



CLIMATE CHANGE & INVESTING IN SUSTAINABLE ENERGY FOR ALL

Alessandro Garrone, Executive Vice-President, ERG Group

AGENDA

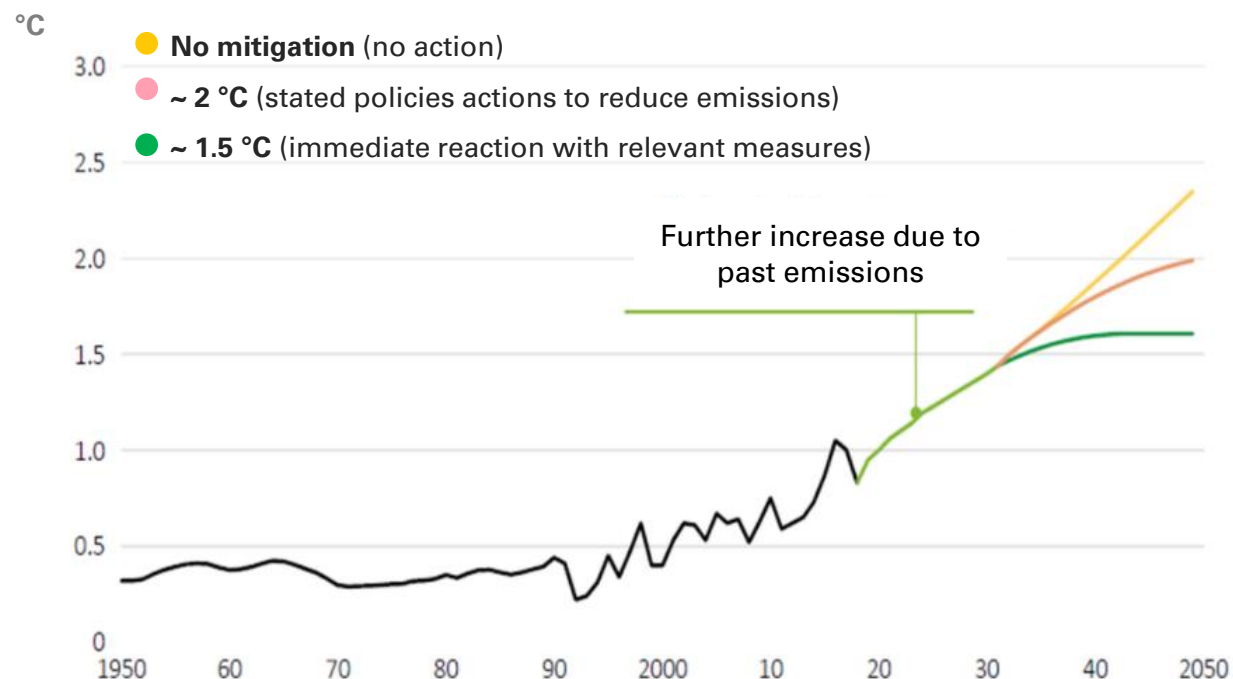
- ❑ **Climate Change and Energy Scenario**
- ❑ **ERG as a pioneer in Energy Transition**
 - Our history and transformation
 - ERG today: a pure renewables player
- ❑ **ESG always at the Core**



Climate Change and Energy Scenario

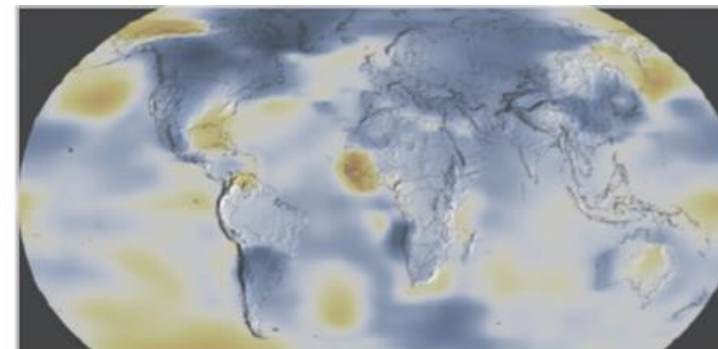
CLIMATE CHANGE – GLOBAL CONTEXT

Global average temperature increase vs. pre-industrial levels

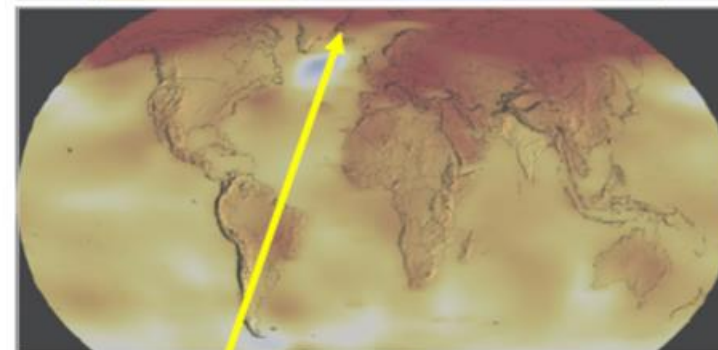


Global warming

1884



2020



Peaks in certain areas (e.g. +5 °C North Pole in the last century)

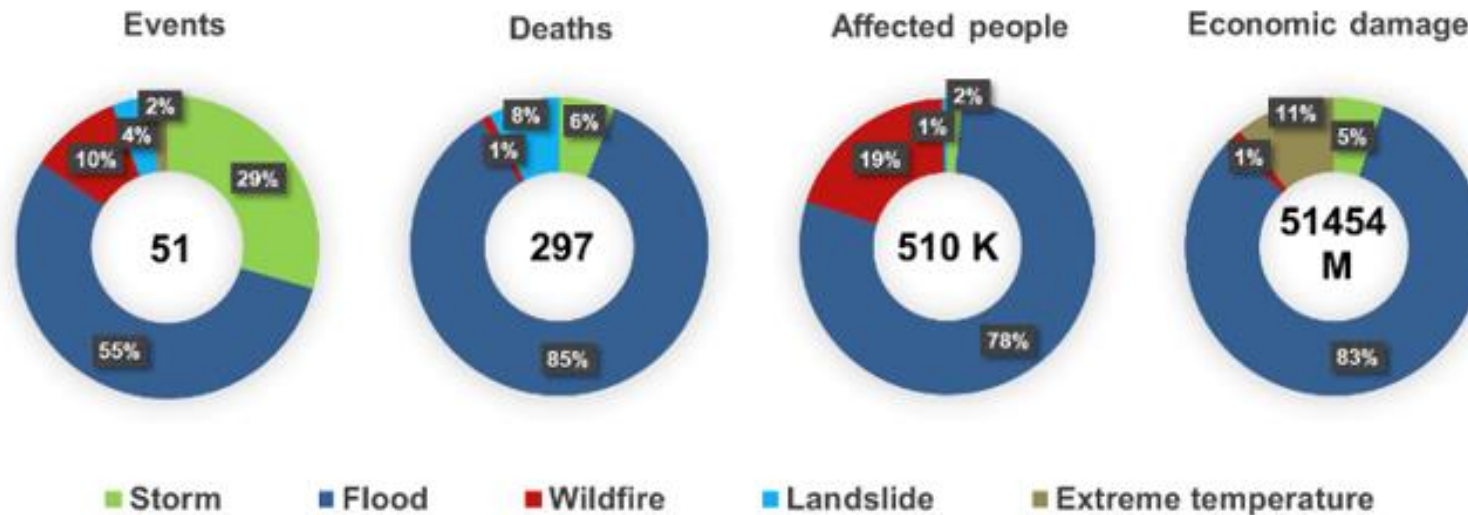
Source: Ministry of Ecological Transition Senate Audition (2022)

**Global warming: average temperature continued to increase vs. pre-industrial level.
Future evolution depends on policy decisions and actions implementation.
The cost of inaction would be much higher than the cost of climate action.**

CLIMATE CHANGE – EUROPEAN CONTEXT



Extreme events in Europe in 2021 and relevant impacts (WMO and Copernicus, 2022)



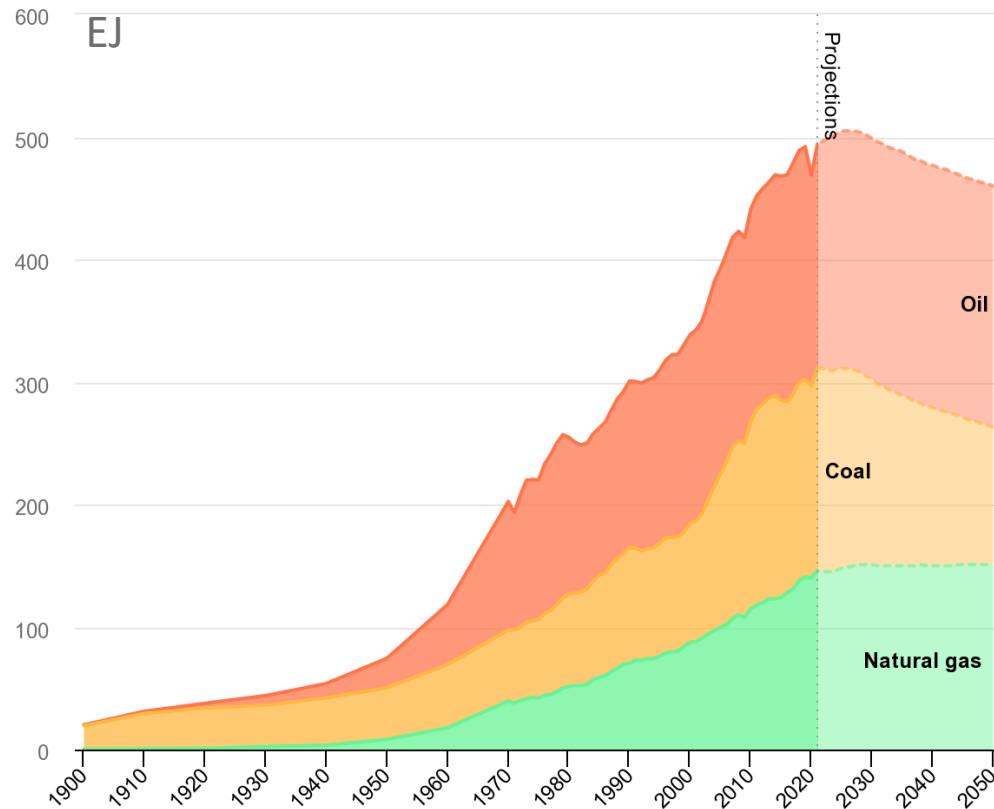
Weather, climate and water related natural disasters in Europe during 2021. Source of data: EM/DAT, accessed on 09 August 2022. Note: Impacts for some disaster occurrences may lack due to data unavailability.

**In Europe temperatures are growing twice as fast as the global average.
Impacts can already be notice.**

FOSSIL FUELS AND RENEWABLES

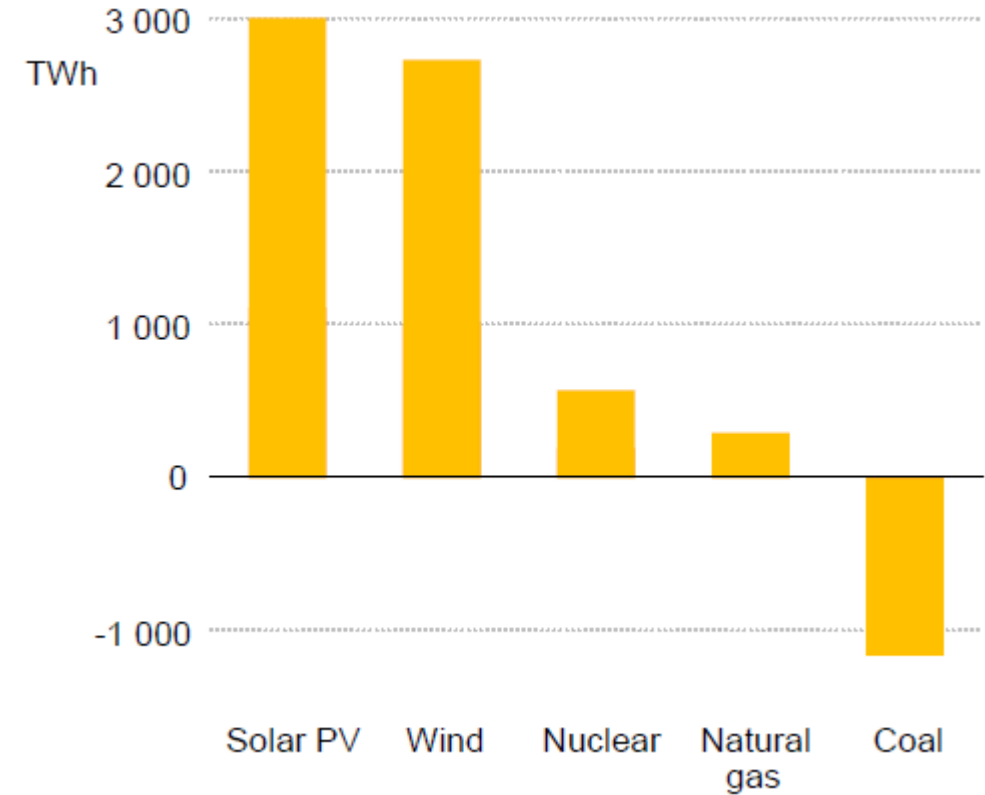


Worldwide fossil fuel energy demand



Source: Wind Energy Outlook, IEA 2022

Changes in electricity generation in 2021-2030



**Decreasing demand for fossil fuels globally.
Wind and PV are expected to drive the steep increase in electricity generation,
thanks to new investments in these technologies.**

ERG as a pioneer in Energy Transition



A LONG HISTORY...

Production commences at the San Quirico Refinery in Genoa.



1947



The ERG share is listed on the Stock Exchange.

1997



ERG enters the renewables sector with the acquisition of EnerTAD.

2006

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



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

2010

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



2014



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

2016

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



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

2018

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



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

2020

Wind: ERG acquires 172MW in Italy, and starts up about 230MW among France, Poland, U.K. and Sweden. At the end of 2022 installed wind power totals 2,598MW.



PV capacity at year-end amounts to 370MW, after acquisitions of 34MW in Italy and 25MW in Spain⁽³⁾.

2022

1938

Edoardo Garrone founds ERG in Genoa.



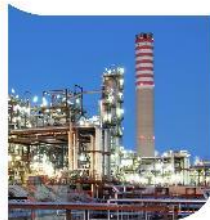
1975



Production commences at the ISAB Refinery in Priolo.

2000

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



2008



ERG sells 49% of the ISAB Refinery to LUKOIL.

2013

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



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

2015

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



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

2017



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

2019

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



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

2021

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



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

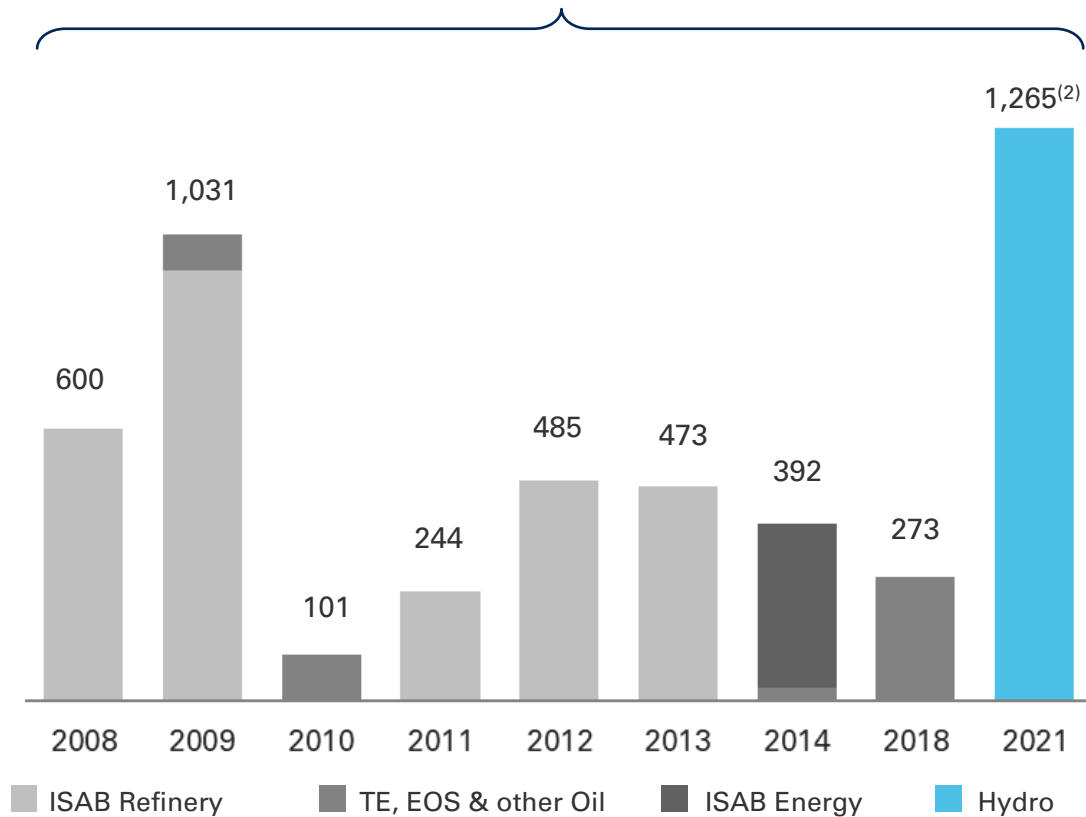
⁽¹⁾ The closing for the sale of the Hydro portfolio to Enel took place on January 3, 2022
⁽²⁾ The closing of the solar acquisition in Spain (92MW) took place on January 31, 2022
⁽³⁾ The closing of the solar acquisition in Spain (25MW) is expected within 1Q 2023



ERG INDUSTRIAL TRANSFORMATION

Disposals (Cash-in)

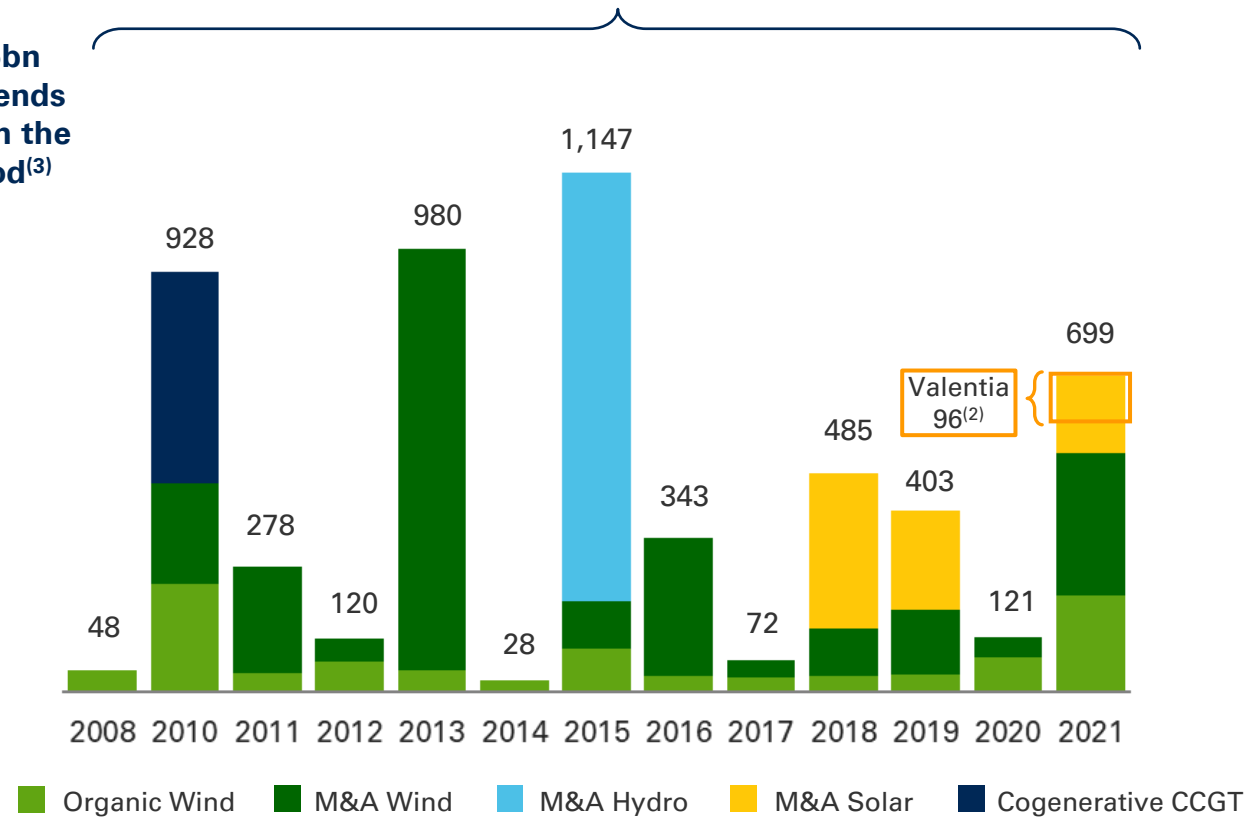
Total Disposals: ≈€4,900mn



€1.5bn
Dividends
paid in the
period⁽³⁾

Investments⁽¹⁾ (EV)

Total Investments: ≈€5,700mn



Renewable diversification financed through oil-linked disposals and strong cash generation

⁽¹⁾ It refers to M&A and organic growth CAPEX

⁽²⁾ Operations completed at the beginning of 2022

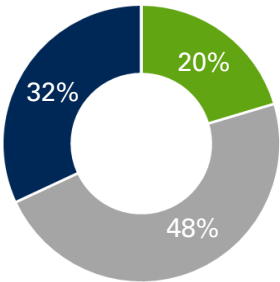
⁽³⁾ It includes dividends paid in May 2022 (€135mn with ordinary DPS at €0.90/sh)



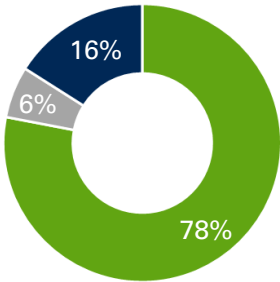
A RAPID TRANSFORMATION...

Capital
Employed

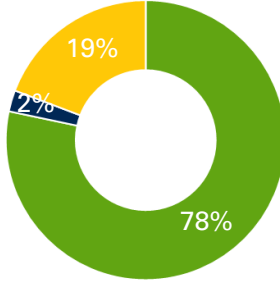
2008 (€2.2bn)



2014 (€2.1bn)



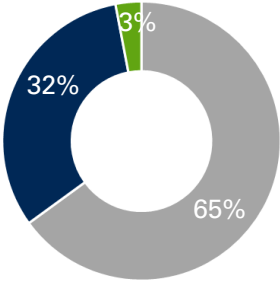
2021 restated (€2.8bn)



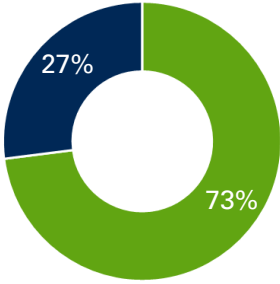
- Wind
- Solar
- Natural Gas
- Oil

2008-2014-2021
EBITDA

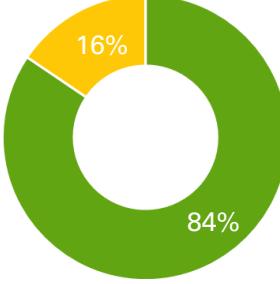
2008



2014



2021 restated



CO₂ Avoided

2008



2014



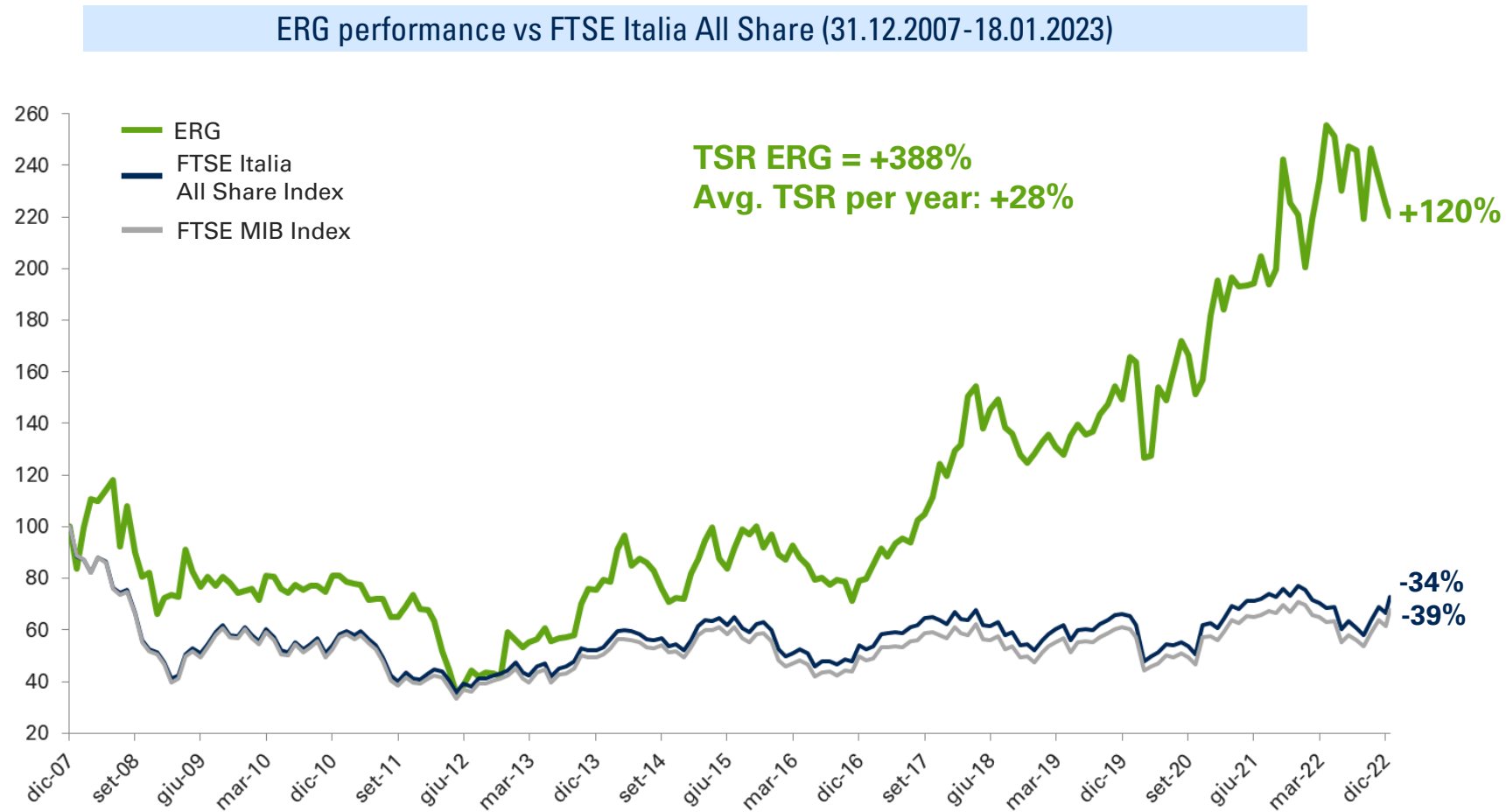
2021



2008-2021



TRANSFORMATION STRONGLY RECOGNIZED BY THE MARKET



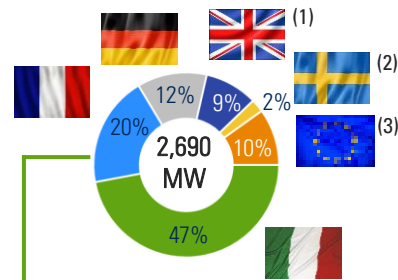
Meantime dividends of almost 1.4 billion euros were distributed

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

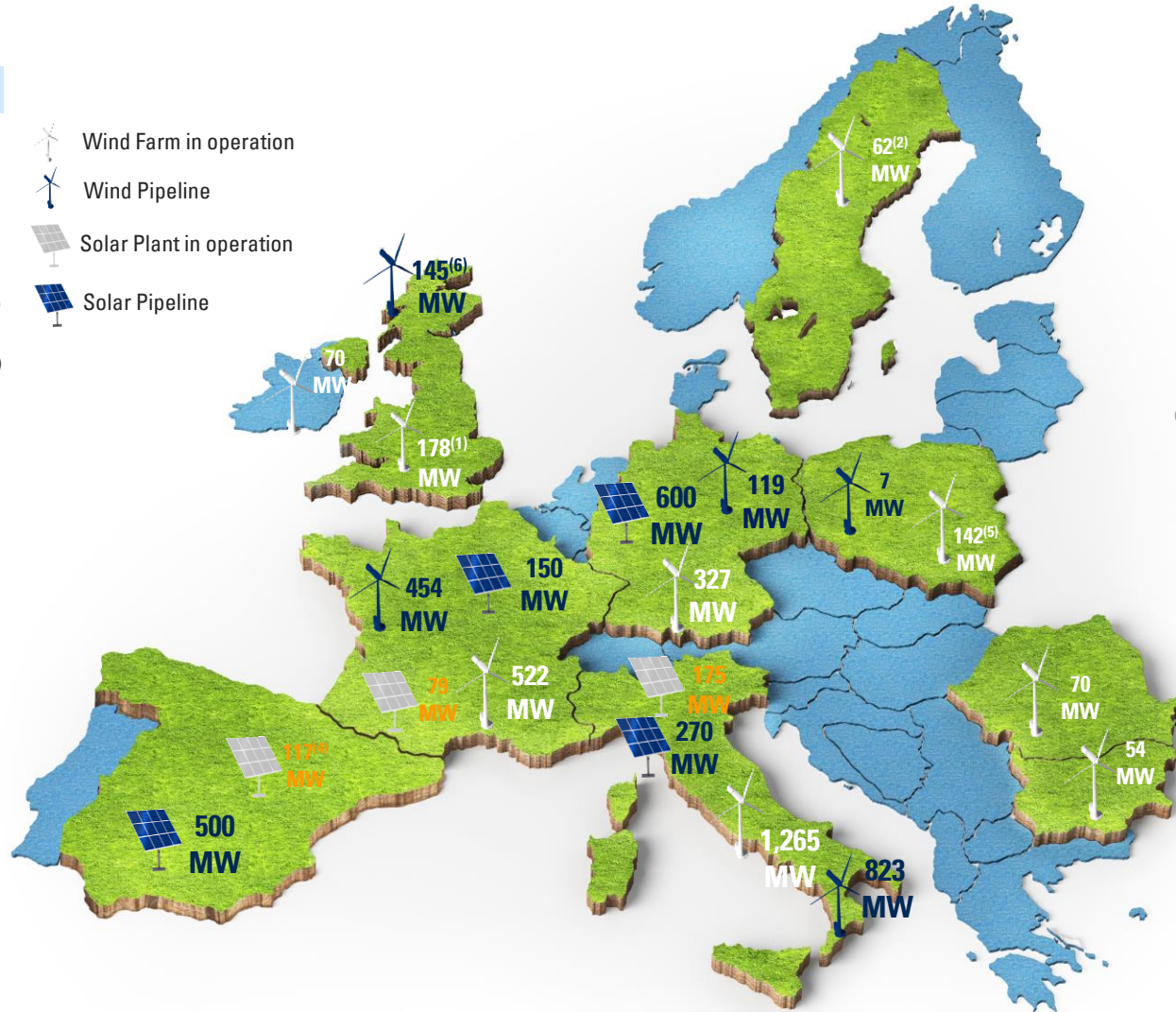
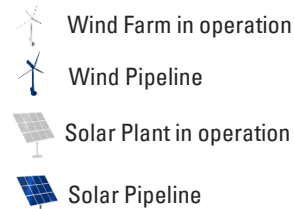
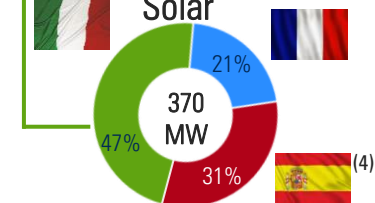


Total installed Capacity

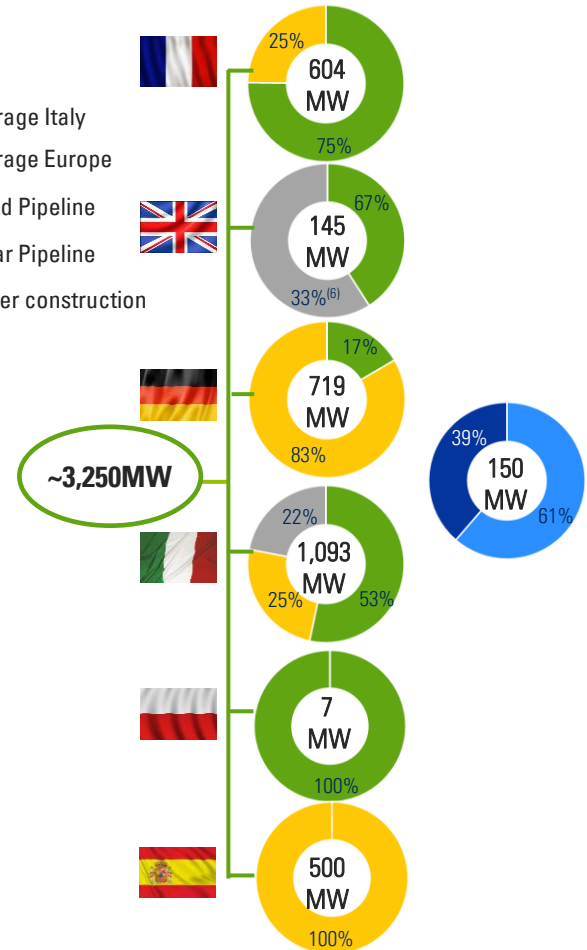
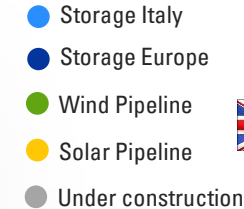
Wind



Solar



Wind, Solar & Storage Pipeline



- (1) It includes Creagh Riabhach wind farm (92MW, started up on January 12, 2023), and Sandy Knowe wind farm (86MW commissioned in two phases, respectively on October 13, 2022 and on December 16, 2022)
- (2) It refers to Furuby wind farm (62MW), entered into operation on November 25, 2022
- (3) It refers to Poland, Romania and Bulgaria
- (4) It includes Fregenal solar plant (25MW), acquired on December 23, 2022, whose closing is expected within 1Q 2023
- (5) It includes Laszki wind farm (36MW), entered into operation on October 24, 2022
- (6) It includes Corlucky wind farm (~47MW), whose project was acquired on October 14, 2022



ESG always at the Core

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



ERG 8 KEY ESG PRIORITIES...



Planet

- Net Zero
- Circular Economy (Wind & Solar)



Engagement

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



People

- ERG Academy for ERG People
- Inclusion & Diversity



Governance

- ESG objectives into MBO and LTI
- ESG Finance

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



Planet:

- Energy Efficiency
- Biodiversity



Engagement:

- Trust & Reputation



Governance:

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



People:

- Health & Safety always
- Employees' well-being



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

WITH CLEAR COMMITMENTS TOWARDS UN SDGs



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



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



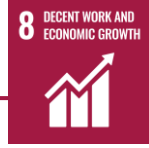
ERG Academy for Next generation (20k students by 2026 involved in Educational Activities).



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



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



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



Exploring opportunities for both Storage and Hydrogen: **50MW battery storage @2026**



Joining the **UN Global Compact**, and **WEP⁽¹⁾** for a **just transition**, not leaving anyone behind.



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



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



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



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



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



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

⁽¹⁾ WEP = Women Empowerment Principles



FROM CARBON NEUTRALITY... TO NET ZERO

ERG will reach Net Zero Target
@2040

(to be approved by SBT)

The strategy to become Net Zero @2040

Asset Rotation
CCGT
@2022

100% RES
production
@2023

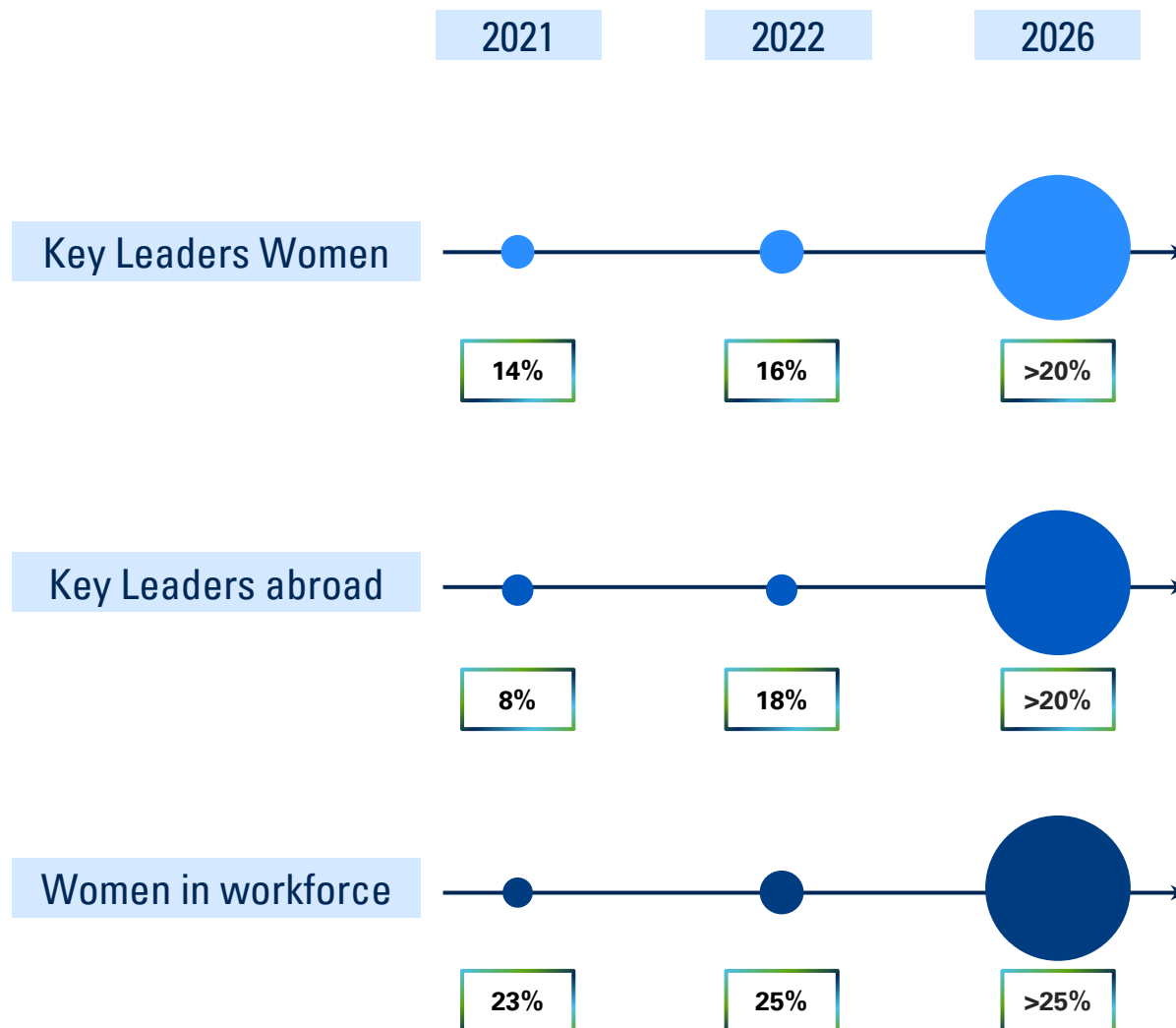
100% sales of
Green Energy
@2023

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

⁽¹⁾ Turnover greater than €1mn



OUR APPROACH FOR A MORE INCLUSIVE ERG

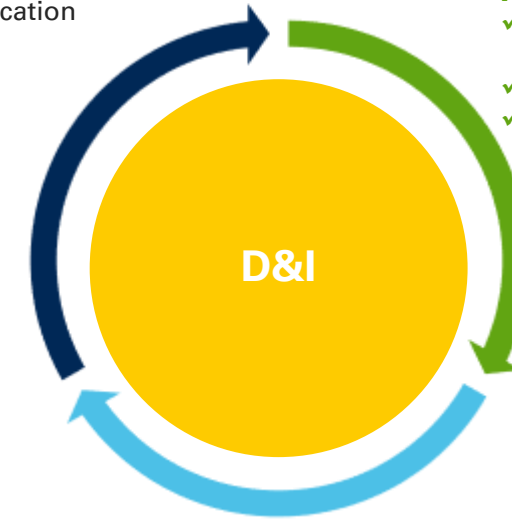


GOVERNANCE

- ✓ Policy D&I
- ✓ Policy Anti-Harassment and Bullying
- ✓ D&I KPI into remuneration schemes
- D&I Certification

PROCESSES

- ✓ People development processes in line with D&I policy
- ✓ Individual learning paths
- ✓ 23 women included in ERG in 2022 and 3 in foreign countries



COMPANY CULTURE

- ✓ Top Mgmt International Roadshow
- ✓ Question time
- ✓ Learning about inclusive mindset
- ✓ Mentorship
- ERG Academy
- Wellbeing programs

- ✓ Completed
- In progress

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



ESG Rating Company	Rating
MOODY'S	65 Advanced
CDP	A
CDP	A
REFINITIV	77/100
ISS ESG	Prime A-
MSCI ESG RESEARCH LLC	MSCI ESG RATINGS AA
SUSTAINALYTICS	14.6 Low Risk
ECPI	EE+
INTEGRATED GOVERNANCE INDEX 2022	10/87
Gaia RESEARCH by Ethifinance	81 / 100
FitchRatings	ESG Vulnerability Score = Tier 1 ⁽¹⁾

- ✓ ERG included in **S&P Clean Energy Index**
- ✓ ERG entered the "**Corporate Knights Global 100 most sustainable corporations in the world**" and ranked 54th, the first among Italian companies included on the list
- ✓ **Sustainalytics** improved ERG's ESG rating from "Medium Risk" (20.7) to "Low Risk" (14.6), positioning ERG 5th among global Independent Power Producers
- ✓ ERG entered the **2022 A List of CDP**, thanks to its best practices for managing climate change and its efforts to reduce greenhouse gas emissions by developing renewable energies
- ✓ **Science Based Target initiative (SBTi)** approved ERG's emission reduction targets (well below 2° C); in 2022 we committed to Net Zero target
- ✓ ERG entered the **MIB ESG Index**, dedicated to the 40 most important listed Italian issuers performing the best practices in Sustainability
- ✓ ERG entered the **Bloomberg's Gender Equality Index (GEI)**, which measures companies' commitment to supporting gender equality
- ✓ ERG signed the **Women's Empowerment Principles** and entered the **United Nations Global Compact**
- ✓ ERG included in the **TOP 10** of the "**Integrated Governance Index 2022**", among the Italian best practices in terms of Corporate Governance



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

Thanks for your attention