solid, visible and secured EBITDA**

# A SOLID FINANCIAL STRUCTURE

## Gross debt at 30/06/2024



## Sustainable vs Traditional Finance

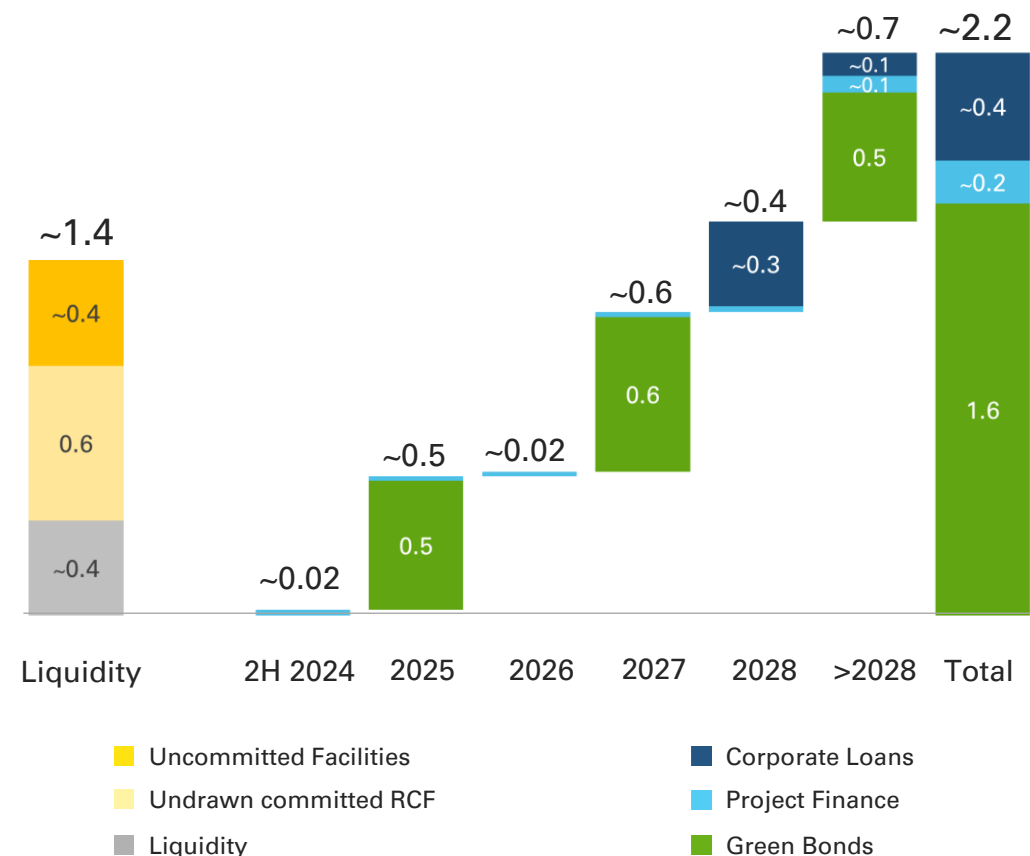


**FitchRatings**

**June 2024**  
**Issuer Default Rating:**  
**BBB- Stable**

"ERG's 'BBB-' IDR affirmation reflects ERG's visible cash flow generation from its largely long-term incentivised and contracted clean onshore energy production, the disposal of its thermal assets, and increasing diversification by country (in mature European, UK and US markets) and technology (in solar and batteries)."

## Repayment Schedule based on stock as of June 2024 (€ bn)

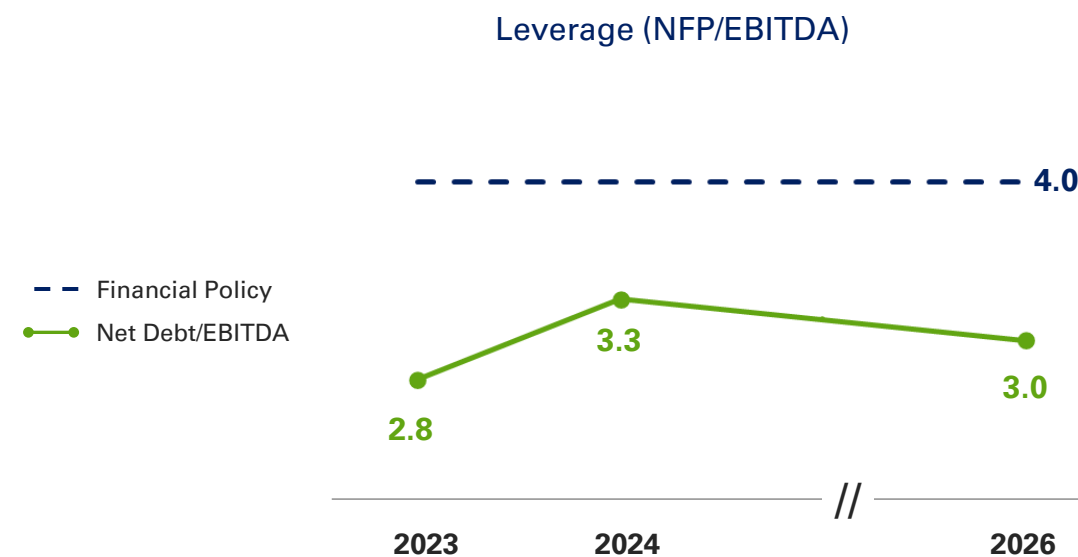
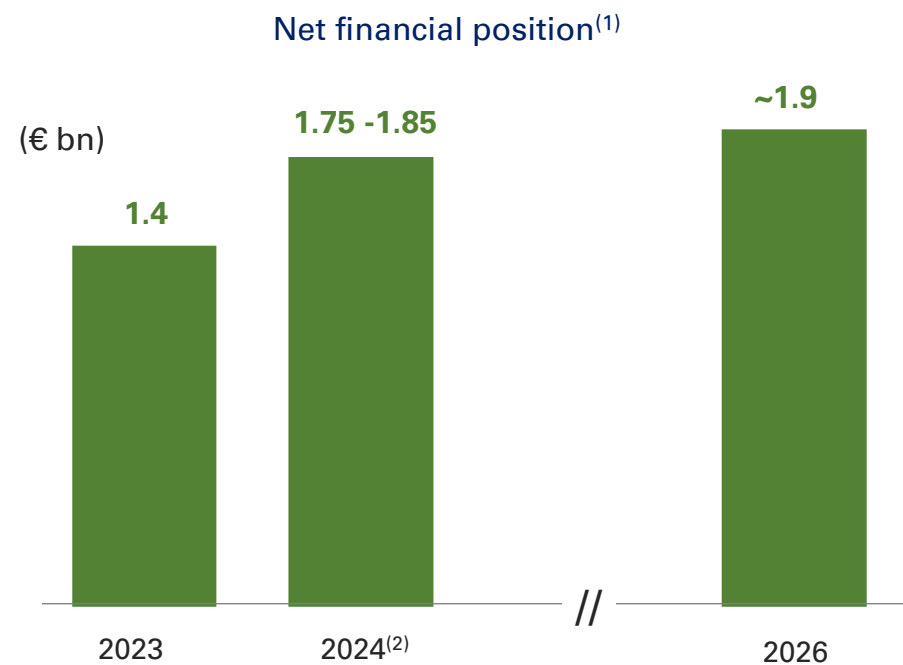


**A strong and efficient balance sheet to support growth and a sustainable dividend policy**

Note: figures do not include the €500mn 6yrs fixed-rate Green Bond settled on July 2024

# STILL HEADROOM TO CREATE VALUE...

## Net debt & leverage over BP horizon



|                                     |      |       |    |       |
|-------------------------------------|------|-------|----|-------|
| Cost of Gross Debt <sup>(3)</sup> : | 1.3% | 1.5%  | // | ~1.7% |
| Euribor 6m <sup>(4)</sup> :         | 3.7% | ~3.5% | // | ~2.6% |

**Still head-room to re-leverage with commitment to remaining Investment Grade rated**

<sup>(1)</sup> It does not include IFRS 16 liability, amounting respectively to €172mn (FY 2023), ~€210mn (2024 guidance) and ~€200mn (2026 BP)

<sup>(2)</sup> As per 2024 guidance

<sup>(3)</sup> Annual All-in-cost: Rate + Credit Spread

<sup>(4)</sup> Annual Average

# A NEW SUCCESSFUL GREEN BOND ISSUANCE

- On June 26 ERG issued its 4<sup>th</sup> **Green Bond** (settled on July 3, 2024)
- Very well received by the market: demand peaking >5x
- Significant participation of international investors and national institutions

€500mn size

6Y tenor

4.125% coupon

~3% pre-hedged

UoP:



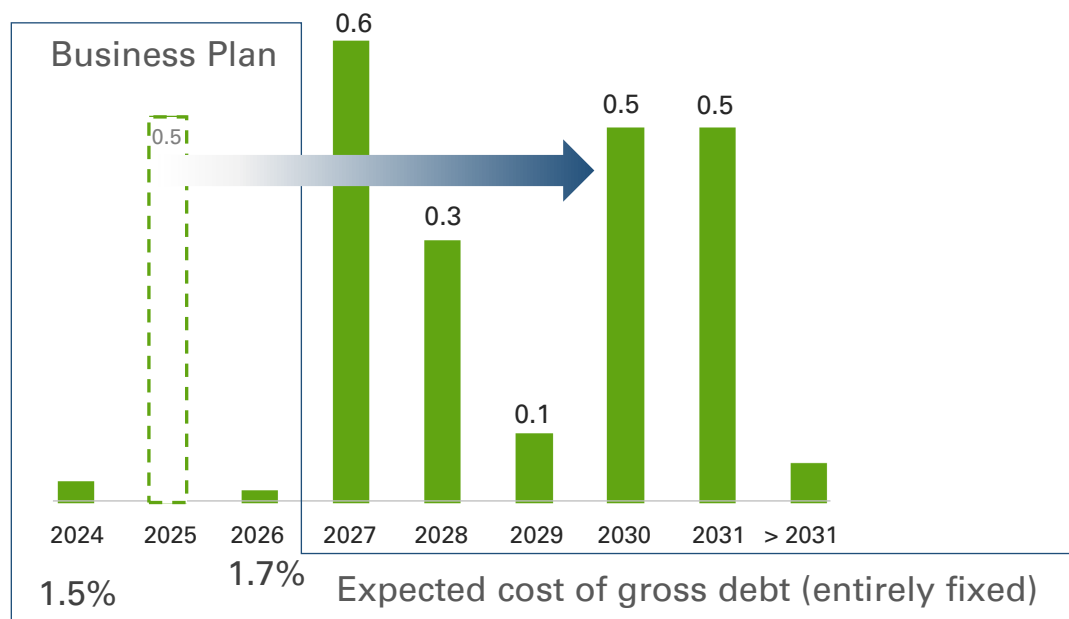
Ahead of its 2025 maturity, the new **GB**:

- extends debt avg. duration
- fits the new maturity schedule

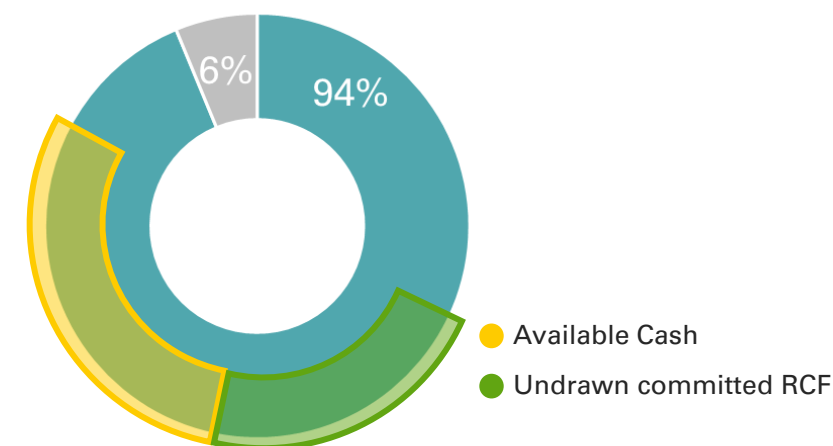
The issuance, due to:

- ERG high credit standing and supporting demand
- pre-hedging at very competitive conditions
- secured generous remuneration on proceeds temporarily placed
- green format

is consistent with targets of competitive cost of debt and Sustainable Sources >90%



- Sustainable Sources
- Traditional Sources





# INSPIRING CHANGE TO POWER THE FUTURE