

EXECUTIVE SUMMARY 2023

Consolidated Non-Financial Statement (“NFS”)








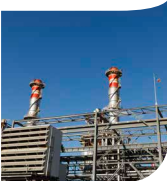


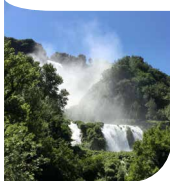






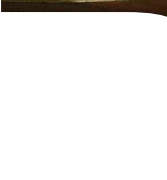
Our approach to ESG

We ARE #SDGs
CONTRIBUTORS

ERG
EVOLVING ENERGIES

WE ARE ERG

#VALUES

<p>Foundation of ERG in Genoa, by Edoardo Garrone</p>		<p>1938</p>		<p>Production begins at the refinery in Genoa San Quirico</p>
<p>Production begins at the ISAB refinery in Priolo</p>		<p>1975</p>		<p>ERG listed on the stock market</p>
<p>ISAB Energy: production and marketing of electricity begins from the gasification of heavy refinery residues.</p>		<p>2000</p>		<p>Entry into Renewables: acquisition of EnerTAD.</p>
<p>Sale to LUKOIL of 49% of the ISAB refinery</p>		<p>2008</p>		<p>Start-up of ERG Power's CCGT plant (480 MW). Creation of TotalERG</p>
<p>ERG 1st wind operator in Italy (1,087 MW) and among the top 10 in Europe (1,340 MW). Acquisition of a company for O&M activities of the wind farms. Definitive exit from refining</p>		<p>2013</p>		<p>Sale of the ISAB Energy plant and ERG Oil Sicilia fuel networks</p>
<p>Entry into the hydroelectric business with the purchase of the Terni Complex (527 MW). Wind: growth in France and Poland (+146 MW)</p>		<p>2015</p>		<p>Entry into the solar sector: 30 photovoltaic plants acquired in Italy (89 MW). Definitive exit from the oil sector with the sale of TotalERG</p>
<p>Solar capacity increases to 141 MW with the purchase of 51 MW in Italy. Further growth in wind power in France and Germany (+86 MW)</p>		<p>2019</p>		<p>Entry in the solar sector in Germany: co-development agreement with AREAM (600 MW)</p>
<p>Solar: entry in France (79 MW). Wind: entry in Sweden, and start of operations in the United Kingdom</p>		<p>2021</p>		<p>Sale of the hydroelectric business. Solar: entry in Spain (92 MW) Wind: 172 MW acquired in Italy, and ~ 230 MW started up in Europe. IFM NZIF indirect shareholder (with 35% in SQ Renewables), alongside the Garrone-Mondini Family</p>
<p>Sale of the thermoelectric business. Start-up of 2 wind farms at the end of repowering activities. Further growth in solar in Spain (+ 149 MW). Installed capacity at the end of the year: 2,747 MW from wind power and 519 MW from solar power</p>		<p>2023</p>		

WE ARE ERG #VALUES



"ERG's business has always respected the Group's founding values, which are inspired by business ethics, transparency in operational management and generating value for local communities. Thanks to our industrial experience and know-how, and our in-depth knowledge of the sector in which we operate, we want to play a leading role at international level, contributing to the construction of a fair and inclusive energy transition that brings value for all and leaves no-one behind".

Edoardo Garrone
Chairman of the Board



"Thanks to the skills and experience of our people, we will be able to face the most complex tests surrounding us. Meritocracy, inclusion of diversity and an increasingly close and fruitful relationship at all company levels will enable us to grow as an operator and generate value in a sustainable manner, in the wake of what we have already demonstrated in our first 85 years of history. The main challenge will be to pass on our values from generation to generation".

Alessandro Garrone
Executive Vice President



"In an increasingly unpredictable energy scenario, ERG has proved to be a dynamic and flexible industrial operator, capable of completing its transformation towards a pure renewable business model. We place sustainability at the heart of our strategies from an environmental social and financial perspective, leveraging an effective, robust and credible governance system. We want to show that it is only by adopting this approach that we can achieve the climate change targets necessary to ensure a future for the planet and the next generations".

Paolo Merli
Chief Executive Officer

ERG's WHY



We are #GreenEnERGymakers, one of the main European producers of energy from renewable sources.

We are #SDGsContributors: we want to contribute to achieving the sustainability goals set by the United Nations

Our mission: keep growing in RES acting as #SDGs

CONTRIBUTORS

ERG in 2023

 <p>Start-up of the Creag Riabhach wind farm (92.4 MW)</p>	<p>12-Jan</p>
 <p>Entry in the Bloomberg Gender-Equality Index with entry into the 1st quartile of the ranking</p>	<p>18-Jan</p>  <p>ERG 5th Independent Power Producers in the ESG ranking of Sustainalytics, and 1st Italian company in the "Global 100 most sustainable corporations in the world" of Corporate Knights</p>
 <p>Update of the Business Plan and the 2022-2026 ESG Plan: growth in renewables confirmed, with more challenging ESG objectives towards a fair transition</p>	<p>9-Mar</p>  <p>Power Purchase Agreement (PPA) with EssilorLuxottica totalling 0.9 TWh</p>
 <p>Integration of the Power Purchase Agreement (PPA) with TIM for an additional 200 GWh/year</p>	<p>4-May</p>  <p>Fitch Rating confirms ERG's BBB-rating with stable outlook</p>
 <p>Start-up of the 1st wind farm subject to repowering, (Partinico-Monreale, 42 MW)</p>	<p>13-Jun</p>  <p>Entry into Nasdaq Sustainable Bond Network, confirming ERG's commitment to Sustainable Finance</p>
 <p>Acquisition of the solar farm in Garnacha (149 MW)</p>	<p>16-Jun</p>  <p>MSCI rating improvement to "AAA", and inclusion in the Top Ten of the Integrated Governance Index 2023</p>
 <p>Science Based Target initiative certifies ERG's "Net Zero" objectives</p>	<p>30-Jun</p>  <p>Acquisition of the solar farm of Fregenal (25 MW)</p>
 <p>Treasury share purchase programme launched</p>	<p>29-Sept</p>  <p>Start-up of the 2nd wind farm subject to repowering, (Camporeale, 50 MW)</p>
 <p>Inauguration of the Partinico-Monreale wind farm, and conference on "Repowering and Energy Transition: The ERG Model"</p>	<p>17-Oct</p>  <p>Sale of the CCGT to Achernar, and completion of the transformation into a pure wind and solar renewable operator</p>
 <p>Start-up of the Garnacha solar farm</p>	<p>24-Nov</p>  <p>Power Purchase Agreement (PPA) with STMicroelectronics for a total of 3.75 TWh</p>
 <p>Agreement for the acquisition of a portfolio of wind and solar assets (73.2 MW)</p>	<p>21-Dec</p>  <p>Entry into the US renewables market: strategic partnership with Apex Clean Energy, and agreement for the acquisition of wind and solar plants (317 MW)</p>

THE ERG GROUP - PURE RENEWABLE PLAYER

We are a leading independent player in the production of electricity from renewable sources, entirely focused on the production of wind and solar power. We have 3,266 MW of installed capacity (as at 31 December 2023) of which 2,747 MW in wind power and 519 MW in solar, distributed geographically in 9 countries.

TOTAL: 3,266 MW

Wind: 2,747 MW (1,321 MW Italy and 1,426 MW Abroad)

Solar: 519 MW (175 MW Italy and 344 MW Abroad)

Under construction/RtB: 265 MW

UK: 47 MW

Germany: 6 MW

France: 58 MW

Italy: 154 MW

FRANCE

Wind: 522 MW

Solar: 79 MW

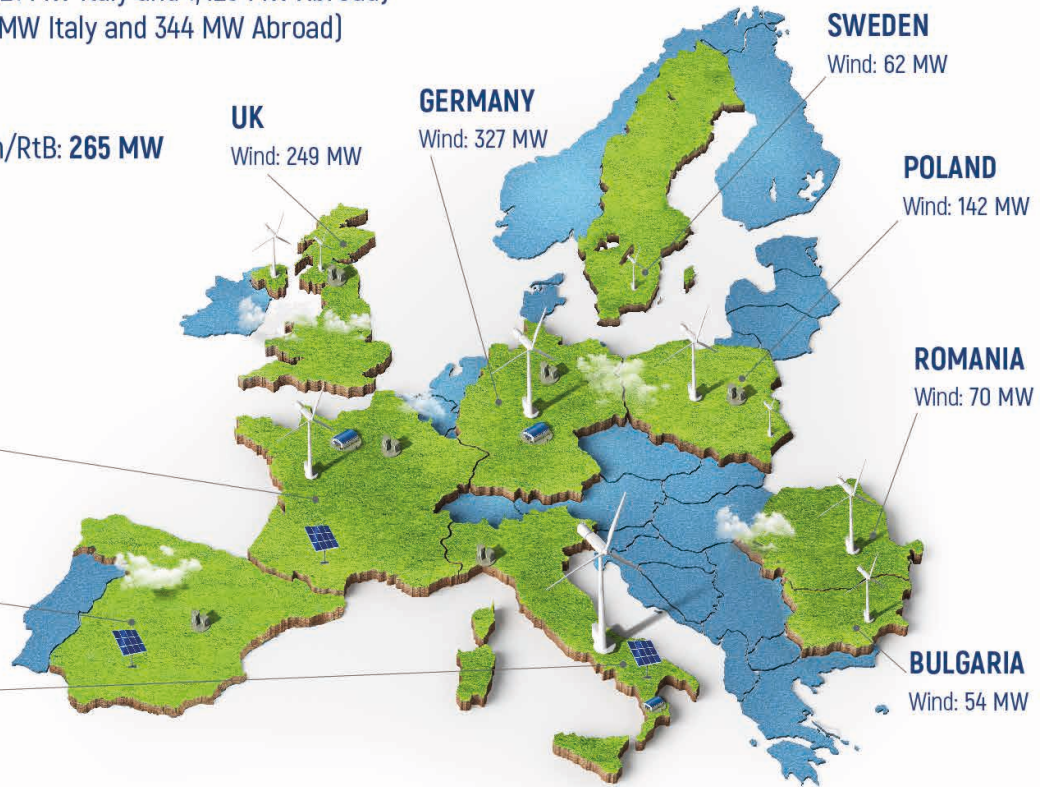
SPAIN

Solar: 266 MW

ITALY

Wind: 1,321 MW

Solar: 175 MW



Wind farm



Photovoltaic plants



Office

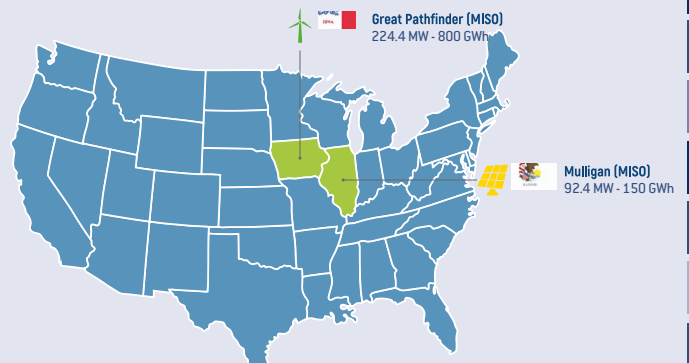


O&M Logistic centre


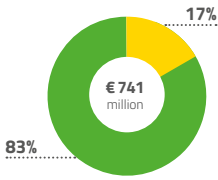
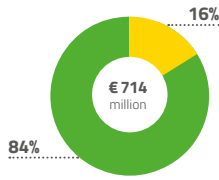
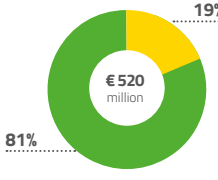
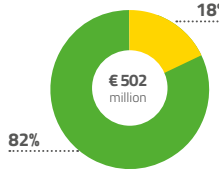
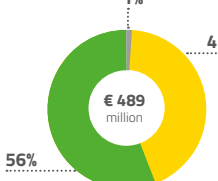
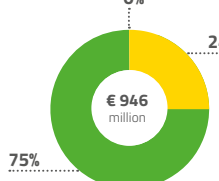

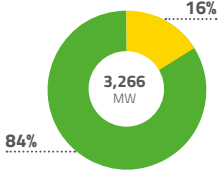
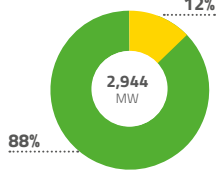
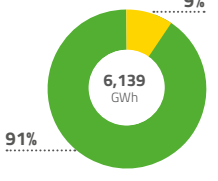
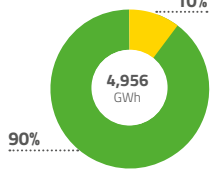
ERG Enters the United States market

Our strategic partnership agreed in December 2023 with renewable developer Apex Clean Energy Holdings LLC (Apex), signalled our entry into the USA with the acquisition of 75% of two plants (one wind and one solar) in operation totalling 317 MW of installed capacity and an estimated production of about 1 TWh, as well as a cooperation agreement for about 1 GW of new onshore solar and wind projects under development in the United States.

The transaction is expected to be finalised in the first half of 2024.

















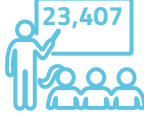
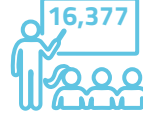


















KEY INDICATORS

	2023	VS	2022	= Δ
ECONOMIC DATA^(a)				
 Revenue	 <p>€741 million</p>		 <p>€714 million</p>	+4%
EBITDA	 <p>€520 million</p>		 <p>€502 million</p>	+4%
Capital expenditure	 <p>€489 million</p>		 <p>€946 million</p>	-48%
Net financial indebtedness	€1,445 million		€1,434 million	+1%
OPERATING DATA				
 Installed capacity	 <p>3,266 MW</p>		 <p>2,944 MW</p>	+11%
Energy production	 <p>6,139 GWh</p>		 <p>4,956 GWh</p>	+24%
Employees at year end	636		573	+11%



(a) Adjusted data

 **ESG DATA**










		2023	2022	= Δ
 <p>PLANET</p> 	CO₂ avoided equal to no. flights from London to New York	 <p>2,087 kt</p>  <p>4,174 flights</p>	 <p>1,688^(a) kt</p>  <p>3,376 flights</p>	+24%
	Circular economy wind	 <p>100%</p>	 <p>100%</p>	-
	Solar circular economy	 <p>93%</p>	 <p>92%</p>	+1%
 <p>ENGAGEMENT</p> 	Contribution to local communities	 <p>9,061 EURk</p>	 <p>9,351 EURk</p>	-3%
	Students involved in educational activities	 <p>23,407</p>	 <p>16,377</p>	+43%
	Social purpose projects	 <p>2</p>	 <p>0</p>	+2
 <p>PEOPLE</p> 	Employees at year end	 <p>636</p> <p>69% / 31%</p>	 <p>573</p> <p>71% / 29%</p>	+11%
	Women key leaders	 <p>18%</p>	 <p>18%</p>	0%
	Training per employee	 <p>6.0 days</p>	 <p>6.2 days</p>	-4%
 <p>GOVERNANCE</p> 	Composition of the BoD	 <p>12</p> <p>58% / 42%</p>	 <p>12</p> <p>58% / 42%</p>	-
	Average ESG score of strategic suppliers	 <p>64.1</p>	 <p>61.1</p>	+5%
	ESG Finance	 <p>95%</p>	 <p>88%</p>	+8%

(a) 2022 data restated using IEA factors

BUSINESS PLAN - RESULTS TO DATE

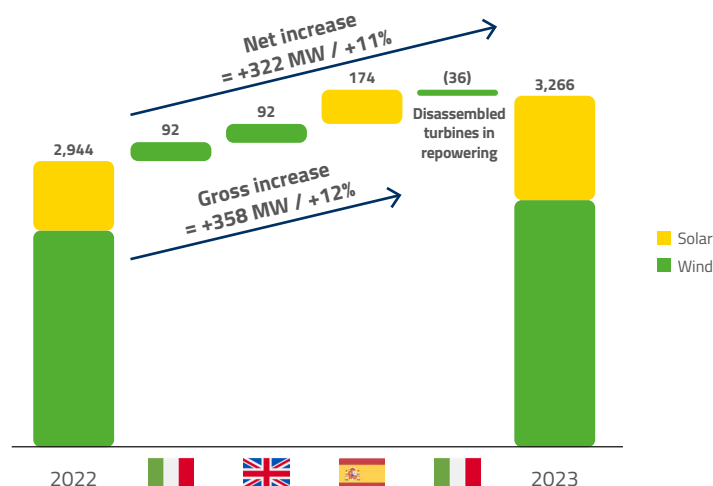
As a Pure Renewable Player, we confirm our commitment to the growth of the renewable portfolio with a focus on Wind & Solar, in accordance with the strategic guidelines reflected in the 2022-2026

Business Plan, through a policy of geographic (9 EU + US countries) and technological (Wind & Solar) diversification and progressive securitisation of revenues.

	OBJECTIVES OF THE UPDATED BP 2022-2026	RESULTS FROM 1.1 TO 31.12.2023
 Renewable Portfolio Growth	▪ 4.6 GW installed capacity in 2026 (5 GW in 2027)	▪ +358 MW gross (= +322 MW net)
 Investments/EBITDA	▪ EUR 3.5 bn 2022-2026; >EUR 650 mn @2026	▪ EUR 489 @2023
 Securing revenues	▪ 85-90% adjusted target regulated of total EBITDA; ▪ PPPs vs. auctions	▪ PPA with EssilorLuxottica for a total of 0.9 TWh ▪ PPA integration with TIM for an additional 200 GWh/year ▪ PPA with STMicroelectronics totalling 3.75 TWh ▪ PPA with Google totalling ~2 TWh
 Geographical diversification	▪ 9 countries	▪ Increased presence in Spain (+174 MW), Italy (+92 MW gross = +56 MW net) and the UK (+92 MW) ▪ Entry into the USA: strategic partnership for acquisition 317 MW wind and solar power (closing expected in H1 2024).
 Solar as strategic activity	▪ ~ 860 MW of solar (out of +2,200 MW) ▪ ~25% solar on Group capacity @2026-27	▪ +174 MW solar in Spain ▪ 16% solar on Group capacity @2023
 Investment in innovation	▪ Battery Storage; ▪ Searching for offshore opportunities	▪ Ongoing progress on some storage projects in Italy
 Asset Rotation for Conventional Sources	▪ Relaunch of the CCGT divestment process	▪ Completion of the closing for the sale of the CCGT to Achernar
 Incorporation of ESG matters	▪ Confirmed at the heart of ERG's business model	▪ Score improvement in key ESG ratings ▪ Entry into the Nasdaq Sustainable Bond Framework
 Dividend policy	▪ EUR 1 per share (+10% vs previous)	▪ Dividend of 1 EUR per share

We are working on the new 2024-2028 Business Plan, which will be presented to the financial community during 2024.

OUR GROWTH IN 2023



THE ESG PLAN INTEGRATED INTO STRATEGY

<h3>PLANET</h3> <p>2026 TARGETS</p> <ul style="list-style-type: none"> 1. Net Zero 2. Circular Economy 3. Energy Efficiency 4. Biodiversity 	<h3>ENGAGEMENT</h3> <p>2026 TARGETS</p> <ul style="list-style-type: none"> 5. ERG Academy for Next Generation 6. 1% for the Community 7. Trust & Reputation 8. Social Purpose for Solar Revamping 
<h3>PEOPLE</h3> <p>2026 TARGETS</p> <ul style="list-style-type: none"> 9. ERG Academy for our People 10. Diversity & Inclusion 11. Employees' well-being 12. Health & Safety, always 	<h3>GOVERNANCE</h3> <p>2026 TARGETS</p> <ul style="list-style-type: none"> 13. Sustainability Incentives 14. Enhancing Governance Model 15. Tax Control Framework 16. Sustainable Procurement 17. ESG Finance 18. Cybersecurity 

OUR COMPREHENSIVE CERTIFIED ESG COMMITMENT

✓ Actions implemented



2nd quarter 2022

- Adoption of Women's Empowerment Principles
- Endorsement of the UN Global Compact

2nd quarter 2023

- Target Net Zero approved by SBTi

By the 2nd quarter of 2024

- Italian certification UNI PDR 125: 2022 gender equality
- GRESB

2025

- Assessment





2026

- Certification
- EDGE certification (or other recognised internationally)

THE 2023 REPORTING OF THE ESG PLAN

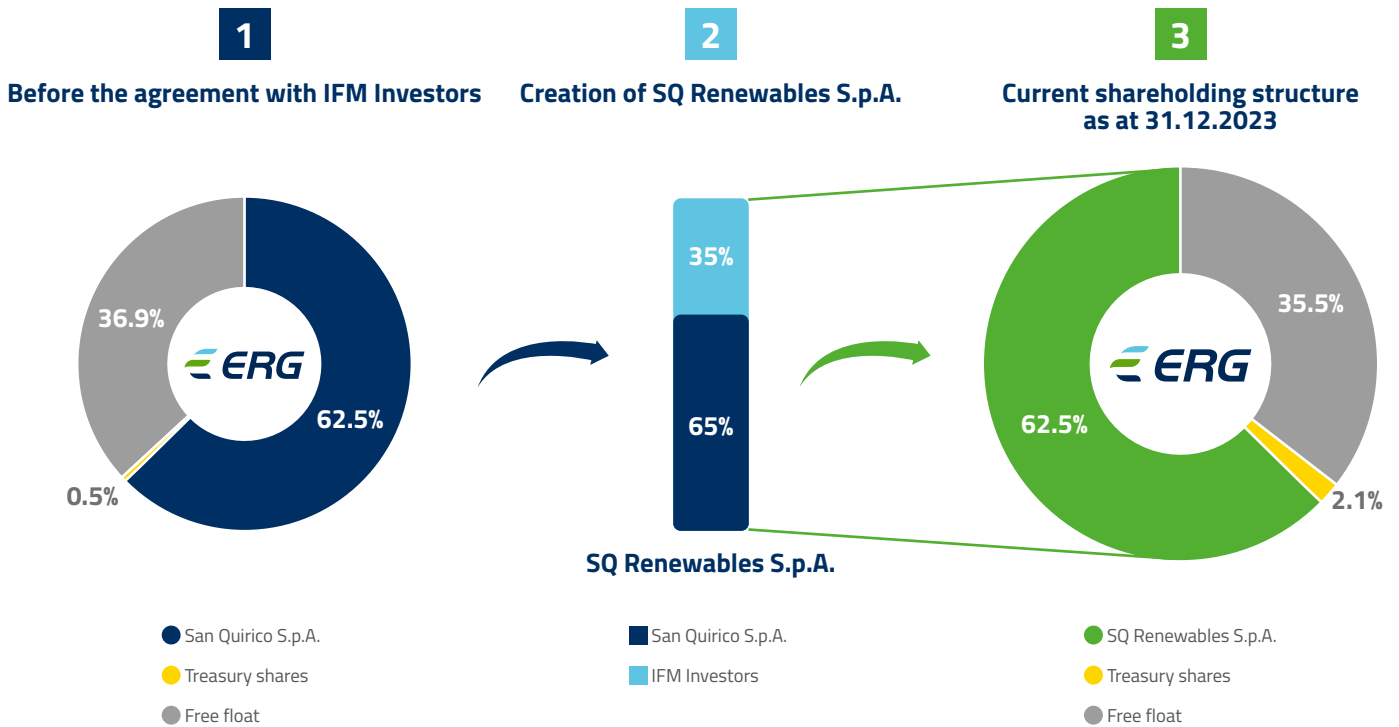
SDGs	OBJECTIVES	REPORTING 2023
PLANET		
     	Net Zero	<ul style="list-style-type: none"> CCGT Sale Target Net Zero validated by SBTi
	Circular economy	<ul style="list-style-type: none"> Wind Repowering: 100% recovery Solar Revamping: 93% recovery
	Energy efficiency	<ul style="list-style-type: none"> Wind: +10.9 GWh Solar: -1.8 GWh
	Biodiversity	<ul style="list-style-type: none"> 100% internally developed plants with Biodiversity Assessment
ENGAGEMENT		
     	ERG Academy for Next Generation	<ul style="list-style-type: none"> 23,407 students involved
	1% for the Community	<ul style="list-style-type: none"> 1.2% of revenues for local communities
	Trust & Reputation	<ul style="list-style-type: none"> Top performer in the main ESG ratings
	Social Purpose for Solar Revamping	<ul style="list-style-type: none"> 2 projects completed in Italy
PEOPLE		
     	ERG Academy for our People	<ul style="list-style-type: none"> 50% of ERG People with personal development plans 99% of ERG People involved in training plans
	Diversity & Inclusion	<ul style="list-style-type: none"> 18% women among key leaders 22% key leaders abroad 31% women in the workforce
	Employees' well-being	<ul style="list-style-type: none"> Flexible Benefits Assessment Solidarity Holiday Programme extended in France and Germany 8 days of remote working per month
	Health & Safety, always	<ul style="list-style-type: none"> No fatalities Frequency Index = 3.09 (Severe FI = 1.55) Severity index = 0.11
GOVERNANCE		
     	Sustainability Incentives	<ul style="list-style-type: none"> 100% MBO/LTI with ESG targets
	Enhancing governance model	<ul style="list-style-type: none"> Objective 2024 in relation to the term of the mandates the Boards of Statutory Auditors
	Tax Control Framework	<ul style="list-style-type: none"> Tax Control Framework implemented in Germany
	Sustainable Procurement	<ul style="list-style-type: none"> 64.1 average score of strategic suppliers (+3 vs 2022) Suppliers with a carbon footprint: 44% Suppliers with D&I Policy: 63%
	ESG Finance	<ul style="list-style-type: none"> 95% of Green funding
	Cybersecurity	<ul style="list-style-type: none"> ISMS certification in Germany by Q1 2024

THE MAIN ESG RECOGNITIONS

 <ul style="list-style-type: none"> "Corporate Knights Global 100 most sustainable corporations in the world": ERG in 54th place Bloomberg Gender Equality Index: ERG in 1st quartile <p>January 2023</p>	 <ul style="list-style-type: none"> Science Based Target initiative: approval of "Net Zero" objectives <p>July 2023</p>	 <ul style="list-style-type: none"> Carbon Disclosure Project: ERG confirmed in the "A List" for the 2nd consecutive year <p>February 2024</p>
<p>June 2023</p> <ul style="list-style-type: none"> Nasdaq Sustainable Bond Network: entry of ERG MSCI: rating improvement to "AAA" Integrated Governance Index 2023: ERG in 4th place 	<p>January 2024</p> <ul style="list-style-type: none"> "Corporate Knights Global 100 most sustainable corporations in the world": ERG promoted to 28th place (1st Italian company), and awarded with the "Pivot Price" EthiFinance: rating improvement to 77/100 	

OUR SHAREHOLDERS

OWNERSHIP STRUCTURE AT 31/12/2023

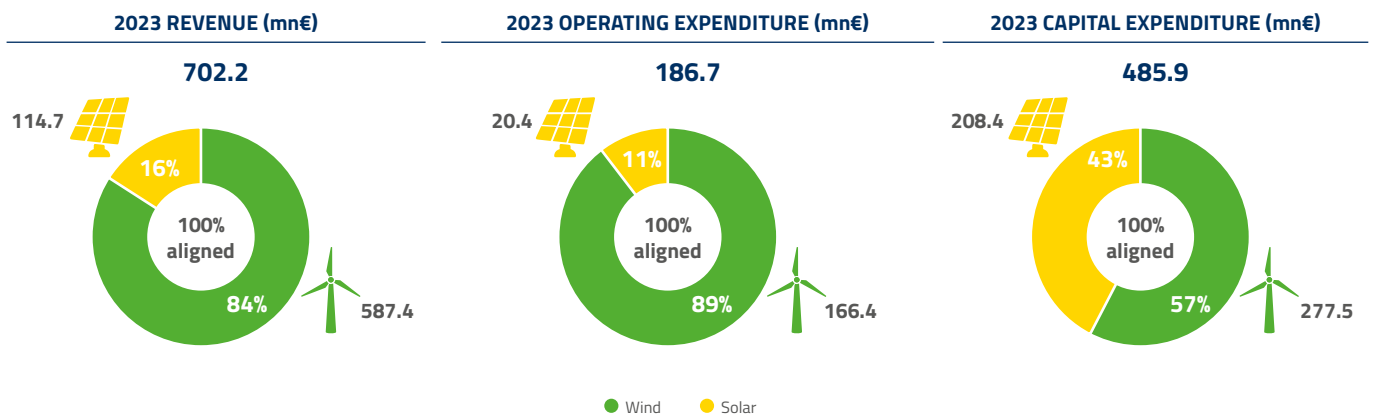


THE EUROPEAN TAXONOMY

The business activities carried out by the ERG Group in the Wind & Solar Renewable Sectors are 100% aligned with the EU Taxonomy, contribute substantially to climate change mitigation, do no

significant harm (DNSH) to the other environmental objectives of the taxonomy, and comply with the minimum safeguard criteria.

EUROPEAN TAXONOMY – ANALYSIS OF RESULTS



Reported Data.

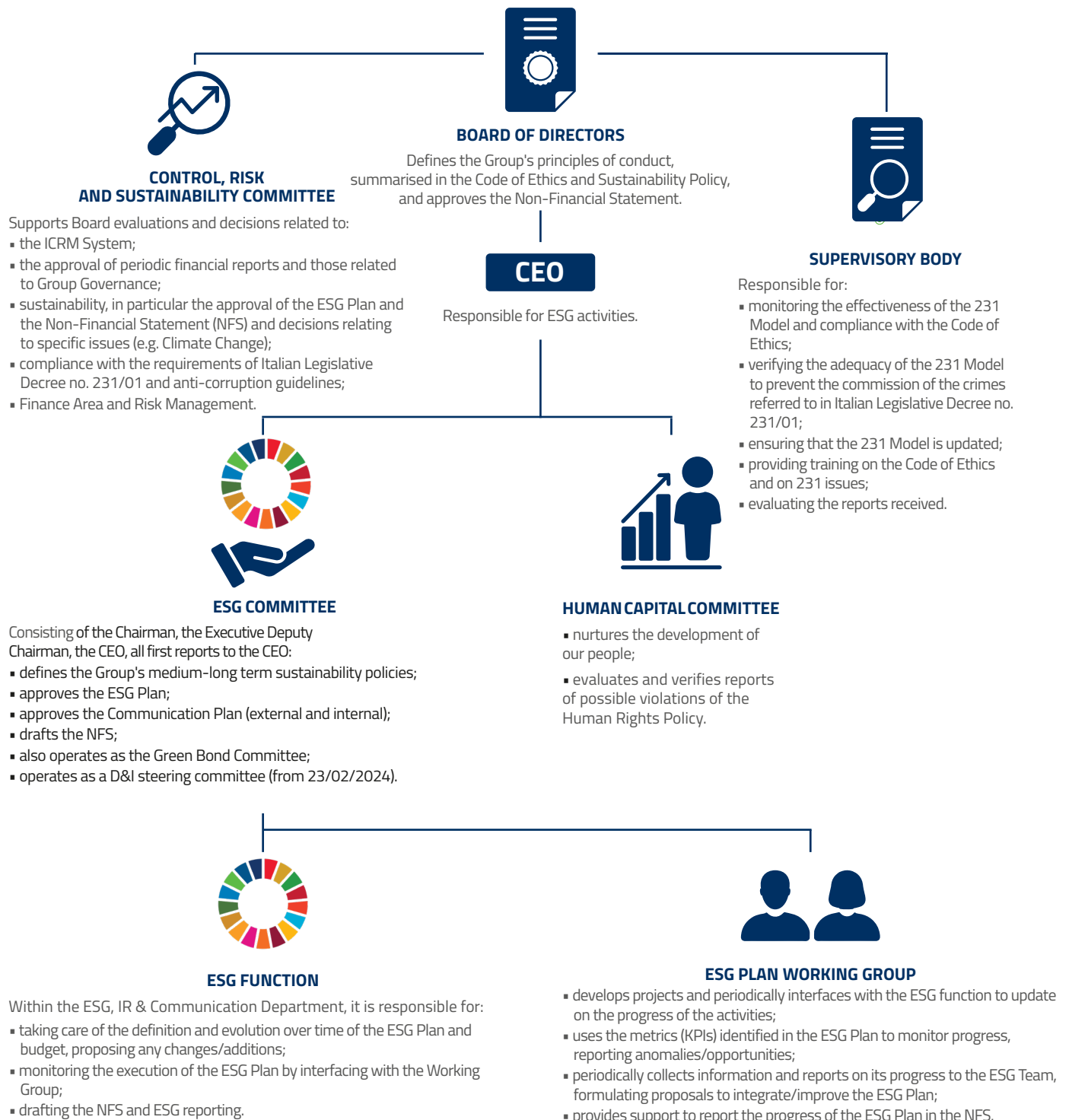
For the purposes of the Taxonomy, the following were excluded from the scope (i.e., from the numerator and denominator of the KPI): the fair value of hedging (38.5 mn€ revenue), the contribution of Corporate (0.3 mn€ revenue; 25.2 mn€ OpEx) and 2.7 mn€ structural CapEx.

In the Report on Operations, these are represented in the Corporate CapEx, which also include 1.5 mn€ of CapEx in the Wind & Solar business, centrally supported, which were instead considered for Taxonomy purposes.

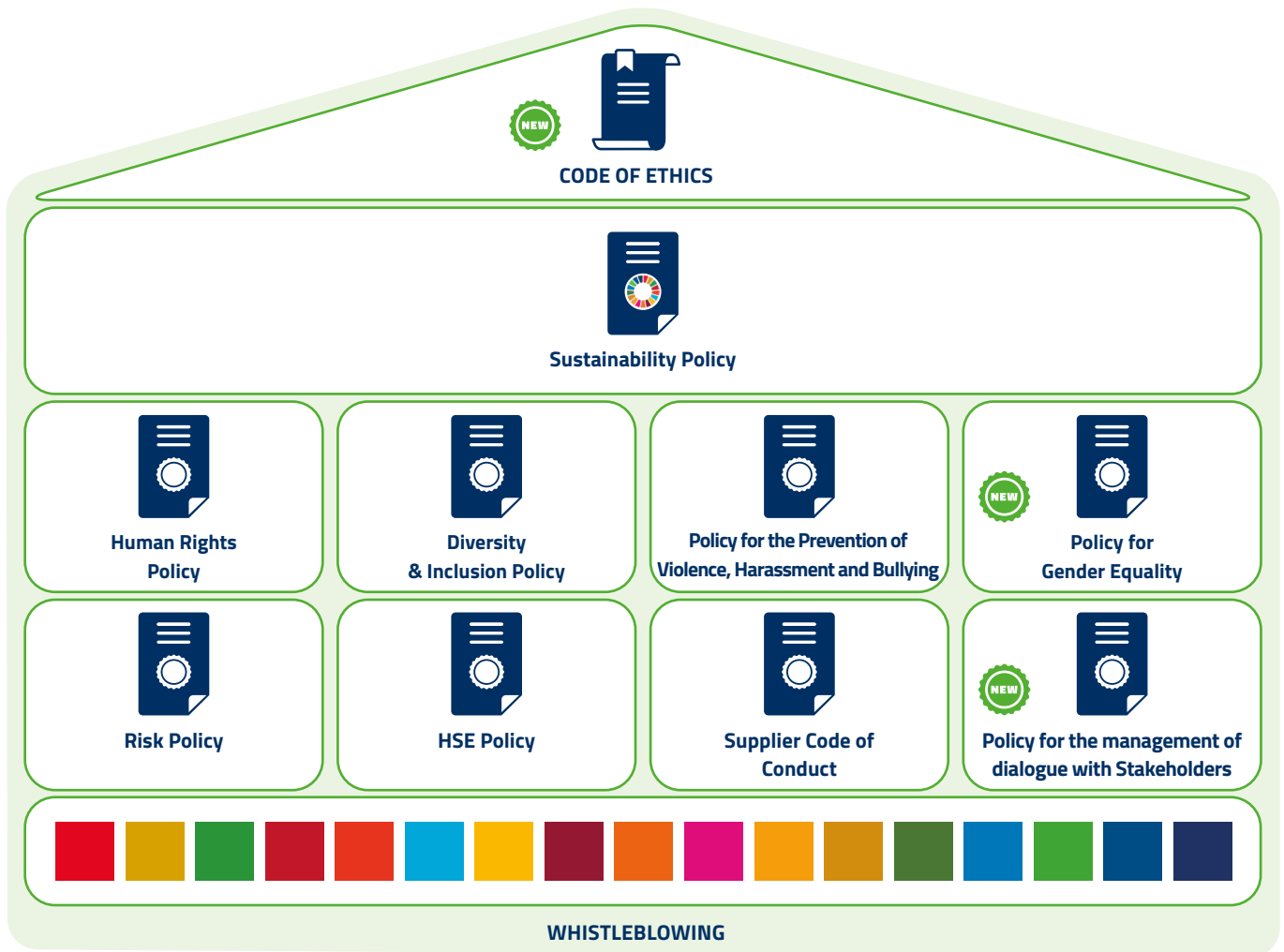
Therefore, if the excluded values are added to the values in the denominator for the calculation of the alignment with the Taxonomy, the consolidated figures, as presented in the Financial Statements, result as follows: revenue 740.9 mn€, OpEx 211.9 mn€, CapEx 488.6 mn€.

CapEx also includes intangible concessions and licences.

OUR SUSTAINABILITY GOVERNANCE MODEL



OUR SUSTAINABILITY POLICIES



MAIN NEW ASPECTS INTRODUCED



Code of Ethics

- Transformation into a Pure Wind & Solar model
- ESG strategy integrated into the Business Plan
- Transposition of D&I and Anti Harassment Policy
- Inclusion of the "next generation" in stakeholders
- Presence of the whistleblowing system
- New, clearer and more readable graphics



Gender equality

- ESG Committee appointed as "Steering Committee"
- Gender Equality Plan integrated into the ESG Plan
- Establishment of an inter-departmental working group on D&I
- ERG commitments to overcome stereotypes and biases
- Transparency in processes impacting gender equality



Dialogue with stakeholders

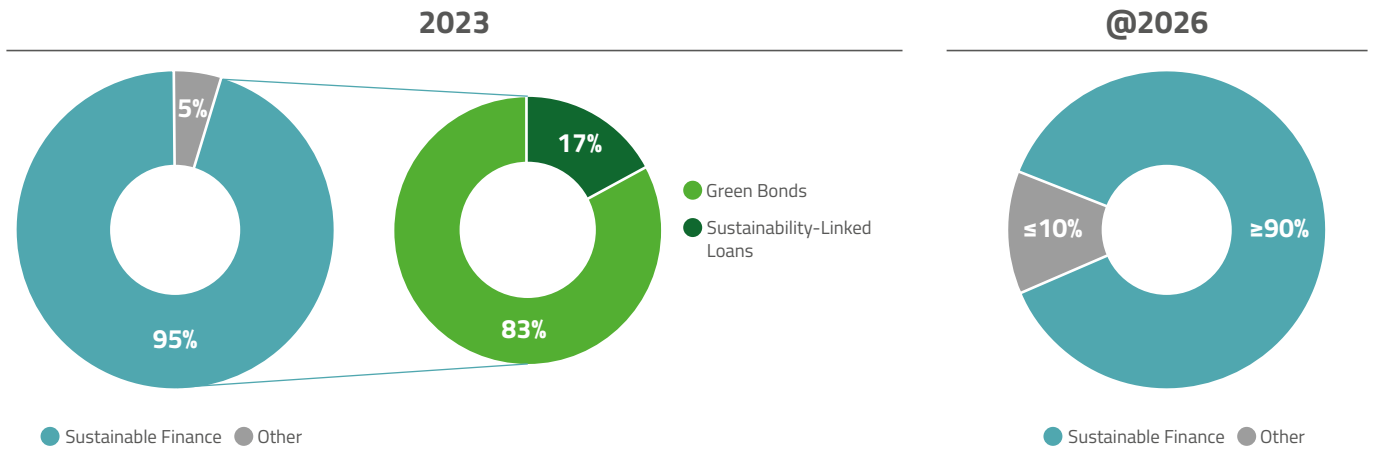
The Policy applies to all stakeholders outside the context of the Shareholders' Meeting, on issues such as:

- Operating performance and financial results
- Company Strategy and Corporate Governance
- Remuneration policies
- Sustainability (strategies and reporting)

SUSTAINABLE FINANCE

Sustainable finance is an integral part of our capital structure and is the predominant component of the Group's funding sources. As at 31 December 2023, about 95% of these were made up of Sustainable

Finance sources, equal to EUR 1,930 million out of a total gross debt of EUR 2,027 million (in nominal value).



ERG joins the Nasdaq Sustainable Bond Network

In June 2023, following the complete allocation of earnings deriving from all the previous issuance of Green Bonds, we joined the Nasdaq Sustainable Bond Network, a platform dedicated to Sustainable Finance of the New York electronic stock exchange that brings together investors, issuers and investment banks. This new entry is an important recognition of our commitment to sustainable finance.



ERG'S ESG RATINGS AND SUSTAINABILITY AWARDS

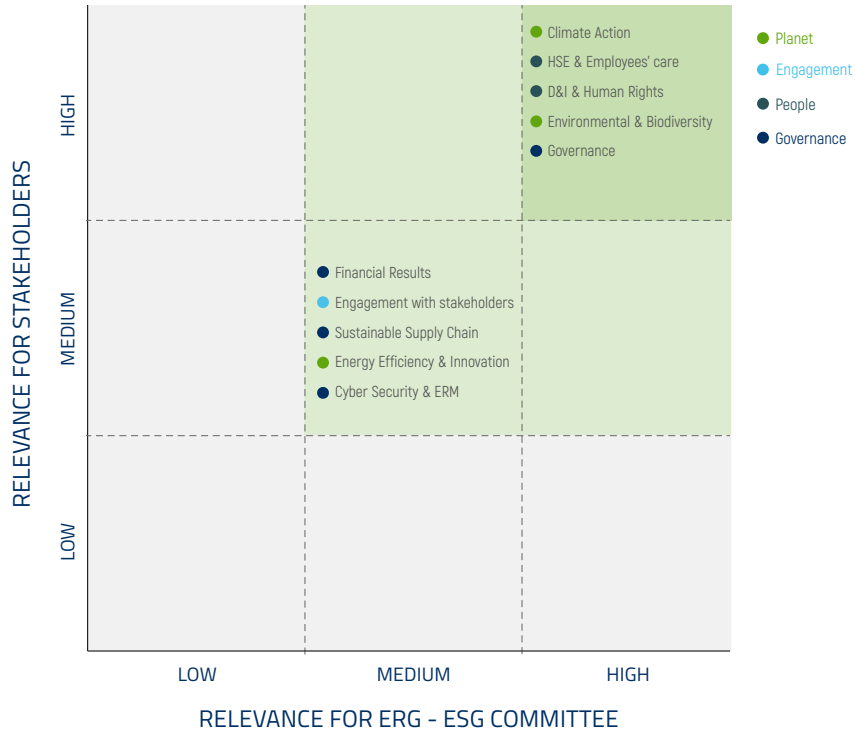


2023 MATERIALITY MATRIX

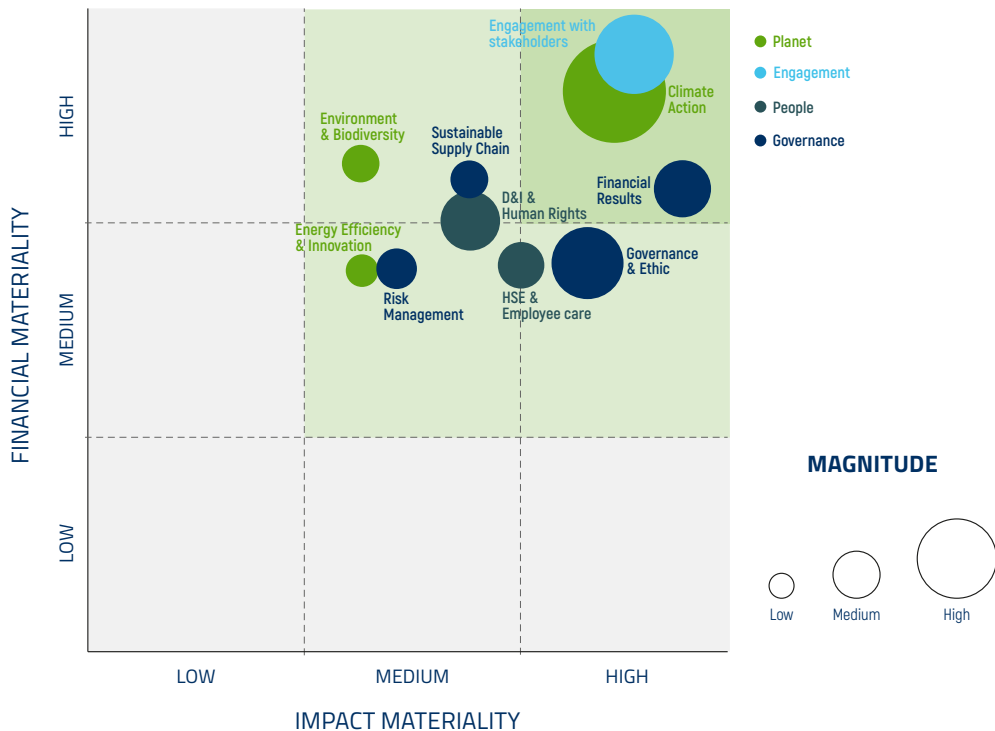
We updated the materiality matrix in 2023, involving all key stakeholders. The results of the analysis confirmed the 10 topics identified previously. The 2023 Materiality Matrix was submitted

for approval by the ESG Committee on 6 December 2023 and the Control, Risk and Sustainability Committee on 12 December 2023.

2023 MATERIALITY MATRIX



DOUBLE MATERIALITY 2023





Planet



OUR NET ZERO TARGET BY 2040 APPROVED BY SBTi

ERG is among the top 15 companies in the world¹ and among the first two in Italy in the Electric Utilities and Independent Power Producers sector to have obtained certification of its decarbonisation targets by the Science Based Targets initiative. ERG

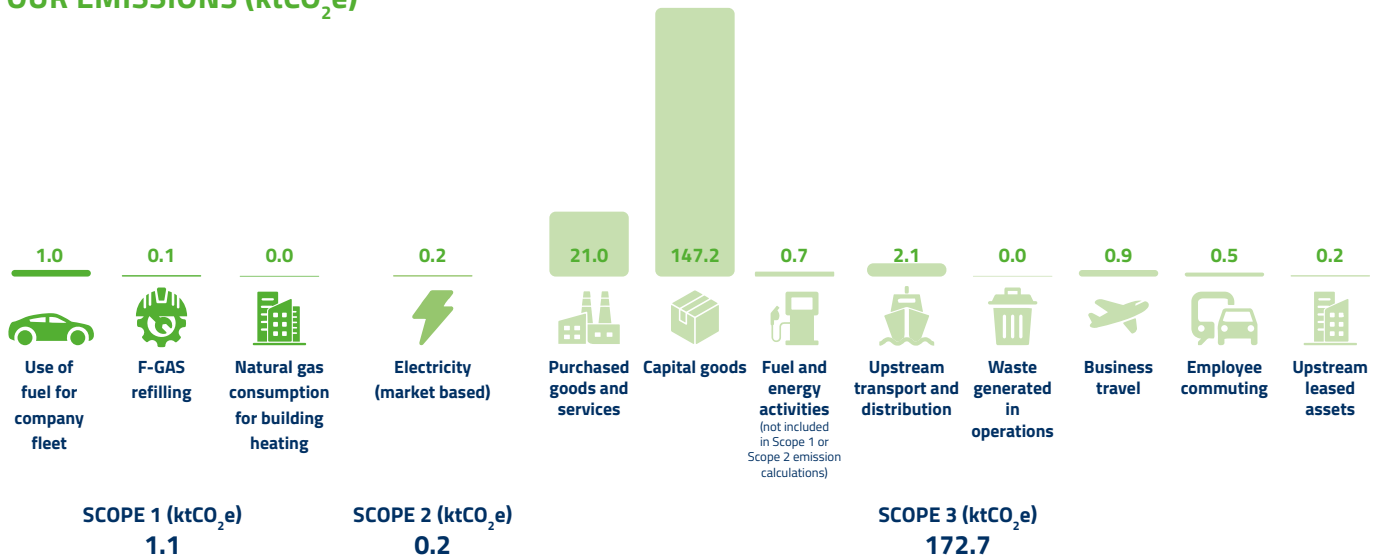
is committed to achieving Net Zero by 2040 through a number of actions both in the short term (near-term target by 2027) and in the long term (long-term target by 2040).



NET ZERO target approved by SBTi

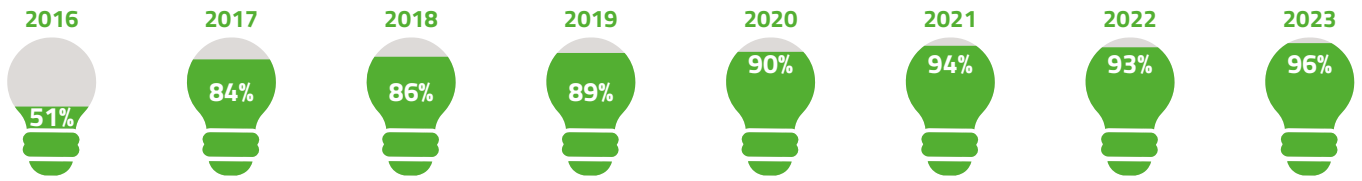
- (a) In the near-term:
- reduction of direct GHG emissions (Scope 1) and indirect emissions from energy consumption (Scope 2) of 72% per MWh by 2027 from a 2020 base year;
 - increase of active sourcing of renewable electricity from 94% in 2020 to 100% in 2030;
 - reduction of direct GHG emissions (Scope 1) and indirect emissions from fuel and energy related activities covering all sold electricity (Scope 3) of 70.4% per MWh by 2027 from a 2020 base year.
- (b) In the long-term:
- reduction of direct GHG emissions (Scope 1) and indirect emissions from energy consumption (Scope 2) from power generation of 94.8% per MWh by 2040 from a 2020 base year;
 - reduction of direct GHG emissions (Scope 1) and indirect emissions from fuel and energy related activities covering all sold electricity (Scope 3) of 95.3% per MWh within the same timeframe;
 - reduction of all other indirect GHG emissions (Scope 3) of 97% per MWh within the same timeframe.

OUR EMISSIONS (ktCO₂e)



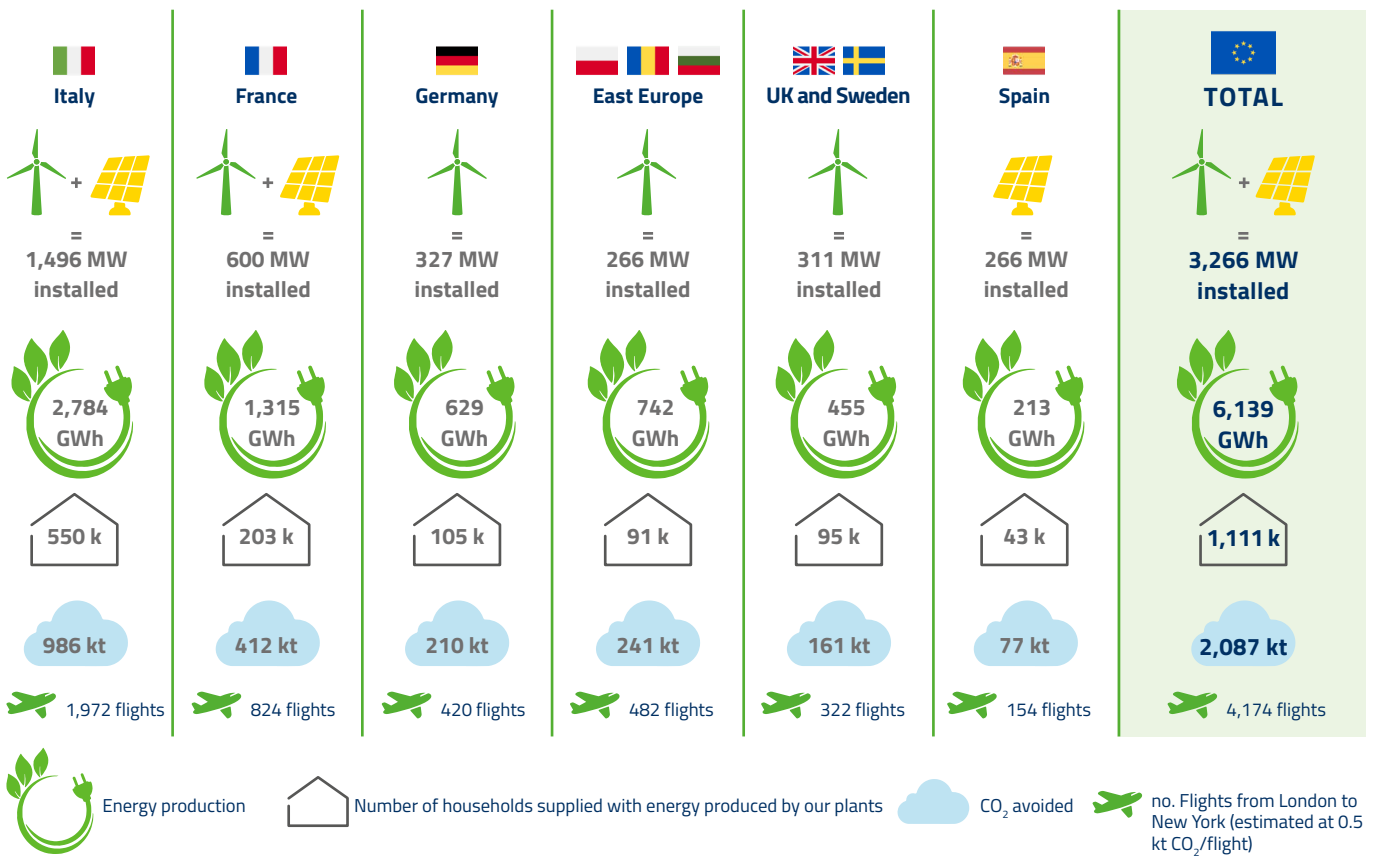
¹ As per press release of 7 July 2023.

OUR RENEWABLE ENERGY CONSUMPTION



DECARBONISATION - RENEWABLES' CONCRETE HELP FOR THE PLANET

Thanks to our wind and photovoltaic energy production, we avoid the emission of several million tonnes of CO₂ each year: in 2023, the figure is 2,087 kt CO₂, equivalent to 4,174 London New York flights².



² It is assumed that flying from London to New York round trip generates about 1,000 kg CO₂ per passenger; assuming about 500 passengers each way equals 500 tonnes CO₂ per flight.

CIRCULAR WIND IN REPOWERING PROJECTS

New construction sites were opened for three additional repowering projects in Sicily in 2023: Camporeale, Mineo-Militello-Vizzini and Salemi-Castelvetrano. Compared to the 88 disassembled WTGs,

61 wind turbines were resold to third parties for installation in Europe and Turkey. 27 WTGs were instead kept in our warehouses as spare parts.

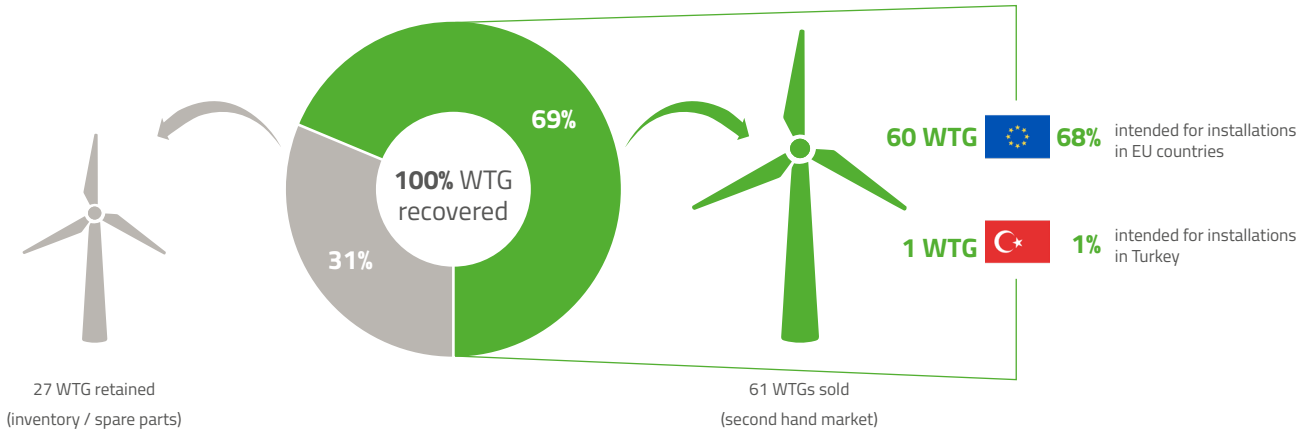


Circular Repowering



RECOVERY OF WIND TURBINES (WTGS) - REPOWERING 2023

88 turbines disassembled in 2023, of which:



CIRCULAR SOLAR IN REVAMPING PROJECTS

Solar farm revamping projects follow the virtuous path of the circular economy: inoperable modules are given to consortia, while intact

functioning modules find a second life in social projects. In 2023 we recovered 93% of the materials from the Solar Revamping Project.

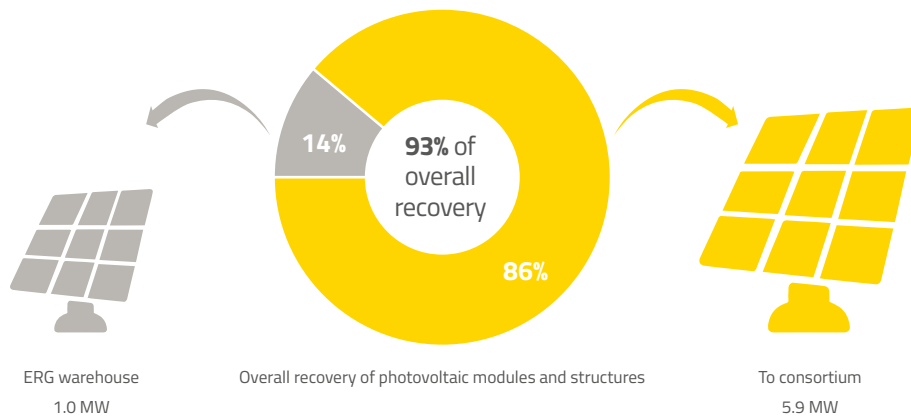


Circular Solar



MODULE RECOVERY - REVAMPING SOLAR 2023

7 solar farms disassembled (6.9 MW)



The repowering of Partinico-Monreale

The Partinico-Monreale wind farm in the province of Palermo was the first in ERG's asset portfolio to complete repowering operations in June 2023.

This project involved the replacement of 19 old wind turbines (100% recovered in 2023) with 10 new wind turbines of 4.2 MW each, bringing the total capacity to 42 MW.

The renovated park will generate an estimated annual output of 94 GWh/year, about 4 times that of the existing plant (27 GWh/year); a significant contribution that represents a fundamental step in our country's energy transition.



Welcome to the
PARTINICO-MONREALE WIND FARM
 Grisì District - Municipality of Monreale (PA)

10 turbines

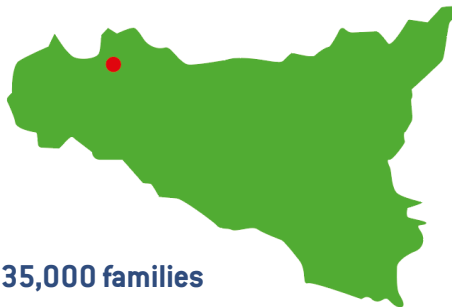
180 meters height

Total installed capacity: 42 MW

Production: 94 GWh/year

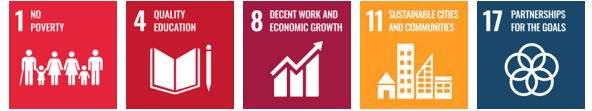
Coverage of the annual needs of 35,000 families

CO₂ emissions avoided per year: 50 kt






Engagement



ERG'S INTERNATIONAL FORUMS AND EVENTS

ERG was present at the most important international conferences in key markets in Europe in 2023.

 <p>ERG was present with representatives from various units, notably Procurement, Business Development and Public Affairs. Our Engineering Innovation unit participated in a panel on the offshore wind industry, explaining how we evaluate the potential of floating wind power.</p>	 <p>HUSUM Wind 2023 12 Set 2023 - 15 Set 2023 Trade Fair and Congress for the Wind Industry</p> <p>During the historical wind energy trade fair in Germany, an article about our presence there and an interview was published in the trade magazine Erneuerbare Energien.</p>	 <p>At the event focusing on the end-of-life of the wind power industry, our Chief Engineering Development Officer presented the Partinico-Monreale repowering operation and our colleagues from Engineering Innovation moderated the session on decommissioning and the secondary market for wind turbines.</p>
<p>April</p>	<p>September</p>	<p>November</p>
<p>May</p> <p>ERG was present with the Public Affairs team to understand the direction the European Commission and individual Member States are taking in accelerating solar deployment.</p> 	<p>October</p> <p>ERG France was present with a dedicated stand and team at the key event for the wind power industry in France, meeting with suppliers, employees and representatives of French institutions.</p> 	

ERGLAB INCREASINGLY INTERNATIONAL

ERGLab is our think tank on the topics of energy and ecological transition. Launched in Italy in 2014, it aims to involve key experts and institutional stakeholders through thematic round tables. In 2023, we organised no fewer than eight ERGLabs, 5 of which were held in Italy,

two in the UK and one in France, addressing the topics of greatest relevance for the advancement of decarbonisation and renewables at this particular moment in history.

 <p>1st ERGLab Italy (Rome)</p> <p>'Greenflation' (soaring cost of renewable technologies). It also involved our CEO.</p>	 <p>ERGLab UK (Belfast)</p> <p>'Accelerating Planning for 2030' (tools to reach the target of 80% RES energy by 2030).</p>	 <p>4th ERGLab Italy (Rome)</p> <p>Auctions for long-term contracts, the main and most efficient tool for RES development.</p>	 <p>5th ERGLab Italy (Rome)</p> <p>The role of stakeholders in ERG's materiality analysis.</p>
<p>January</p>	<p>May</p>	<p>October</p>	<p>November</p>
<p>March</p> <p>2nd ERGLab Italy (Rome)</p> <p>Regulatory measures in recent years for simplifying RES permitting.</p> 	<p>July</p> <p>3rd ERGLab Italy (Rome)</p> <p>Energy storage systems are essential for managing the energy generated by wind and sun.</p> 	<p>ERGLab UK (Belfast)</p> <p>'Unlocking Grid for 2030' (Integrating RES technologies into the electricity grid).</p> 	<p>ERGLab France (Paris)</p> <p>'Hybridisation' (expansion of existing wind power plants through integration with photovoltaics).</p> 

STRENGTHENING OUR ENGAGEMENT WITH LOCAL COMMUNITIES

Our strategy is based on creating shared value, recognising that our plants have a positive impact in the fight against climate change, improving the lives of the local communities where they are present and helping to reduce energy dependency.

Our activity is not limited to issuing disbursements to entities and associations that propose initiatives of interest; we work with the most representative institutions and organisations to share the value generated with our communities.






SHARING VALUE FOR THE GROUP

CONTRIBUTIONS TO LOCAL COMMUNITIES (EUR k)	2023	2022	2021
Sharing Benefits paid to local communities	7,090	8,122	7,880
Support to local communities in relation to emergency situations	708	477	-
Sponsorships	353	300	305
Other donations	769	452	520
NextGen training	141		
COMMUNITY TOTAL	9,061	9,351	8,705
Group Revenue (Reported)	740,931	713,840	601,407
COMMUNITY SHARE AS A PERCENTAGE OF REVENUE	1.22%	1.31%	1.45%

SOCIAL PURPOSE FOR SOLAR REVAMPING IN 2023

Work started in 2023 on the implementation of the four 'Social Purpose for Solar Revamping' projects approved by the ESG Committee in 2022.

The two planned plants were installed in Italy by the end of the year, while the two projects in Malawi and Madagascar are underway and are expected to be completed during 2024.

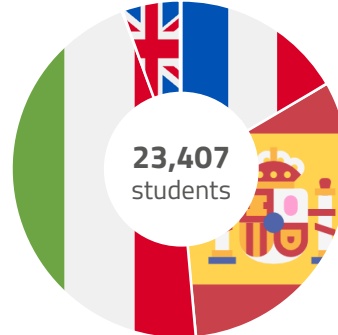
	<h1 style="text-align: center;">SOCIAL PURPOSE</h1>	
<p>Fondazione Dynamo Camp ETS Pistoia Italy Parking shelter 90 kWp on-grid Installation completed</p>		<p>Community of Sant'Egidio Blantyre, Malawi Dream Medical Centre, outpatient clinic 40 kWp off-grid con storage Installation underway</p>
		
<p>Music for Peace OSC Genoa, Italy Rooftop installation 20 kWp on-grid Installation completed</p>		<p>Boky Mamiko ETS Maharivaratra Madagascar Saint Joseph School 10 kWp off-grid con storage Installation underway</p>
	<h1 style="text-align: center;">SOLAR REVAMPING</h1>	
		

ERG ACADEMY FOR THE NEXT GENERATION

In 2023, we reached over 23,000 students from 4 different countries: Italy, France, Spain and United Kingdom.



ACADEMY 2023- INVOLVEMENT OF THE NEXT GENERATION



Science Festival: the official launch of ERG ACADEMY

In 2023, the partnership with the Genoa Science Festival coincided with the launch of ERG Academy, allowing us to reach over 4,700 people with 3 different initiatives.



'SDGsContributors' multimedia stand

Set up again this year in the atrium of the Doge's Palace, the main venue of the Festival, the stand provided multimedia content for all ages:

- ERG and ERG Academy institutional videos
- video on the Repowering of Partinico-Monreale
- videos made during the PCTOs of some high schools
- interactive game in two versions (one for older and one for younger children) on the Global Goals

The stand was supported by the scientific animation of volunteers from the Science Festival and the presence of ERG People for in-depth information on the company and on Green Jobs.



'Green Energy Makers' Workshop

Designed by our experts and the Science Festival team, the workshop gave primary school children the opportunity to experience how a company is run in which production, technological innovation, environmental and social sustainability are integrated. The workshop is a board game with a human dimension. The classes place wind turbines and solar panels on the playing field (a carpet with a drawing that includes a rural area with a village, hills, watercourses, vegetable gardens, forests...) to define a development strategy and respond to unforeseen events with managerial choices that determine a score in megawatts and in sustainability.

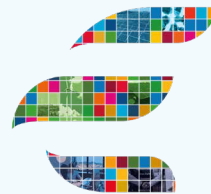


Conference promoted by ERG with an introduction by Alessandro Garrone








Held on 31 October, the conference included an interdisciplinary discussion on ecological transition. Alessandro Garrone introduced the conference by offering the audience and speakers the perspective of an entrepreneur strongly committed to environmental and social issues.

Italian Sustainability Week 2023

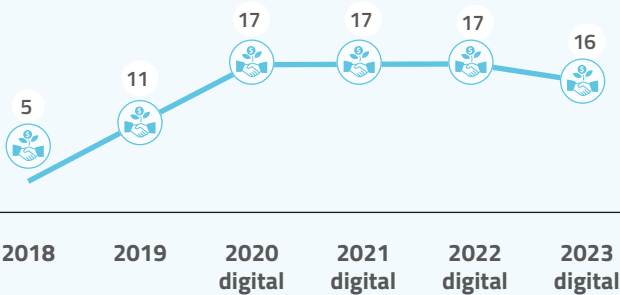
We participated in the Italian Sustainability Week organised by Borsa Italiana at the beginning of September 2023 for the seventh consecutive year, focusing on sustainable finance and ESG issues.



Main topics discussed with SRI investors

-  Updates contained in the 2022-2026 ESG Plan
-  SBTi certification of our Net Zero strategy by 2040
-  Circular Economy, Biodiversity and D&I Targets
-  Exit from the thermoelectric business
-  Transformation into a pure Wind & Solar operator
-  Growth targets in renewables
-  Sustainable financial strategy

Sustainability day - No. of meetings for ERG



2023 a year to tell: interviews with top management



April



November



December



October



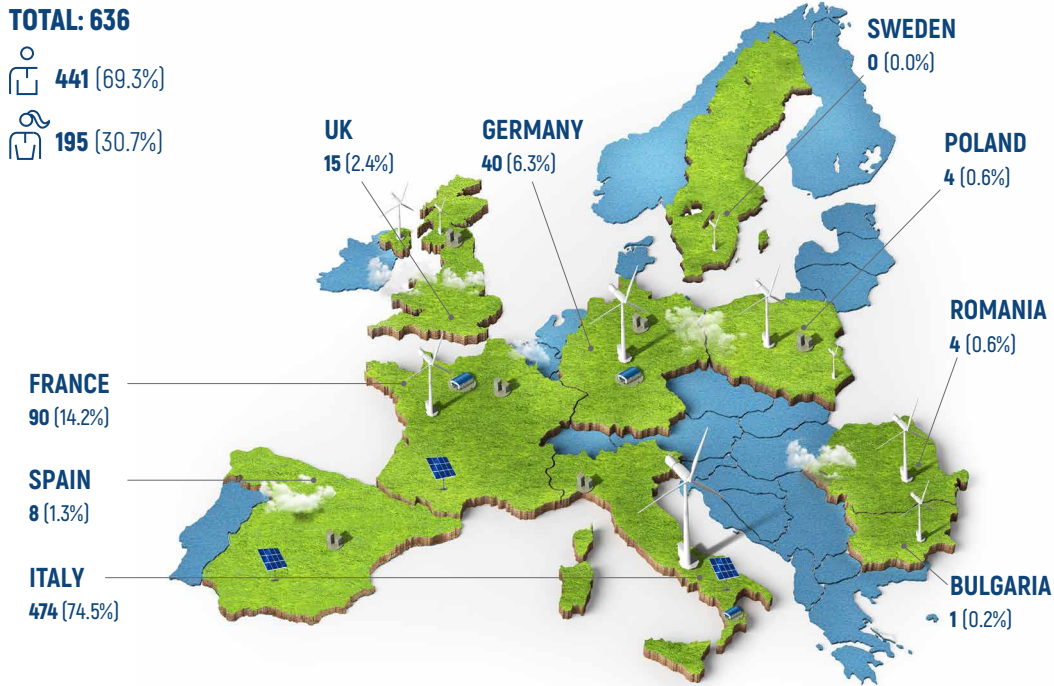


People



For us, our people are our asset, a “human capital” characterised by talents, skills, and relationships. This is why we invest in an

inclusive, stimulating and productive working environment, in which everyone can express their abilities and improve their skills.



PERFORMANCE MANAGEMENT: GENERATING RESULTS AND SHARING SUCCESS

The Performance Management system follows a cascading logic along the organisational structure. We first define the annual objectives of the CEO's first line and progressively those of the employees, and then measure the results achieved during the year. The objectives are both corporate and individual and include a moment for discussing them at the beginning and end of the year to

capitalise on learning. The incentive system is articulated along two time lines:

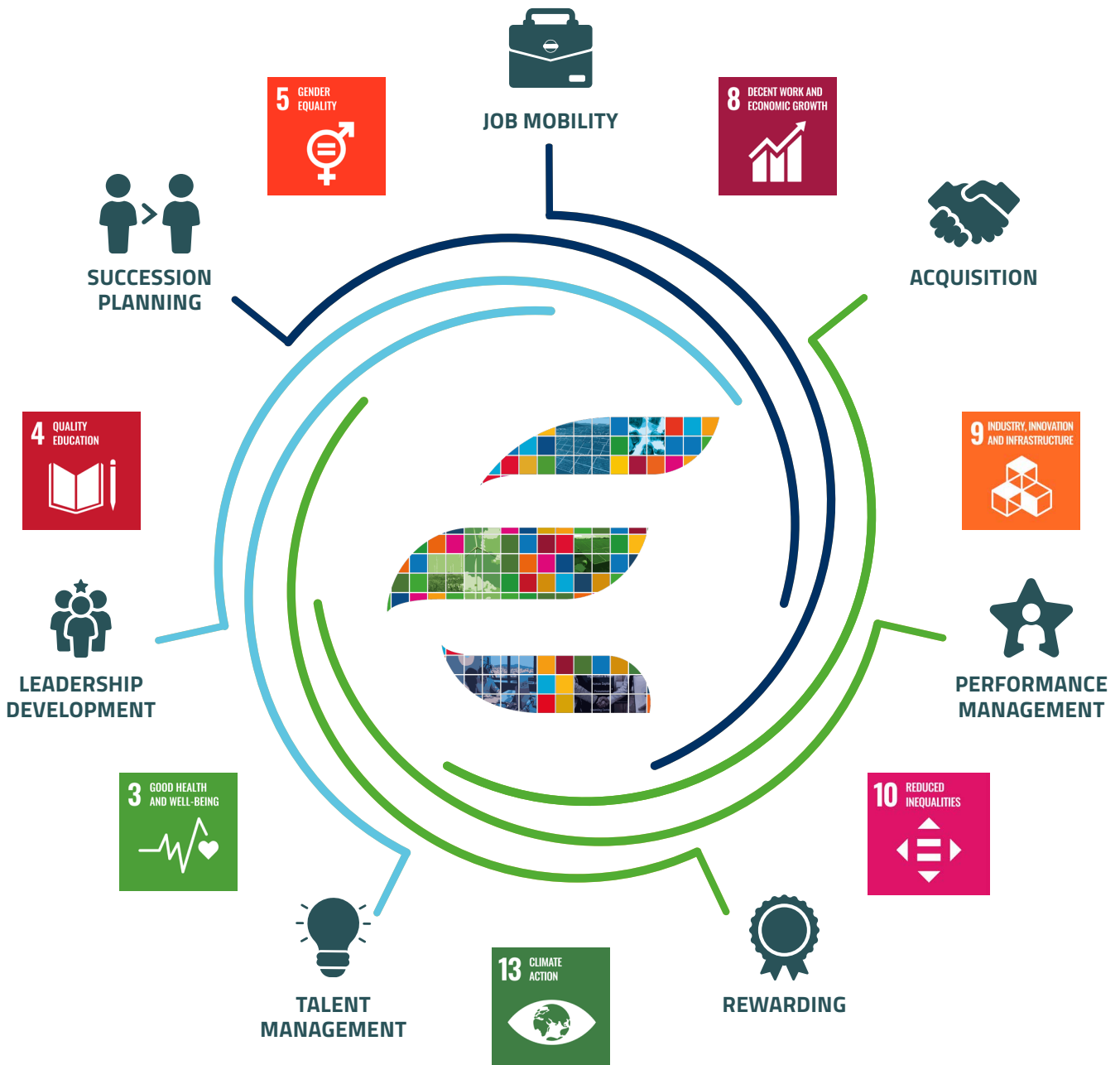
- short-term, based on a Management By Objectives (MBO) approach;
- long-term, based on a Performance Share system.



HUMAN CAPITAL MANAGEMENT AND DEVELOPMENT








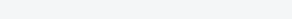



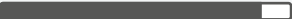
ERG's Human Capital is based, on the one hand, on organisational development and, on the other, on talent management, which facilitate the achievement of corporate results. ERG cyclically






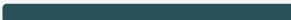



defines its leadership model to engage people on the "methods" to achieve results: values, skills and behaviours that also drive career development within the Group.



SUSTAINABILITY OBJECTIVES IN THE INCENTIVE SCHEME

In our incentive models, sustainability targets are an integral part of the objectives.

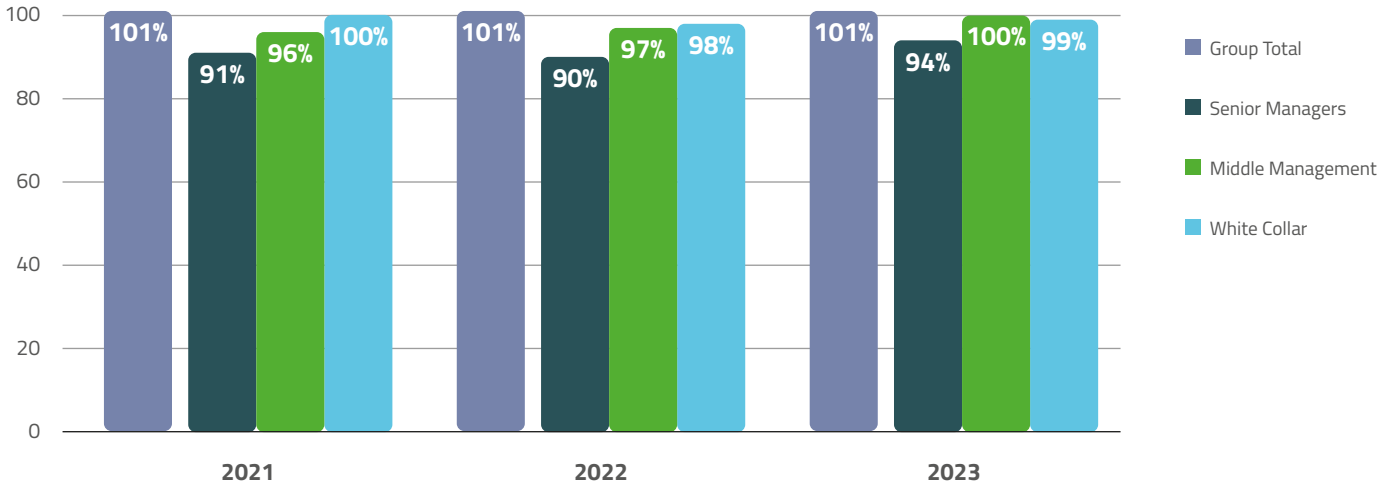
Sustainability objectives in short-term incentives										
Weight Objectives	Pillars	Objective	Target	Result	Indicators			%	Final value	
					Floor 80%	Target 100%	Cap 120%			
20% CEO 10% DRS	20%  Planet	10% Circular Wind: repowering recovery of materials and/or energy	98%	100%				120%	24%	
		10% Circular Solar: Revamping recovery of materials and/or energy	90%	93%				120%		
	20%  Engagement	10% Education for Next Generation: number of young people involved in training programmes on sustainability and RES	17,000	23,407				120%	20%	
		10% Social Purpose for Solar Revamping (number of projects carried out)	3 projects	2 projects				80%		
	40%  People	30% Predictive safety: severity index [SI] <1 and compliance with frequency indices (internal + contractors): general [FI] and severity [SFI]	FI<4.60 SFI<2.00 SI<1	FI=3.09 SFI=1.55 SI=0.11				120%	48%	
		10% Diversity & inclusion: Incidence of women in workforce increase	30%	41%				120%		
	20%  Governance	Implementation of 3 projects: 1. Extension of the Tax Control Framework in Germany by 31/12/2023 2. Certification of the 'Information Security Management System' (ISMS) by March 2024 3. Sustainable Procurement: average supplier scoring ≥63 points		2 projects	3 projects				120%	24%
	OVERALL FINAL VALUE								116%	

Sustainability objectives in long-term incentive 2021-2023										
Weight Objectives	Pillars	Objective	Target	Result ^(a)	Indicators			%	Performance	
					Floor 80%	Target 100%	Cap 120%			
25%	 Planet	Circular Wind: repowering recovery of materials and/or energy	96%	100%				120%	30%	
25%	 Engagement	Education for Next Generation: training programmes in Italy and France (no. young people involved)	10,000	23,407				120%	30%	
25%	 People	12.5% Predictive safety: HSE Severity Index [SI] <1 and improvement of Frequency Index (internal + contractors) [FI]	No fatalities FI<4.35 SI<1	No fatalities FI=3.42 SI = 0.13				120%	15%	
		12.5% Diversity & Inclusion: number of women and employees of foreign offices with respect to total managerial positions	15% women 12% foreign	18% women 22% foreign				120%	15%	
25%	 Governance	Tax Control Framework	Extension France	Extension France and Germany				120%	30%	
OVERALL FINAL VALUE									120%	
MULTIPLIER									110%	

(a) A 3-year average value was provided for Circular Wind and HSE

GENDER PAY GAP - GROUP

The analysis of the gender pay ratio shows a substantial alignment between the fixed salaries of women and men, consistent with our objectives.



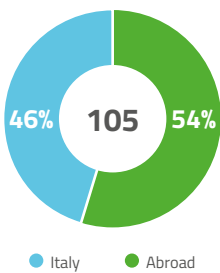
Gender pay equity is calculated for homogeneous qualifications, as the ratio between the average fixed and total remuneration of the female gender compared to the average fixed and total remuneration of the male gender both at Group and Italian level (thus excluding Senior managers with strategic responsibilities and blue-collar workers). The total pay ratio instead includes all Group employees.

NEW TALENTS RESEARCH

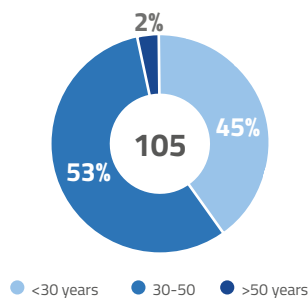
105 new people joined the Group in 2023. Women accounted for 39% of the new hires and the women's share of the staff increase was 41%.

Moreover, 45% of the employees are under 30 years of age.

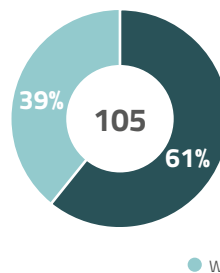
HIRES BY GEOGRAPHY



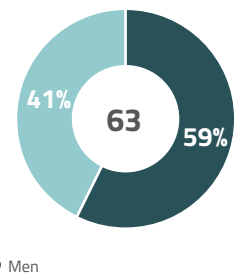
HIRES BY AGE BRACKET



HIRES BY GENDER



NET WORKFORCE INCREASE



THE TOOLS FOR STRATEGIC ALIGNMENT AND BELONGING INITIATIVES

TOOLS FOR STRATEGIC ALIGNMENT

INITIATIVES FOR BELONGING



ERG ACADEMY FOR THE NETWORK COMPANY

ERG Academy is our learning ecosystem where we build and share our knowledge, support each other's growth, strengthen teams and develop the Network Company. It is the set of human, physical and technological resources that are interconnected and that allow to acquire and share knowledge and develop from a personal-professional point of view.

LEARNING ECOSYSTEM



THE POWER OF DIVERSITY

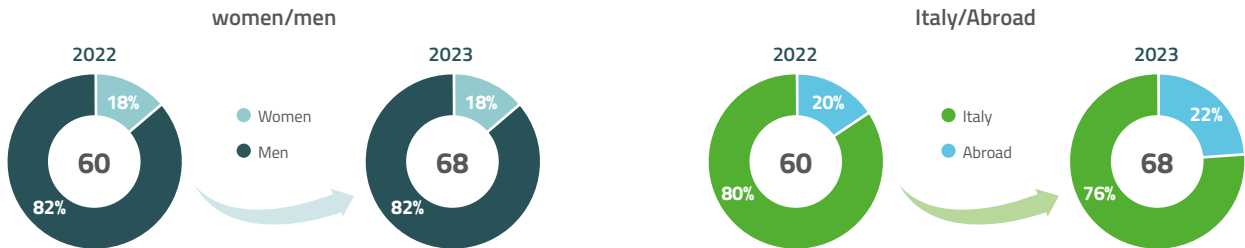


In line with our Diversity & Inclusion Policy, we have over the years been pursuing a path that has gradually involved all our people in order to enhance their talents and create the prerequisites for an increasingly inclusive work environment where everyone can be themselves

and realise their potential.

In line with our ESG Plan goals, in 2023 the percentage of women among key leaders reached 18% (towards a 2026 target >20% and 2027 >25%) while the percentage of key leaders abroad stood at 22% (towards a 2026 target >20% and 2027 >25%).

KEY LEADERS – MANAGERS AND SENIOR MANAGERS



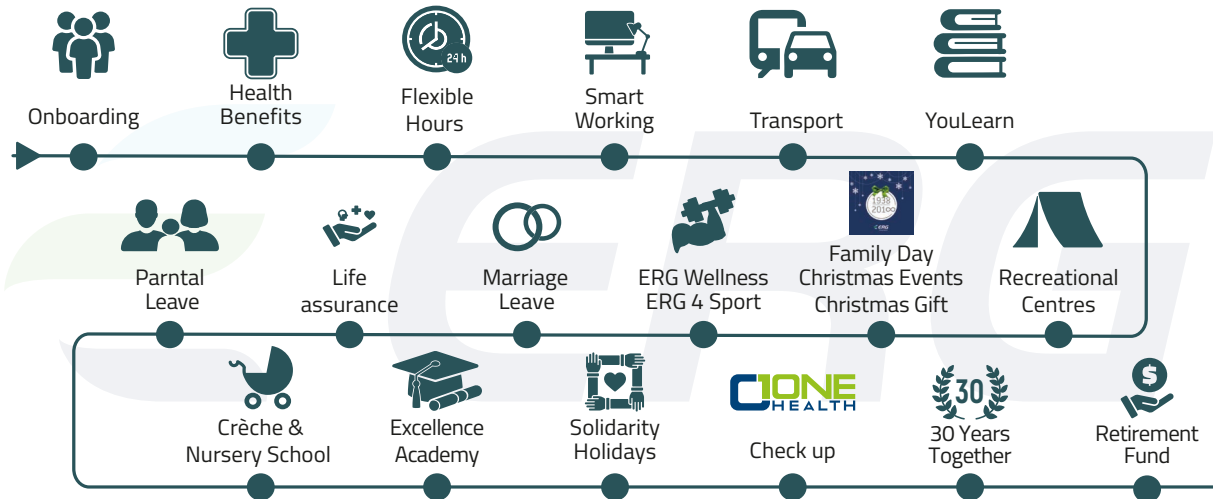
ERG'S DIVERSITY & INCLUSION JOURNEY

	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 PROCESSES UPDATE AND PARTNERSHIPS
KEY ISSUES	<ul style="list-style-type: none"> Endorsement of Valore D Definition of guidelines and involvement of ERG People <ul style="list-style-type: none"> Survey on D&I aimed at all ERG People People "Valore D" Inclusion Impact Index as the basis for defining KPIs 	<ul style="list-style-type: none"> Human Capital Committee: monitoring of KPIs Gender Equality Assessment Involvement of People Managers <ul style="list-style-type: none"> Training course: <ul style="list-style-type: none"> Inclusive leadership Inclusive language Unconscious bias 	<ul style="list-style-type: none"> Increase of women on the BoD from 33% to 42% D&I targets in the short- and long-term Incentive System Training Our survey 	<ul style="list-style-type: none"> Update of ESG Plan Cultural development through social learning <ul style="list-style-type: none"> mentorship programmes launch of Bias Detectors Collaboration with socially engaged stakeholders (Dynamo Camp, Mus-e) Agreement on remote working 	<ul style="list-style-type: none"> Creation of D&I Working Group People Processes update ESG Plan update Code of Ethics update Partnership with other stakeholders <ul style="list-style-type: none"> Mentorship programmes Launch of Bias Detectors Agreement parenting and caregivers
MILESTONES	<p>Launch of "The Power of Diversity" Project</p>	<p>Experimental period of remote work (before the pandemic)</p>	<p>D&I Policy</p>	<p>Inclusion in Bloomberg's 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>

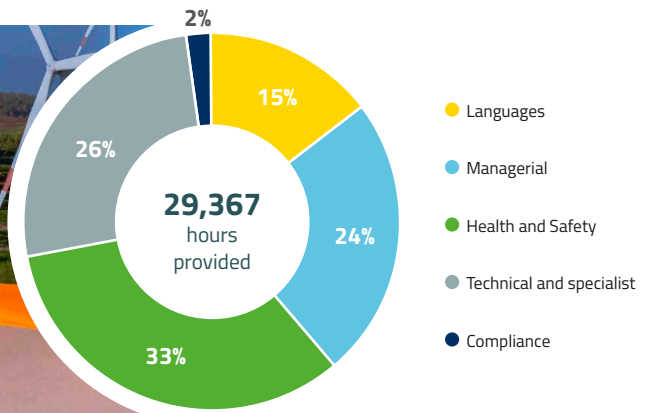
EMPLOYEES' WELL-BEING

The integrated welfare model is built around people with the aim of supporting the needs of employees and their families, helping them to live well, so that within the work environment they can feel

comfortable, satisfied and healthy and able to aim for satisfactory performance levels for both the individual and ERG.



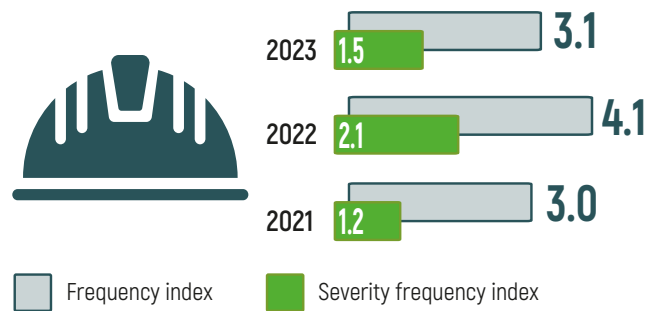
TRAINING



HEALTH & SAFETY, ALWAYS

For us, 'Health and Safety, always' means putting the health and safety of those who work for us and with us first by fostering a culture of health in the workplace and enabling accident prediction.

Accident indices (internal and external)



2023	
NEAR MISSES	36

NASDAQ WELCOMES
ERG TO THE
SUSTAINABLE BOND NETWORK

 **ERG**

EVOLVING ENERGIES

 **Nasdaq**



Governance

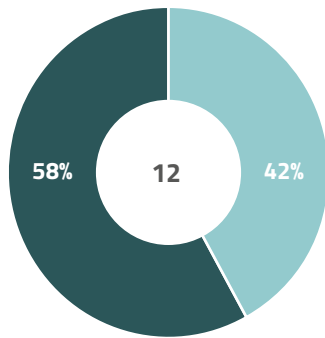


THE BOARD OF DIRECTORS

The current Board of Directors of ERG is composed of twelve members. It was appointed at the Shareholders' Meeting on 26 April 2021 with a three-year mandate and will remain in office until the

date of the Shareholders' Meeting called to approve the Financial Statements as at and for the year ending 31 December 2023.

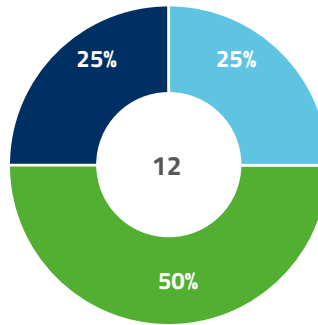
COMPOSITION BY GENDER



● Men ● Women

FTSE MIB AVERAGE ● 59% ● 41%

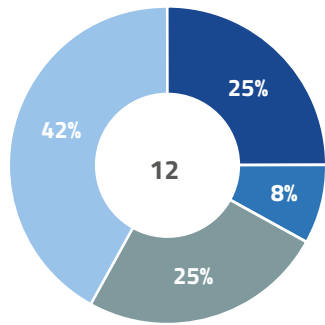
COMPOSITION BY QUALIFICATION



● Independent of T.U.F., CGC and the Regulation ● Non-Senior Manager ● Senior Manager

FTSE MIB AVERAGE ● 67% ● 17% ● 17%

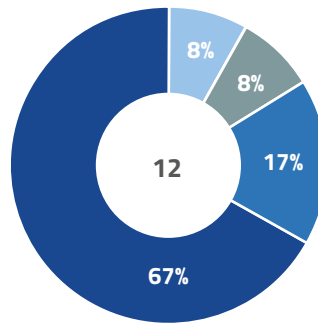
COMPOSITION BY SENIORITY OF OFFICE



● 0-4 ● 5-9 ● 10-14 ● Over 14 years

AVERAGE TENURE: 10.1 years
FTSE MIB AVERAGE 4.5 years

COMPOSITION BY AGE GROUPS



● 34-41 ● 42-49 ● 50-56 ● 57-64

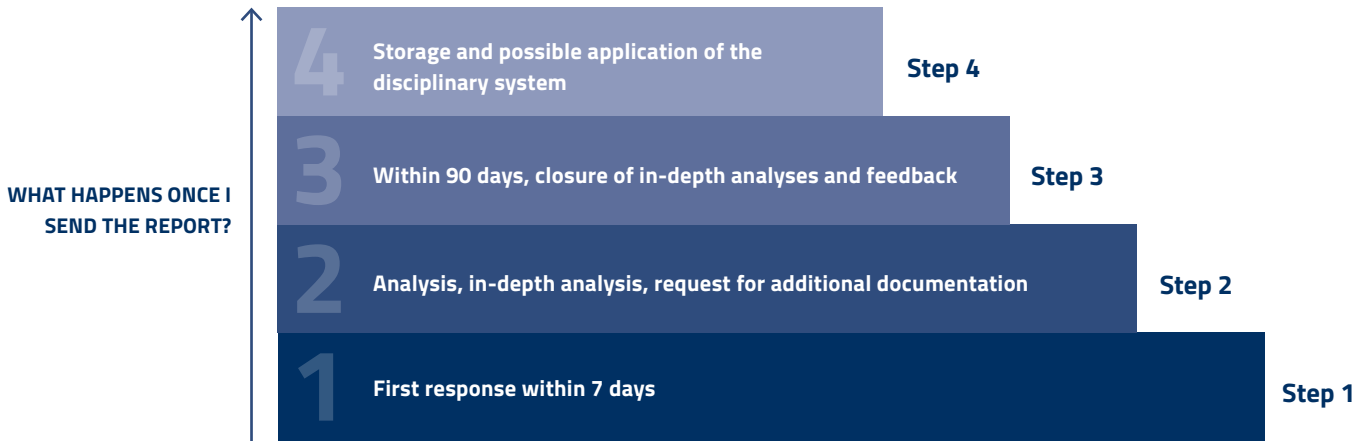
AVERAGE AGE: 56.3 years
FTSE MIB AVERAGE 58.1 years



WHISTLEBLOWING

The ERG Group strongly believes in the importance of fostering an open corporate culture marked by fairness, transparency, honesty and integrity.

We have specific whistleblowing channels (web platform and voice mail) that can be used to report crimes, offences or irregularities.

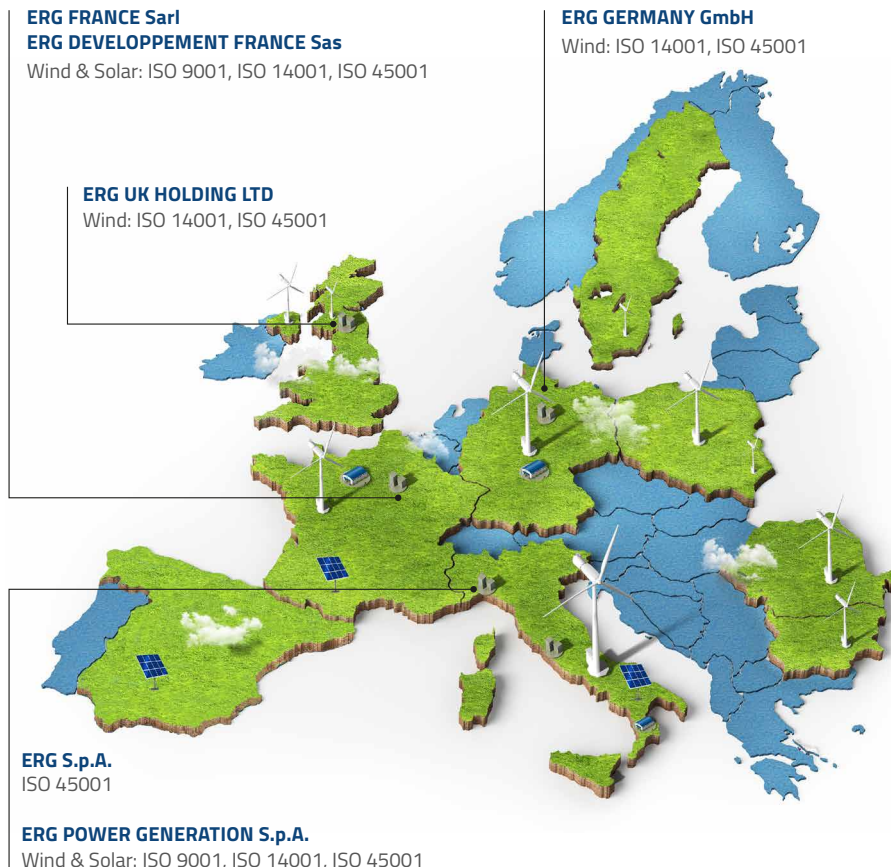


GROUP MANAGEMENT SYSTEMS

Our Management Systems comply with recognised international standards such as ISO 14001:2015 (environment), ISO 45001:2018 (health and safety) and ISO 9001:2015 (quality). By the end of 2023, environmental certification according to ISO 14001 covers more

than 82% of our installations; ISO 9001 covers more than 64%, while health and safety certification according to ISO 45001 covers 82% percent of our installations and 97% of our people.

MAP OF HSE&Q CERTIFICATIONS



TAX STRATEGY

The Tax Control Framework (TCF) is an objective in our ESG Plan. It is an internal audit system for tax namely the set of rules, procedures, organisational structures and measures aimed at allowing an

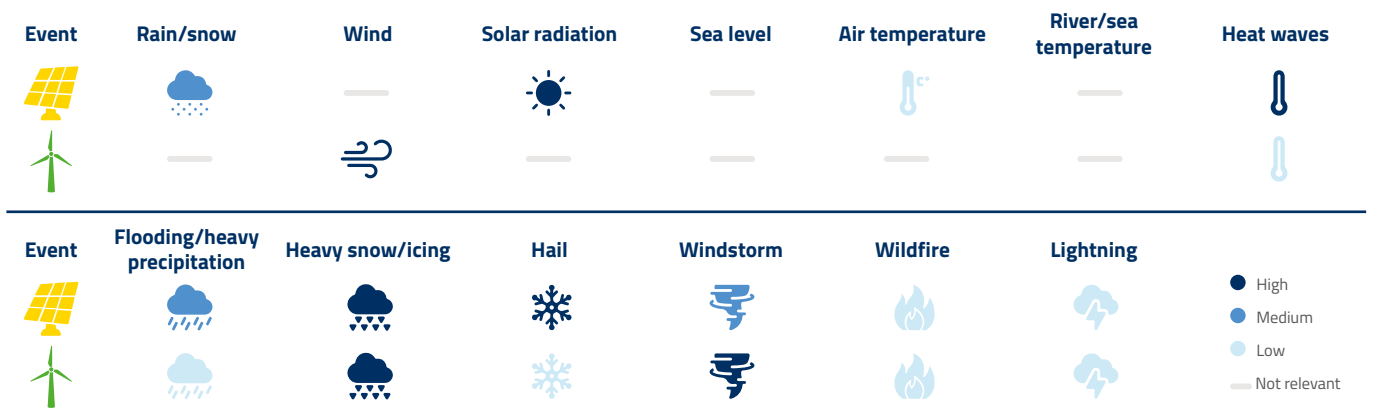
effective recording, measurement, management and control of tax risk. The TCF is operational in Italy (FY 2021), France (FY 2023) and Germany (FY 2024).



CLIMATE CHANGE RISK MANAGEMENT

In the new 100% Renewables organisation, we have updated our risk assessment in the area of climate change, assessing the

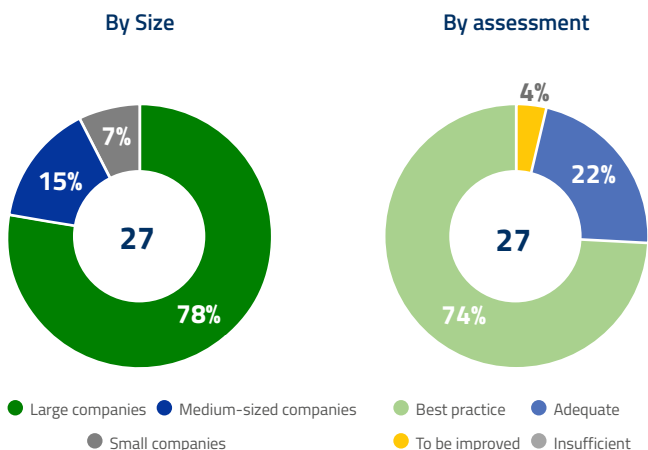
severity of the main 'physical events' with respect to our Wind & Solar assets, outlined below.



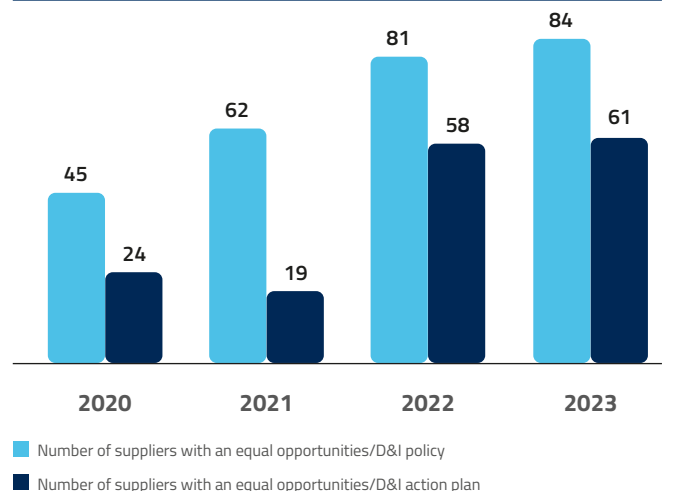
ALIGNMENT OF THE SUPPLY CHAIN WITH OUR ESG OBJECTIVES: CARBON FOOTPRINT AND D&I

In line with the objectives of the ESG Plan, we monitor the carbon footprint and D&I in the supply chain assessment. The 2023 results are shown below:

MEASURING THE CARBON FOOTPRINT



DIVERSITY & INCLUSION MEASUREMENT





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