



When we talk about Safety, Environment and Health, #abbicura is our motto.

First and foremost, it means devoting the utmost attention, always, to protecting Safety in everything we do, also by helping our colleagues and learning from mistakes to continuously improve.

It means respecting the Environment that surrounds us, starting at work, where we spend most of our time and in which order and cleanliness are essential to ensure that we work efficiently and safely.

It means giving utmost importance to our Health and well-being: assets of great value that must be safeguarded, for us and for those who live with us.

EP PRODUZIONE

Sustainability Report

2023

Sustainability Report



EP PRODUZIONE

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[epproduzione.com](https://www.epproduzione.com)

EP PRODUZIONE

2023

Sustainability Report

BS&

2023

Sustainability Report



Opening remarks

[GRI 2-22]

“ **The increasing centrality of energy in the global landscape was once again apparent in 2023.** Energy resources have become tools of pressure in geopolitical dynamics, as evidenced by the Russia-Ukraine conflict, the tensions between the US and China for global leadership, and various other regions worldwide. **In this context, energy transition has assumed a primary role on international agendas.** During the November 2023 Conference of the Parties (COP28), 200 countries approved a historic roadmap for transitioning away from fossil fuels. However, the final text of COP28 did not mandate concrete actions, leaving individual countries the freedom to determine how to reduce their usage, albeit without eliminating them entirely.

We are convinced that a realistic transition requires a proper balance between sustainability, supply security, and economic accessibility. To achieve this, particularly in Italy, the energy mix of the future, at least until 2030-2040, will inevitably combine gas with renewable sources and integrate storage systems to compensate for their unpredictability. This dynamic combination will see a shift in the relevance and functions of its components while preserving the diversification of technologies, sources, and suppliers, which is always necessary to manage risks and uncertainties.

Faced with these challenges and ambitious goals, it is even more important to continue providing essential service with the expertise that characterizes us, contributing to the energy transition. In 2023, we reaffirmed this commitment by contributing to the stability of the national power system with an energy production of 11.6 TWh. The construction works for the new combined cycle units at the Tavazzano and Montanaso (LO) Power Plant and in the Borgo San Giovanni area at the Ostiglia (MN) Power Plant continued, both designed to ensure efficiency exceeding 62% and

POWER PLANTS AND MARKET | DECARBONIZATION | PEOPLE | TERRITORY

further reduce specific emissions in compliance with national and European standards. 2023 was also the year when we officially presented the Fiume Santo Energy Park project, which can contribute to the energy security and sustainable transition of Sardinia after the coal phase-out. **These projects, along with the progressive use of batteries and hydrogen, will play a key role in EP Produzione's decarbonization journey in support of the EPH Group's net-zero vision by 2050.**

Investments increased by 30% compared to 2022, reaching over €340 million, mainly due to the ongoing construction of the two new units. Additionally, investments of over €400 million are planned for 2024-2028 to continue ensuring the reliability and availability of our assets. **To make our contribution to the country's system even more concrete, EP Energia Italia was established in 2023,** the new company dedicated to selling electricity to industrial customers, offering them quality, reliability, and competitiveness services. Through EP Energia Italia, we will play an increasingly strategic role in the market and become more distributed along the value chain, from energy production to sales.

The achievement of today's and tomorrow's results is thanks to our people, the fundamental pillar of EP Produzione.

In 2023, we initiated a path aimed at further enhancing the diversity of our team, both in terms of gender and generation. We committed to promoting gender balance and launched significant initiatives in the fields of diversity and inclusive leadership. In addition to EPP Next, the program aimed at integrating newcomers, we launched Talent4Energy, the path aimed at developing the skills of young talents. Furthermore, we developed the HSE Action Plan on Generational Change to mitigate risks related to people and facilities during this organizational change.

The initiatives and projects mentioned represent only a part of what was accomplished during the year to ensure essential service and actively contribute to the energy transition, with a spirit of concreteness and guided by the values that distinguish us: **People, Responsibility, Competence, and Courage.** These values are our guide to being a more united, attentive, and proactive company in the face of challenges.

Let's move forward, together, to create value for our company and for all stakeholders. ”

Luca Alippi

March 2024



Luca Alippi
CEO of EP Produzione S.p.A.

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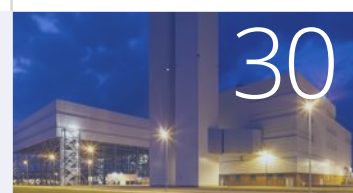
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POWER PLANTS AND MARKET

For us, professional competence is essential
#commitment #sharing #proactivity

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DECARBONIZATION

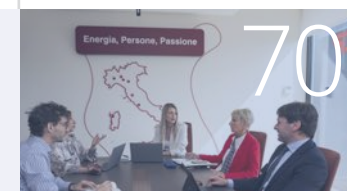
We are open to change and promote innovation
#orientationtowardsthefuture #criticalthinking #perseverance

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PEOPLE

We believe in the value of people
#care#trust#teamwork

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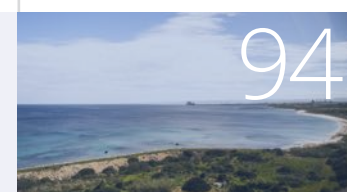
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We are responsible towards ourselves, our colleagues, the environment, and the society
#sustainability#consistency#safety

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EP Produzione

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Energy for the future

11.6 TWh

EP Produzione's contribution to energy production in Italy in 2023, excluding Scandale, with sales of 13.7 TWh

6 GW

the installed capacity that will be reached thanks to the development strategy

New capacities

with **62%** efficiency, the new CCGT units under construction at the **Tavazzano and Montanaso** (LO) and **Ostiglia** (MN) power plants will play a key role in EP Produzione's decarbonization path

Fiume Santo Energy Park

expected up to **€1 billion investment** and up to **300 new jobs**

EP Produzione is the Italian electricity generation company of the Czech EPH energy Group, 100% controlled by EP Power Europe. With a total **generation capacity of approximately 4.4 GW**, five gas-fired plants, one of which is held in partnership with A2A Gencogas S.p.A., and one coal-fired plant, it is the 5th leading energy producer in Italy¹. EP Produzione's power plants are efficient and high-performance, managed according to the highest environmental, safety and reliability standards.

In 2023, EP Produzione generated over **11.6 TWh of energy²**, accounting for approximately 5% of national production, EP Produzione helps advance the country's energy transition, ensuring continuous availability of electrical energy and high-quality standards, crucial to offset the non-programmability typically associated with renewable resources. With the development projects at the Tavazzano and Montanaso and Ostiglia power plants, scheduled to be commissioned in 2024 and 2025 respectively, installed power will reach 6 GW, with more efficient plants in line with Best Available Techniques.

In 2023, EP Produzione accounted for **10% of sales in the Day Ahead Market (DAM)** in Northern Italy³. The Fiume Santo power plant accounted **23% of sales in the DAM in Sardinia**.

DAY AHEAD MARKET

The Day Ahead Market (DAM) is a market for buying and selling wholesale electricity, where hourly blocks of energy are traded for the following day. It is the main trading venue for electricity in Italy and is called "Day Ahead" because trading closes by 12:00 noon on the day before the day to which the offers refer⁴.

¹ ARERA, Relazione Annuale: Stato dei Servizi, 2023.

² The data does not include electricity production from the Scandale power plant.

³ The Northern area includes the following regions: Valle d'Aosta, Piedmont, Liguria, Lombardy, Veneto, Trentino-Alto Adige, Friuli-Venezia Giulia and Emilia-Romagna.

⁴ Gestore Mercati Energetici, Mercato elettrico a pronti (MPE), available at <https://www.mercatoelettrico.org/it/mercati/mercatoelettrico/mpe.aspx>

⁵ The listed subsidiaries and investees are included in the non financial reporting scope, except from Ergosud S.p.A.

Company structure

EP Produzione operates in Italy through several companies, subsidiaries and investees⁵:

- **EP Produzione S.p.A.**: an Italian holding company 100% owned by EP Power Europe, it owns the Trapani (TP) power plant;
- **EP Centrale Tavazzano Montanaso S.p.A.**: 100% owned by EP Produzione, which owns the Tavazzano and Montanaso (LO) power plant;
- **Fiume Santo S.p.A.**: 100% owned by EP Produzione, which owns the Fiume Santo (SS) power plant;
- **EP Centrale Ostiglia S.p.A.**: 100% owned by EP Produzione, which owns the Ostiglia (MN) power plant;
- **EP Produzione Centrale Livorno Ferraris S.p.A.**: joint venture between EP Produzione (75%) and BKW Italia (25%), which owns the Livorno Ferraris (VC) gas-fired power plant;
- **Ergosud S.p.A.**: 50% joint venture with A2A, which owns the Scandale (KR) power plant; the participation of EPH is held directly by EP Power Europe;
- **Centro Energia Ferrara S.r.l.**: 100% owned by EP Produzione;
- **EP Energia Italia S.r.l.**: 100% owned by EP Produzione, established in 2023. EP Energia is a company specializing in the supply of electricity to industrial customers, thus expanding EP Produzione's presence in the energy value chain.

Energy for the Country

With Resolution 286/19, the Fiume Santo power plant was declared **essential for the security of the Sardinian electricity system until 31 December 2024**. With the recent Resolution 53/2024, the essentiality regime with cost reintegration was also approved for the years 2025 and 2026.

Since the beginning of 2019, the Trapani power plant is also considered essential for the safe management of the western area of Sicily under an alternative regime⁶. The essentiality for 2024 was confirmed through Resolutions 481/2023 and 603/2023, and recently extended with cost reintegration for the year 2025 (Resolution 54/2024).

All EP Produzione power plants perform a crucial role in the repowering process managed by Terna in the event of blackouts, and the Trapani power plant, in particular, is responsible for the black start service. This means that the power plant is capable of restarting independently, without relying on the external electricity transmission network, thus facilitating the restoration of normal operating conditions for the network.

All EP Produzione power plants meet the highest environmental, safety and reliability standards, as demonstrated by the EMAS environmental registration and the certifications obtained and maintained over time, concerning environmental and occupational health and safety. Under the European EMAS scheme, each power plant is required to publish an **Environmental Statement** each year, presenting the environmental aspects of the power plants and the efforts made to manage them in a transparent manner.



Environmental Statements
<https://epPRODUZIONE.com/it/chi-siamo/sostenibilita/dichiarazioni-ambientali/>
(Only Italian)

⁶ ARERA, Resolution 111/06 (Art. 65 bis2).

Our values

Guaranteeing a continuous and stable energy supply, while contributing to the decarbonization of the Italian energy system, requires that every day **the people of EP Produzione operate on the basis of a strong and shared corporate culture that also supports day-to-day operations**.

For this reason, in 2023, EP Produzione launched a project that involved the involvement of the organization, at various levels, from top management to focus groups with various department managers from staff and power stations. The objective was to make explicit the corporate culture, which characterizes who we are and also what we want to be as a company, in order to build on this greater awareness coherent and effective strategies and operational choices.

“Our values, what we are and what we aspire to be, guide our daily behaviors. These values serve as our compass to become a more united, attentive, and proactive company in the face of challenges”

stated Luca Alippi, CEO of EP Produzione.

Four key corporate values were identified, which act as pillars of the organizational culture and guide the daily actions of EP Produzione.

Specific competencies have been associated with each value, aimed at translating them into tangible behaviors and actions.

PEOPLE
CARE
TRUST
TEAMWORK



RESPONSIBILITY
SAFETY
SUSTAINABILITY
CONSISTENCY



COMPETENCE
COMMITMENT
SHARING
PROACTIVITY



COURAGE
ORIENTATION TOWARDS THE FUTURE
CRITICAL THINKING
PERSEVERANCE



PEOPLE

We believe in the value of our people

- We take care of each individual as a fundamental pillar of the company
- We seek collaboration on all occasions to make a difference
- We commit every day to building a healthy work environment together

Keywords: care, trust, teamwork

RESPONSIBILITY

We are responsible towards ourselves, our colleagues, the environment, and the society

- We set a good example through our work conduct
- We take personal responsibility for our actions and their impact on the world
- We adopt consistent actions for a sustainable future

Keywords: safety, sustainability, consistency

COMPETENCE

For us, professional competence is essential

- We value people's experience
- We take care of our own and others' development throughout the entire professional journey
- We adopt knowledge sharing as a long-term strategy

Keywords: commitment, sharing, proactivity

COURAGE

We are open to change and promote innovation

- We anticipate change and propose necessary transformations
- We challenge the status quo without fearing discontinuity
- We strive to improve ourselves on every occasion, simplifying activities and processes where needed

Keywords: orientation towards the future, critical thinking, perseverance

We are part of a Group



EP Produzione is part of EPH (Energetický a průmyslový holding), one of the largest European private capital energy group and a leader in the energy transition towards zero- or low-emission sources. Headquartered in Prague, it operates in the Czech Republic, Slovakia, Germany, the Netherlands, the United Kingdom, Ireland, France, Switzerland, and Italy.

Comprising over 70 companies, the group operates across the entire value chain, vertically integrating activities such as electricity generation, cogeneration, natural gas transportation and storage, electricity, and gas distribution. In Italy, it is also involved in renewable energy production from solid biomass at the Biomasse Italia and Biomasse Crotone power plants in Calabria, with a total capacity of 74 MW, and at the Fusine (SO) plant, with 6 MW capacity.

In 2023, the EPH Group's revenue was €24.2 billion, while underlying EBITDA totaled €3.6 billion.

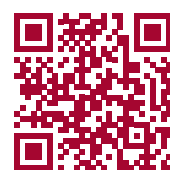
EPH is one of the leading producers of electricity in Europe and the second largest electricity distributor and supplier in Slovakia. EPH operates the longest natural gas transmission route in Europe and is the **largest gas distributor in Slovakia**. On January 25,

2023, the Group entered the Dutch market through gradual acquisition by its subsidiary EP Netherlands of four gas-fired power plants, giving EPH a prominent role in the Dutch energy market as well. The activities carried out by the Group are divided into three business areas:

1. EP Power Europe (EPPE), a direct shareholder of EP Produzione, is the EPH Group's power generation company which operates in eight European countries, including Italy, with a balanced portfolio of **renewable and conventional low-emission sources**.

2. EP Infrastructure (EPIF), handles the transportation of gas, the distribution of gas and electricity, the generation of heat and electricity and the storage of gas.

3. EP Logistics International (EPLI), focuses on rail, road, and intermodal transport, providing complex logistical services and solutions with principal operations in the Czech Republic, Slovakia, Poland, and Germany.



EPH

<https://www.ephholding.cz/en/>

Sustainability at the heart of the development strategy

Sustainability is at the heart of the Group's development strategy, which for years has been organizing actions and programs to reduce its environmental footprint, while always keeping a keen eye on the specific features of the territories in which it operates and on the social dimension of its activities - first and foremost, the health and safety of its workers.

In addition, Gary Mazzotti was appointed as an independent member of the Board of Directors of EP Infrastructure and EP Power Europe with the specific **assignment to manage the ESG agenda**, following international best practices.

Furthermore, through the **EPH Foundation** the Group is committed to promoting social initiatives and programs to support human rights, environmental protection, the preservation of natural resources, and the health of people, children and young people.

In October 2023, **EPH received an ESG risk rating of "medium"**, placing it among the top 25 companies with the lowest ESG risk in the multi-utility sector globally. The analysis, conducted by Sustainalytics, confirmed that the Group's ESG disclosure follows best practice, signaling strong accountability to investors and the public.



EPH FOR THE ENVIRONMENT

Biomass – since 2017, EPH has been the Italian leader in renewable energy production from solid biomass with the acquisition of Biomasse Italia and Biomasse Crotone. The biomass conversion project at Lynemouth, England, has resulted in the saving of approximately 2.7 million tons of CO₂eq emissions⁷.

Emissions – thanks to investments in innovation at the Elektrárny Opatovice plant in the Czech Republic, EPH has reduced NO_x emissions by 60%. Additionally, the dismantling of the Mumsdorf power station in Germany has led to an annual saving of around 800 tons of CO₂eq emissions.

Biodiversity – through its subsidiary Stredoslovenská distribučná, EPH participated in the LIFE project titled "Restoration of Wetlands and Protection of Birds in Protected Bird Areas in Slovakia." This showcases its continued support for biodiversity protection initiatives throughout the Group.

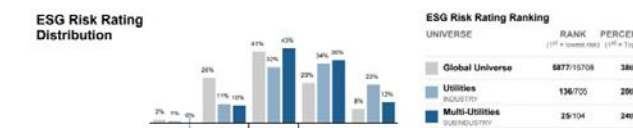
Since 2021, a **set of policies** has been developed and implemented in all companies belonging to the Group. These policies define roles, responsibilities and procedures for environmental protection, health and safety, asset integrity, cybersecurity, inclusion and diversity.

⁷The CO₂ equivalent (CO₂eq) is a measure that expresses the impact on global warming of a certain quantity of greenhouse gases compared to the same quantity of carbon dioxide (CO₂).

Energetický a Průmyslový Holding AS

Multi-Utilities Czech Republic

ESG Risk Rating **22.4** **+0.2** **Medium Risk**
Last Full Update Oct 31, 2023 Momentum



Since 2015, EPH has published a Sustainability Report to record the details of the Group's commitment and achievements in the various areas of sustainability.

Economic and financial results

[GRI 201-1]

In 2023, EP Produzione achieved consolidated revenues of **over €2.8 billion**. The decrease in revenue compared to the previous year is a consequence of the substantial reduction in the prices of all energy commodities, which had risen sharply in the previous year due to geopolitical tensions between Russia and Ukraine.

REVENUE - Thousands of euros (as at 12/31)	2023	2022	2021
Total revenue	2,819,516	4,735,621	2,568,789
Gross operating margin	312,786	325,460	260,061
Operating result	230,171	252,909	183,520
Profit of the EP Produzione Group	153,638	98,069	145,230

Economic value generated and distributed

The overview of **distribution of economic value generated**⁸ offers the opportunity to analyze the distribution of value generated by EP Produzione in the form of costs, highlighting the flow of resources to the stakeholders that contributed, in various ways, to its production. In 2023, the value distributed by the Group was **around €2.6 billion**.

ECONOMIC VALUE GENERATED	2023	2022	2021
Euro (consolidated values as at 12/31)			
Economic value generated	2,800,665,577.24	4,748,252,106.10	2,584,167,057.00
Economic value distributed	2,564,413,560.24	4,577,311,173.16	2,362,395,513.07
Suppliers	1,902,804,540.05	3,606,024,267.00	1,875,849,764.00
Personnel	50,114,384.00	49,625,427.00	47,709,899.00
Capital providers	21,352,114.13	8,712,086.69	1,345,698.47
Public Administration	65,954,383.51	164,189,029.56	57,735,476.83
Other operating costs	524,188,138.55	748,760,362.91	379,754,674.77
Economic value withheld	236,252,017.00	170,940,932.94	221,771,543.93
Amortization and depreciation	54,593,417.00	54,258,718.00	55,882,715.00
Provisions	28,020,946.00	18,292,476.00	20,657,858.00
Profit	153,637,654.00	98,389,738.94	145,230,970.93

With regard to Public Administration bodies, over **€65 million** were paid over the course of the year in the form of tax revenues, contributions and fees. **17%** of these resources were provided to local Public Admini-

stration bodies in the form of regional, IMU and TASI taxes, state fees for use of public water, refuse charges and other contributions.

⁸The information on economic value generated has been provided in accordance with the 201-1 indicator set out in the GRI Standards, to which reference should be made for more details.

DISTRIBUTION OF PAYMENTS TO PUBLIC ADMINISTRATION BODIES - Euro (consolidated values as at 12/31)	2023	2022	2021
Payments to local PA	11,753,595.75	15,779,336.52	11,004,251.71
Taxes to Regions	8,678,443.56	12,805,105.56	7,947,399.88
IMU and TASI taxes	2,462,362.98	2,491,349.04	2,514,242.27
State fees for water withdrawal	384,371.78	427,123.06	323,378.13
Refuse charges and stamp duty	96,628.25	49,868.00	94,536.43
ARPA (Regional Environmental Protection Agency)	131,789.18	5,890.86	124,695.00
Payments to state PA	54,200,787.76	148,409,693.04	46,731,225.12
State taxes	51,156,731.44	145,617,581.44	44,931,393.12
Contribution to the Authorities	1,101,513.21	894,567.55	518,805.53
Extraordinary items	128,997.89	7,685.23	139,675.27
Other	1,813,545.22	1,889,858.82	1,141,351.20
Total	65,954,383.51	164,189,029.56	57,735,476.83

Investments

€340 million investment by EP Produzione in 2023, +34% compared to 2022 and +222% compared to 2021	88% share of investment dedicated to the development of new combined cycle power units
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EP Produzione outlined an investment plan that looks ahead to 2028 and targets the construction of new capacities and the streamlining of existing assets, worth more than €450 million over the 2024-2028 plan period.

Capital expenditure increased significantly in 2023, exceeding €340 million (+34% compared to the previous year and +222% compared to 2021). This increase is mainly due to the construction of the two new production units in Tavazzano and Montanaso and Ostiglia.

INVESTMENTS - (Thousands of euros)	2023	2022	2021	2024-2028
Investment for new capacities	313,157	233,688	97,293	307,851
New Tavazzano Unit	106,994	116,154	95,049	97,254
New Ostiglia Unit	204,353	116,331	1,042	204,319
Other development projects	1,810	1,203	1,202	6,278
Environmental improvement⁹	1,778	6,778	11,352	27,673
BRefs	-	4,566	8,241	.*
Other plant improvements	1,778	2,212	3,111	27,673
Decommissioning activities	3,856	4,615	10,217	35,005
Maintenance of existing assets	22,681	16,826	12,690	92,436
Total	341,472	261,907	131,552	462,964

* The activity at the Fiume Santo power plant to reduce emissions and dust as per the BRefs was completed at the end of 2022.

⁹ The item Environmental Improvement includes certain costs that have been classified, for accounting purposes, in the operating costs.

EP Produzione made and planned investments according to the four macro-categories represented above, i.e. new capacities, environmental improvement, de-commissioning and maintenance of existing assets. **The bulk of investments took place in 2023, accounting for approximately €300 million out of a total of €341 million earmarked for construction of the two new production units in Tavazzano and Montanaso and Ostiglia.** This significant economic commitment will continue until their commissioning. At the same time, and in view of future energy scenarios, requests for authorization and feasibility studies are underway for the development of solutions with new technologies useful for the energy transition.

For the 2021-2023 three-year period, **approximately €20 million were earmarked for environmental improvements of existing production facilities.** In particular, the next two years will see implementation of new NO_x catalysts at the Ostiglia and Tavazzano and Montanaso power plants.

2023 saw a series of decommissioning activities such as demolition, restoration and reclamation, carried out in areas where there were production units that were out of operation due to their end of technical life.

Corporate Governance

[GRI 2-9] [GRI 2-15] [GRI 2-16] [GRI 2-24] [GRI 2-26] [GRI 2-27]

EP Produzione has adopted a system of corporate governance based on **fundamental ethical principles**, such as transparency, honesty, fairness and respect for people and the environment, which draws on **international best practices**. Corporate governance is composed of and regulated by statutory bodies, internal committees and specific documents that define their functioning, including the Code of Ethics and the 231 Organization, Management and Control Model. The governance model integrates these values into the Group's business model and helps disseminate **the corporate culture** at all levels, raising awareness

In 2024-2028, the plan to restore and redevelop industrial sites will continue with a total commitment of around €35 million, freeing up areas that could be used for new energy technologies.

In 2023, demolition work continued on the decommissioned Fiume Santo plants, and specifically the three 50,000 m³ tanks and the 100,000 m³ tank for fuel oil, with Pipe Rack - pipe holders - and related piping. At the Trapani power station, the 16,800 m³ fuel oil tanks with floating roof were demolished, as well as the fuel unloading station and related piping, pumps and valves.

Adaptations and technical improvements to the plants in service accounted for around €52 million over the three-year period, representing 7% of total expenditure. Investments will continue over the 2024-2028 period to ensure the reliability, availability and resilience of the assets.

regarding EP Produzione's role in creating **value for the community**. In this way, the Group undertakes to manage the company in a responsible, ethical and sustainable manner, protecting the environment and all stakeholders involved.

Corporate bodies and internal Committees

EP Produzione aims to create value for its shareholders and stakeholders through a corporate governance system that controls business risks and guarantees the integrity of the decision-making processes.

The system includes:

- **The Shareholders' Meeting**, responsible for all decisions in the limits provided for by law and the Articles of Association of the Company;
- **The Board of Directors (BoD)**, which takes care of ordinary and extraordinary administration;
- **The Board of Statutory Auditors**, responsible for verifying the legitimacy of the Company's work;
- **The Audit Firm**, responsible for financial auditing;
- **The Supervisory Body**, in accordance with Italian Legislative Decree 231/2001, which monitors the Company's risk of committing offenses.

In order to supervise and support the decision-making processes, the Group has established the following committees:

- **The Procurement Committee** responsible for supervising the company's procurement processes for goods and services;
- **The Project Development Committee** which supports the management in strategic investment processes;
- **Specific project committees** that assist the management in overseeing the development and execution of strategic projects;
- **The Internal Audit Committee**, that, based on a three-year audit plan approved by the BoD, is tasked with verifying compliance with company procedures and policies;
- **The Risk Committee**, divided into credit, market, and operational, which oversees hedging activities and related financial, market, and operational risks;
- **The Data Protection Committee**, which is responsible for verifying the company's compliance with regulations on personal data processing (GDPR) and cybersecurity (NIS).

The Board of Directors



Peter Černák
*Chairman of the Board of Directors
of EP Produzione S.p.A.
and Fiume Santo S.p.A.*

He graduated in International Management from the Faculty of Economics at the University of Prague and Finance & Investments from the Rotterdam School of Management (the Netherlands). He began his professional career in Ernst & Young in 2009, before collaborating with Unicredit Management Consultancy from 2011 to 2013. In 2013, he joined Energetický a průmyslový holding, handling activities associated with the distribution of gas (SPP) and electrical energy (SSE-Distribucia) in Slovakia and managing the Group's financial risk. Since 2015, he has been overseeing the activities of the companies in the EPH Group in Italy as a Member of the Board of Directors and in his capacity as CFO (until April 29, 2019) of EP Produzione S.p.A. and Fiume Santo S.p.A.



Luca Alippi
*CEO of EP Produzione S.p.A.
and Fiume Santo S.p.A.*

Chairman and CEO of EP Produzione Centrale Livorno Ferraris S.p.A., CEO of EP Produzione Centrale di Tavazzano Montanaso S.p.A., CEO of EP Centrale Ostiglia S.p.A. and Chairman of Ergosud S.p.A. Having graduated in Engineering from the Politecnico di Milano, he held management positions at various energy companies, working in production/the wholesale market and in the retail markets. Since July 2020 he has been Vice President of Elettricità Futura. At E.ON from 2000 to 2015, he launched and ran the first operating companies in Italy dedicated to the sale of electrical energy and the development of generation capacity, before becoming General Manager of E.ON Energia S.p.A. and CEO of E.ON Produzione S.p.A.. Previous experience in consultancy and the tyre industry.



Marek Spurný
Member of the Board of Directors
of EP Produzione S.p.A.
and Fiume Santo S.p.A.

He graduated in 1998 from the Faculty of Law at Palacky University Olomouc, in the Czech Republic. Following initial experience at a local law firm, he went on to work at the Czech Securities Commission, the government regulatory agency with oversight over the capital market, and was appointed Head of the Committee of the Securities Issue Department in November 2000. He represented the Czech Republic at CESR-Fin (a sub-committee of the Committee of European Securities Regulators for financial reports). He is also a co-author of the Czech National Corporate Governance Code, based on the principles established by the Organization for Economic Cooperation and Development (OCSE).



Miroslav Mihaliak
CFO of EP Produzione S.p.A.

Graduated in Finance, Investment and Banking faculty at the Economics Faculty of Economic University in Bratislava (Slovakia). Started his professional career in 2009, in the Assurance department of PriceWaterhouseCoopers (PwC) Slovakia. In 2011 he moved to the advisory practice within PwC, focusing on M&A deals and valuations, acting as a manager from 2014. In 2016 he joined private equity company Eco-Invest and its M&A and internal business development department and from 2018 he was a Vice Chairman and Director for Investment and Strategy at Tauris Group. From 2019 he is the CFO of EP Produzione and project Manager in EP Power Europe, following all group activities in Italy

The organization, management and control model

EP Produzione has adopted an organizational, management and control model that complies with the provisions of Italian Legislative Decree 231/2001 that guides the activities of the company with regard to transparency and responsibility. The model contains rules and tools to **prevent offenses and mitigate the risk of irregularity**. To support transparent and responsible management, the Group also uses the Articles of Association, intra-group contracts, the mandate and power-of-attorney system, and organizational communications that clarify responsibilities and procedures in the context of quality, environmental and safety management systems adopted at the power plants. The **monitoring of effectiveness and compliance with the rules is entrusted to a specific Supervisory Body** to which employees and collaborators can send their reports.

EP Produzione has adopted a **Code of Ethics and Conduct** that outlines the principles, values and behavioral standards that inspire its own actions and those of its stakeholders, such as business ethics and integrity and environmental protection. Specifically, the Code defines the general ethical principles for corporate activities, providing mechanisms for the application and control of the Group's internal and external activities and relations. The Code of Ethics is an integral part of the 231 Organization and Management Model and constitutes an effective tool to prevent conflicts of interest, episodes of corruption and unlawful or irresponsible behavior by those acting in the name and on behalf of the company. The document explicitly refers to the Italian Constitution and the United Nations Agenda 2030 and underlines sustainability as a guideline for the Group's long-term success.

Pursuant to Italian Legislative Decree 231/2001, EP Produzione has implemented a whistleblowing management system, enabling employees to **make reports** that could be crucial to combating offenses and irregular conduct. With the aim of further simplifying the system, in addition to the direct channel to the Chairman of the **Supervisory Body**, EP Produzione has also set up a de-

icated e-mail address that is only accessible to members of the Body, to which **employees can send their reports, which may be anonymous**. With regard to their corporate activities, consultants, collaborators and business partners report directly through the channels provided in the Organizational Model and Code of Ethics. **No instances of non-compliance with laws and regulations were recorded over the 2021-2023 three-year period.**

Tax governance

EP Produzione is aware of its social role and acknowledges that its activities contribute to the generation of wealth, including through taxes on its income. From this standpoint, the payment of taxes is considered an element of **corporate social responsibility** and is expressed in tax compliance.

With the aim of ensuring proper management of taxation, EP Produzione has adopted a **Tax Governance Policy**, which the Board of Directors regularly reviews, verifying its implementation, suitability, adequacy and effectiveness.

The Tax Policy includes a system for **detecting potential tax risks** and the adoption of control mechanisms to ensure compliance with tax laws and regulations. Additionally, the Policy requires that Board members receive information on the main tax implications of operations or matters submitted for their approval, if they entail a significant decision-making factor.

Drawing on the principles outlined in the Code of Ethics and Conduct, EP Produzione's fiscal approach is designed to guarantee:

- **Legality:** compliance with applicable tax regulations and laws.
- **Transparency and cooperation:** establishing a transparent and cooperative relationship with the tax authorities.
- **Value:** the appropriate management of taxes, viewed as a necessary business cost, with the aim of creating value for stakeholders in the medium- to long-term.

THE MAIN REGULATORY AND VOLUNTARY SYSTEMS AT THE POWER PLANTS

Integrated Environmental Authorization (Autorizzazione Integrata Ambientale - AIA)	Authorization required to run the plant, subject to periodic audits by ARPA and ISPRA.
Emissions Trading Scheme - ETS	European mechanism to monitor greenhouse gas emissions, mandatory for large plants and subject to the annual issuance of a certificate by accredited external bodies.
Consolidated Act on Excise Duties	It regulates management of compliance with tax obligations associated with production activities and is subject to periodic checks by Customs.
ISO 9001, 14001 and 45001	International standards for management systems concerning quality, the environment and worker health and safety, respectively, subject to annual verification by accredited external bodies.
EMAS	European registration that provides for verification of conformity with environmental standards by ARPA and an analysis by ISPRA of the Environmental Declaration prepared by the power plant.

Sustainability governance

As early as 2020, EPH introduced a number of **corporate policies related to sustainability** and developed a structured governance model to enable the management of ESG issues at Group level. EP Produzione adopted these policies, further reinforcing principles that had long been embedded in its governance system.

The **ESG Master Policy** defines the Group's fundamental principles of environmental, social and governance sustainability. The policy underlines EP Produzione's commitment to sustainable development, the underlying principle of which is the development of value, shared with the communities in which the Group operates, fully respecting the environment and human rights.

Cybersecurity

[GRI 3-3]

The cybersecurity team is backed up by experienced partners to continuously monitor the systems of EP Produzione, its subsidiaries and affiliated companies, and detect and neutralize any anomalies in a timely manner. The cybersecurity experts work in relation to both **Operations Technology** (OT) – i.e. systems that monitor and control equipment, resources and production system processes – and **Information Technology** (IT), which covers all personal or company devices with access to the business infrastructures.

Operation Technology (OT)

The Cybersecurity of energy infrastructures is a priority in the panorama of operational and strategic risks due to the progressive **digitization of the sector** and the ever-increasing connection of networks, which exposes infrastructures to potential attacks by hackers. Cyber risk is a global phenomenon, but Italy confirms itself as one of the countries most affected: in the first half of 2023, Italy ranked first in Europe in terms of number of malware attacks¹⁰.

At a European level, the regulatory framework set out in the NIS (Network and Information Security) Directive was updated, taking into account the new **Cybersecurity Strategy**. The document was presented in 2020 together with a proposed revision of the NIS Directive (known as NIS2) aimed at incorporating measures to guarantee an increased level of IT security across the European Union.

In this context, EP Produzione has implemented new solutions in the main Control Systems (DCS - Distributed Control System) of the power plants, now classified as **“NIS Ready,”** and has completed the inventory of assets for all production sites. The first cycle of cyber remediation has been completed with the implementation of improvement actions at all EP Produzione facilities. In anticipation of the adoption of the NIS2 Regulation in Italy, expected to take place in October 2024, the company is currently gearing up to implement the processes and tools required by the regulation.

The process of asset inventory and cyber remediation is inherently continuous and adapts to the results of vulnerability analyses, as well as to the evolution of regulations and best practices. A **Cybersecurity Manager** has been appointed to oversee the process, and a series of measures have been implemented to ensure security and business continuity. Among these measures is renovation of the **plant's remote monitoring** system to achieve a more advanced and customizable interface, along with greater integration with other systems. State-of-the-art technologies are being used, both hardware and software, including virtualized servers and daily or weekly backups on dedicated systems (NAS). Redundancy of the main servers and a disaster recovery system at another site ensure system continuity in case of malfunction.

THE ESG POLICIES OF EPH

ESG Master Policy	The document sets out a comprehensive policy framework and basic guidelines for the EPH Group, as well as defining the basic principles for sustainability policies within the Group and its subsidiaries.
Environmental Policy	The policy describes the Group's basic principles in terms of climate change and the reduction of the carbon footprint, protection of biodiversity, the Environmental Management System, the environmental impacts of the product portfolio, customer efficiency, regulatory compliance, the promotion of renewable energy, energy and resource efficiency, waste management and handling of the final cycle.
Biodiversity Policy	The protection of biodiversity in the areas where the EPH Group operates is one of said company's key goals. The aim of the policy is to provide a comprehensive and coherent framework of basic commitments and principles in the area of biodiversity.
Operating Policy	The policy covers the fundamental principles that the Group adheres to in terms of access to basic services, health and safety management, environmentally safe operation of facilities, the social impact of products, innovation and modernization, emergency management, stakeholder commitment and responsible marketing.
Procurement Policy	The policy focuses on monitoring the supply chain and urging suppliers to comply with the local regulations and Group policies on human rights, employees and environmental issues.
IT Cybersecurity Policy	The companies belonging to the EPH Group follow the key principles of cybersecurity (security governance, access control management, protection from malware, network security, IT resilience, ICS, remote workstations, etc.) and are responsible for selecting and implementing specific security measures to fulfill these principles.
Code of Conduct	The EPH Group Code of Conduct contains standards of behavior that must be observed by all employees and is designed to guarantee good relations with all stakeholders.
Tax Governance Policy	The aim of this policy is to ensure compliance with the tax regulations in the various countries and territories in which the Group operates, the prevention and reduction of major tax risks and the strengthening of relations with the tax authorities.
Equality, diversity and inclusion Policy	The purpose of this policy is to guarantee equality, fairness and respect for all in the Group's work and to combat and avoid all forms of unlawful discrimination.
Whistleblower Policy	The purpose of this policy is to provide EPH employees with the means to report problems and violations related to compliance issues without fear of retaliation or punishment.
Asset Integrity management Policy	The policy outlines the principles and practices regulating asset management decisions in order to ensure that EPH handles asset integrity risks in all the facilities it designs, builds or manages, in a responsible manner.
Anti-corruption and anti-bribery Policy	The acceptance of gifts and donations, including charitable donations, is regulated. The receipt or payment of bribes, including concessions on payments, is strictly prohibited.
Anti-money laundering Policy	The so called four-eyes principle is applied to business transactions and cash payments exceeding a preset limit.
Sanctions Policy	The Group does not foster or maintain business relations with persons, bodies or countries subject to economic or financial sanctions, trade embargoes or other restrictive measures imposed by the European Union, the United Nations, the United States of America or the United Kingdom.
Anti-trust Policy	All employees and managers are required to comply with the antitrust laws and are aware of the serious consequences ensuing from any violation of said laws.

¹⁰Trend Micro Research, Stepping ahead of risk, 2023.

Information Technology (IT)

On the **IT** front, the protection of work environments has become increasingly complex due to sophisticated cyber attacks that spread rapidly across mobile devices, cloud, and networks, often bypassing conventional defenses. Cyber attacks on mobile devices via new channels such as SMS and WhatsApp have increased this year. Faced with these growing challenges, EP Produzione has decided to adopt a **“Zero Trust” approach to data protection**, consolidating its security systems and investing in employee training regarding cybersecurity risks and appropriate practices to follow.

In 2023, EP Produzione continued a phishing counter-measures campaign aimed at raising awareness among staff on this issue. A total of 15,325 simulated attacks were sent, with a success rate decreasing from 11.3% to 8.4%, indicating the effectiveness of the continuous training provided by EP Produzione to its users. The 589 employees involved in the campaign demonstrated an ability to recognize phishing attempts disguised in various ways, including lottery win emails and bank account checks. Thanks to the measures implemented and the increased user awareness in 2023, **all malware and phishing spam¹¹ emails that reached the company's systems were intercepted and mitigated.**

In 2023, the continued its IT security training program with the aim of providing all its employees with the necessary tools to prevent online cyber attacks. The project, entitled **Cyber Guru Awareness**, was created in collaboration with the company Cyber Guru, to satisfy the need of an ongoing training program aimed at increasing awareness, the perception of danger and readiness to react when faced with risks in digital environment. The training envisages the teaching of 12 annual modules, each focusing on a different topic, including phishing, the IoT, data privacy and smart-working.

The initiative also includes a video channel, the **“Cyber Guru Channel”**, where employees can access short videos that, by simulating real-life situations, provide a concrete understanding of the cyber threats that individuals and companies have to face. EP Produzione has also strengthened its **digital infrastructure** to facilitate remote work, introducing new tools for sharing and collaboration such as Microsoft Teams and Sharepoint, and providing training courses on their usage. In 2023, Network Access Control – the access control infrastructure to prevent unauthorized access to EP Produzione's network – was further enhanced with stringent rules for devices physically connected to both WIRED (at production sites) and WIRELESS networks.



¹¹ Phishing attacks are fraudulent communications that appear to come from a trusted source. Spam is an unwanted email sent in bulk to a list of recipients that may contain a malicious attempt to access the recipient's computer. Malware is an intrusive software designed to damage and destroy computers and their systems.



In conversation with Paolo Arrigoni



Paolo Arrigoni
President of GSE
(Gestore Servizi Energetici)

Since 2023, Paolo Arrigoni has been the President of GSE, the Italian public company responsible for promoting and developing renewable energy sources, energy efficiency, and sustainable mobility. From 2013 to 2022, he served as a Senator of the Republic, Senate Quaestor, member of the 13th Commission for Territory, Environment and Environmental Assets, and member of various committees, including COPASIR, the Schengen Committee, and the Parliamentary Inquiry Commission on the Waste Cycle.

The geopolitical conflicts of recent years have reminded us of the importance of a reliable, flexible, and secure energy supply. In this context, what role does natural gas play?

The coexistence of renewable energy sources and natural gas remains crucial for ensuring a reliable and sustainable energy supply. Renewable energy sources (RES) like wind and solar provide clean, low-impact energy but are subject to weather variations, necessitating a complementary energy source to ensure continuous supply, along with storage systems to retain excess energy produced. Natural gas plays a vital role in this context by providing a "base load" that can be activated during peak demand or low RES production. This balance between different energy sources is essential for ensuring a constant and reliable energy supply while reducing dependence on non-renewable sources and contributing to the transition towards a more sustainable energy system.

What are the main tools for Italy to support the achievement of ambitious European decarbonization goals?

First and foremost, storage systems allow for the storage of excess energy during peak production periods and its release when demand is higher. These systems are essential for ensuring the stability of the electrical system and integrating an increasing share of renewable energy into the grid. By the end of 2023, Italy had about 537,000 distributed storage systems connected to photovoltaic plants, with further growth expected. A recent scenario study by Terna estimates that Italy needs to increase its storage capacity by 2030, with a distribution of 71 GWh from centralized systems and 23 GWh from energy communities and small distributed plants.

Biomethane, on the other hand, offers a sustainable and low-carbon alternative to fossil fuels in "hard-to-abate" sectors such as industry and transportation. The importance of biomethane is also recognized institutionally, with the European REPowerEU plan raising the biomethane production target to 35 bcm by 2030, up from the 18 bcm initially set by the Fit for 55 package. Furthermore, the revision of Italy's National Integrated Energy and Climate Plan (PNIEC) has set the ambitious goal of producing 6 billion m³ of biomethane by 2030, a crucial commitment to reduce the country's dependence on natural gas imports. GSE plays a fundamental role in promoting biomethane, encouraging the conversion of existing biogas plants and supporting the creation of new plants through a €1.9 billion investment line from the National Recovery and Resilience Plan (PNRR). Lastly, work is underway to define a national hydrogen strategy, with the establishment of a working group within the Ministry of Environment and Energy Security (MASE) and the drafting of a ministerial decree to establish competitive procedures to support and incentivize green hydrogen production.

In this context, what are the key measures Europe aims to implement with the proposed electricity market reform?

The electricity market reform proposed by the European Commission in March 2023 is a significant step forward for the continent in terms of decarbonization. The reform aims to decouple the price of gas from the price of electricity to reduce the price volatility that has characterized the energy market in recent years. The reform focuses on promoting long-term contracts to ensure greater stability and predictability of energy prices. In this context, Contracts for Difference (CfDs) are given significant importance. These are long-term contracts (about 15-20 years) between renewable energy producers and a government-owned entity (in Italy, the GSE), based on the difference between the market price and an "exercise price" agreed upon in the auction itself, with Italy being a pioneer in this area. These contracts are set to become central to increasing renewable energy capacity by 2030, allowing for a transition to an energy system with two-thirds of its energy from renewable sources.

In parallel, FER2, the decree for incentives to innovative renewables (such as floating wind, floating photovoltaic, marine energy, and advanced or zero-emission geothermal), currently under development, and FERX, which will introduce new auction mechanisms for mature renewables, will play a key role in guiding investments towards solutions that ensure a sustainable energy transition.

The new PNIEC proposal sets ambitious targets for the contribution of renewable energy to the energy transition. How far along is Italy in reaching these targets?

The new proposal of the National Integrated Energy and Climate Plan outlines an ambitious path for Italy's energy transition, with an increase in the share of renewable energy sources from 30% to 40.5% by 2030, compared to gross final energy consumption in the electricity, thermal, and transport sectors. Looking back, significant progress can be seen: from 2005 to 2022, Italy's share of renewable energy increased from 7.5% to 19% of gross

final consumption. However, to reach the new target set for 2030, a further 21.5% increase is needed, a challenging but essential goal for the country's future.

In this context, we face multiple challenges. The Italian energy system is characterized by some of the longest permitting processes in Europe, with durations that can reach up to 8 years, and by the resistance of the NIM-BY phenomenon, which hinders the construction of RES plants on the territory. Additionally, we are witnessing a transformation of the energy model from centralized to distributed, with over 1.6 million RES plants on the territory requiring greater integration into the electrical grid to maximize efficiency and ensure system stability.

To overcome these challenges, it is necessary to promote a widespread culture of sustainability, simplify permitting processes, enhance distribution and transmission networks, and accelerate the construction of new renewable plants in the most suitable areas. GSE is playing an active role in this process, working closely with MASE and the Regions to achieve an additional 75 GW of installed RES capacity by 2030, in addition to the 67 GW installed by the end of 2023.

Key tools also include Renewable Energy Communities (CER) and widespread self-consumption for the sharing of clean energy. On April 8, 2024, GSE activated platforms for submitting requests for incentive tariffs, PNRR funding, and preliminary project suitability assessments, further promoting support for local renewable energy initiatives.

The challenge is demanding, but we are determined to achieve it, always keeping in mind the importance of balancing environmental sustainability with economic and social sustainability.



SUSTAINABLE
DEVELOPMENT
GOALS

An agenda for the future

Sustainability is a key concept in addressing present and the future challenges. As geopolitical tensions persist and countries grapple with the unprecedented impact of extreme weather events, the need for sustainable policies becomes increasingly evident. These policies must ensure environmental protection and people's quality of life.

Against this backdrop, with the promise of "no-one left behind", the 2030 Agenda for Sustainable Development Goals (SDGs) makes a global call to action in which everyone is exhorted to play a part, balancing short- and medium-term needs with long-term requirements. The aim of the Agenda, adopted in 2015 by all the members of the United Nations, is to achieve **17 sustainability goals and 169 targets by 2030**.

EP Produzione's contribution to SDGs



PROMOTE THE ENERGY TRANSITION

EP Produzione contributes to the country's energy transition with ever more efficient, flexible and programmable plants that help

improve the security and adequacy of the Italian electricity system, also enabling the development of renewables and progressive decarbonization.

- **62% efficiency** at the new Tavazzano and Montanaso and Ostiglia units
- **Fiume Santo Energy Park**, the project to give the Fiume Santo industrial site a productive future in view of the phase-out from coal



TAKE URGENT ACTION, AT ALL LEVELS, TO COMBAT CLIMATE CHANGE

The company produces energy in compliance with the increasingly stringent regulatory limits on atmospheric emissions. Plant efficiency is of paramount importance and entails optimizing the use of natural resources, starting from the fuels used in our processes.

- **Development of an emission reduction** pathway for EP Produzione integrated with EPH Group's vision to 2050
- EP Produzione is among the **partners of the Agici-Fichtner H2 Green Hydrogen Observatory**



ENSURE HEALTH AND WELL-BEING
IN THE WORKPLACE

EP Produzione undertakes to guarantee health and safety in the workplace, in order to contribute to the overall well-being of its employees and collaborators. Its operating horizon is to achieve and maintain zero accidents in our workplaces.

- **Over 2,000 Safety Walks & Talks** organized at power plants, 113% more than in 2022
- **HSE Improvement Plan 2022-2024** underway at all EP Produzione power plants



PROMOTE SUSTAINABLE
ECONOMIC GROWTH

The company contributes to the economic growth of the country, ensuring lasting employment and generating value for the territory, through partnerships with suppliers based on mutual trust, giving priority to local enterprises, in order to support the development of the economic and social fabric in which it operates

- **1,173 active suppliers** for a total expenditure of over €104 million
- **+40% of the value of supplier expenditure remained in the territory**, amounting to about €38 million



BUILD RESILIENT INFRASTRUCTURE
FOR FAIR AND RESPONSIBLE
INDUSTRIALIZATION

EP Produzione adopts state-of-the-art approaches and tools to enable a sustainable energy transition. It invests in new, more efficient capacities, with state-of-the-art technologies that offer higher performance while reducing atmospheric emissions.

- EP Produzione plant availability index **up 20% compared to 2022**
- **The cybersecurity training campaign** continued with 12 annual modules totalling 4 hours per capita

In 2023, emissions from electricity production increased by 1.1% compared to 2022, reaching a record level¹⁴.

The Conference of the Parties (COP28), held in Dubai in November 2023, placed a primary focus on the energy issue, approving for the first time a roadmap for transitioning away from fossil fuels. Countries reached an agreement to triple installed renewable energy capacity and double the rate of energy efficiency improvement by 2030. However, the final text of COP28 did not impose concrete actions, leaving individual countries the freedom to determine how to reduce, albeit not eliminate, the use of fossil fuels.

In this context, natural gas, which currently accounts for about a quarter of global electricity production¹⁵, plays a crucial role in ensuring a gradual and secure transition. Easily storable, natural gas can be delivered through pipelines, or liquefied and shipped by tanker, in line with fluctuations in demand. Additionally, it emits less **CO₂ per unit of energy generated compared to other fossil fuels** and can provide programmable energy production.

The programmability of energy production from gas helps address the energy security challenges posed by renewable energies, which are not as flexible or programmable. Energy generation from renewable sources is closely tied to weather and environmental conditions, such as sunlight or wind, making it difficult to plan generation with the same precision as traditional energy sources. Meanwhile, support tools like **Battery Energy Storage Systems (BESS)** play a key role in ensuring a secure energy system by storing and distributing energy when needed.

In order to accelerate the development of renewable energies, in March 2023, the European Commission launched a reform of the electricity market¹⁶.

The proposed change aims to protect consumers from volatile fossil fuel prices and make the EU industry clean and more competitive. In particular, the main points concern the incentivization of long-term contracts with non-fossil energy production; the guarantee of revenue stability for energy producers; and the introduction of cleaner and more flexible solutions into the system.

In the context of the energy transition, where the role of renewables must be facilitated, the regulatory landscape in Italy still presents uncertainty and complexities in authorizations for investors in the sector. Despite being the second leading country in Europe in terms of renewable energy availability, Italy is still far from reaching EU targets on renewables¹⁷. Achieving the new target of 55% of electricity consumption from renewable energy by 2030¹⁸ would require 9.1 GW of installations per year. This is a challenging task, given that on average it takes approximately 8 years to obtain authorizations for renewable energy plants in Italy, the longest in Europe¹⁹.

These delays not only compromise the ability to integrate renewable energies into the national grid but also pose an obstacle to realizing the full potential of renewable sources to meet the country's energy demand.

The challenges of the energy transition

55%

the reduction of greenhouse gas emissions by 2030 according to the European "Fit For 55" plan

1/4

the share of global electricity production today met by natural gas

Over the past 170 years, human activities have emitted significant amounts of greenhouse gases into the atmosphere, leading to a global temperature rise of approximately 1.1°C compared to pre-industrial levels. In response, in 2015, 195 countries entered into the Paris Agreement, setting the ambitious goal of limiting the global temperature increase to 1.5°C.

In this context, the European Union has taken a leading role by setting an ambitious objective: to become the first continent in the world to achieve **climate neutrality by 2050**.

The "Fit for 55" package, released by the European Commission in 2021, includes a 55% reduction in greenhouse gas emissions compared to 1990 levels by 2030, an increase in the share of renewable energy in the energy mix to 45%, and an energy efficiency target of 36%¹².

The energy sector plays a crucial role in achieving these objectives. In fact, the sector contributes to over 73% of global greenhouse gas emissions¹³.

¹² CE, Fit for 55, COM/2021/550 final – For more information, please see The European House – Ambrosetti, European Governance of the Energy Transition 2021.

¹³ World Resources Institute, *Climate Watch*, 2020.

¹⁴ McKinsey & Company, *Global Energy Perspective 2023: CO₂ emissions outlook*, 2024.

¹⁵ International Energy Authority IEA, *Natural Gas*, 2023.

¹⁶ Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2019/943 and (EU) 2019/942 as well as Directives (EU) 2018/2001 and (EU) 2019/944 to improve the Union's electricity market design.

¹⁷ The European House-Ambrosetti & A2A, *Verso l'autonomia energetica italiana: acqua, sole, vento, rifiuti le nostre materie prime. Il fondamentale contributo delle regioni per il raggiungimento dei nostri obiettivi*, 2022.

¹⁸ PNIEC (draft version), 2023.

¹⁹ International Energy Agency, *Italy 2023 – Energy Policy Review*, 2023.

Power plants and market

For us, professional competence is essential

#commitment #sharing #proactivity

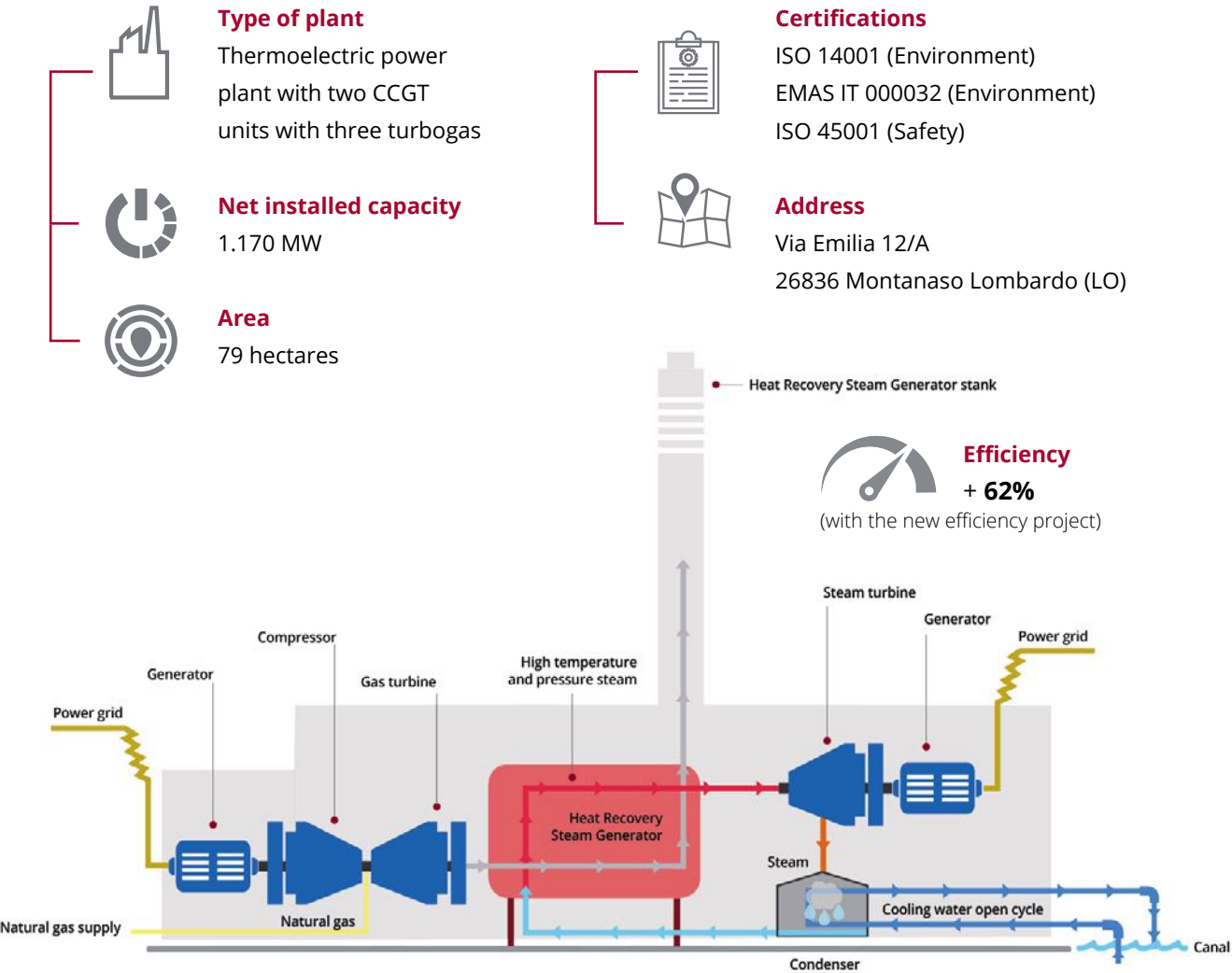
EP Produzione's production power plants

Tavazzano and Montanaso
Ostiglia
Trapani
Fiume Santo
Livorno Ferraris
Scandale

Reliability and asset integrity

The Capacity Market
Energy Management
Sale of energy
Availability of our power plants
Asset integrity

Tavazzano and Montanaso

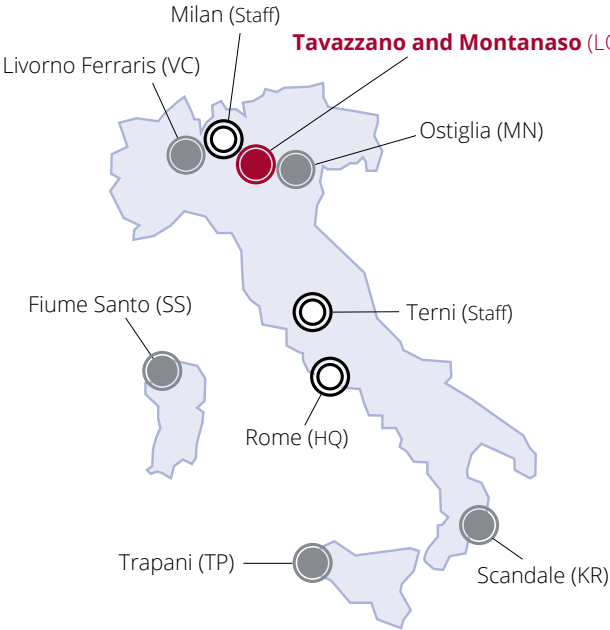


The Tavazzano and Montanaso power plant covers an area of approximately **79 hectares** in the Municipalities of Montanaso Lombardo and Tavazzano con Villavesco in the province of Lodi, 25 km from Milan. Operating in the area since 1952, creating jobs and economic development, the installed power is **1,170 MW** and the plants dedicated to producing electrical energy use only **natural gas**. It is located close to important major electricity consumption centers and to the surface water network consisting of the Muzza and Belgiardino canals and the Adda river.

Two combined cycle units are currently in operation: unit 5, with a 790 MW capacity, began operating in 2004 and consists of two gas turbines and two heat recovery steam generators, connected to a steam turbine; unit 6, with a 380 MW capacity, began operating in 2005 and consists of a single gas turbine and a steam generator connected to a steam turbine.

In 2000, it was one of the first industrial sites in Italy to obtain EMAS Registration. The power plant operates in compliance with the most rigorous environmental standards, undergoing monitoring and control by local and national authorities (Arpa and Ispra) and operating with a certified environmental management system EMAS, ISO 14001, and 45001, the latter renewed in 2023. The process of reviewing the Best Available Techniques (BAT) for the existing plant was completed in 2023 accordance with the AIA Ministerial Decree no. 156 of 2023, an update on the previous Decree 93/2017. This document incorporated the Integrated Environmental Authorization (AIA) decree concerning the new unit (formerly DM 263/2021), combining provisions relating to both the existing plant and the new section into a single authorization.

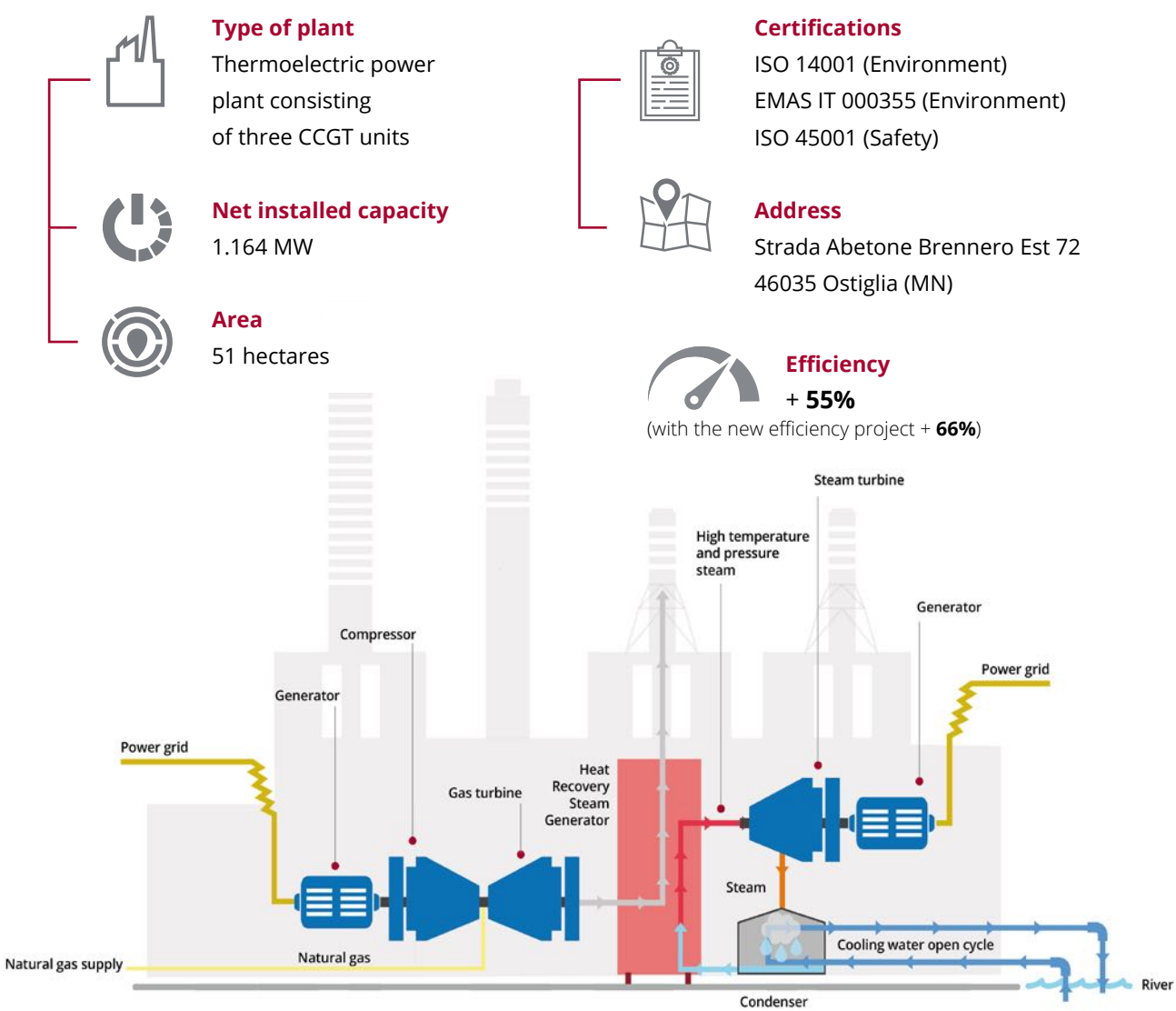
In 2019, a new **efficiency project** was launched, involving the construction of a **new state-of-the-art combined cycle unit**, consisting of the latest generation of H-class gas turbine – the most advanced and efficient available today –, the GT36, developed by Ansaldo Energia, technologically ready for the use of hydrogen mixed with natural gas.



The electrical power of approximately **800 MWe** will **ensure efficiency in excess of 62%**, further reducing specific emissions in accordance with the strictest national and European guidelines. The project is included in the Capacity Market Scheme and will be completed in 2024. The new combined cycle unit replaces the existing Unit 8 and allows for an **increase in the overall electrical power of the plant, from 1,170 MW to 1,970 MW**. With the commissioning of the new unit, expected by 2024, the operation of Unit 6 will also be **limited to a maximum of 3,000 hours per year** and **new, even more stringent NO_x emission limits will be introduced**.

EP Produzione undertook two important projects over the course of the year. The first involves the design of cooling towers, to enable the functioning of the plants even during periods of drought or water scarcity. The second project concerns the installation of a Selective Catalytic Reduction (SCR) system, possibly in conjunction with the Advanced Gas Path (AGP), to upgrade the existing machines in the two units in Module 5. The aim is to achieve greater efficiency and power while keeping gas consumption unchanged and reducing NO_x emissions through the SCR catalyst. The Environmental Impact Assessment (EIA) procedure was successfully completed during the year. The implementation of both projects will be dependent on the outcome of the forthcoming capacity market auctions as well as specific economic assessments.

Ostiglia



The Ostiglia thermoelectric power plant spans an area of approximately 51 hectares in the Municipality of Ostiglia, in the province of Mantua, on the left bank of the Po River.

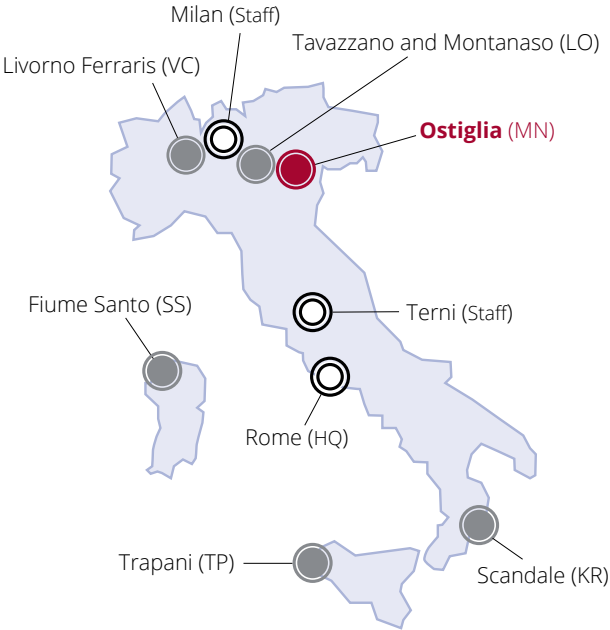
Installed power is **1,164 MW**, and the plants dedicated to producing electrical energy use **only natural gas**. Three combined cycle units are currently in operation, two with a capacity of 392 MW and one with a capacity of 380 MW, each consisting of a gas turbine and a steam generator. The three units came into operation in 2003-2004.

The power plant has ISO 14001 environmental certification, ISO 45001 certification for occupational health and safety management systems and it is included on the EMAS European Register.

The transformation of the power plant into a combined-cycle has made it possible to achieve **yields of 55% for the same amount of energy produced**, with consequent environmental benefits such as zero emissions of dust and sulfur oxides and a dramatic reduction in nitrogen and carbon oxides. The emission values are, in turn, continuously monitored and recorded by an emission monitoring system (EMS) and periodically reported to the control authority.

A procedure was initiated in 2023 to modify the Po River intake works to provide more flexibility during drought periods. Permission was granted to demolish the internal OCD reservoirs at the power plant, with work starting in 2024. It is planned that half of the area, currently occupied by the tanks, will be converted into a public park by 2026.

Also in 2023, the verification procedure for the Environmental Impact Assessment for the installation of an AGP (Advanced Gas Path) system on two of the existing units (OS 2 and OS 3) was finalized with a favourable outcome, in order to improve the efficiency of the existing machines and increase their output with the same gas consumption. The same project includes the installation of an SCR (Selective Catalyst Reduction) system, in accordance with the requirements of the authorization for the new Group (Environmental Impact Assessment and Integrated Environmental Authorization).



The new efficiency project for the Ostiglia Power Plant involves the construction of a new combined cycle unit consisting of an H-class turbine (9000HL) developed by Siemens Energy, representing state-of-the-art technology for technical performance and environmental sustainability among natural gas power plants, with an electrical power output of approximately **880 MWe**.

The new unit, technologically configured for the use of hydrogen mixed with natural gas, will ensure efficiency in excess of 62% and, for the same energy production, will enable a reduction in specific emissions in accordance with the strictest national and European guidelines. The new unit is scheduled to enter commercial operation in the first part of 2025.

The efficiency improvement of the Mantua power plant also includes a series of environmental improvement interventions on the three existing units: in particular, one unit will be put into "cold reserve," meaning it will only operate during periods when one of the others is unavailable. This new configuration will ensure the availability of new **programmable and flexible capacity**, an essential requirement to meet the needs of renewable energy development alongside those of grid security.

Trapani



Type of plant
Thermoelectric power plant with two open-cycle units



Net installed capacity
213 MW



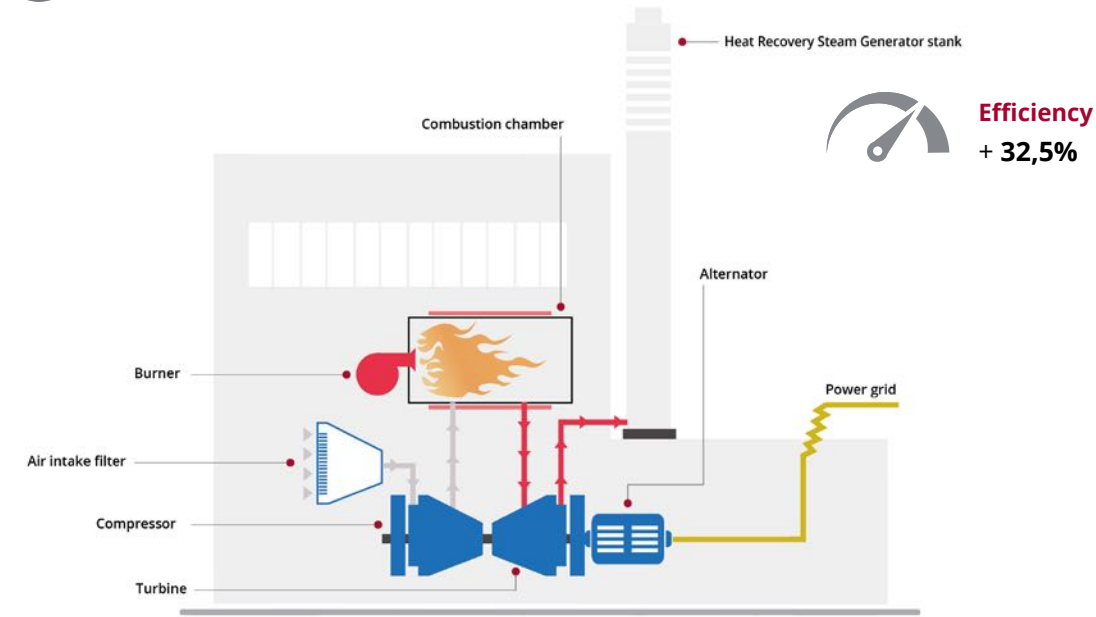
Area
9.2 hectares



Certifications
ISO 14001 (Environment)
EMAS IT 000236 (Environment)
ISO 45001 (Safety)



Address
S.P. 35 s/n - C.da Favarotta Rilievo
91031 Misiliscemi (TP)



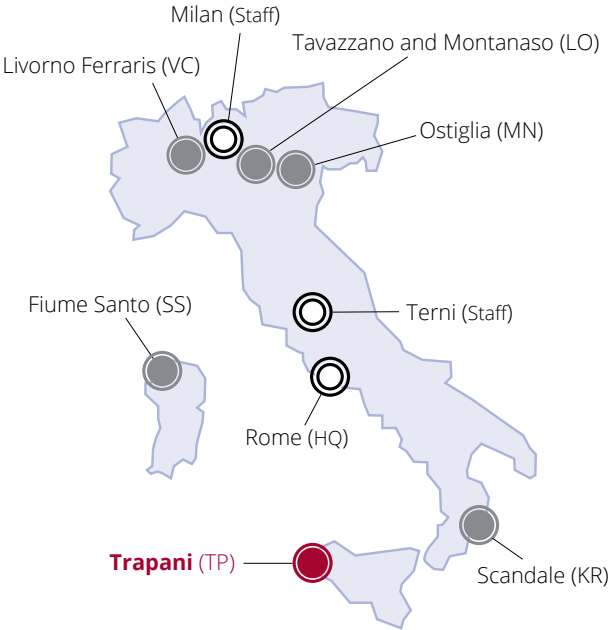
The Trapani thermoelectric power plant spans an area of **9.2 hectares** in Western Sicily, approximately 15 km south-west of Trapani. It consists of two open-cycle turbogas units powered by natural gas with **overall net power of 213 MW**. The power plant was one of the first industrial sites in Sicily to obtain EMAS registration. Upgrading of the plant in 2013 reduced NO_x and CO₂ emissions and **increased plant efficiency by 32.5%**. Additionally, it has ISO 14001 certification for its environmental management system, ISO 45001 certification for its occupational health and safety systems and is included on the EMAS European Register.

In 2022, a renovation project was authorized, which involves replacing the existing units with the installation of 4 new OCGT units of equal power (approximately 220 MWe each) to be built within the perimeter of the current power plant. Each gas turbine is equipped with DLN (Dry Low NO_x) burners with a rated power of approximately 55 MWe each. NO_x reduction will also be ensured by using a catalytic selective reduction system (Selective Catalytic Reduction - SCR), which will allow the selective reduction of nitrogen oxides to molecular nitrogen and water vapor. In alternative, at least in the medium term, a revamping plan was developed for existing units. The final selection of the most appropriate investments will be determined by market and regulatory conditions, starting with the outcomes of the forthcoming capacity auctions. In December 2023, the Single Authorization was obtained from the Region of Sicily for the construction and operation of a 100 MW electricity storage system (BESS - Battery Energy Storage System).

In 2023, the power plant received the new Integrated Environmental Authorization (AIA), thus ensuring that the plant complies with European requirements on Best Available Technologies to reduce emissions and meet environmental standards (BAT Conclusions).

TRAPANI'S PEAKER PLANT

The "peaker" plants are gas turbine facilities known for their flexibility and ability to start up quickly. These plants are used **to balance the intermittent production of renewable resources**, such as solar and wind energy,



and to maintain the electrical grid in conditions of safety and flexibility, even when there is no wind or sunlight. Peaker plants are typically used to cover peak periods of electricity demand, quickly turning on and off for a few hours of operation. The Trapani Power Plant is an example of a gas turbine plant used as a peaker, consisting of two open-cycle gas turbines with a net installed capacity of 213 MW.

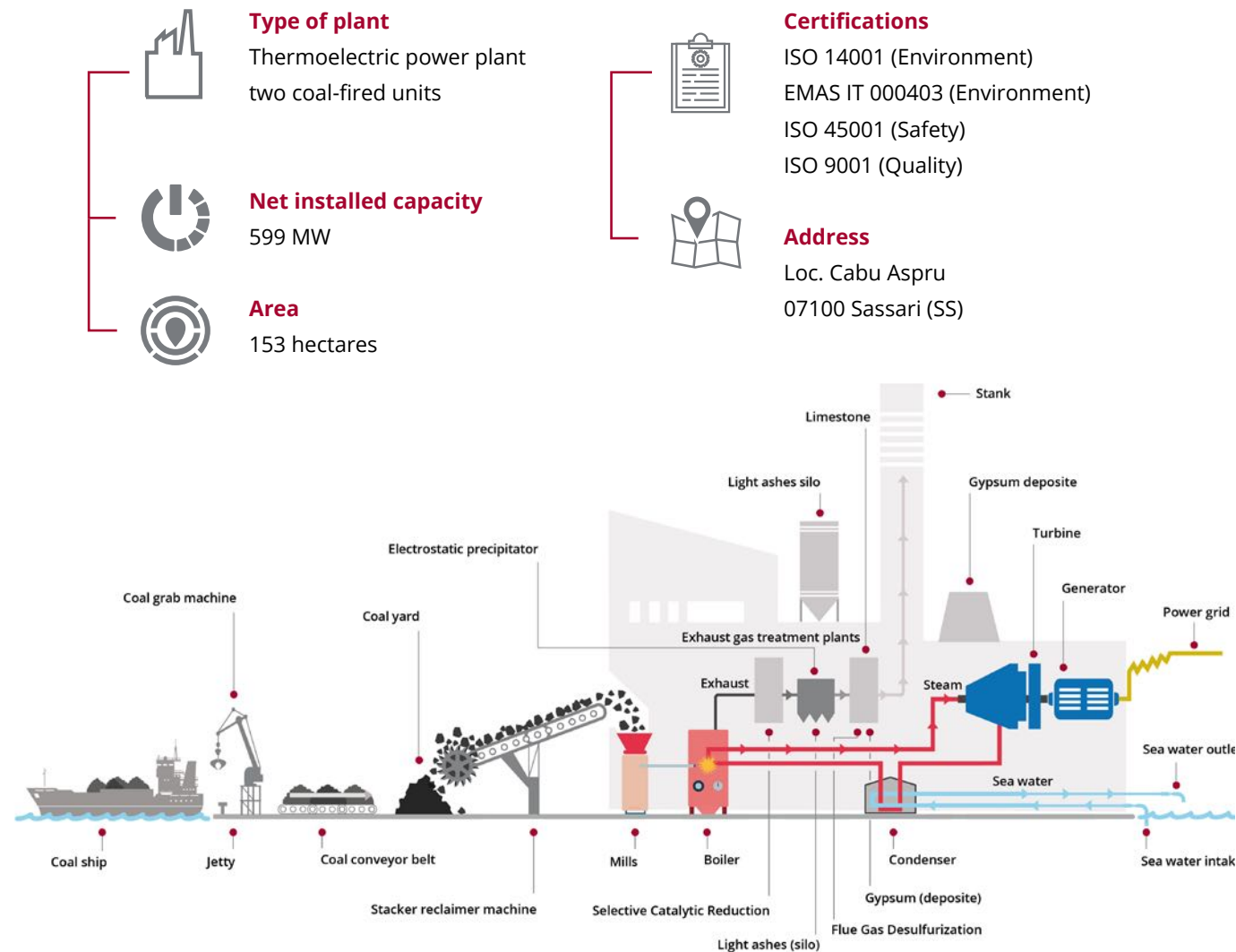
In the Sicily region, the electrical system is powered by a concentrated thermoelectric generation park mainly located in the eastern and central areas of the island, along with numerous renewable energy plants, mainly wind farms. **Peaker plants like the Trapani Power Plant are crucial for balancing the supply and demand of electricity in the Sicilian grid, especially during peak electricity demand periods.** The distribution of the generation park makes the Sicilian system extremely unbalanced and has become an obstacle to the development of new renewable energy generation, particularly from wind source²¹.

Again for 2024 and 2025, the Trapani Power Plant has been deemed essential by Terna for safely managing the western area of Sicily. Additionally, the plant plays a crucial role in Terna's process of restarting the electrical grid in case of service disruptions through the "blackstart" system.

²⁰ Comprehensive Review of the Integrated Environmental Authorization (AIA - Autorizzazione Integrata Ambientale), publication of Ministerial Decree No. 93 of 02 March 2023 in the Official Gazette on 15 March 2023.

²¹ Terna, *Piano di sviluppo 2021*.

Fiume Santo



The Fiume Santo thermoelectric power plant spans approximately **153 hectares** on the Gulf of Asinara, in the "Cabu Aspru" area of the province of Sassari, in the Sassari and Porto Torres Municipalities.

There are currently two coal-fired generation units operating at the power plant, with overall power of approximately **600 MW**, representing one of the major production sites in north-western Sardinia.

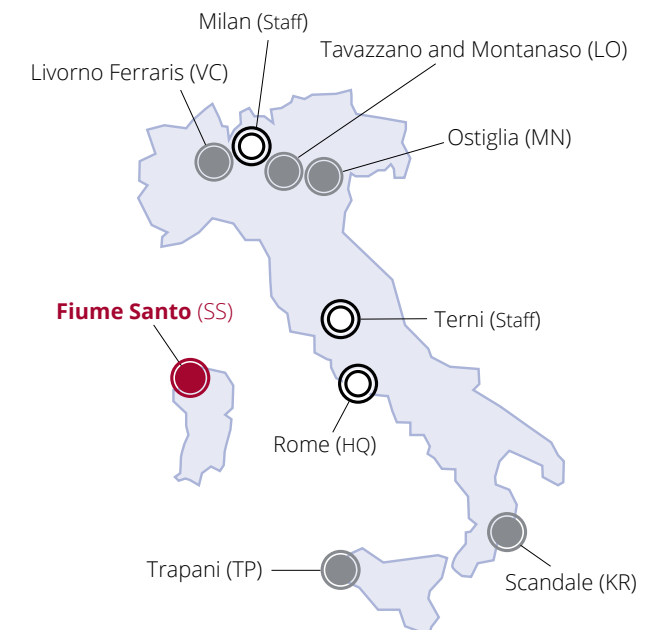
Units 3 and 4 are equipped with plants to reduce sulfur dioxide (DeSO_x) and nitrous oxides (DeNO_x), and dust reduction systems. The power plant is also equipped with an air quality monitoring network. The plant is authorized to burn **biomass** on a co-combustion basis in the existing coal sections.

Fiume Santo, among the plants essential to the stability of the national grid, has an environmental management system that complies with the ISO 14001 standard, and it has an ISO 45001 certification for occupational health and safety management systems and an ISO 9001-certified Quality Management System. It has also been included on the EMAS European Register since 2005.

After conducting a careful analysis of the possibilities of diversifying supplies, in order to identify coals other than Russian coal that would minimize requests for environmental exemptions and meet the plant's technical criteria, coal from Australia and Indonesia was selected. In the course of 2023, as the environmental derogations related to the maximization of electricity generation plants with a nominal thermal power output greater than 300 MW that use coal or fuel oil in regular operation ceased to exist²², the plant was granted specific derogations²³ to meet the parameters related to boron and selenium in view of the continued ban on imports of Russian coal. At the same time, experiments were started, parts of the plant that Russian coal did not need were reactivated, and plans were drawn up for improvement investments that will be implemented in 2025 and 2026.

²² Defined by Decree 14/2022 converted into Law n. 41/2023.

²³ Law n. 170 of 27/11/2023 for the conversion of Decree-Law No. 132 of 29/09/2023.

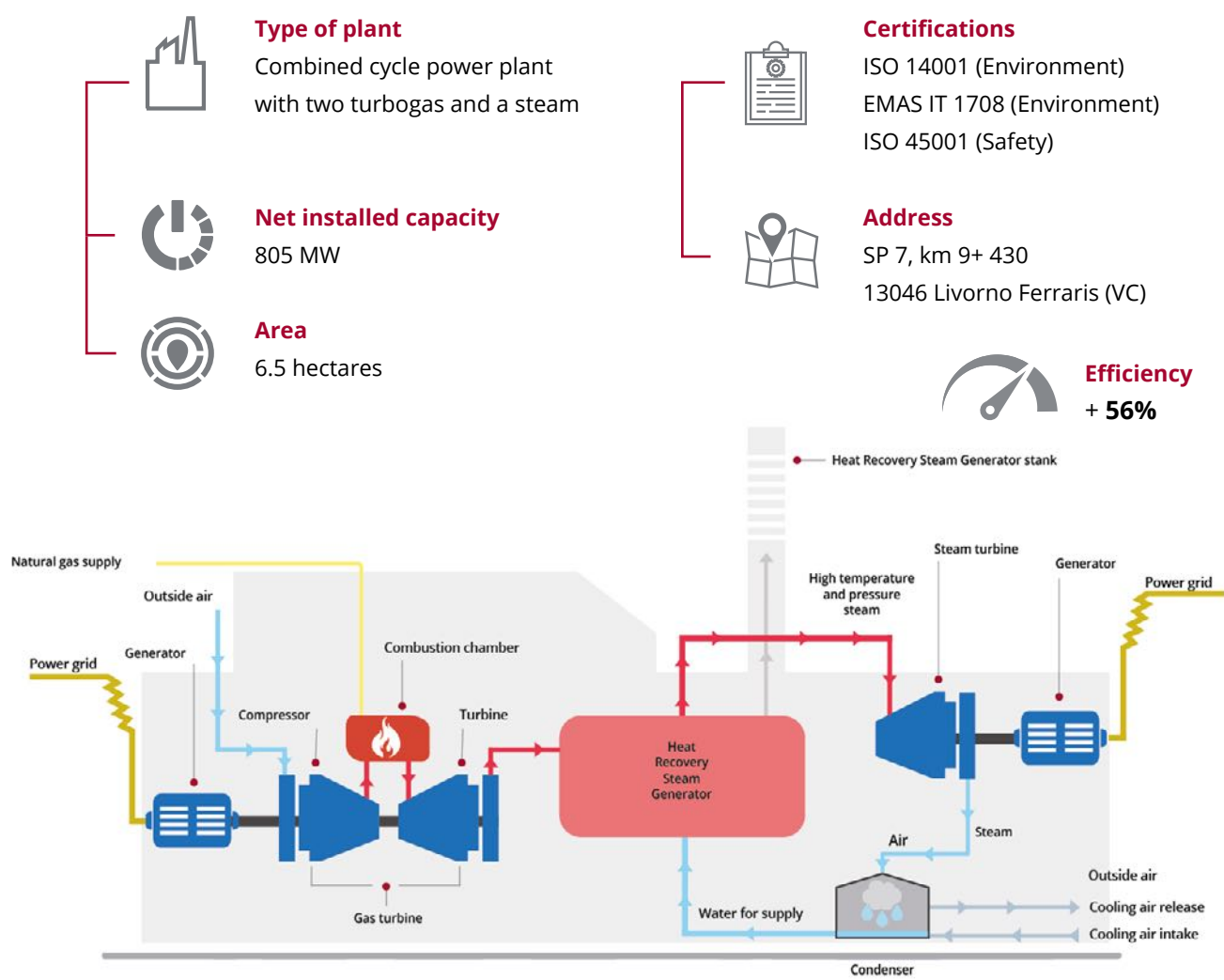


In March 2023, EP Produzione presented "Fiume Santo Energy Park" to institutional representatives and local administrators. This project aims to provide a productive future for the industrial site through concrete and high-quality solutions for increasingly sustainable and programmable energy. **Fiume Santo Energy Park has the potential to integrate a diverse energy mix**, including new gas-fired combined-cycle units, biomass conversion of one of the existing coal units, a photovoltaic plant, an offshore photovoltaic park, electrolyzers for green hydrogen production, and electrochemical battery storage systems. With a useful life of at least 20-30 years, these solutions would play a key role in the energy transition.

In 2023, authorization was granted for the construction of a ground-mounted photovoltaic plant with a capacity of 10 MW. The authorization application submitted for the offshore plant was temporarily suspended pending selection of technology suppliers.

The Environmental Impact Assessment (EIA) procedure concerning the gas plant project, with a capacity of 560 MW, was suspended in 2023 until May 2024, pending further developments regarding regasification terminals and feedback from Terna.

Livorno Ferraris



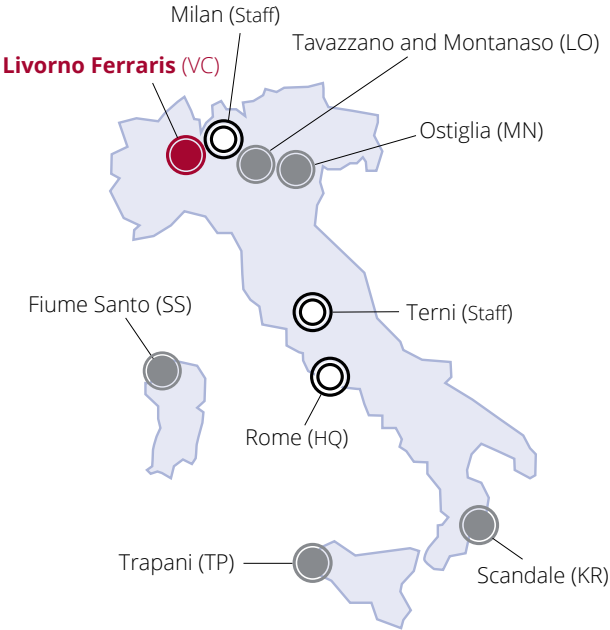
The Livorno Ferraris thermoelectric power plant is located in the municipality of the same name, in the province of **Vercelli**. The plant, owned by EP Produzione Centrale Livorno Ferraris S.p.A. (EP Produzione S.p.A. 75% and BKW Italia S.p.A. 25%), began operating in 2008.

It is a high-efficiency combined cycle infrastructure with net installed capacity of **805 MW**, consisting of two turbogas units and a steam turbine. The latter uses the steam produced by **two heat recovery steam generators** (HRSG), obtained thanks to the heat of the gases being discharged from the turbogas units, which reach a temperature of over 560 °C. The combined use of the turbogas units and the steam turbine enables the plant to achieve high efficiency of approximately **56%**, resulting in low specific greenhouse gas emissions.

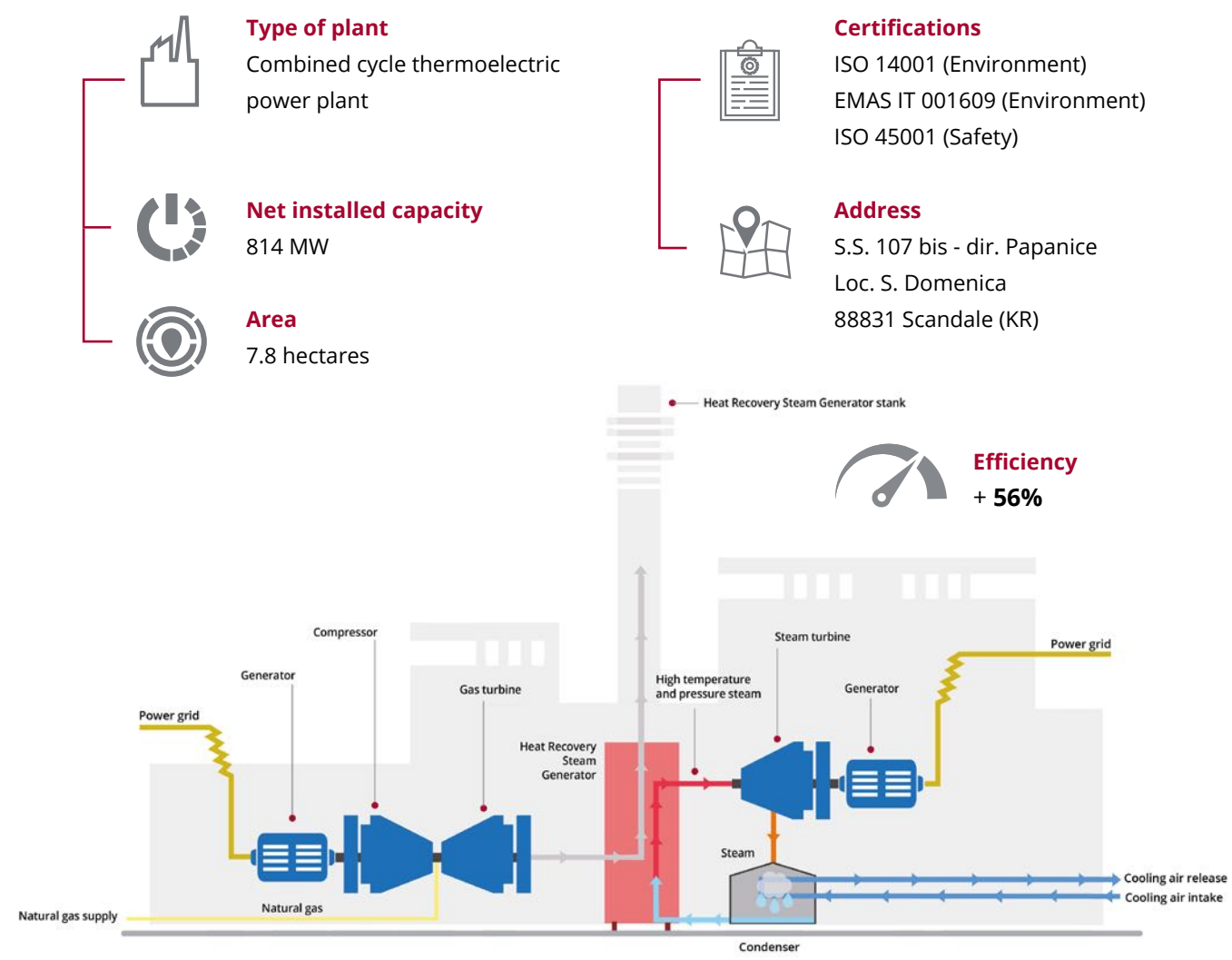
The power plant has ISO 14001 and ISO 45001 environmental certifications and is included on the EMAS European Register.

The plant is located against the backdrop of the Vercelli rice paddies. Starting from the construction phase of the Livorno Ferraris power plant, as required by the Integrated Environmental Authorization that permitted said construction, the power plant has enacted various environmental mitigation and compensation measures in the areas near the power plant.

The review of the Integrated Environmental Authorization was completed in 2023.



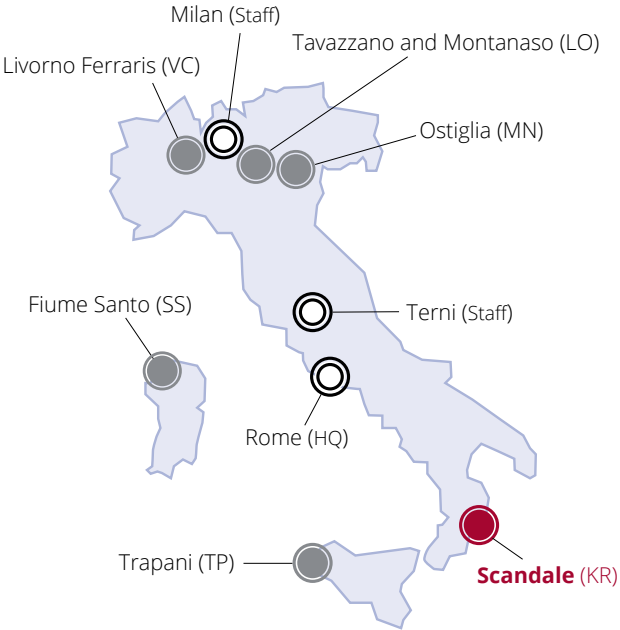
Scandale²⁴



The Scandale thermoelectric power plant is located in the municipality of Scandale in Calabria. Run by Ergo-sud, which is jointly owned by the EPH Group and A2A Gencogas S.p.A., it has an installed capacity of **814 MW** and consists of two combined-cycle generation turbines (CCGT), each with a nominal power of 407 MW. With an efficiency of **56%**, the power plant has been in operation since 2010, and comprises a gas turbine and a steam turbine with associated electric generators for each unit.

The power plant has ISO 14001 and ISO 45001 environmental certifications and is included on the EMAS European Register. Through a dedicated **gas pipeline** approximately 6 km long, the power plant is powered by the national grid and connected to the Terna high voltage power plant by way of an underground power line spanning approximately 100 m.

The power plant **was designed to reduce the impact on the environment, minimizing emissions into the atmosphere and waste**. Indeed, the plant is equipped with a system that enables the recovery of all wastewaters and the majority of rain water, minimizing the amounts drawn from the local area. In close collaboration with ARPA Calabria, and in order to monitor the quality of air in the Scandale municipality and the surrounding areas, the power plant installed a monitoring network, with the data obtained being made public in real time. Furthermore, since 2017, Unit 1 has been equipped with a catalytic converter to reduce CO.



²⁴ Scandale is not within the reporting scope of this document.





Reliability and asset integrity

[GRI 3-3]

The Capacity Market

+ 3,500 MW

the capacity awarded to EP Produzione for the 2024 delivery

By way of the Decree published on June 28, 2019 and signed by the Italian Ministry for Economic Development (MiSE), Italy adopted the guidelines issued by Europe and put measures in place for the introduction of the Capacity Market in order to guarantee the adequacy of the national electricity system and ensure a sustainable energy transition, including from an economic standpoint. Mechanisms such as the Capacity Market provide a stimulus to invest **in upgrading the plants, and to implement the new programmable capacity required to enable the phase-out of coal-fired plants, as it offers a guarantee of purchase with regard to programmable capacities and, as such, protects the stability of the national electricity grid.**

The goal of the market tool in question is to preserve the availability of resources, including under the most critical conditions for the system, e.g. in a situation of high demand and low availability of production from non-programmable renewable sources. In that scenario, the Capacity Market serves as insurance to protect the system both in terms of adequacy (ensuring the availability of capacity to meet peak demand) and by limiting the potential for a price spike in situations of significant scarcity of resources (imposing a ceiling on the price offered by the capacity contracted). In economic terms, the Capacity Market allows for a reduction of the effects of an energy market collapse, seeking to address the poor profitability and **price volatility**, in particular in relation

to thermoelectric plants with increasingly non-continuous operation, which is nevertheless essential given the non-programmability of the majority of renewable energy plants. Indeed, **the Capacity Market makes it possible to provide long-term price indications and therefore support investments in the renewal and improvement of efficiency of the installed generation capacity**, according to the adequacy requirements defined by Terna, ARERA and the Ministry for Ecological Transition..

In February 2022, Terna S.p.A. organized a Market Auction for the 2024 delivery year. During the auction, the following were assigned: one-year contracts for existing capacity and 15-year contracts for new capacity.

As a result of the auction EP Produzione was awarded:

- **755 MW** of CDP (Capacità Disponibile in Probabilità - likely available capacity) for new authorized capacity. Thanks to this important result, the Group commenced the Ostiglia power plant renovation project.
- **1,800 MW** of CDP for existing capacity in the area of the North.
- **400 MW** of CDP on the Northern Border.
- **588 MW** of CDP for 100% of Scandale (50/50 with A2A).

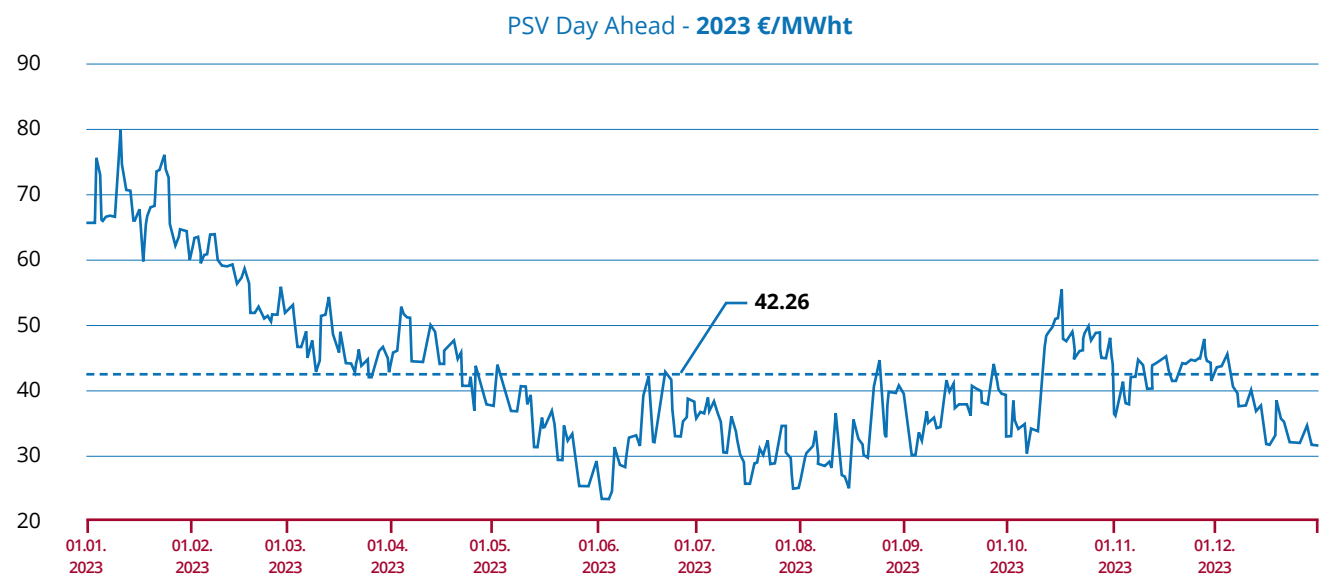
Energy Management

Price trends

In 2023, commodity prices remain very high, albeit down sharply from the record levels reached in 2022 in connection with the start of the Russian-Ukrainian conflict. The annual reduction appears to be accentuated especially for gas, which closes the year with an average of around €42/MWht at the Virtual Trading Point (PSV), and for coal with around \$135/t, with a consequent reductive impact on electricity prices, despite the new average record reached by emission permits of around €85/t.

In the first half of the year, quotations at the PSV gradually decreased until the beginning of the summer, before reaching above-average values between the end of September and October, in correspondence with the new tensions in the Middle East and closing 2023 just above €30/MWht.

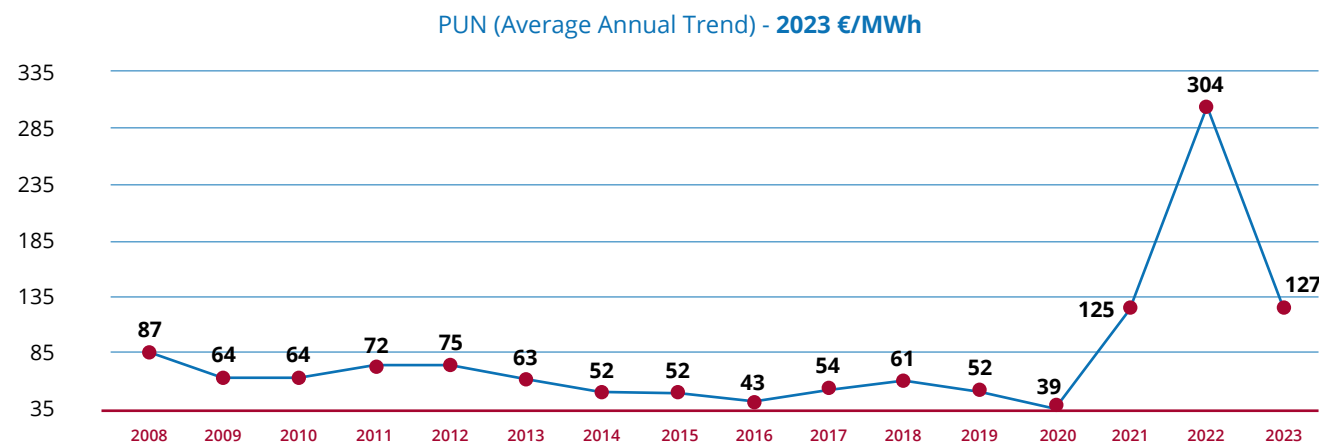
Gas price at the Virtual Trading Point (VTP)



The Single National Electricity Price (PUN) in 2023 falls to 127.24 €/MWh (-176.72 €/MWh compared to 2022) and falls back to 2021 levels, effectively cancelling out the record increases recorded the previous year, similarly to what was observed on the other main European electricity exchanges. The dynamics of the PUN are driven by

the sharp drop in the price of gas (PSV: €42.26/MWh, -€82.33/MWh compared to 2022), which is also substantially back to the levels of 2021, but still higher than the values historically observed until 2020, with the spread with respect to the TTF (Title Transfer Facility) returning to above €2/MWh (€2.26/MWh, it was €0.72/MWh in 2022).

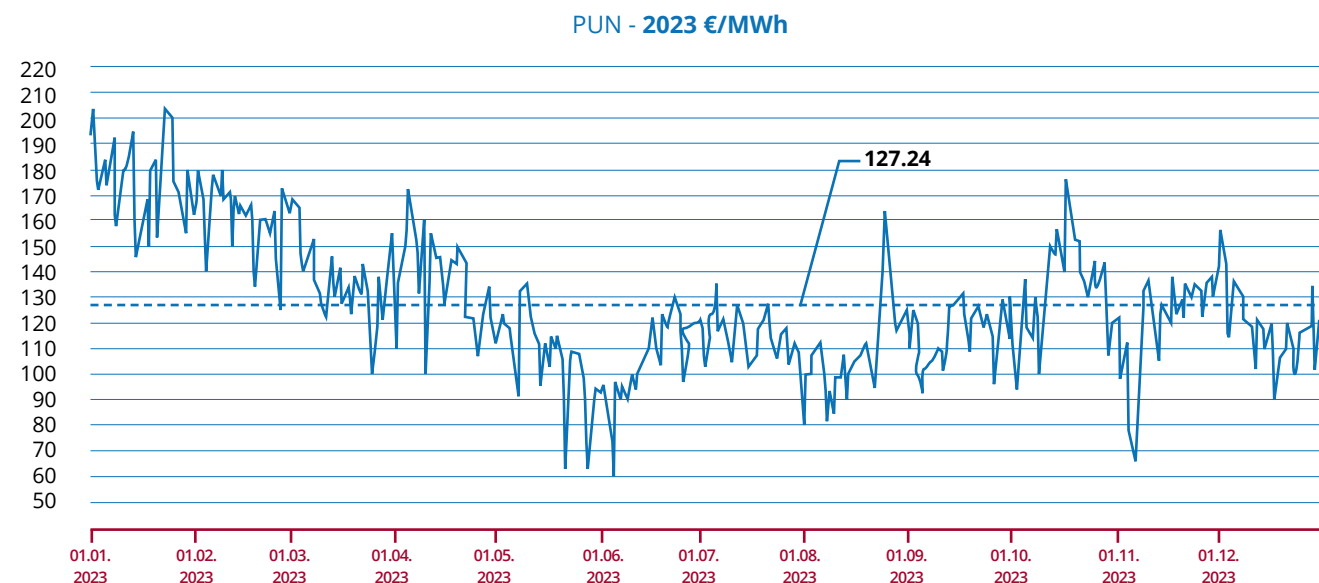
Prices National Single Price (PUN) 2008-2023



Price deviations from 2022 are recorded throughout the year and are mainly due to the drop in the PSV, which reaches its minimum in June 2023 at €23.4/MWh, reduced demand, an increase in renewable sales, with water

volumes recovering from the very low levels of 2022, and net imports at their highest ever recorded levels.

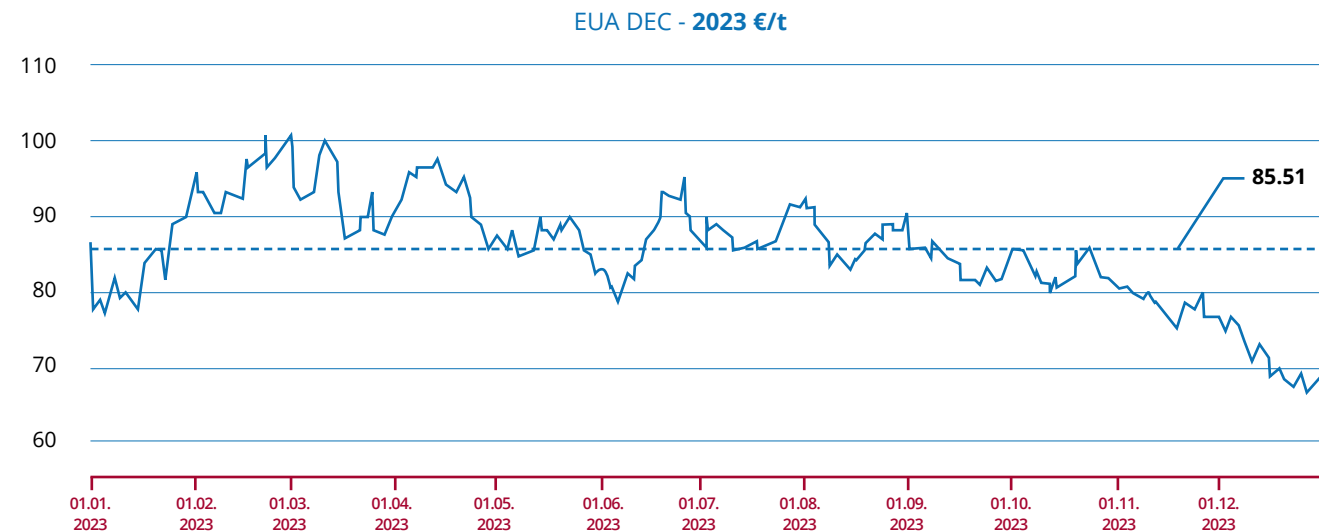
National Single Price (PUN)



With regard to the DEC 23 product of CO₂ emission rights (EUA), there was an increase in average annual quotations from €81.20/t to €85.51/t compared to 2022. The upward trend against the other commodities was confir-

med, with the highest quotation in February at around €95/t. Starting in September, EUA quotations begin to fall, reaching a minimum value of 66.35 €/t in December.

Price of European Union Allowances (EUA)



The Energy Management organizational unit

In order to **offer the energy of EP Produzione's power plants on the market every day at their best**, continuous optimization of the plants' generation portfolio is required. This is taken care of by the Energy Management organizational unit, which optimizes the plant portfolio on all market channels, forward, spot and real-time, and is divided into 4 areas:

1. Portfolio Management & Origination, which manages the hedging activities of EP Produzione's portfolio for all the commodities characteristic of coal- and gas-fired plants. It does so primarily through EP Commodities, the EPH Group's trading company, but also through bilateral trading with counterparties or by accessing OTC (Over The Counter) platforms. Additionally, in Origination, the area researches and develops energy products and services related to new EP Produzione projects, participation in auctions for the offer of dispatching services, and the negotiation of PPA contracts.

2. Short Term Optimization, focused on optimizing the generation portfolio over a short-term time horizon by analyzing market scenarios and defining sales strategies down to the spot, day-ahead and intraday market, orga-

nized by the energy market operator, Gestore dei Mercati Energetici (GME).

3. Mid-Term Optimization, deals with the development and management of a meticulous market analysis simulating the expected developments and behavior of EP Produzione's industrial portfolio over a medium- to long-term time horizon. It also defines the expected generation margin for the purpose of drawing up the company's business plan. It develops the strategy for participation in the Capacity Market auctions and backs up the EPH group in market analyses and the calculation of expected margins for M&A operations. Within the scope of Contract Management, the area maintains relations with trading counterparties and stipulates contracts for the supplying of gas and the purchasing of electrical auxiliaries for the generation portfolio.

4. Bidding & Real Time Management, focuses on defining strategies in the intraday markets and ancillary services, up to balancing markets. It manages the sending of sale and purchase offers on all market sessions controlled by the GME. It is responsible for the retail dispatching of the production plants in real time and interfaces directly with the generation plants and Terna.

Sale of energy

Energy management activities generate the sale of electricity on the market. In detail, in 2023 EP Produzione sold 13.7 TWh of electricity produced by its plants, a decrease of about 14% from the previous year.

Specifically, 81% of the energy was sold on the electricity market managed by the GME (also known as the Italian Power Exchange, IPEX), 15% through bilateral contracts, also known as OTC contracts, stipulated between operators and 8% to Terna for the dispatching service.

CONSOLIDATED ENERGY SALES - (GWh)	2023	2022	Variation
Energy sold to the GME (IPEX)	13,553.1	11,074.9	-18%
Energy sold through bilateral contracts	1,693.4	2,097.1	24%
Energy sold to Terna	705.2	491.8	-30%
Dedicated withdrawal	1.6	2.4	50%
Total	15,953.3	13,666.3	-14%

Availability of our power plants

+20%
the availability index of EP Produzione's facilities in 2023 compared to 2022

EP Produzione has a key role as a producer of energy from programmable sources: ensuring that demand is met and serving as a back-up for renewable energy that, by its nature, is subject to fluctuations in terms of availability of the sources used to produce it, such as wind, sun or water resources.

The requirements of the electricity system have changed, specifically as a result of the progressive rolling out of renewable energy forms. **Traditional plants**, once responsible for producing energy on a constant basis, **are now started up to overcome the non-continuity of the alternative production methods**.

Constant startups and shutdowns expose the power plants to cyclical stresses that impact their useful life.

As such, with a view to the optimal management of all assets and production infrastructures, increasingly advanced diagnostic tools are required, combined with skills that allow a predictive and preventive approach to be taken to their maintenance. In this context, investments for technical **adjustments and improvements of the power plants in operation are of crucial importance, and cost approx. €30 million from 2021 to 2023**.

INDICATOR	2023	2022	2021
Total net production (GWh)	11,643	14,100	16,200
Availability index (%)	84	70	82
Programmed unavailability index (%)	7	8	11
Accidental unavailability index (%)	6	11	7
Index of unavailability due to External Causes (%)	3	11	1
Average hours of operation (h)	3,903	4,592	5,369
Startups (no.)	675	732	744
Utilization factor ¹ (%)	35	42	48
Load factor ² (%)	78	80	78

¹ The utilization factor indicates how much the plant produced compared to the maximum energy that could be produced in one year.
² The load factor measures how much the plant produced compared to how much could be produced in the hours in which it was actually.

In 2023, the Group reported a net electricity production of 11,642.6 GWh, 17% lower than in 2022. The unavailability index for External Causes, which had increased in 2022 as a result of the drought in the spring-summer period, particularly impacting the Tavazano-Montanaso and Ostiglia power stations, decreased by 37% with the improvement in external conditions.

At the same time, the anomalies that had affected gas turbine and generator components at the Livorno Ferraris plant were overcome in 2023, restoring availability to adequate values. However, the sharp decrease in energy commodity prices and related margins did not create the economic conditions for full utilization of the available production capacity.

Asset integrity

Managing assets for EP Produzione means prioritizing the protection of people, the environment, and infrastructure. To this end, EP Produzione has developed a **corporate procedure** that details the evaluation methodology, timing, and responsibilities of the asset integrity process. The purpose of the guideline is to enhance asset integrity and manage plant risks, including seismic risks through operational procedures and assessment checklists.

Seismic risk

Seismic risk assessment is part of the company's Asset Integrity process. Following the seismic sequence that involved Central Italy (2016-2017), EP Produzione implemented a structural vulnerability assessment plan, with annual analyses and a particular focus on power plants located in higher risk areas.

Specifically, at the **Scandale Power Plant**, the seismic vulnerability study phase has been completed on all the buildings on the site and the implementation phase of adaptation works has begun. Adaptation works were carried out at the office building in 2023, including a multi-year monitoring plan for possible subsidence on the foundation floor.

Securing the hillside beside the power station

The **Scandale Power Plant** is collaborating with the UNICAL University of Cosenza on a project aimed at securing a hill in front of the power plant that had been subjected to some minor landslides in the past, following heavy rain. The goal of the project is to consolidate the hill with geological interventions, resolving the risk of landslides while preserving the surrounding landscape intact.

In 2023, UNICAL provided a report containing technical evaluations, scientific assessments and specific studies on the particular morphology of the territory as well as the behavior of the area following intense rainfall events. The study proposes interventions aimed at ensuring the stability of the territory, reducing landslide risks, and consequently preventing the power plant from flooding.

The report will be subject to further in-depth analyses, with a view to planning in detail the interventions to be carried out.



Decarbonization

*We are open to change
and promote innovation*

#orientationtowardsthefuture #criticalthinking #perseverance

Decarbonization pathway

A roadmap towards 2050

New capacities

Available technologies

Fiume Santo Energy Park

Emissions in the atmosphere

Key numbers

Evolving legislation

Decarbonization pathway

A roadmap towards 2050

New capacities

with 62% efficiency, the new CCGT units under construction at the **Tavazzano and Montanaso (LO)** and **Ostiglia (MN)** power plants will play a key role in EP Produzione's decarbonization path

Fiume Santo Energy Park

a project for the reconversion of the **Fiume Santo** power plant in view of the phasing out of coal in Sardinia planned for 2028

The EPH Group has initiated a project involving all its companies in different European countries to develop a **decarbonization program** aimed at making concrete commitments towards reducing emissions already in 2030, aiming at net zero in 2050. The roadmap includes on the one hand, the decommissioning of coal-fired power plants and the conversion of existing individual plants, and on the other, the gradual introduction of new renewable projects.

In 2023, EP Produzione conducted a preliminary analysis to identify a realistic emission reduction pathway looking ahead to 2050, identifying 2022 as the baseline year. The path envisages a **gradual phase-out from coal**, in line with the PNIEC 2023 scenarios for coal-fired power plants in Sardinia, and the progressive reliance on more efficient gas-fired combined cycle power plants that will constitute a crucial step in the transition to cleaner and more sustainable energy sources, contributing to the progressive reduction of emissions by 2040.

New capacities

Through implementation of two projects to construct efficient new units at the Tavazzano and Montanaso and Ostiglia power plants, **EP Produzione plays a leading role in the Group's decarbonization roadmap.**

The efficiency of the new units will reach 62% for both projects, designed to support the integration of hydrogen in the future, and will serve a crucial role at least until 2035-2040, in the face of a gradual reduction in overall gas production, which will, however, affect the least efficient plants first.

The new Tavazzano and Montanaso Unit

Works at the Tavazzano and Montanaso Power Plant were entrusted to Ansaldo Energia S.p.A., acting as the EPC contractor. During 2023, ancillary works and connections to the gas and high-voltage grid were completed and the **HRS (Heat Recovery Steam Generator) boiler** was almost completed. This will allow the first syn-

The mix of natural gas and **hydrogen** can offer a further Carbon intensity reduction, where the pace of hydrogen largely depends on its commercial availability on the European market.

Energy storage batteries (BESS), although not directly related to carbon intensity reduction, will play a key role in the broader path towards decarbonization of the electricity system. Indeed, they are an essential component in balancing the supply and demand for energy from renewable sources, thus contributing to a more secure and sustainable transition.

chronization and start-up phase to begin in March 2024, while the plant is currently scheduled for delivery in September 2024.

The project has involved strong engagement with the local community, in terms of both the procurement of raw materials such as concrete and steel, and the use of labor. As of December 2023, the construction site had recorded over **2,000** accesses by different individuals, including direct personnel of Ansaldo Energia as well as subcontracted personnel. Between January 2021 and the end of December 2023, **over 1,560,000 hours were worked on the construction site for the new unit, with 4 accidents unfortunately recorded.**

Strengths

- **The project is in line with the objectives of Italy's Integrated National Energy and Climate Plan in terms of decarbonization and the security of the national**

electricity system through the creation of new efficient, flexible, low-emission production capacity, instrumental for the development of renewables and progressive decarbonization.

- The new combined cycle will be installed in **replacement of the pre-existing Unit 8**. When the new unit enters into operation, the operating hours of the pre-existing Unit 6 will be reduced (max 3,000 hours/year).

- **Reduction of emissions** into the atmosphere of over 50% in terms of NO_x, thanks to the installation of state-of-the-art technology, in line with the most stringent limits set by the European Community (BAT).

- **Hydrogen**: Ansaldo GT36 gas turbine already fitted out for a future with hydrogen mix combustion.

- **Compact dimensions**: complete re-use of already existing areas and infrastructure (methane gas line, HV electrical station and cooling systems) so no additional land is needed.

- **Fuel farm**: new volumes offset by the demolition of 50,000 m³-tanks no longer in use, downstream of the entering into operation of the new CCGT.

- **Spin-offs and opportunities for the local community**, in terms of both employment and development and improvement of the production sector's technical skills.

- No increase in thermal impact on the waters of the **Muzza Canal**: the new unit will use the canal waters for cooling and there will be no change in thermal impact compared to that already authorized.

- The new combined cycle unit will be built so as not to alter **the acoustic impact** on receptors, thereby ensuring compliance with already existing acoustic zoning norms.

- **Impact on the landscape**: visual mitigation measures, including the use of colors and plant barriers made up of native species, embankments with excavated soil and planting of trees and bushes. By way of compensation, 10,000 trees will be provided to the Adda Sud Park.

The new Ostiglia Unit

The works at Ostiglia were awarded to a temporary joint venture made up of leading companies in the sector, namely Siemens Energy, Fata and Demont. The plant is currently scheduled to be delivered by mid-2025.

The project is expected to benefit the local community through job creation, with approximately 12-14 new technicians to join the 60 employees employed in existing units, economic development in the area, and the opportunity to boost technical skills in the production sector.

Strengths

- **The project is in line with the objectives of Italy's Integrated National Energy and Climate Plan in terms of decarbonization and the security of the national electricity system**: new production capacities that are efficient, flexible and with lower emissions, functional to the further development of renewables and progressive decarbonization.

- The project envisages the placement of **Unit 1 in "cold reserve"** (it will only be used as a replacement for one of the other units in the event of maintenance or failure of the latter) and the installation of a **Selective Catalytic Reduction (SCR) system of the NO_x** inside the heat recovery steam generators in the already existing sections 1, 2 and 3.

- The new Combined Cycle is built **outside an area of the existing power plant originally** intended for a Heavy Fuel Oil (HFO) tank farm, now demolished, and approximately 1 km away from the existing thermoelectric units, so as to remove part of the power plant's electricity production from the town of Ostiglia.

- **Approximately half of the area that will be freed up** through the demolition of the existing heavy fuel oil tanks at the current production site will be made available to the municipal administration for agreed-upon uses.

- **Reduction of both mass and specific emissions of CO and NO_x into the atmosphere**, thanks to the installation of state-of-the-art technology, in line with the most stringent limits set by the European Community (BAT).

- **The technology utilized (Class H gas turbine and SCR) will enable compliance with even more stringent emission limits.**

- **Use of hydrogen**: the Siemens technology gas turbine selected, type SGT5-9000HL, is already fitted out for use in the future with hydrogen mix combustion.

- **Compact dimensions**: the area of interest is that further away from the town and no new land will be occupied.

- **Spin-offs and opportunities for the local community**: employment, development opportunities and improvement of the production sector's technical skills.

- **Reduction in the thermal impact** on the River Po, due to the fact that the plant will be air-cooled. Consequently, the plant will be less subject to operational constraints deriving from the low water level of the River Po.

- The new combined cycle unit will be built so as not to alter the **acoustic impact** on receptors, ensuring compliance with existing acoustic zoning regulations. Additionally, it will reduce the current noise impact on inhabited areas of Ostiglia by placing Unit 1 on standby mode.

- Redevelopment of the **Borgo San Giovanni** area with the demolition of the Fuel Oil tanks, to make space for the construction of the new unit.

- **Environmental compensation works**: naturalistic restoration is planned, consisting of an afforestation project with native species of bushes and trees, covering an area of approx.10 hectares in the SPA "IT20B0501 Viadana, Portiolo San Benedetto Po and Ostiglia".



With an efficiency of 62%, the new CCGT facilities being built at the **Tavazzano and Montanaso (LO)** and **Ostiglia (MN)** power plants will have a key role in the EP Produzione decarbonization process.



Very high performance, with over 62% efficiency



Aligned with the objectives of the Italian **PNIEC** regarding decarbonization



No alteration of acoustic impact on receptors



Gas turbine **prepared for a future** with hydrogen-mix combustion





Construction site of the new Tavazzano and Montanaso power plant unit



Construction site of the new Ostiglia power station unit

Available technologies

5

EP Produzione's projects based on the use of batteries (BESS)

Italy has set out its energy transition goals in the 2023 National Integrated Energy and Climate Plan (NIEC), which will be finally approved in 2024, pushing for a strong integration of electricity generation from renewable sources. The Plan envisages a strong increase in installed renewable capacity by 2030 compared to today, in parallel with the phase-out of coal-fired generation by 2025, apart from the power plants located in Sardinia. In particular, the draft PNIEC 2023 envisages the increase of the renewable share in the electricity sector to 65% by 2030 (10% more than envisaged in the PNIEC 2019), with the addition of about 65-85 GW of new renewable capacity (mostly wind and photovoltaic)²⁵.

Batteries

In order to level out the intermittency of renewable energy production and promote its utilization, without wasting any overproduction, particularly at certain central times of the day, it is necessary to integrate it with systems for **storing electricity**, such as hydroelectric reservoirs and batteries.

Batteries, the technical name of which is Battery Energy Storage Systems (BESS), are essential in this context, to improve the resilience of the grids and the continuity of the electricity supply. Thanks to these BESS, energy can be efficiently stored at times when production from renewable energy sources is greater than demand, then supplied to the grid when needed. **This enables investors and stakeholders to limit waste and generate more revenue, while reducing costs for consumers**²⁶.

To date, the biggest concern about the widespread use of electrochemical storage is its cost, which is still high, and the degradation factors which can affect its performance over time. In fact, while some electrochemical storage may already be competitive for some applications, a substantial reduction in costs and greater awareness of the performance of the various technologies available are necessary if the use of storage systems in the electricity grid is to increase.

Unlike other generating assets, **electrochemical accumulators are characterized by a limited useful life**, connected with the number of cycles or drop in performance due to the use of the battery itself; for this reason, their operation should be optimized during their useful life, evaluating the best trade-off between revenue and ageing.

From this perspective, EP Produzione has organized a series of projects based on this new technology.

- **Fiume Santo Large BESS** comprises modules with a capacity of 100 MW x 2 hours, totaling 200 MWh of energy storage and delivery. The installation site spans 3.2 hectares and is located where the old heavy fuel oil units were situated. Construction works are expected to last for 16 months from the beginning, and the project includes a mitigation measure with a vegetation screen covering the seaside aspect of the plant. The authorization phase has been completed, and the project is awaiting dedicated auctioning to complete economic analyses and based on these proceed with investment and implementation.

²⁵ Ministry of Economic Development, Piano Nazionale Integrato per l'Energia e il Clima (PNIEC), 2023.

²⁶ MarshMcLennan, *Recharging the transition: the role of battery energy storage systems*, 2022; DNV, *New Storage Capacity: Key Element for the Energy Transition in Italy*, 2021.

• **Fiume Santo Small BESS:** this second installation at Fiume Santo consists of modules with a total capacity of approximately 10 MW for 8 hours, providing a total capacity of 80 MWh. The authorization cycle for this project has concluded. As with the previous one, dedicated auctions are awaited to finalize decisions and investments.

• **Centro Energia Ferrara:** the project is set to occupy the area of the dismissed power plant in Ferrara. It has a capacity of 70 MW for up to 4 hours (280 MWh). In 2023, the Technical Solution for connection to the Transmission System Operator (TSO) was obtained, and the authorization process is currently being finalized.

• **Trapani BESS** is a project within the area of the Trapani open-cycle power plant. It has a capacity of 100 MW x 4 hours (400 MWh). In 2023, the conference of services was concluded, and the procedure for connection to the Transmission System Operator (TSO) network was finalized. The implementation of the plant can only begin after obtaining the Single Authorization, which is expected to take about 24 months, with construction activities planned for approximately 16 months.²⁷

• **KR (Crotone) BESS** is a project within the area of the Crotone Biomass Power Plant located in the Nucleo Industriale area of Crotone. The planned capacity is 9.9 MW x 8h (79.2 MWh), and it is planned to be connected through the DSO e-Distribuzione, in medium voltage (20kV) through a medium voltage cabin made available by Biomasse Crotone. The construction of the plant can only start after obtaining the Single Authorization and will take about 24 months, with site activities planned for about 16 months²⁸.

These projects are coherent with the objectives of the National Integrated Plan for Energy and Climate (PNIEC), which envisions the development **of at least 6 GW of new centralized storage systems** and 4 GW of distributed storage, both electrochemical and hydroelectric

by 2030, and that, in the long term (by 2050) this storage capacity is expected to increase to 30-40 GW.

Hydrogen

The use of hydrogen represents a **new frontier for the decarbonization of the energy sector** in the medium to long term, as it allows overcoming some significant challenges of the transition. In particular, hydrogen could serve as an energy carrier, enabling the storage of excess energy production generated during peak periods of renewable sources, to be used during periods of low production²⁸.

EP Produzione is among the **partners of the H2 Observatory**, led by research and consulting company Agici, together with Fichtner, a leading company in engineering and energy consulting services. Over the course of a series of meetings, the Observatory investigates the conditions required to make hydrogen an economically sustainable solution for decarbonization, and identifies optimal models for production, consumption, and transportation, taking into account the regulatory framework, strategies of major international actors, and available funding.

In 2023, EP Produzione participated in a tender, organized by the Region of Sardinia, to allocate €21 million under the National Recovery and Resilience Plan (PNRR) for the realization of green hydrogen production projects in disused industrial areas.

The project submitted, with the creation of a **"hydrogen valley"** within the Fiume Santo Energy Park, was deemed eligible but was not selected due to a lack of funds, and remains pending.

Fiume Santo Energy Park

*The energy transition is an unprecedented challenge: institutions and companies are being called upon to team up in order to find a new equilibrium between the environment, employment and the development of local production systems, today and tomorrow.
An equilibrium that will have to realistically balance technological and infrastructural development, market dynamics, geopolitical tensions and the evolution of the regulatory framework*

The stakes are high, but they also offer the possibility to design a new world, together.

EP Produzione is at the forefront in giving the Fiume Santo industrial site a productive future, contributing to the search for tangible solutions for increasingly green and programmable energy.

A future that we envision as multi-fuel and multi-technological.

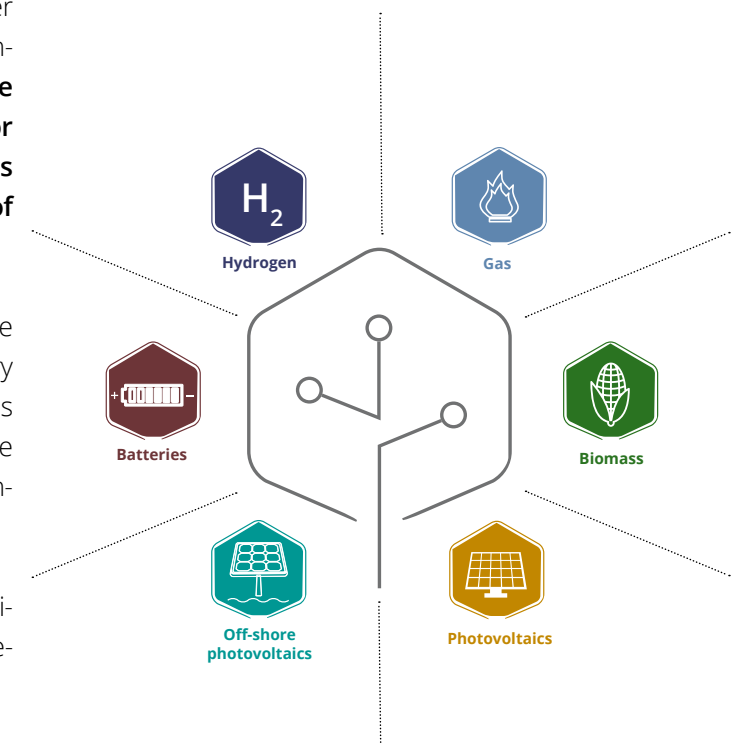
Sardinia presents a case in point of the complexity of the energy transition. Its geographic isolation greatly limited its development of energy infrastructures, preventing it from building a natural gas transport network and thus excluding it from the national methanization process.

Today, much of the electricity the island needs is generated by two coal-fired power plants operating under designated essential status, one of which is Fiume Santo. **Without the coal-fired power plants, we would be unable, at the present time, to meet the demands for energy and energy security of Sardinian households and businesses, and guarantee a minimum level of adequacy and security of the electricity system.**

The security of the island's energy system in the future electricity system will have to be guaranteed in every imaginable operating scenario, even under conditions of stress to the system, such as peak demand, absence of renewable energy production or failure of interconnections or transmission networks.

A tough challenge, not without risk, that requires imagining solutions for a type of energy that is not only greener, but also - and above all - programmable.

The phase-out of coal presents a challenge and a special opportunity for Sardinia not only from an infrastructural and technological standpoint but also from an employment and social perspective, given the sector's territorial relevance in terms of personnel employed and value generated.



²⁷ It should be noted that the project refers to EPH Biomasse Italia S.p.A., which is outside the reporting scope of the Financial Statements.

²⁸ World Economic Forum, *What hydrogen and the global energy transition mean for industry in 2022* (2022).



Officially presented to stakeholders at the Confindustria headquarters in Sassari in March 2023, **Fiume Santo Energy Park** envisages an **integrated and balanced energy mix** which will contribute to furthering the energy transition thanks to a production site based on state-of-the-art power plants and technologies, with a horizon of use of at least 20-30 years.

• **Up to 1,000 MW of renewable energy (photovoltaics, batteries, hydrogen, biomass) and low environmental impact (natural gas).**

The technological solutions proposed to produce electrical energy will be fully integrated with one another and will contribute in a concrete manner to meeting the expected requirements of Sardinia by activating virtuous cycles of circular economy.

• **A safe energy source for Sardinian households and businesses.**

For years now, the Fiume Santo industrial site has been an essential source of electricity for households and businesses in Sardinia. If developed further, the Fiume Santo Energy Park could continue to play this vital role, with even greater potential.

• **Up to €1 billion in investments.**

A unique energy project for the north of Sardinia. The scale of the investments that could be mobilized by this vision offers remarkable opportunities to boost Sardinia's economy.

• **Up to around 600 skilled jobs to accompany the implementation.**

The success of an ambitious project depends on the expertise and enthusiasm of the people working on it. Fiume Santo Energy Park intends to use a combination of cutting-edge technologies and, over the course of approximately 3 years, it could create up to 600 new highly-skilled jobs, with positive spin-offs on the entire supply chain and impact on the production fabric involved in the project's implementation.

• **Up to 300 full-time staff to ensure the operation of the plants.**

The project will make it possible to safeguard vital jobs in the area. Depending on the final set-up of the energy park, the management of the various plants may require, according to estimates, the professional services of approx. 300 full-time employees (greater impact on employment due to the possible biomass project).

• **An integrated project to reach the targets of the INECP.**

The proposed technological solutions will enable Sardinia to actively contribute to the attainment of national climate targets, promoting the development of integrated renewable energy capacity, increasing energy efficiency levels and reducing greenhouse gas emissions.

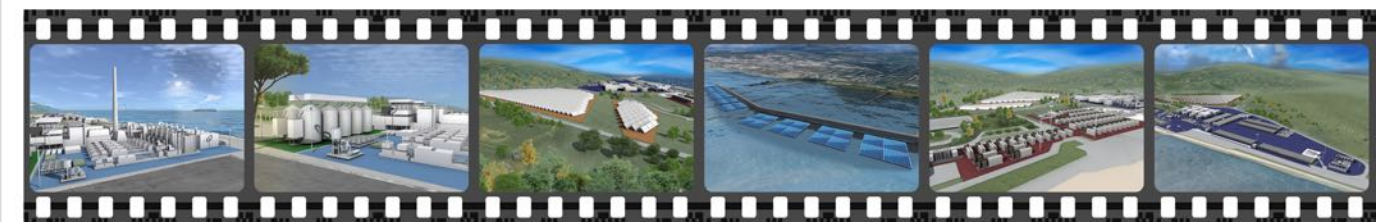
• **An innovative energy park at the cutting edge.**

Fiume Santo Energy Park will help preserve and cultivate the know-how built up over the years in the area. The integrated hub could enable the testing of new techno-

logies and sustainable solutions: a veritable research incubator for the energy transition where expertise on the energy of the future can be accumulated.

• **A circular economy and upgrading of the local area.**

The concept for the new energy park envisages the complete redevelopment of the areas already occupied by the existing Fiume Santo industrial park, in order to provide Sardinia with state-of-the-art energy production solutions. No additional space will be required.



Fiume Santo Energy Park

Watch the full video:
(Only Italian)

Emissions in the atmosphere

Key numbers

1990 to 2020

the emission factor for thermoelectric production national gross production has **decreased steadily**, with values ranging from 709.1 g CO₂/kWh to 397.6 g CO₂/kWh

the main reason is the increase in the share of gas natural gas and the increased efficiency of plants fuelled in this way.

In an environment characterized by increasingly stringent legislation and regulations, EP Produzione is constantly seeking new technical and organizational solutions to reduce the environmental impact of its activities, to the benefit of public health. Atmospheric emissions are the most significant environmental aspect issue for thermal power plants.

They are one of the main components affecting the **quality of the air**²⁹ depending on the source used. From 1990 to 2020, the emission factor for national gross thermoelectric production decreased steadily, with values ranging from 709.1 g CO₂ /kWh to 397.6 g CO₂ /kWh³⁰. This is mainly due to the increase in the proportion of natural gas used, and the greater efficiency of plants powered in this way.

The content of emissions from EP Produzione plants is made up of the typical products of natural gas combustion, and specifically:

- **CO₂** (carbon dioxide) - This is the primary product of fossil fuel combustion in addition to water vapor, and is directly dependent on the quantity and type of fuel burned. As such, if the energy produced and fuel used remain the same, the only means of reducing CO₂ is to improve the efficiency of the plant.
- **NO_x** (nitrous oxides) - These are combustion products that form following the oxidation of atmospheric nitrogen already present in the air.

- **CO** (carbon monoxide) - This is produced during transitional phases with sub-optimal combustion, but is at minimum level during normal operation: as such, it is regarded as an indicator of the completion of the combustion process.

- **Water vapour** - Visible at low temperatures in the fall and winter months.

Emissions into the atmosphere are monitored constantly using equipment that is checked and calibrated periodically, in accordance with quality criteria provided for by the ISO 14181 standard. The external laboratories designated to conduct controls are accredited by Accredia to perform the required monitoring activities, and all the **emissions are in compliance with the limits imposed by the AIA (Integrated Environmental Authorization)**. In order to understand atmospheric emissions data, production trends - in terms of operating speeds and the continuity of the production units - have to be considered. Higher speeds and greater continuity can lead to higher efficiency, but an increase in total CO emissions is evident due to transitory periods characterized by market-related switching on and off. The trend in **mass emissions** is closely linked to the general production data (indeed, emissions increase with the increase in energy produced) and the efficiency of the transformation process. **Specific emissions**, on the other hand, are emissions generated in proportion to the net energy produced and, as such, are a direct indicator of the efficiency of the processes in question.

MASS AND SPECIFIC EMISSIONS

Net energy produced (t)	2023	2022	2021	Δ 2023-2021
Net energy produced (GWh)	11,604.81	14,099.00	16,195.30	-28%
CO ₂	5,815.695.00	7,160,443	7,615,876.00	-24%
% from coal	40%	39%	28%	+12%
NO _x	2,010.20	2,659.10	3,181.00	-37%
CO	1,874.50	1,853.20	1,531.80	-22%
SO ₂ (Fiume Santo)	411.00	982.90	1,046.80	-61%
Dust (Fiume Santo)	66.90	57.80	93.30	-28%

²⁹ Air quality generally depends on the typical atmospheric and climatic conditions of the area, combined with the presence of sources of industrial pollution, vehicular traffic and heating plants.

³⁰ Report ISPRA 363/22 (2022).

Specific emissions (t/GWh)	2023	2022	2021	Δ 2023-2021
CO ₂	501.15	507.92	470.25	7%
NO _x	0.17	0.19	0.20	-12%
CO	0.16	0.13	0.09	71%
SO ₂ (Fiume Santo)	0.04	0.1	0.06	-45%
Dust (Fiume Santo)	0.006	0.0	0.01	0%

MASS AND SPECIFIC EMISSIONS – FOCUS ON COAL TECHNOLOGY

Mass emissions (t)	2023	2022	2021	Δ 2023-2021
Net energy produced (GWh)	2,422.58	2,842.00	2,369.00	2%
CO ₂	2,320,927.00	2,943,816.00	2,407,477.00	-4%
NO _x	920.10	1,198.00	1,471.00	-37%
CO	74.60	95.80	69.70	7%
SO ₂	411.00	982.90	1,046.80	-61%
Dust	66.90	62.70	93.30	-28%

Specific emissions (t/GWh)	2023	2022	2021	Δ 2023-2021
CO ₂	958.04	1,031.53	1,017.75	-6%
NO _x	0.38	0.42	0.62	-39%
CO	0.03	0.03	0.03	5%
SO ₂	0.17	0.35	0.44	-62%
Dust	0.03	0.02	0.04	-30%

NO_x emissions decreased by 37% between 2021 and 2023, while overall energy production decreased by a smaller amount (-28%), confirming the effectiveness of the technologies employed, which allow the machines to operate more efficiently.

Furthermore, despite the irregular operation of the plants caused by lower energy demand from the market, CO emission levels tended to remain constant in 2023.

Evolving legislation

In 2010, the European Commission issued a directive, the Industrial Emissions Directive or IED (2010/75/EU), to support the reduction of emissions from industrial installations.

The document, incorporating seven previous directives, came into force on January 6, 2011 and was adopted into national legislation by way of Italian Legislative Decree 46/2014.

The IED focuses on the “**BAT Conclusions**”, i.e. the best available technologies based on the performances they can guarantee, establishing a range of levels of permissible emissions for each of the sectors examined. The Directive enables the competent authority to set emission limits (and, as such, to establish the AIA conditions for plants) with reference to the BAT Conclusions.

Additionally, the Directive requires the competent authority to review the authorization conditions and amend them, if necessary, every four years after the publication of the BAT Conclusions in the Official Journal. On July 31, 2017 (implementing decision EU/2017/1442), the Euro-

pean Commission defined the best available techniques, with which all plants producing energy from conventional sources had to come into line within August 2021³¹.

The EP Produzione gas-fired power plants comply with the BAT Conclusions. In 2023, proceedings have been finalized for Tavazzano and Montanaso and Trapani. The BAT conclusions and the new authorizations have, therefore, forced the EP Produzione power plants to adapt to increasingly stringent emission limits, as shown in the table below.

POWER PLANT	PARAMETER	PREVIOUS AIA [mg/Nm³]	AIA IN FORCE [mg/Nm³]
Fiume Santo	SO ₂	200 (average over 48 h)	130 daily average - 120 annual average
	NO _x	200 (average over 48 h)	150 daily average - 140 annual average
	CO	50 (average over 48 h)	40 annual average
	Dust	20 (average over 48 h)	14 daily average - 10 annual average
Ostiglia	NO _x	30 (average per hour)	28 daily average - 27 annual average
	CO	30 (average per hour)	25 daily average
Livorno Ferraris	NO _x	30 (average per hour)	30 average per hour 25 annual average (since 2023)
	CO	30 (average per hour)	30 average per hour
Tavazzano and Montanaso*	NO _x	30 (average per hour)	30 average per hour
			29 daily average
			27 annual average
Trapani	CO	30 (average per hour)	30 average per hour
			25 daily average 20 annual average
	NO _x	50 (average per month)	45 daily average (since 2023) 40 annual average
			30 daily average

*The limits indicated only apply to Units 5 and 6. The new unit will be subject to different limits.

³¹ On January 27, 2021, the TAR (regional administrative court) of the European Union repealed the implementing decision (EU) 2017/1442 concerning the BAT Conclusions; despite this, the effects of Directive 2010/75/EU remain in place for a further 12 months, pending updates to the regulatory framework to replace it.

Energia, Persone, Passione

People

We believe in the value of people

#care#trust#teamwork

Health and Safety

- The HSE Commitment
- Key numbers
- Improvement Plan
- Safety Culture
- Promoting health
- Safety on worksites

The staff of EP Produzione

- Welfare
- Skill development

Diversity and inclusion

- The value of diversity
- Generational change

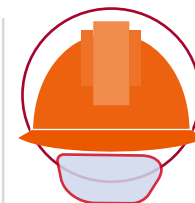
Health and Safety

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The HSE Commitment

EP Produzione's commitment

for the safety, care of the environment and health of people takes shape in a set of rules of awareness and responsibility.



We work safely

For EP Produzione, the health and safety of people represent essential values across all its activities.

The reference target is "Zero accidents": all types and forms of accidents and injuries can be prevented. The corporate culture has incorporated the following principles:

- To guarantee a safe and ergonomic work environment for all, that avoids causing harm of any kind to health and protects the psychological and physical well-being of people.
- To endorse all aspects of prevention, taking action with regard to the work environment and awareness of the risk to individuals, and believe that risk reporting is a key factor in preventing accidents.
- To require all collaborators, company employees and suppliers to look after one other and immediately interrupt any unsafe activity or work conditions.
- To promote improvement of workplace safety and health, inviting people to take an active role and engaging with the parties involved.



Care and respect for the environment

The ongoing commitment of EP Produzione is to monitor all environmental aspects via its activities, maintaining and improving the efficiency and performance of its electrical energy production plants:

- To use natural and energy resources in a mindful and sustainable way, in accordance with efficiency, affordability and quality requirements.
- To respect and have regard for the local area and biodiversity in the places where EP Produzione's power plants and infrastructures are located.

- To work on a preventive basis to minimize emissions and discharges at source, promoting the reduction, reuse and recovery of all forms of waste.
- To promote management measures and individual conduct oriented towards respect for the environment.



A 10-point pact

1. To work in accordance with the regulations in force to prevent all forms of "Toxic Action" while carrying out business activities.
2. To all serve as an example of prevention.
3. To be a sustainable business.
4. To avoid accidents of all kinds through accurate and ongoing risk analyses.
5. To systematically monitor environmental, process and performance parameters.
6. To establish clear roles and responsibilities within the organization.
7. To develop all workers' skills through constant training and exchange of information and operating experience gained.
8. To promote awareness and dissemination of experiences and results achieved at all levels, systematically analyzing all adverse events.
9. To regard mistakes as a source of learning and never hide them.
10. To work with suppliers that have a culture of prevention, quality and sustainability.

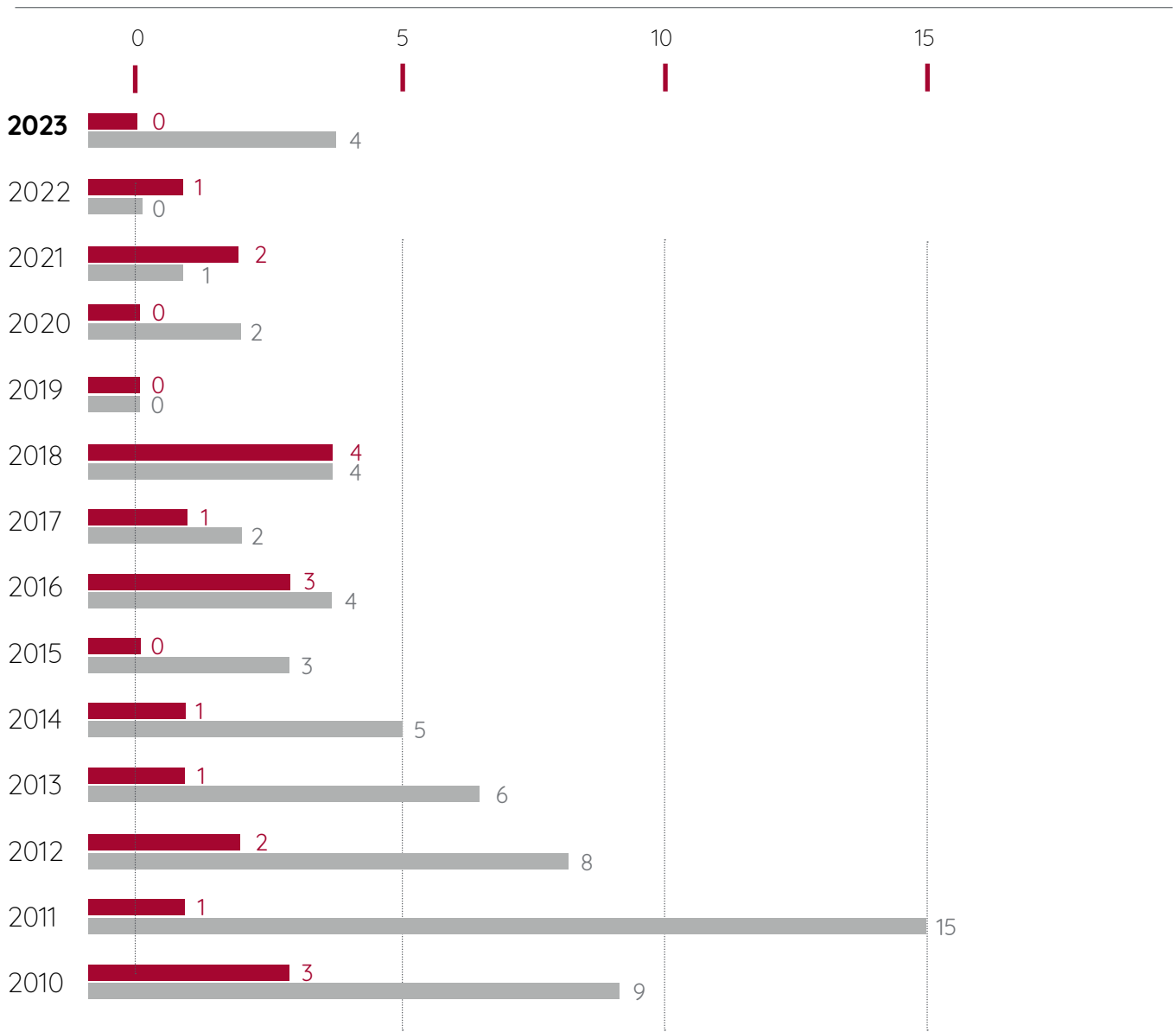
Key numbers

In 2023, EP Produzione reaffirmed its diligent **approach to risk prevention and its proactive HSE (health, safety, and environment) culture**. All preventive indicators exceeded the results of the 2022, giving an account of the effectiveness of this approach."

The overall accident frequency index (LTIF) was 1.1 per million hours worked, which accounts for both "core" activities related to power generation and the construction activities of the new CCGT units. A total of **3.7 million hours** were worked, which results in +41% compared to the hours worked in 2022 (amounting to 2.6 million).

LTI - Lost Time Injuries (Number of injuries requiring absence from work in addition to the day of the actual injury)

No. of accidents



■ Employees ■ Contractors

In operating power plants, the hours worked are in line with standard values (typically between 1.8 and 1.9 million per year between EP and contractor staff). The boom in activity occurred at construction sites, where the number of hours worked rose from 0.7 million in 2022 to 1.94 million in 2023, an increase of +181%, due entirely to activities performed by contractors and subcontractors.

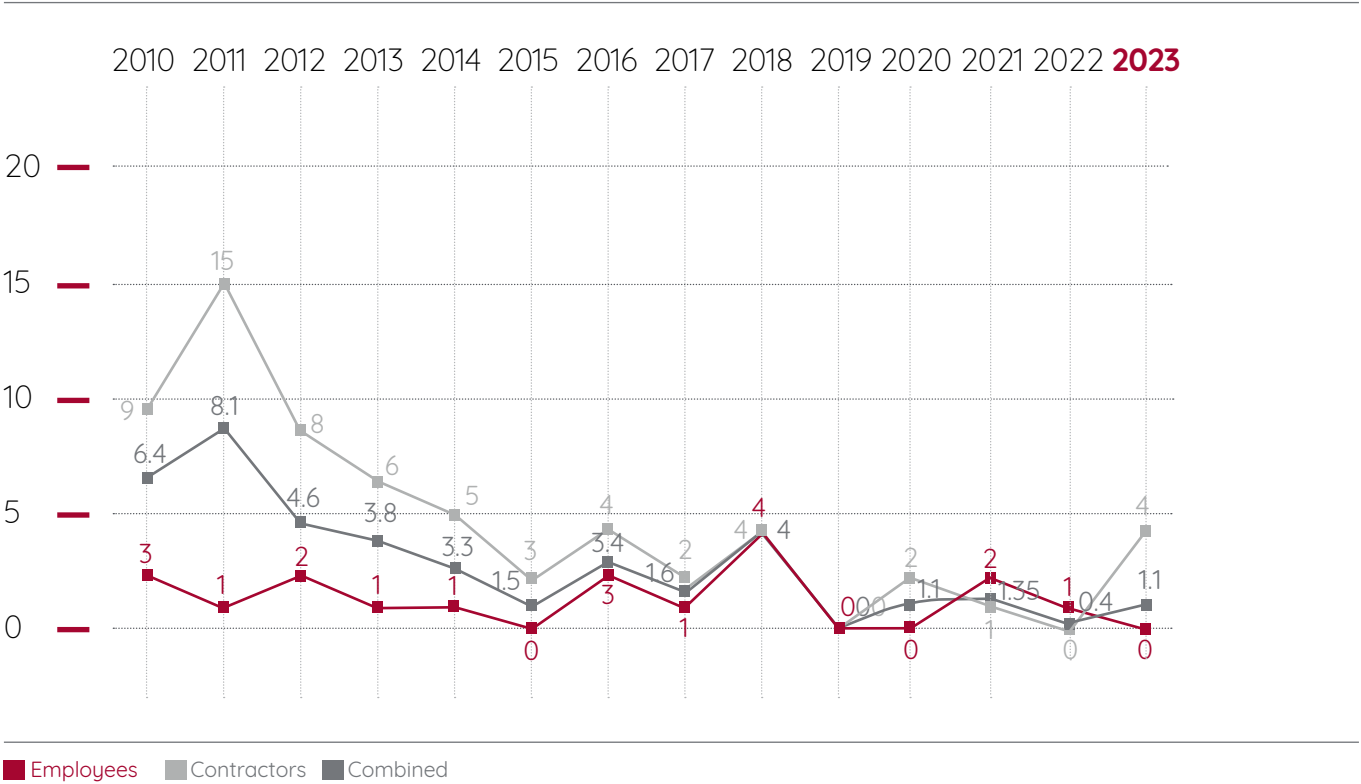
In the power plants in operation in 2023, no accidents occurred either to EP personnel or to our contractors. Unfortunately, this result was overshadowed by four accidents that occurred at the site of the new Tavazzano and Montanaso Unit. Three of these events had minor consequences for the injured persons (tripping and minor mechanical accidents), while one was classified as severe, involving crushed fingers with permanent damage.

For construction activities alone, the overall accident frequency index (LTIF) in 2023 stood at 2.1 accidents per million hours worked.

There were some Near Misses that were given special attention, analyzed and disseminated within the organization in order to improve prevention measures.

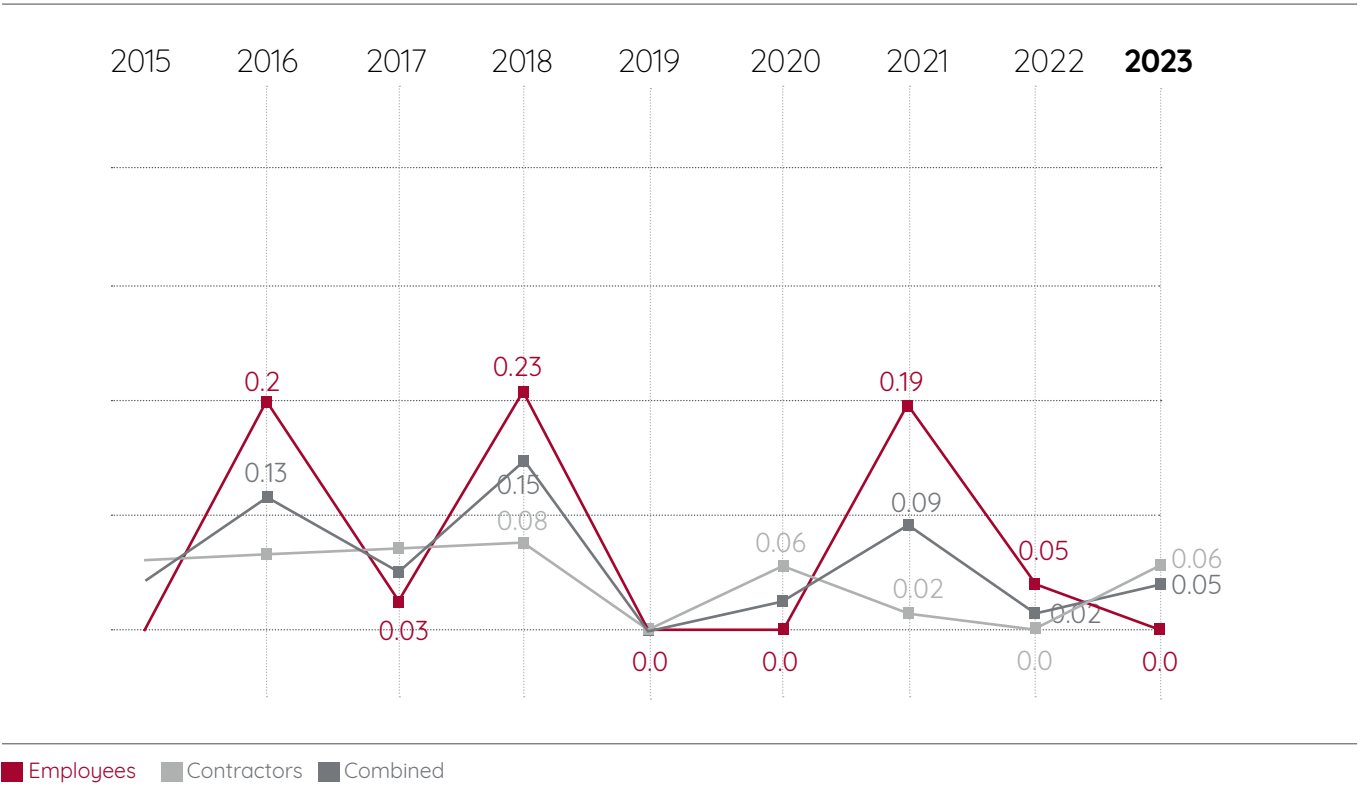
LTIF - Lost Time Incident Frequency (rate of accidents/million hours worked)

No. of accidents/million hours worked



■ Employees ■ Contractors ■ Combined

Gravity Index



Improvement Plan

EP Produzione's HSE culture is based on prevention and on striving beyond mere compliance. EP Produzione avails itself of external bodies to certify its commitment, beginning by assigning responsibilities to people in relation to Health, Safety and Environmental matters at all levels of the organization and also sharing experiences and best practices, with periodic reviews of the risk management models to progressively reduce tolerance limits.

To date, all of EP Produzione's power plants, i.e. the locations most at risk, are ISO 45001 certified, the international reference standard for occupational health and safety. Each power plant undergoes internal and external audits on an annual basis and at the request of each individual power plant. The staff areas, which mainly carry out press office activities at the Rome, Terni and Milan locations, are managed using procedures deriving from

the management systems, even although they do not possess dedicated HSE certifications.

EP Produzione's commitment to HSE matters translates into the 2022-2024 Improvement plan which defines the objectives that aim at the development of a health, safety and environmental culture and at minimizing operational risks in these areas, pursuing the activities started in the previous plan. The Plan acknowledges the close link between HSE and sustainability and underlines the crucial role the latter plays in safeguarding the health and safety of the employees and the environment in which EP Produzione operates.

The plan lays down the conditions to ensure a safe energy transition through three synergistic lines of action:

- **Strengthening HSE and sustainability culture**, through reinforcement initiatives and the use of systematic methods, learning from positive and negative experiences within and outside the company, and working in close cooperation with suppliers to improve their HSE performance.
- **Confirming the horizon of zero accidents in operating plants and among the staff of the various locations**, with the consolidation of Asset Integrity management, including natural hazards, reinforcing control over the most severe risks and progressively adopting digital tools to support HSE performance.
- **Promoting HSE management in the new capacity projects**, through solid project organization to manage HSE issues, drafting training plans and drawing in all the people involved. This is also achieved by imposing system procedures on the projects, transferring experiences gained during the construction of the new units and drawing inspiration from external best practices.

The plan was positively implemented in 2023 with a high degree of achievement of objectives. Each power plant developed its own tailored improvement plan, integrating site objectives into the Group plan.

The main HSE actions addressed issues such as generational turnover, with particular attention to new hires and their trainers, the development of health promotion plans for all power plants, and the deepening of HSE training (e.g., scaffolding, qualified supervisor at Fiume Santo).

In terms of communication, campaigns were run for employees' children in Scandale, as well as the "7 traps" campaign aimed at construction sites, and events were held for World Safety Day. Other initiatives included enhancing digitalization with an app for reporting, and ongoing collaboration with schools and universities.

Safety Culture

More than 2,000

le Safety Walks & Talks in 2023,
113% more than in 2022



EP Produzione believes that a safety culture is fundamental for the protection of its people and to get the best out of its business. This awareness underpins everything we do at EP Produzione, summed up neatly in the motto **#abbicura** (take care). In order to keep the spotlight on these issues, EP Produzione regularly organizes **Safety Hours** during which HSE is discussed openly with all its

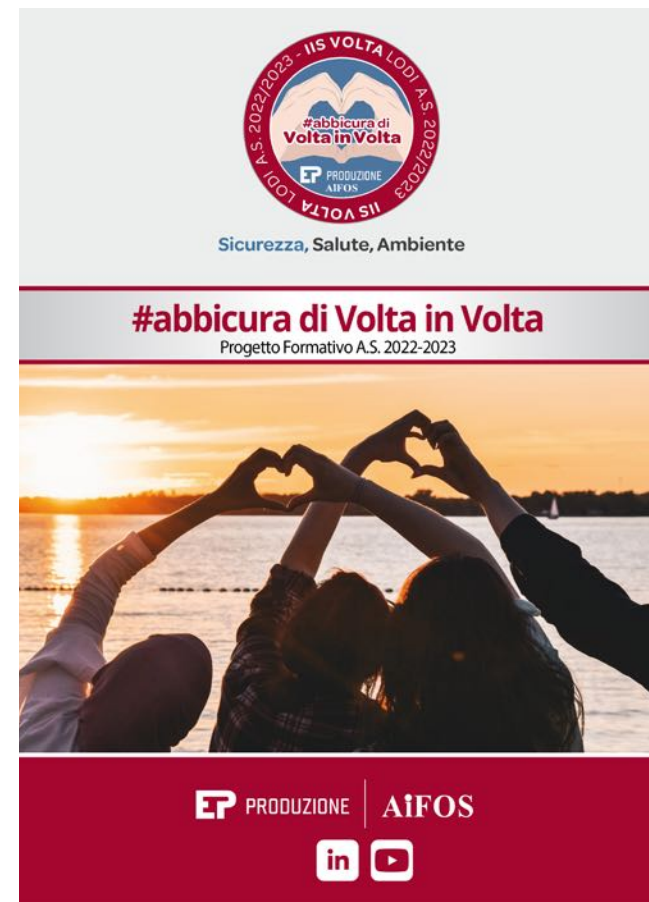
collaborators, and **Safety Walks & Talks (SWT)**, i.e. on-site inspections aimed at identifying risks or recognizing good practices through an informal dialog between those who organize the SWT and those who attend it.

INITIATIVES (h)	2023	2022	2021
Safety Hour (no.)	38	29	19
Safety Walks & Talks (no.)	2,171	1,017	709

In 2023, EP Produzione renewed its **health and safety training for its employees**, which is scheduled annually, based on specific needs, totaling **more than 10,000 hours of dedicated training**. The courses covered a wide range of topics, such as subcontracted activities, ESG issues, regulatory updates on fire safety inspections and the management of the role of the workers' safety representative. The year's innovations included specialized training on preventing violence and harassment in the workplace, based on risk assessments conducted in 2022. Additionally, a series of HSE webinars were organized for new hires, along with a technical training course on scaffolding, which included both an in-depth theoretical session and a practical on-site session.

With the aim of spreading the culture of safety among young people and offering value to the local territories and communities that host its power plants, **EP Produzione engages in various initiatives with schools and institutions**.

In 2023, collaboration between the Tavazzano and Montanaso Power Plant, the "A. Volta" IIS of Lodi, and AIFOS continued for the 4th consecutive year, as part of the civic education program. Following the success of the School-Work alternation projects and the "Caccia all'Insidia" (Hazard Hunt), "sVolta verso la Sicurezza" (Turning Towards Safety), and "In soccorso a tua Volta" (To your aid in turn) initiatives, the new training program, titled **"#Abbicura di Volta in Volta"**, was launched. The project in-



volved a total of approximately 140 students from across six third-grade classes, and is intended to serve as the first step in a three-year development path focused on the importance of HSE issues in both work and private settings. The 2023 program focused on emergency management, with subsequent years addressing health and environmental themes respectively.



Once again, this year EP Produzione celebrated the **World Day for Safety and Health at Work** which occurs on 28 April each year, promoted by the International Labor Organization (ILO). In order to involve employees and suppliers in a constructive dialog on prevention and promotion of safety, a set of events titled **"Let's discuss on #heart #health #safety #generational change."** were organized across all EP Produzione sites. These four words highlight crucial aspects that each site must prioritize.

- The term **#heart** not only symbolizes the passion characterizing EP Produzione employees' approach to work, but also signifies a commitment to actions aimed at cardiovascular prevention.
- **#Health** lies at the core of activities promoted in line with corporate coordination, encompassing preventive measures for osteoarticular, musculoskeletal, and cardiovascular health, as well as non-communicable diseases.
- **#Safety**, a fundamental value for EP Produzione, serves as the cornerstone of all company activities, ensuring a secure and protected work environment.
- Lastly, the theme of **#generational change**, currently of relevance at the facilities, has been introduced to raise awareness among all employees about the importance

of transferring experience from senior staff to younger colleagues, developing professional skills, and carefully guiding the company's demographic transformation

Over the course of the year, the **Scandale Power Plant** launched a new communication campaign focused on health and safety, featuring the **children of some employees** on two large posters. Equipped with safety vests and helmets, these "little workers" urge the audience to always prioritize safety, in a simple, clear message that touches the emotional chords.

In 2023, with a view to continuous improvement in operational and emergency safety management, a series of informative meetings were held for the **Fire Brigade personnel of the Livorno Ferraris branch** (Fire Department Command of Vercelli) at the Livorno Ferraris Power Plant.

These visits aimed to further their knowledge of the site and were followed by a joint exercise involving simulation of an internal emergency, organized with the support of the Fire Department Command of Vercelli and the participation of its personnel. In the context of spreading fire safety culture, this activity also helped improve the Internal Emergency Plan.

Promoting health

Since 2023, all EP Produzione sites have established and implemented a health promotion plan developed within the framework of the Committee of coordinating competent medical professionals.

Specifically, during the year, specific actions were identified to:

- Promote the health and well-being of workers, focusing especially on turnover processes and the aging workforce.

- Monitor the company's morbidity index for future identification of possible areas for improvement.
- Reinforce the company value of #Abbicura to keep people at the center and create positive feedback loops.

Safety on worksites

Plant maintenance, construction and demolition operations must be planned in advance and in every detail. Safety is a constant priority in all activities contracted out to third parties, given the many different types of hazards to which workers may be exposed, such as lifting, working at heights or in confined spaces, and electrical work.

EP Produzione's strong approach to worksite safety revolves around the following key principles:

1. Dissemination of EP Produzione HSE approach, in the site via the motto #abbicura, Safety Hour, Communication and Involvement Plan, Accident Management Procedure.

2. Organization and expertise through EP Produzione staff.

3. Procedures and documents, such as: PSC - Piano di Sicurezza e Coordinamento in Cantiere (Worksite Safety and Coordination Plan) POA - Piano Operativo Ambientale (Environmental Operations Plan) and PMA - Piano di Monitoraggio Ambientale (Environmental Monitoring Plan); COVID protocols, Risk control operating procedures.

4. Continuous control system through: daily checks performed by the EP Produzione team on site; Safety Walks & Talks provided by management, visitors and other workers; HSE audit plan.

Beyond strict compliance with regulations, the worksites also implemented EP Produzione's methods in 2023 in terms of health and safety, by developing and providing safety hours and safety walks. In light of the 4 accidents recorded during the year at the new unit in Tavazzano and Montanaso, various response measures have been implemented following in-depth analysis of their respective causes.

The safe behavior incentive program continued at the construction site of the **new production unit at the Tavazzano and Montanaso Power Plant**. The plan is part of the **"Diventiamo giganti della sicurezza"** (Let's become safety giants) workers' communication engagement plan, organized in collaboration with Ansaldo Energia, to sustain positive safety dynamics on the worksite; workers who stand out for their diligence and good safety behavior are periodically awarded for their efforts.

At the construction site of the new unit in Ostiglia, the **"Zero Harm Program/Lavoriamo per ZERO infortuni e ZERO incidenti"** safety initiative was launched. A five-point safety pact signed by the client and employers of contracting companies, the initiative includes a Bonus/Malus colored card system, with "green cards" issued to reinforce safe behaviors and yellow/orange/red penalty cards to deter hazardous behaviors and situations.



An exchange was organized during the year to transfer best practices and lessons learned from the construction sites of the new units in Tavazzano and Montanaso and Ostiglia, both nationally and internationally.

Both sites hosted colleagues from EPUKI, the EPH company based in the United Kingdom, and organized discussions during which experiences, methodologies, and strategies for improving workplace safety were shared.



THE "7 TRAPS"

The "7 Traps" (7 insidie) are the so-called top risks in the workplace: suspended loads, driving vehicles and machinery maneuvering, fires and explosions, invisible hazards, work at height and in confined spaces.

Considering the significant number of individuals who have recently started working with and for EP Produzione, a 2016 campaign was resumed and reintroduced in 2023 in order to raise EP Produzione's safety awareness across two business areas in which the target audience was not familiar with its messages: contractors on worksites and new hires.

Hazard posters have been displayed and discussed extensively with workers at construction sites, while for new hires, these hazards are incorporated into regular HSE webinars.



THE 7 TRAPS

1. suspended loads
2. driving vehicles
3. machinery maneuvering
4. fires and explosions
5. invisible hazards
6. work at height
7. confined spaces

The Staff of EP Produzione

[GRI 2-7] [GRI 2-30] [GRI 3-3] [GRI 404-1] [GRI 404-2]

Personnel composition

EP Produzione's
group count on
517 people

As at 12/31/2023, the EP Produzione Group has a staff of 517 people, almost all of them on permanent contracts. This includes 158 staff positions, most of whom are based at the Milan, Rome and Terni offices, while another 358 workers are distributed across the various power plants.

Although the majority of the workforce at the power plants is male and the average age is rising, the percentage of roles covered by the female population has increased to 40%, and 64% of the population is under 50 years of age.

Throughout the year, 38 people left the company mainly due to retirements, alongside 44 new hires, 55% of whom were under 30 years old. By the end of the year, the overall turnover rate was 7%, two percentage points higher than the previous year.

All EP Produzione employees are subject to a national collective labor agreement (National Collective Labor Agreement for the electrical sector and National Collective Labor Agreement for Industrial Executives for managerial staff).

DISTRIBUTION OF PERSONNEL	2023	2022	2021	Δ 2023-2021
Fiume Santo	184	187	192	-4%
Livorno Ferraris	33	32	32	3%
Ostiglia	64	60	58	10%
Tavazzano and Montanaso	74	72	66	12%
Trapani	3	3	3	0%
Staff ³²	159	157	144	10%
Total	517	511	495	4%

DISTRIBUTION BY AGE	<30 years	30-50 years	>50 years
Staff	14	87	58
Power plants	24	84	250
Total	38	171	308
% on total	7%	33%	60%

DISTRIBUTION BY GENDER	Male	Female
Staff	95	64
Power plants	341	17
Total	436	81
% on total	84%	16%

³² Staff personnel includes people on secondment from the company Fiume Santo to EP Produzione for the decommissioning of Units 1 and 2.

Welfare

In 2023, EP Produzione renewed its offer of goods and services covered by the company welfare program, **EP People**. Thanks to a consolidated network of partners scattered throughout the territory, the program offers more than **100,000 goods and services** to help employees during their leisure time and holidays, reimbursements for school attendance, babysitting.

In July, the collective agreement on the **Performance Bonus** was renewed for the 2023-2025 three-year period. This bonus can be converted into welfare goods and services included in the EP People program. Thanks to the specific union agreement on conversion of the Performance Bonus, employees can benefit from a significant economic advantage, as EP Produzione grants them an additional contribution equal to **18% of the converted amount**, thereby increasing the available “welfare credit.” Additionally, employees enjoy a tax exemption on the bonus amount, as provided for by law.

To ensure that employees fully understand and optimally utilize the benefits resulting from conversion of the Performance Bonus, EP Produzione organizes a dedicated training session each year. In 2023 for the first time, a consultant attended the Fiume Santo, Tavazzano and Montanaso Power Plants and the Rome headquarters in person, to respond to doubts and questions regarding the program.

Additional measures to protect the health of EP Produzione's people include **occupational and non-occupational accident policies, and life insurance** under the National Collective Labor Agreement (CCNL) for the Electricity Sector. The Group's Long-Term Care initiative continued in 2023, entailing insurance coverage for all its employees to cover the loss of self-sufficiency, i.e. the inability to perform the normal functions of daily life and self-care independently due to illness or accident.

Skill development

In 2023, over **27,000 training hours** were provided, equating to an average of 52 training hours per person (+44% compared to the previous year). 34% of the hours were dedicated to health and safety topics.

Particular emphasis was placed on improving technical and specialist skills and on the development of managerial competencies. These competencies form the foundation on which HSE, sustainability and innovation are built, and include topics such as Mindfulness, leadership management in a hybrid work environment (involving both physical presence and smart-working) and a dynamic, technology-influenced environment, providing notions and tools to effectively prevent and manage so-called technostress.

In addition to these programs, EP Produzione offers ongoing training through Udemy, an e-learning platform with which it entered into an agreement in January 2023. This platform provides access to up to 24,000 courses tailored to various professional needs. Finally, to promote professional growth and enhance employee retention, EP Produzione encourages internal mobility through job rotation and internal job posting programs.

TRAINING HOURS	2023	2022	2021	Δ 2023-2021
Total	27,613	19,655	15,300	80%
Average per capita	52	36	31	67%

TRAINING BY AREA (% HOURS)	2023	2022	2021
Managerial	8.7%	2.8%	2.5%
Linguistics	5.3%	6.0%	3.0%
Informatics	6.1%	12.0%	14.6%
Technical-specialist	47.7%	33.4%	19.5%
Environmental	0.9%	1.8%	4.1%
Health and Safety	33.1%	44.0%	56.3%



FOCUS ON SUSTAINABILITY

Sustainability is a challenge that concerns everyone, particularly the energy sector, which is responsible for a quarter of global greenhouse gas emissions³³. Addressing it requires a thorough understanding of its various dimensions - economic, social, and governance - and the adoption of a responsible long-term approach, both individually and at a corporate level.

From this perspective, in March 2023, the Scandale Power Plant organized dedicated training on sustainability.

The initiative at Scandale is part of a broader training path, dedicated to sustainability and aimed at the organization's frontline workers and an inter-functional working group, intended to lay the groundwork for a true task force. In 2022, the program involved a total of 52 employees and 27 hours of training.

³³ McKinsey & Company, Global Energy Perspective 2023: CO₂ emissions outlook, 2024.





Energia, Persone, Passione

Diversity and inclusion

The value of diversity

1 out of 3
women in managerial positions
in staff functions

20%
female hires in 2023
out of a total of 44 new hires

EP Produzione believes in the importance of promoting **a corporate culture based on inclusion and the appreciation of diversity**, to encourage the integration of differences within work teams, encouraging individuals to be themselves and teams to recognize enrichment in diversity. From this perspective, a series of initiatives on the theme of diversity and inclusion have been launched, focusing on two key aspects: gender equality and generational change.

In 2023, EP Produzione chose to focus in particular on the issue of gender equality and ran a series of initiatives in this area.

Throughout the year, the company joined the **Valore D network**, the first association of companies aimed at promoting gender balance and an inclusive culture. The collaboration provided EP Produzione employees with the opportunity to be directly involved, through the Valore D Academy, in webinars and specific activities on the topic of diversity and inclusion.

In particular, a dedicated training program was offered to selected talent, delving into various themes: from corporate welfare to employee and collaborator well-being, from work-life balance to gender stereotypes, covering disability and smart working. In total, employees benefited from 119 hours of comprehensive training. Furthermore, within the virtual space of the Valore D Community, EP Produzione can share best practices on diversity and inclusion within the network and engage in dialogue with other companies on these topics.

EP Produzione also joined **MYLIA's Diversity, Equity & Inclusion** program, the Adecco Group brand focused on training and development. All interested colleagues were offered the opportunity to attend a free, 9-hour online webinar, divided into four sessions and focused on primary diversity and inclusion factors such as age, gender, and origin. In addition to the training partnerships with Valore D and MYLIA, EP Produzione organized an internal training program dedicated to diversity and inclusion, open to all employees.

This training program addressed a variety of topics related to various forms of diversity, including gender, age, and disability.

To promote work-life balance and gender equality, in 2023 EP Produzione established an additional remote work agreement- for a total of 20 days per year - intended for parents with children under the age of 3. Additionally, the company introduced a part-time contract aimed at encouraging women to re-enter the workforce after maternity leave.

+ INCLUSIVE LEADERSHIP

The "inclusive leadership" approach **values and encourages active participation and involvement of individuals from diverse backgrounds**, respecting their perspectives and ensuring that everyone has equal opportunities to contribute and develop.

In 2023, EP Produzione devoted particular attention to this issue, launching a **specific 12-hour training program on inclusive leadership aimed at female executives at the company**. Following the training, a follow-up session was scheduled with the aim of capitalizing on the experiences, developments, and actions implemented by each participant. Additionally, the theme was at the center of the "Come Vendere l'inclusività" episode of the "Women in Lex" podcast, where Alessia Serena, Head of People Development and Organization at EP Produzione, explored the opportunities arising from the adoption of this approach.

Generational change

+24

new hires under the age of 30 in 2023, accounting for 55% of total hires

3 days

dedicated to the onboarding program **EPP Next** for each new hire

The theme of generational turnover is particularly relevant for EP Produzione. 60% of the current population is over 50 years old, and it is estimated that in 5 years, approximately 48% of operational staff and 44% of line managers will be retired or nearing retirement. Faced with this challenge, in 2023, the company organised a series of targeted initiatives to strengthen its position on this issue.

In May 2023, the new **"Onboarding Program"** was launched: a structured process of integration and inclusion designed to welcome new resources and provide them with all the tools required to feel part of the team immediately. In addition to the welcome kit and a dedicated session with their manager, the program involves assigning each new hire to a colleague, called a "buddy," who guides them in navigating the company and defining their goals. Additionally, new hires have the opportunity to attend training courses via the Udemy platform to develop the necessary skills for success in the company. Furthermore, there are tailored training sessions based on the specific role requirements.

To ensure continuous dialogue, EP Produzione established **four feedback sessions** involving the new hire, the direct manager, and the HR team. These meetings occur one week after the candidate is hired, midway through the probation period, at the end of the probation period, and after one year of work, to assess career progress and identify any areas for improvement.

EPP Next, an integral part of the onboarding process, also continued this year, with initial orientation activities to familiarize new hires with the organization's structure, culture, vision, mission, and values. The program con-

sists of three sessions per year for new hires, aimed at facilitating interaction among new resources distributed across different power plants and providing insight into the business of the power plants. **In 2023, two EPP Next sessions were held, each lasting three days, at the Livorno Ferraris and Tavazzano and Montanaso power plants.** In addition to team-building activities, both sessions featured exceptional guest speakers. At Livorno Ferraris, the participants heard from Manuel Bortuzzo, a Paralympic swimmer. At Tavazzano and Montanaso, it was the turn of Giulia Pedretti, a young entrepreneur from Brescia, recognized by Forbes on the 2022 list of the most innovative under-30s in Europe.

In 2023, the specific training program for new hires launched the previous year at the Tavazzano and Montanaso plant was extended to the Ostiglia plant. In addition to covering the mandatory safety aspects, this program also includes **technical training**, divided into theoretical and practical lessons, given by dedicated external lecturers and internal tutors. Through this initiative, young hires have the opportunity to accrue comprehensive knowledge of both existing power plants and new power plants in the pipeline.

Talent4Energy, a program dedicated to young talent with the goal of developing skills in various departments of EP Produzione, was launched. The program allowed participants to choose from three three-year pathways: the Technology track, aimed at developing skills in power plants; the Finance track, focusing on skills in the Tax/Accounting and Control departments; and the Energy track, aimed at developing skills in Back Office, Energy Management, and Business Development departments.

EP Produzione has also worked on **"Train the Trainer"**, a program to be launched in 2024 to provide senior colleagues with tools to effectively train new talent. With a view to empowering managers and executives to become agents of change, fostering the process of change towards an increasingly inclusive corporate culture, a dedicated training initiative was launched for a selected group of executives from various areas and plants. The modular program focused on three key themes:

- **Change management (12 hours of training):** aimed at supporting the enhancement of a managerial style that guides resources through change.
- **Attraction and retention (12 hours of training):** to define an inclusive and diversity-oriented selection, hiring, and resource management process.
- **Inclusion (8 hours of training):** to generate concrete and shared ideas to drive transformation, involving the entire company population.

Still from the perspective of getting to know the new generations, EP Produzione works with the university sector in the search for new qualified resources, eager to enter the world of EP Produzione. The company participated in career days at the University of Rome Tor Vergata, the Politecnico di Milano, and the Politecnico di Torino. Additionally, it took part in the Career Fair organized by the Politecnico di Bari, an online recruiting event that allowed the Human Resources team to virtually meet numerous students, graduates, and doctoral candidates from the university.

Furthermore, as part of the collaboration between the Ostiglia plant and the I.I.S.S Galileo Galilei in Ostiglia, EP Produzione participated in the 2nd edition of the "Galilei Orienta" event. On this occasion, the company met with 5th-year students from the institute, discussing the most in-demand professional profiles and answering their questions and inquiries. EP Produzione is also present on **Joinrs**, an online platform that facilitates digital meetings with university students and recent graduates for the purpose of their inte-

gration into the company. This tool allows the company to gain greater visibility among younger generations, constituting an effective additional channel for recruiting.



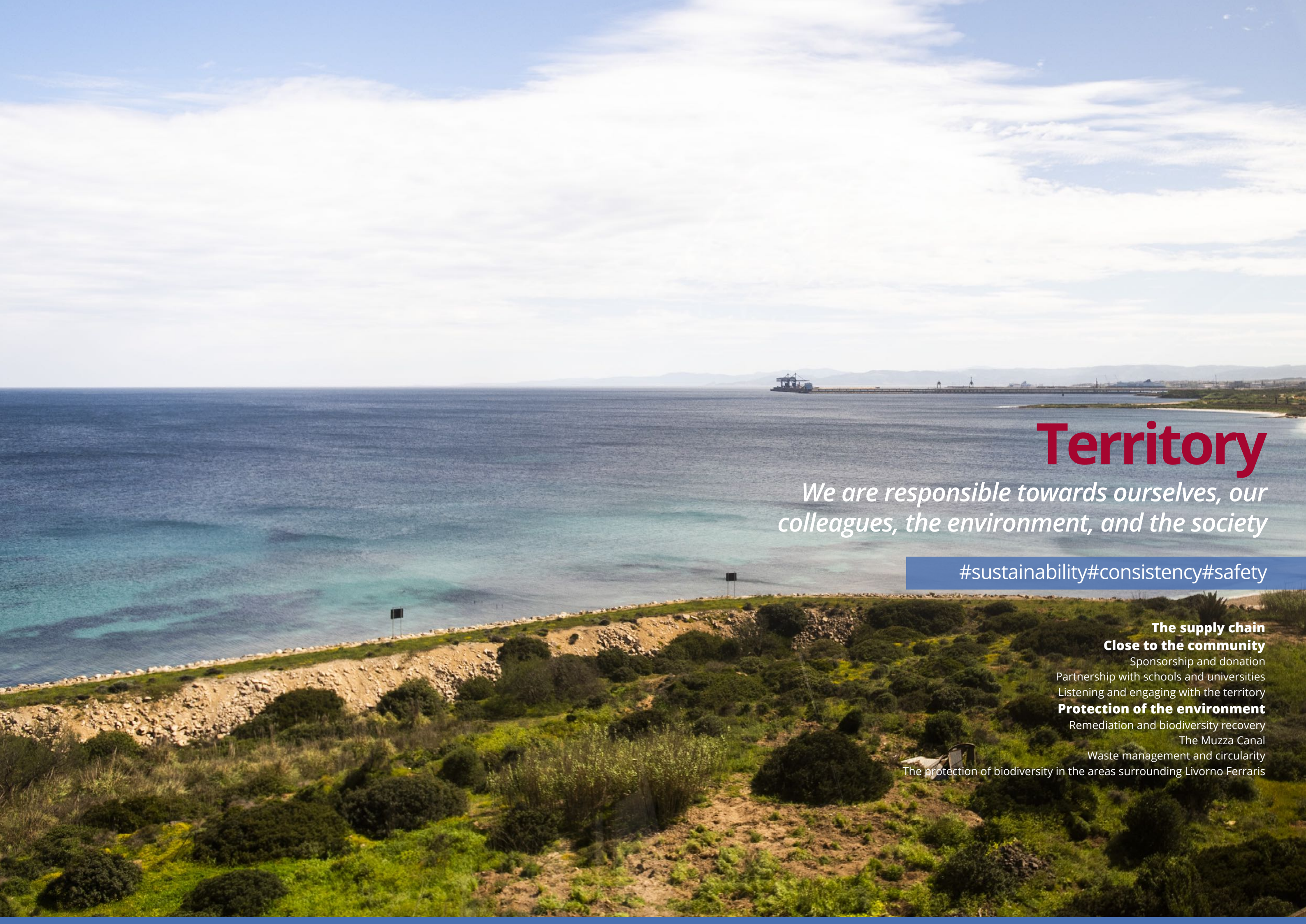
FOCUS ON HEALTH AND SAFETY

EP Produzione recognizes the importance of promoting a culture of health and safety that takes into account the ongoing generational change. In keeping with this principle, the **Generational Change HSE Action Plan** was developed in 2023, involving implementation of targeted initiatives in three areas: dissemination of the HSE culture, management of skills among new hires and those changing roles within the company, and promotion of health in the aging population.

In the context of EP Produzione's commitment to this issue, a series of projects were launched throughout the year. These included a cycle of **"HSE Webinars for New Hires"**, an annual training program run and managed entirely by internal resources which aimed to transfer the unique aspects of the HSE culture and risk management learned and developed over the years, now the company's knowledge asset.

At Tavazzano, the **"Integral Safety Journey"** project focusing on generational change was completed, with the first phase involving an investigation into health and safety-related risks. During a specific safety hour, the results of the study and initial interventions to address the situations identified were presented.

Furthermore, events on the theme of generational change were organized in all power plants to mark **World Day for Safety and Health at Work**, in the form of safety hours and dedicated meetings. In particular, employees at the Fiume Santo plant watched the theater short film "Human Chain" by the Rossolevante company, specifically focused on the theme of generational change.



Territory

We are responsible towards ourselves, our colleagues, the environment, and the society

#sustainability#consistency#safety

The supply chain

Close to the community

Sponsorship and donation
Partnership with schools and universities
Listening and engaging with the territory

Protection of the environment

Remediation and biodiversity recovery
The Muzza Canal
Waste management and circularity
The protection of biodiversity in the areas surrounding Livorno Ferraris

The supply chain

[GRI 3-3] [GRI 204-1]

Partnerships of trust

+40%

the portion of expenditure in 2023
whose value remained in the territory

In order to guarantee the total **reliability of its purchasing processes**, EP Produzione carefully assesses its suppliers on the basis of their strength in terms of reputation, respect for the values expressed in the Code of Ethics, price/quality ratio of the services offered, guarantees of assistance and technical-professional qualification, with a special focus on health and safety and the guarantee of equal opportunities.

At the contract performance stage, EP Produzione carries out careful **monitoring and assessment of supplier performance** directly involving the power plants or site offices. The company is, therefore, able to assess the effectiveness of the service provided and pinpoint potential areas for improvement. Against a backdrop of crisis and price volatility, the Group ramped up its assessments of its **suppliers' economic and financial viability** during the 2023 qualification phase, with the aid of CERVED tests and detailed analyses of the available financial statement ratios.

In 2023, **there were 1,173 active suppliers**, with total expenditure exceeding €104 million (excluding fuel costs). More than 40% of this value remained within the

local area (approximately €38 million), thanks to collaboration with local firms and professionals³⁴.

The increase in inflation and renegotiation of the National Collective Labor Agreement (CCNL) for Metalworkers triggered a series of requests for tariff and price adjustments from suppliers, especially those operating in the maintenance sector.

Despite a decrease in the percentage of local spending due to the reduction in ancillary projects related to the construction of the two new plants, which peaked in 2021 and 2022, the company continued to prioritize local supplies in 2023. To protect the employees of local firms, EP Produzione includes **a social clause** in its service contracts, requiring incoming suppliers to hire workers from the replaced firms, especially when the company is the main client. This way, all small businesses growing alongside EP Produzione are protected, ensuring employment and continuity. Furthermore, continuity was maintained with local suppliers for whom, following cross-analysis of balance sheets and accounting elements, a strong dependence on EP Produzione was identified. After verifying their financial solvency and the appropriateness of prices, it was decided to proceed with continuity.

DISTRIBUTION OF EXPENDITURE BY CATEGORY

	2023	2022	2021
Manufacturers of primary machinery	20%	35%	45%
Maintenance	38%	37%	33%
Replacement parts	15%	5%	6%
Environmental services	10%	6%	6%
General services	13%	9%	9%
Chemicals	4%	8%	2%

EXPENDITURE INTENDED FOR LOCAL SUPPLIERS*

	2023	2022	2021
Fiume Santo	42%	43%	39%
Livorno Ferraris	6%	7%	6%
Ostiglia	51%	82%	62%
Tavazzano and Montanaso	67%	67%	82%
Trapani	25%	40%	23%
Scandale	33%	21%	11%

*of total supply expenditure of each power plant

³⁴ For each power plant, companies located in the following regions and provinces were considered as local suppliers: Fiume Santo (Sardinia), Tavazzano and Montanaso (Lodi, Piacenza, Cremona, Milan, Pavia, Bergamo, Monza), Livorno Ferraris (Vercelli, Novara, Turin, Alessandria, Ivrea, Biella, Asti), Ostiglia (Mantua, Ferrara, Rovigo, Verona, Modena, Reggio Emilia), Trapani (Sicily).

Close to the community

Sponsorships and donations

2016-2023

EP Produzione is Gold Sponsor
of Dinamo Sassari

EP Produzione contributes to growth and the creation of value in the communities where it operates, not only by providing jobs and prioritizing local suppliers, but also by returning value to these territories and strengthening the bond of mutual trust with them. This is why, also in 2023, the various power plants organised a variety of initiatives in cooperation with local institutions and associations.

Energy and Sport

For the ninth consecutive year, **EP Produzione is the Gold Sponsor of Dinamo Sassari** in the 2023/2024 national LBA Serie A championship. The partnership strengthens the **"Energy and Sport Duo"** that is based on shared values and principles, such as support and belonging to one's home territory, but at the same time the spirit of renewal to cope with difficulties.

In Sardinia in 2023, the **Fiume Santo Power Plant** participated in the ministerial tender for financing the **renovation of the sports facilities of the Torres Calcio football field**, a football club based in Sassari.

In keeping with previous years, the **Tavazzano and Montanaso Power Plant**, chose to sponsor the **Amateur Sports Association (ASD) Villatavazzano 1957**, whose football team has been active in the area for over 50 years. Finally, the Scandale Power Plant contributed to supporting local sports activities by offering assistance to both the ASD Martial Arts, based in Rocca di Neto, and the ASD Academy Scandale, a youth football school, for the 2023-24 football season.

Supporting the local areas

In 2023, EP Produzione provided concrete support to **communities affected by flooding in Emilia-Romagna and Marche**. Employees had the opportunity to contribute to the cause by donating the equivalent of their working hours, totaling approximately **329 donated hours**. To reinforce the solidarity value of this initiative, EP Produzione and its subsidiaries and investee companies contributed an amount equal to that raised by the workers. The funds, collected voluntarily following an initiative by Confindustria and CGIL-CISL-

UIL, were allocated to the Agency for Territorial Security and Civil Protection of Emilia-Romagna and contributed to managing the activities of securing the affected areas and subsequent reconstruction, ensuring transparent reporting of all activities.

Each power plant also organized specific initiatives in the areas where it operates. The **Ostiglia Power Plant** renewed its three-year sponsorship of the theatrical season at the **Teatro Sociale**, while the **Scandale Power Plant** contributed to various charitable causes, including supporting the organization of a pilgrimage to Lourdes and providing assistance to **Parent Project**, which supports families of children with muscular dystrophy. Additionally, the plant supported the "Estate Scandalese 2023" and the celebration of the feast of Madonna del Condoleo at the San Nicola Parish in Scandale.

The **Tavazzano and Montanaso Power Plant** sponsored the **"POIESIS Poetry Music Theater"** cultural project organized by the "Presidio Poetico" social promotion association, which involves the staging of three original productions at the Teatro Nebiolo in Tavazzano.

The **Livorno Ferraris Power Plant** made a voluntary donation to the inaugural event of a new area of the municipal library. The evening was enriched by an engaging **musical performance** featuring Bernardo Lanzetti, frontman of Premiata Forneria Marconi, accompanied by the **"Beggar's Farm"**. The proceeds from the event were entirely donated for charitable purposes.

The **Fiume Santo Power Plant** chose to support the Alzheimer Sassari Onlus Association for the realization of a conference held in September at the University of Sassari.

Partnership with schools and universities

19

the internships activated by EP Produzione in 2023, each lasting for 6 months

For the sixth consecutive year, the **Fiume Santo Power Plant** has joined the “La Nuova@Scuola” training project, launched by the newspaper La Nuova Sardegna to strengthen the link between local companies and students. **Over 60 high schools on the island** were involved in the 2023 edition through the organization of meetings and visits, held in person again following the pause imposed by the pandemic. This year, the Power Plant welcomed 44 students from the “Attilio Deffenu” State Technical Institute in Olbia. Paolino Schiaffino, Vice Chief of the Fiume Santo Power Plant, answered their questions and curiosities about the energy sector, professional opportunities, and required roles. He also took the opportunity to present the role of the Fiume Santo Energy Park in Sardinia's energy transition.

In 2023, the **Ostiglia Power Plant** collaborated with the **Safety Engineering Degree Course at the University of Padua** by organizing a visit to the plant for students and professors. On this occasion, participants had the opportunity to explore the plant and understand its operation, with further insights into topics such as incident management and investigation procedures according to EP Produzione's protocols.

At the **Livorno Ferraris Power Plant**, the influx of new hires led to a collaboration with the two nearest Polytechnic Universities to transfer high-level technical skills. With the **Polytechnic of Turin**, a customized technical training course on the management of major plants and systems was initiated, involving newly hired personnel for a total of 90 hours. With the **Polytechnic of Milan**, specific training was organized for maintenance staff, totaling 28 hours. Due to the interest generated by this initial collaboration, the Power Plant hosted an educational visit at the end of the year, during which 50 students were accommodated for a theoretical session followed by a plant tour.

The **Ostiglia Power Plant** organized a session at the **TrED (Ecological and Digital Transition)** high school in Ostiglia, an experimental study program begun in 2023 that combines the humanities and scientific tradition of the high school with technology and STEM subjects (Science, Technology, Engineering, Mathematics). During the session, Marco Bertolino, Chief of the Ostiglia Power Plant, and Franco Rossetti, Section Chief of Operations, illustrated the role of water resources within the plant, highlighting the utmost attention paid to its conservation, use, and treatment in the production process.

Numerous **training internships** and Percorsi per le Competenze Trasversali (**PCTO**) also continued this year. The **Ostiglia Power Plant** activated a PCTO program in school-work alternation in collaboration with the **Galileo Galilei Technical Institute of Ostiglia**, involving 8 students.

At the **Fiume Santo Power Plant**, 10 training internships were initiated with **newly graduated students from industrial institutes** to train the new generations of technicians, disseminate technical knowledge and working methods in the area, with the possibility of subsequently hiring some of them. Four of the students have already started, and the project will continue in 2024 with another 10 selected interns. At the **Scandale Power Plant**, a school-work alternation program was conducted with the Nautical Institute of Crotone, involving **9 students**. During the year, the Power Plant also hosted 5 students from the Mario Ciliberto Institute of Higher Education. The students attended classes on water treatment and the operation of the combined cycle, then performed exercises dedicated to safety interventions, closely observing how pollutant emissions are controlled, and reviewing fire safety procedures.

For the last 7 years, EP Produzione has been a partner of the **SAFE Master** in “**Energy Resources Management**”. The course offers graduates and professionals a high level of professional training in the field of research, production and management of energy resources in an environmentally sustainable context. EP Produzione has

decided to renew its collaboration with the Master for the 2023 edition, providing a scholarship: an important opportunity for students wishing to specialize in the field of energy resources to access high-quality training and work alongside industry professionals.

Listening and engaging with the territory

The Marzano Law (no. 239 of August 23, 2004) lays down a regulatory framework involving the Region, local and territorial public bodies, within which to **agree on appropriate environmental compensation measures** that support the country's energy policy goals. These measures may include the construction of **infrastructure to support the community and sustainable mobility**, landscaping works such as planting and hedgerows, projects for technological innovation and energy saving, environmental education, urban redevelopment and the disclosure of emission data. Furthermore, the measures also include the detection of noise impact, the control of dust production and the safeguarding of training, safety and employment of staff. Today more than ever, engaging with stakeholders has become a prerequisite for productive integration in the territory. According to the NIM-BY (Not In My Backyard) Observatory, there are over 300 contested projects nationwide, with a particularly high concentration in Lombardy, Tuscany, Emilia-Romagna, Puglia, and Veneto. Communicating, staying up to date and disseminating information are strategic activities that work both ways when it comes to steering industrial decisions. Indeed, only by doing so is it possible to respect the needs of all players involved, developing plants that are perceived by the communities as offering added value, rather than as unwanted guests.

Aware of the importance of these aspects, EP Produzione has promoted numerous consultation and discussion initiatives with the territories affected by the two efficiency improvement projects. At the end of 2022 EP Produzione signed an **agreement with the Lombardy Region and the provincial and municipal authorities** relating to the works to build the new combined-cycle system at the **Tavazzano and Montanaso Power Plant**. By signing the agreement, EP Produzione undertakes to pay an environmental and territorial compensatory contribution and to take the protection of the environmen-

tal dimension into account when conducting renovation work. In May 2023, a Convention was signed with the Lombardy Region and the Municipalities neighboring the **Ostiglia Power Plant** for the allocation of compensation funds following the construction of the new facility. The funds will be used for interventions aimed at re-naturalizing the territory to benefit biodiversity, health monitoring for the population, and other projects to support the local communities.

The players involved

Tavazzano and Montanaso power plant

Lombardy Region
Province of Lodi
Municipality of location
Municipality of Montanaso Lombardo
Municipality of Tavazzano con Villavesco
Conterminous municipalities
Municipality of Boffalora d'Adda
Municipality of Casalmiocco
Municipality of Galgagnano
Municipality of Mulazzano
Municipality of Lodi
Municipality of Lodi Vecchio
Municipality of San Zenone al Lambro
Municipality of Sordio

Ostiglia power plant

Lombardy Region
Province of Mantua
Municipality of location
Municipality of Ostiglia
Conterminous municipalities
Municipality of Borgo Carbonara
Municipality of Borgo Mantovano
Municipality of Casaleone
Municipality of Cerea
Municipality of Gazzo Veronese
Municipality of Melara
Municipality of Serravalle sul Po

Protection of the environment

[GRI 3-3] [GRI 303-1] [GRI 304-1] [GRI 304-2] [GRI 304-3] [GRI 306-1] [GRI 306-3]

Remediation and biodiversity recovery

More than half

of the area freed up due to the demolition of the tanks in Ostiglia will be transformed into a public park

The projects related to the new capacities entail a positive transformation of the production sites. Old infrastructures are demolished, areas are cleared to make room for new facilities, and hazards to health, safety, and the environment are removed.

At the **Trapani Power Plant** in 2023, the project to **reclaim and demolish the old diesel tanks**, unused since 1999, was completed. These were two floating roof tanks, each with a capacity of 16,800 m³, originally intended for diesel storage and now abandoned for years. Alongside the demolition of these structures, the tanker unloading bay was also removed. These interventions have improved the environmental interaction of the site, enhancing landscape integration aspects in the surrounding rural context. Furthermore, a reforestation project is planned

for 2024, involving the planting of citrus groves and native trees.

At the **Ostiglia Power Plant**, the demolition of tanks located near the urban area and no longer in use continued. Approximately half of the area to be freed up following the demolition, scheduled for 2026, will be transformed into a public park, made accessible to the municipal administration.

In 2023, renovation of some existing facilities at the Tavazzano and Montanaso Power Plants was completed, including the **modernization of the DEMI plant for water treatment**. This intervention has significantly reduced consumption of reagents with positive environmental implications.

The Muzza Canal

The Tavazzano and Montanaso power plant has historically used water from the Muzza Canal for cooling and has actively contributed to **maintenance and restoration works on the canal**, which is of great strategic importance for the entire Lodi area. The Muzza Canal is not only the largest irrigation canal in Lombardy, but also one of the oldest in all of Europe. It stands as one of the most significant hydraulic engineering projects, which has greatly contributed to the agricultural wealth of the region over the centuries.

In order to improve the efficiency of the power plant, work was carried out to upgrade the hydraulic infrastructure of the Muzza system, a project of systemic value supported by EP Produzione, in cooperation with the Consorzio Muzza Basso Lodigiano water purification consortium. The purpose of this project is to improve the hydraulic infrastructure of the Muzza Canal, through activities such as reinforcing the banks, dredging, hydraulic regulation and flood control.

In particular, the **dredging of the canal** led to the removal of sediments that were blocking the water intakes, allowing the intake structures of the power plant to be cleaned to remove sediment buildup accumulated over approximately 25 years. The suitable sediments were then positioned and reused to reinforce the banks of the watercourse and restore the dirt roads in the area surrounding the power plant.

In March 2023, an Addendum to the agreement with the Muzza Consortium was signed. Valid for 8 years, it covers the extraordinary maintenance works on the Muzza Canal and the Belgiardino Canal, which had already commenced during the year. These interventions will be beneficial not only for the Tavazzano and Montanaso Power Plants but also for the entire agricultural community in the region.

Waste management and circularity

90%
of non-hazardous waste
35%
of hazardous waste
were recovered

In 2023, 161,000 tons of waste was generated, 99.9% of which was non-hazardous (mainly ash and, to a lesser extent, sludge and gypsum). **90% of non-hazardous waste and 35% of hazardous waste were recovered.**

Since 2020, the Fiume Santo power plant has had an agreement with the company AP Italy S.r.l., whose business is the **extraction of marble from the Orosei quarries**. The extraction process generates a large amount of residue, which amounts to about 50% of the marble

actually extracted. Following the logic of circularity, the company now transforms the marble residues into powder, known as **talca**. This powder is used by EP Produzione to reduce sulfur dioxide and, by capturing pollutants, it produces a very high-quality gypsum.

Then this gypsum, which is treated as waste by the Fiume Santo, is sent out and 100% of it is generally recovered. The gypsum is, in fact, then reused for the production of building materials.

WASTE PRODUCED (t)	2023	2022	2021
Hazardous	234	141	184
Non-hazardous	160,588	181,642	125,342
Total	160,822	181,783	125,526

RELEVANT NON-HAZARDOUS WASTE PRODUCED (t)	2023	2022	2021
Ash	117,176	140,197	94,207
Sludge	11,881	15,777	14,607
Gypsum	27,800	19,180	12,221
From demolitions	218	146	287
Total	157,075	175,300	121,322

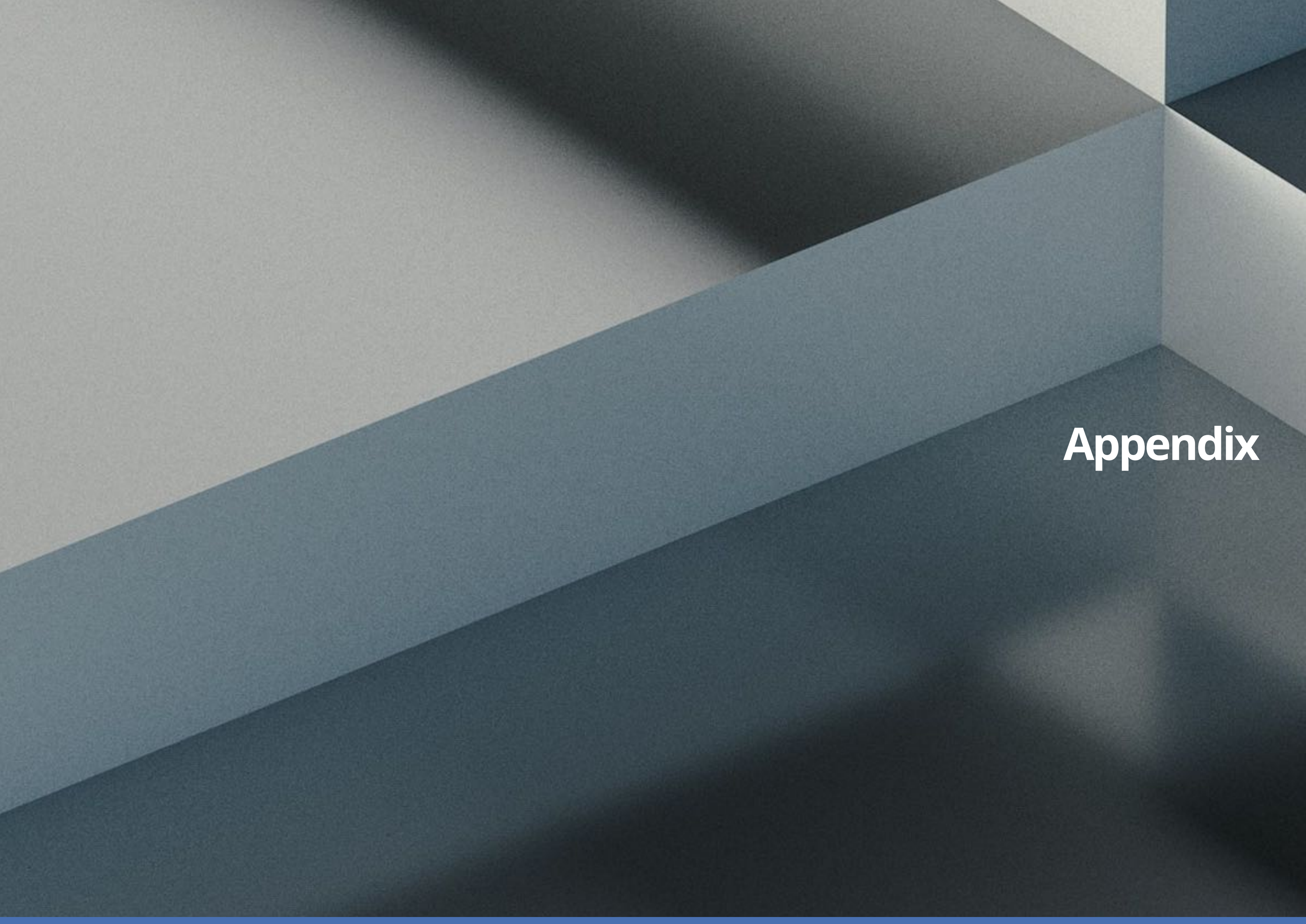
The protection of biodiversity in the areas surrounding Livorno Ferraris

The **Livorno Ferraris Power Plant** is located in the rice fields area of Vercelli, a delicate ecosystem that EP Produzione carefully protected during the plant's design phase. In particular, as early as 2005, during the pre-operational phase of the plant, an important project was initiated that focuses on three lines of activity:

- **biomonitoring activities**, aimed at monitoring flora, fauna, and habitats, with a particular focus on the presence of the Site of Community Importance (SCI) IT1120007 "Palude di San Genuario."
- **mitigation works**, by establishing filter forests around the perimeter of the plant, covering an area of approximately 20 hectares;
- **compensation works**, through the conversion of anthropized areas (rice fields) into natural areas (meadows, forests, and marshes), totaling over 24 hectares.

Regarding the mitigation works, the project involved the **creation of meadows, forests, and shrublands consisting of 25 native species**, with over **34,000 plants** planted. After about 15 years, the forest formations have become an important habitat for local fauna and a point of connection between the Trino Vercellese forest and the Regional Reserve and Special Conservation Area "Palude di San Genuario."





Appendix

Methodological note

[GRI 2-1] [GRI 2-2] [GRI 2-3] [GRI 2-5] [GRI 2-14] [GRI 2-29] [GRI 3-1] [GRI 3-2] [GRI 3-3]

The seven edition of EP Produzione's Sustainability Report confirms the Group's undertaking to report voluntarily and transparently to all our stakeholders on the role played by the power plants in supporting the energy transition and enabling the growth of renewable energy sources, offering a comprehensive view of the commitment and results achieved in the various dimensions of sustainability.

The information provided in this document refers to the 2023 fiscal year (January 1 - December 31) and, where possible, is compared with the data for the two-year period 2022 and 2021. The quantitative data do not include the Scandale power plant and Ergosud, jointly owned with A2A, each company holding 50%. The Sustainability Report was approved by the Board of Directors of EP Produzione in conjunction with the Consolidated Annual Report.

EP Produzione drafted a report in compliance with the GRI Standards 2021. Data and information corresponding to the GRI standards are indicated in the text by means of identification codes in square brackets under each heading.

The document is structured around **10 material topics**, in accordance with the standards and the future single European standard, identified via the updating of the materiality analysis, a process that makes it possible to establish a threshold above which a topic is important enough to be included in the report. The topics singled out are those in relation to which the company generates or is subject to the most significant impacts from an economic, environmental and social standpoint. Accordingly, the management of EP Produzione selected the most impactful issues based on a number of criteria such as reach, scope, irreparability and likelihood, drawing a threshold above which an issue becomes sufficiently important to be reported.

The list of topics, identified in 2020 and updated annually, was confirmed in 2023 following a shared reflection on the major changes that have affected the reference scenario. Compared to the previous year, the theme of "Diversity and Inclusion" has included among the priorities, reflecting the growing corporate focus on issues such as gender equality and generational change.

Key topics	Other relevant topics
1° Health and Safety	11° Rootedness and relationship with the local area
2° Emissions into the atmosphere	12° Transparency and dialog with public and regulatory institutions
3° Technological innovation and asset integrity	13° Skill development
4° Phase-out of coal and future of the site	14° Education for the energy transition
5° Generation of value for the local area	15° Sustainability in the supply chain
6° Reliability and continuity of service	16° Circular economy
7° Protection of environment and biodiversity	
8° People's wellbeing	
9° Diversity and Inclusion	
10° Digitalization and IT security	

A number of issues were pinpointed during the selection exercise as key elements for responsible action on the part of the Group and a report on them is provided in this document.

- **Long-term growth and value generation:** generating economic value in the long-term both for the company and the local area.
- **Relationship and dialog with stakeholders:** regular, effective and transparent communication with all.
- **Integration of sustainability into the business:** integrating one's vision of sustainability and responsibility into the strategy and activities of the business.
- **Ethics and integrity in business management:** doing business according to the principles of ethics and integrity, complying with regulations and striving to combat corruption.

The collection of the data and related content included in this document was carried out in **collaboration with all the staff belonging to the Group**, each in relation to their own activities, generating a full and accurate information flow that guarantees the soundness of the reporting model adopted. The corporate divisions HSE (Health, Safety and Environment) and IR&C (Institutional Relations and Communications) coordinated the project, in order to guarantee a consistent overall result.

As required by the Reporting Standard, the GRI Content Index is included in this document, listing the GRI standards on which reporting was done. For further insights or requests for clarification, please contact EP Produzione at: comunicazione@epPRODUZIONE.it.

GRI content index and KPIs



CONTENT INDEX
ESSENTIALS SERVICE

2023

For the Content Index - Essentials Service, GRI Services has verified that the GRI Content Index was presented in a manner consistent with reporting requirements in accordance with GRI standards and that the information contained in the index is presented in a clear and accessible to stakeholders.

Statement of use	EP Produzione S.p.A. has prepared a report in accordance with GRI Standards for the period from January 1, 2023, to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(s) omitted	Reason	Explanation
GRI 2: General Disclosures 2021	2-1 Organizational details	§ EP Produzione; Energy for the future (p.9) § Methodological note (p.106)			
	2-2 Entities included in the organization's sustainability reporting	§ Methodological note (p.106)			
	2-3 Reporting period, frequency and contact point	No changes were made compared to the previous reporting period.			
	2-4 Restatements of information	The document was not subject to external assurance.			
	2-5 External assurance	§ EP Produzione; Energy for the future (p.9)			
	2-6 Activities, value chain and other business relationships	§ EP Produzione; Energy for the future (p.9)			
	2-7 Employees	See reference table. (p.130) The data shown provide the exact number of employees (head count) as at 31/12/2023, taking into account all types of contracts during the reporting period. For the purpose of classifying employees according to gender, the gender stated in the identity document was taken into account.			

Continued

	No significant fluctuations were recorded during the reporting period. § People's wellbeing			
2-8 Workers who are not employees	EP Produzione has 8 workers who are not employees. The reported figures provide the total number of non-employee personnel (head count) as at 31/12/2023. No significant fluctuations are reported during the reporting period.	Paragraph a (ii)	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
2-9 Governance structure and composition	§ Corporate Governance (p.16); See reference table. (p.122)	Paragraph c (iv) (vi) (vii)(viii)	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
2-10 Nomination and selection of the highest governance body	The appointment and selection of the Board of Directors takes place on a fiduciary basis. The Board of Directors is elected upon the recommendation and proposal of the shareholder EP Power Europe.	Paragraph b	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
2-11 Chair of the highest governance body	Peter Černák is the Chairman of the Board of Directors of EP Produzione and does not hold senior management positions within the organization.			
2-12 Role of the highest governance body in overseeing the management of impacts	The Board of Directors (BoD) has a role in guiding and validating the sustainability strategy and policies. The non-financial reporting exercise is supervised and approved by the BoD.	Paragraph b; c	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
2-13 Delegation of responsibility for managing impacts	In EP Produzione, the heads of each plant have three types of proxies: for ordinary management, environmental and as employer. There are monthly reports on the management of the organization's impacts.	Paragraph b	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.

Continued

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(s) omitted	Reason	Explanation
	2-14 Role of the highest governance body in sustainability reporting	EP Produzione's Sustainability Report is presented to and approved by the Board of Directors. § Methodological note (p.106)			
	2-15 Conflicts of interest	The risk of conflicts of interest is monitored through the corporate governance systems and procedures (Management, Organizational and Control Model, Code of Ethics, procedures relating to transactions with related parties). These instruments intervene in the various areas in which conflicts of interest may arise: in the relationships between corporate bodies, suppliers, employees, collaborators and the community. § Corporate Governance (p.16);	Paragraph b	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
	2-16 Communication of critical concerns	§ Corporate Governance (p. 16).			
	2-17 Collective knowledge of the highest governance body	Each year, the Board of Directors of EP Produzione receives an alignment on the evolution of the sustainability-related scenario as well as an update on the Group's ESG performance.			
	2-18 Evaluation of the performance of the highest governance body	The Board of Directors is evaluated on the basis of specific indicators provided annually by the Chairman, in consultation with the shareholder. The evaluation is annual, non-independent and impacts the Management by Objectives of the Executive Directors.			
	2-19 Remuneration policies	The remuneration policies for senior executives entail fixed and variable annual compensation. Board members	Paragraph b	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.

	do not receive any remuneration by virtue of specific agreements contained in their employment contracts.			
2-20 Process to determine remuneration	The Human Resources Department, in agreement with the CEO, CFO and Country Manager, reviews employees' remuneration annually. Remuneration complies with contractual and social security provisions.	Paragraph b	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
2-21 Annual total compensation ratio		Paragraph a; b; c.	Confidentiality constraints	The company will evaluate....*
2-22 Statement on sustainable development strategy	§ Opening remarks (p. 4)			
2-23 Policy commitments	In assessing and managing economic, environmental and social risks, EP Produzione adopts an approach based on the precautionary principle, integrating the principles adhered to in its Code of Ethics and Conduct. The Code is available at the following link: https://epPRODUZIONE.com/wp-content/uploads/2022/09/codice_etico_e_di_comportamento.pdf .	Paragraph d; e; f	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
2-24 Embedding policy commitments	§ Corporate Governance (p. 16).	Paragraph a (iv)	Information unavailable/incomplete	The company will evaluate....*
2-25 Processes to remediate negative impacts		Paragraph a; b; c; d; e	Information unavailable/incomplete	The company will evaluate....*
2-26 Mechanisms for seeking advice and raising concerns	§ Corporate Governance (p. 16).			
2-27 Compliance with laws and regulations	§ Corporate Governance (p. 16).			
2-28 Membership associations	EP Produzione participates in Elettricità Futura, Assocarboni, Confindustria Nord Sardegna and, as an observer, in Energia Concorrente.			

*The company will evaluate the reporting model in line with European obligations.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(s) omitted	Reason	Explanation
	2-29 Approach to stakeholder engagement	"See reference table. § Methodological Note (p.106)			
	2-30 Collective bargaining agreements	§ The staff of EP Produzione (p.83)			
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	§ Methodological note (p. 106)			
	3-2 List of material topics	§ Methodological note (p. 106)			
	3-3 Management of material topics	§ Methodological note (p. 106)			
HEALTH AND SAFETY					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Health and Safety (p. 72)			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Each plant is certified according to ISO 14001, ISO 45001 and EMAS standards. An occupational health and safety management system is implemented at each plant, both for employees and non-employees, with clearly defined tasks, objectives, responsibilities, roles and actions. Each plant undergoes internal and external audits annually and on request. The system has been implemented in compliance with Legislative Decree 81/08, which is the main regulatory reference for occupational health and safety. In addition, the system covers 100% of workers, activities and workplaces			
	403-2 Hazard identification, risk assessment, and incident investigation	Each workplace within EP Produzione, including offices, which are entrusted to delegates of the employer, has its own			

		risk assessment and a Prevention and Protection Service Manager (RSPP). Each plant or production unit has a safety organization chart identifying roles and responsibilities. The employer establishes a hierarchy of controls based on hazards and creates a matrix to identify risks associated with specific hazards. A systematic assessment is carried out on the basis of this matrix and, if the risk is judged to be high at a preliminary stage, preventive and protective measures are taken to reduce the risk to an acceptable level. On the basis of the identified hazards and risks, continuous monitoring is carried out and, if necessary, action plans are implemented to manage critical issues. EP Produzione acts in accordance with Legislative Decree No. 81/2008, the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001, INAIL and industry guidelines.			
	403-3 Occupational health services	Occupational medicine services include the monitoring of factors that could affect workers' health, regular employee examinations, advice on occupational health and safety, ergonomics and protective equipment, promotion of the adaptation of work to the worker, organization of first aid and emergency interventions, vaccination campaigns and cancer			

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(s) omitted	Reason	Explanation
		screens, as well as specific and additional health protocols.			
	403-4 Worker participation, consultation, and communication on occupational health and safety	In accordance with Article 35 of Legislative Decree No. 81/2008, the employer organizes at least one meeting per year in which the workers' safety representative (RLS) and the competent doctor for each production unit participate. Company decisions on health and safety are discussed and shared with the trade union representatives and the RLS present at the plants. The involvement of workers and their representatives takes place on a constant and informal basis, allowing for a direct exchange of information at any time.			
	403-5 Worker training on occupational health and safety	§ Health and Safety; Safety culture (p. 77).			
	403-6 Promotion of worker health	Staff members have access to medical and health services, including diagnostic examinations and preventive health programmes selected by the doctor. Preventive services include flu vaccination campaigns, prostate cancer (PSA) prevention and specific bone weakening tests. All workers can use these services free of charge.			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The approach adopted is based on the ISO 45001, which provides for the implementation of an occupational health and safety			

		management system based on the Plan-Do-Check-Act continuous improvement cycle.			
	403-8 Workers covered by an occupational health and safety management system	All of EP Produzione's workers (employees and non-employees) are covered by an occupational health and safety management system, with the exception of workers at the Rome, Terni and Milan sites. These sites are not certified but are managed according to the logic of management systems.			
	403-9 Work-related injuries	See reference table (p.123)			
	403-10 Work-related ill health	During the three-year period 2021-2023, there were no occupational diseases and/or deaths resulting out of occupational diseases among both employees and non-employees.			
EMISSIONS INTO THE ATMOSPHERE					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Emissions in the atmosphere (p. 66)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		Paragraph a; b; c; d; e; f; g	Information unavailable/incomplete	The company will evaluate....*
	305-2 Energy indirect (Scope 2) GHG emissions		Paragraph a; b; c; d; e; f; g	Information unavailable/incomplete	
	305-4 GHG emissions intensity		Paragraph a; b; c; d; e; f; g	Information unavailable/incomplete	The company will evaluate....*
	305-4 Intensità delle emissioni di GHG		Paragraph a; b; c; d	Information unavailable/incomplete	The company will evaluate....*
	305-5 Reduction of GHG emissions		Paragraph a; b; c; d; e	Information unavailable/incomplete	The company will evaluate....*
	305-6 Emissions of ozone-depleting substances (ODS)		Paragraph a; b; c; d	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissionsi	§ Emissions in the atmosphere (p. 66)			

* The company will evaluate the reporting model in line with European obligations.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(s) omitted	Reason	Explanation
RELIABILITY AND INNOVATION					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Reliability and asset integrity (p. 46)			
PHASE-OUT OF COAL AND FUTURE OF THE SITE					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Decarbonization (p. 54)			
GENERATION OF VALUE FOR THE LOCAL AREA					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ The supply chain (p. 96 Econ. and financial results (p.14)			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	§ Economic and financial results (p.14)			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	§ The supply chain (p. 96)			
PROTECTION OF ENVIRONMENT AND BIODIVERSITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Protection of the environment (p. 102)			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	§ Protection of the environment; The Muzza Canal (p. 103)			
	303-2 Management of water discharge-related impacts		Paragraph a	Information unavailable/incomplete	
	303-3 Water withdrawal		Paragraph a; b; c; d	Information unavailable/incomplete	
	303-4 Water discharge		Paragraph a; b; c; d; e	Information unavailable/incomplete	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	§ Protection of the environment; Remediation and biodiversity recovery			
	304-2 Significant impacts of activities, products and services on biodiversity	§ Protection of the environment; Remediation and biodiversity recovery (p. 103)			
	304-3 Habitats protected or restored	§ Protection of environment and biodiversity; (p. 103). The protection of biodiversity in the areas surrounding the Livorno Ferraris power plant (p. 105), Listening to and engaging with the territory (p. 00).			

	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	The Livorno Ferraris' plant is located in the Vercellese region, which is home to species listed on the IUCN 'Red List', including: - Emys orbicularis (marsh tortoise), considered as "near threatened"; - Meles meles (badger), considered to be of "least concern"; - Myocastor coypus (nutria), considered to be of "least concern"; - Trachemys scripta (American bog turtle), considered as "least concern"; - Botaurus stellaris (bittern), considered to be of "least concern".			
	GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	§ Protection of the environment; Waste management and circularity (p. 104)		
		306-2 Management of significant waste-related impacts		Paragraph a; b; c	Information unavailable/incomplete
		306-3 Waste generated	§ Protection of the environment; Waste management and circularity (p. 104)		
		306-4 Waste diverted from disposal		Paragraph a; b; c; d; e	Information unavailable/incomplete
PEOPLE'S WELLBEING					
	GRI 3: Material Topics 2021	3-3 Management of material topics	§ The Staff of EP Produzione (p. 82)		

* The company will evaluate the reporting model in line with European obligations.

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION		
			Requirement(s) omitted	Reason	Explanation
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plan	EP Produzione relies on supplementary funds that allow employees to make additional contributions on a voluntary basis. About 70% of non-managerial employees and 90% of managers take part in such schemes.			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	See reference table (p.133)			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	EP Produzione offers a number of standard benefits to its employees. These include life insurance, health care (except for temporary employees), disability and invalidity coverage.			
	401-3 Parental leave	See reference table (p.135)			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	§The Staff of EP Produzione (p. 82); Skill development (p. 84) See reference table (p.135)			
	404-2 Programs for upgrading employee skills and transition assistance programs	§The Staff of EP Produzion (p. 82); Skill development (p. 84)			
	404-3 Percentage of employees receiving regular performance and career development reviews		Paragraph a	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.

DIVERSITY AND INCLUSION					
GRI 3: Material Topics 2021	GRI 3: Material Topics 2021	§ Diversity and inclusion (p. 90)			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	See reference table (p.122; 131)			
	405-2 Ratio of basic salary and remuneration of women to men		Paragraph a; b	Information unavailable/incomplete	The company will evaluate the reporting model in line with European obligations.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions take	No incidents of discrimination have been reported.			
DIGITALIZATION AND IT SECURITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Cybersecurity (p. 20)			
TECHNOLOGICAL INNOVATION AND ASSET INTEGRITY					
GRI 3: Material Topics 2021	3-3 Management of material topics	§ Reliability and asset integrity (p. 46)			

EP Produzione's stakeholders

Approach to stakeholder engagement (GRI 2-29)

Our stakeholders	Primary expectations	Key listening and involvement tools
Financial community	Economic and financial sustainability Value creation Respect for rules Attention to workers' health and safety Environmental protection Integrity of assets Relations with the territory Transparency	Annual Report Sustainability Report Periodic presentations and communications Meetings with stakeholders ESG ratings
Workers	Economic and financial sustainability Attention to the health and safety of workers Integrity of assets Transparency	Intranet Training, refresher and on-the-job training courses Internal communication and awareness campaigns Sustainability Report Call conferences with the CEO Regular safety meetings HSE improvement plan Safety walk and talk and safety hour You Tube/LinkedIn channel Environmental Declarations Code of Ethics and Conduct Meetings with stakeholders
Local communities	Value creation Respect for rules Attention to workers' health and safety Protection of the environment Integrity of assets Relations with the territory Transparency	Communications and documentation sent for regulatory compliance Meetings, hearings and technical meetings Working Groups Technical Control Committee Annual Report Sustainability Report Environmental Declarations Periodic presentations and communications Dedicated meetings Website - supplier area You Tube/LinkedIn channel 231 Model Meetings with stakeholders
Third sector	Value creation Respect for rules Attention to workers' health and safety Protection of the environment Integrity of assets Relations with the territory Transparency	Communications and documentation sent for regulatory compliance Meetings, hearings and technical meetings Working Groups Technical Control Committee Annual Report Sustainability Report Environmental Declarations Periodic presentations and communications Dedicated meetings Website - supplier area You Tube/LinkedIn channel 231 Model Meetings with stakeholders

Continued

Our stakeholders	Primary expectations	Key listening and involvement tools
Supervisory and regulatory bodies	Respect for rules Attention to workers' health and safety Protection of the environment Integrity of assets Transparency	Communications and documents sent for regulatory compliance Annual Report Sustainability Report Periodic presentations and communications Control and audit visits Technical Control Commission Environmental Statements 231 Model
Suppliers and partners	Economic and financial sustainability Value creation Respect for rules Attention to workers' health and safety Environmental protection Integrity of assets Transparency	Annual Report Sustainability Report Dedicated meetings Website - supplier area 231 Model Meetings with stakeholders
Media	Value creation Respect for rules Attention to workers' health and safety Protection of the environment Integrity of assets Relations with the territory Transparency	Annual Report Sustainability Report Press releases Dedicated meetings Website You Tube/LinkedIn channel
Universities and research	Value creation Attention to workers' health and safety Environmental protection Integrity of assets Relations with the territory	Communications and documentation sent for regulatory compliance Meetings, hearings and technical meetings Working Groups Technical Control Committee Annual Report Sustainability Report Environmental Declarations Periodic presentations and communications Dedicated meetings Website You Tube/LinkedIn channel 231 Model Meeting with stakeholders

Governance
Governance structure and composition (GRI 2-9)

Composition of the highest governing body	Role	Indipendence	Mandate	Other positions (no.)	Gender
Peter Černák (Chairman)	Non executive	No	From 23/06/2021 to 31/12/2023	0	M
Luca Alippi (Chief Executive Officer)	Executive	No	From 23/06/2021 to 31/12/2023	2 (Member of the Strategic Committee of Assoelettrica and Vice-President of Elettricità Futura)	M
Marek Spurný (Director)	Non executive	No	From 23/06/2021 to 31/12/2023	0	M
Miroslav Mihaliak (Director)	Executive	No	From 27/02/2023 to 31/12/2023	0	M

Diversity of governance bodies (GRI 405-1, paragraph a)

BOARD OF DIRECTORS

2021							2022							2023						
Gender		Age group			Tot.		Gender		Age group			Tot.		Gender		Age group			Tot.	
Male	Female	<30 anni	30-50 anni	>50 anni			Male	Female	<30 anni	30-50 anni	>50 anni			Male	Female	<30 anni	30-50 anni	>50 anni		
100%	0%	0%	75%	25%		4	100%	0%	0%	75%	25%		4	100%	0%	0%	75%	25%		4

BOARD OF STATUTORY AUDITORS

2021							2022							2023						
Gender		Age group			Tot.		Gender		Age group			Tot.		Gender		Age group			Tot.	
Male	Female	<30 anni	30-50 anni	>50 anni			Male	Female	<30 anni	30-50 anni	>50 anni			Male	Female	<30 anni	30-50 anni	>50 anni		
100%	0%	0%	0%	100%		3	100%	0%	0%	0%	100%		3	100%	0%	0%	0%	100%		3

SUPERVISORY BODY

2021							2022							2023						
Gender		Age group			Tot.		Gender		Age group			Tot.		Gender		Age group			Tot.	
Male	Female	<30 anni	30-50 anni	>50 anni			Male	Female	<30 anni	30-50 anni	>50 anni			Male	Female	<30 anni	30-50 anni	>50 anni		
100%	0%	0%	33%	66%		3	100%	0%	0%	33%	66%		3	100%	0%	0%	33%	66%		3

Health and safety in EP Produzione
Work-related injuries (GRI 403-9)

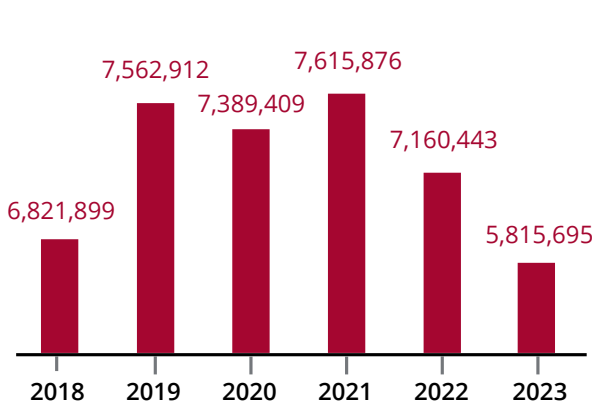
A. WORK-RELATED ACCIDENTS OF EMPLOYEES (no.)	2021	2022	2023
Recordable accidents	2	1	0
Accident rate of which fatalities	2.19 0	1.10 0	0.00 0
Rate of deaths of which with serious consequences	- 0	- 0	- 0
Severity index	-	-	-
Main types of accidents	Slips and trips	Slips, trips and falls on level ground	-
Hours worked (no.)	911,316	905,762	927,293

B. WORK-RELATED ACCIDENTS OF NON- EMPLOYEES (no.)	2021	2022	2023
Recordable accidents	1	0	4
Accident rate of which fatalities	0.77 0	0 0	1.44 0
Rate of deaths of which with serious consequences	0 0	0 0	0 1
Severity index	0	0	0.36
Main types of accidents	Slips and trips	-	Tripping/ Minor mechanical incidents/Crushing
Hours worked (no.)	1,304,326	1,722,076	2,776,401

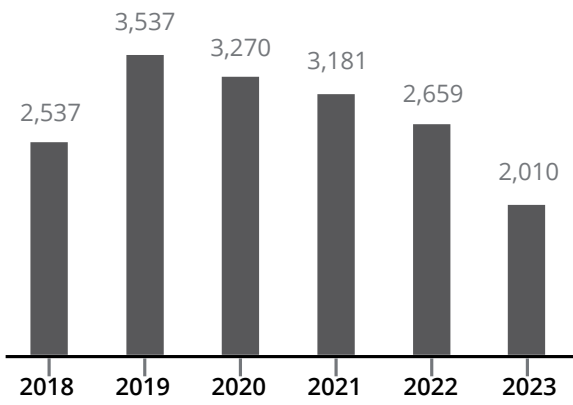
EMISSIONS
MASS EMISSIONS INTO THE ATMOSPHERE

Mass emissions (t)	2018	2019	2020	2021	2022	2023
CO ₂	6,821,899.30	7,562,912.00	7,389,409.00	7,615,876.00	7,160,443.00	5,815,695.00
% CO ₂ originating from coal	0.41	0.39	0.37	0.28	0.39	0.40
NO _x	2,536.94	3,537.30	3,270.30	3,181.00	2,659.10	2,010.20
CO	1,984.20	1,646.30	1,836.30	1,531.80	1,853.20	1,874.50
SO ₂ Fiume Santo	1,400.23	1,798.00	1,564.80	1,046.80	982.90	411.00
Dust Fiume Santo	129.26	100.60	88.70	93.30	57.80	66.90
Net energy produced (GWh)	12,718.30	14,377.00	14,282.30	16,195.30	14,099.00	11,604.81

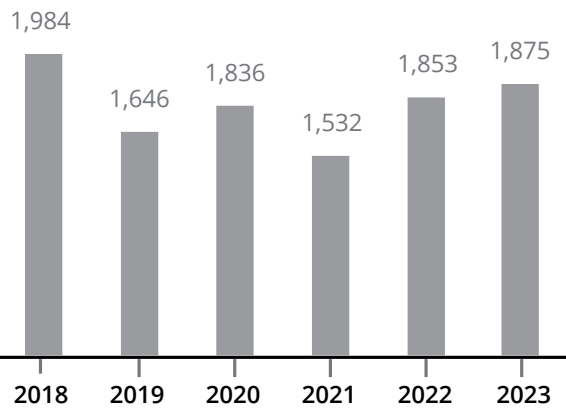
Mass emissions CO₂ (t)



Mass emissions NO_x (t)



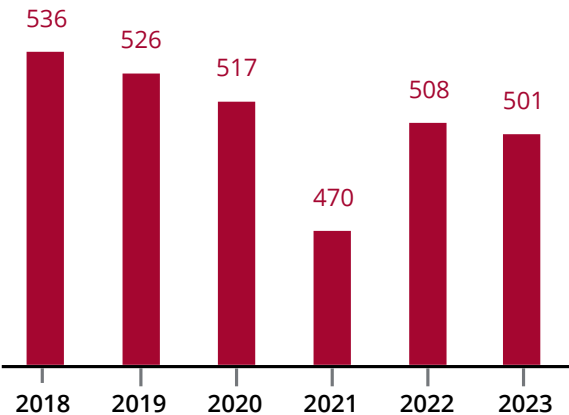
Mass emissions CO (t)



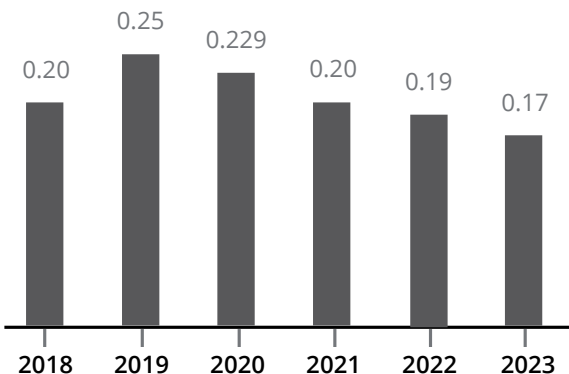
SPECIFIC EMISSIONS INTO THE ATMOSPHERE

Specific emissions (t/GWh)	2018	2019	2020	2021	2022	2023
CO ₂	536.38	526.04	517.38	470.25	507.92	501.15
NO _x	0.20	0.25	0.229	0.20	0.19	0.17
CO	0.156	0.115	0.129	0.095	0.1	0.162
SO ₂	0.110	0.125	0.110	0.065	0.1	0.035
Dust	0.010	0.007	0.006	0.006	0.0	0.006

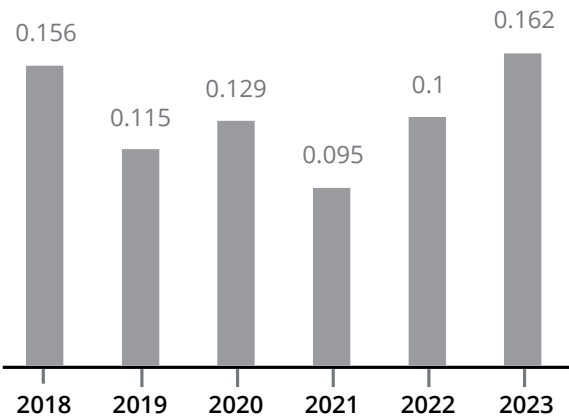
Specific emissions CO₂ (t)



Specific emissions NO_x (t)



Specific emissions CO (t)

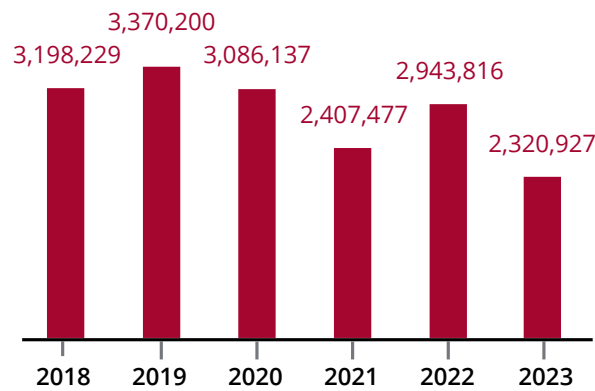


MASS AND SPECIFIC EMISSIONS ARISING OUT OF THE FIUME SANTO (FS) POWER PLANT

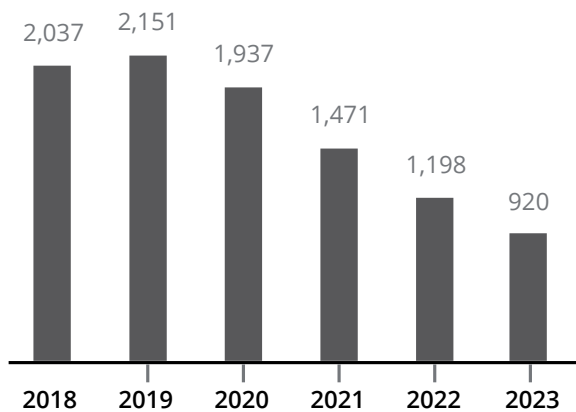
Mass emissions (t)	2018	2019	2020	2021	2022	2023
CO ₂	3,198,228.94	3,370,200.00	3,086,137.00	2,407,477.00	2,943,816.00	2,320,927.00
NO _x	2,037.00	2,151.00	1,937.00	1,471.00	1,198.00	920.10
CO	80.20	81.10	100.70	69.70	95.80	74.60
SO ₂	1,400.23	1,798.00	1,564.80	1,046.80	982.90	411.00
Dust	129.26	100.60	88.70	93.30	62.70	66.90
Net energy produced (GWh)	3,185.00	3,317.00	3,050.00	2,365.50	2,845.10	2,422.58

Specific emissions (t/GWh)	2018	2019	2020	2021	2022	2023
CO ₂	1,004.15	1,016.04	1,011.85	1,017.75	1,031.53	958.04
NO _x	0.64	0.65	0.64	0.62	0.42	0.38
CO	0.03	0.02	0.03	0.03	0.03	0.031
SO ₂	0.44	0.54	0.51	0.44	0.35	0.17
Dust	0.041	0.030	0.029	0.039	0.022	0.028

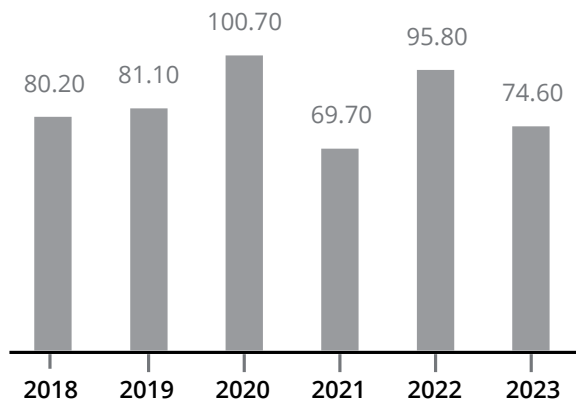
Mass emissions CO₂ of Fiume Santo (t)



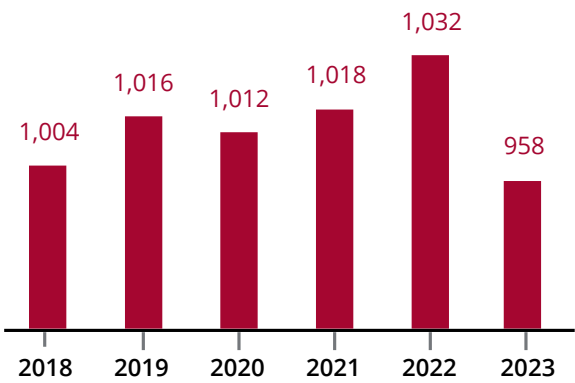
Mass emissions NO_x of Fiume Santo (t)



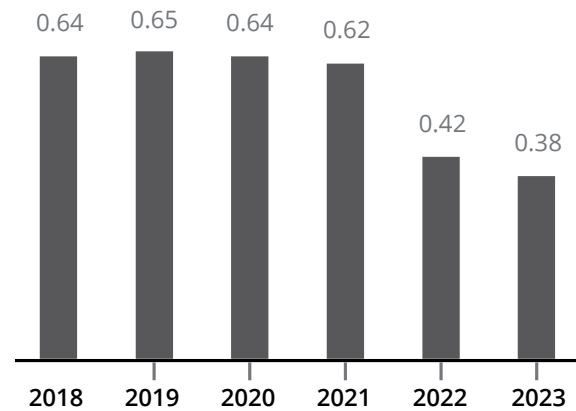
Mass emissions CO of Fiume Santo (t)



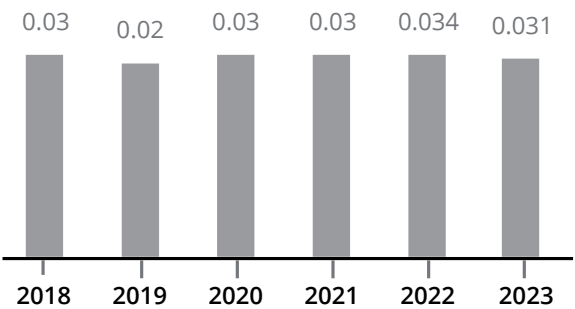
Specific emissions CO₂ of Fiume Santo (t/GWh)



Specific emissions NO_x of Fiume Santo (t/GWh)



Specific emissions CO of Fiume Santo (t/GWh)

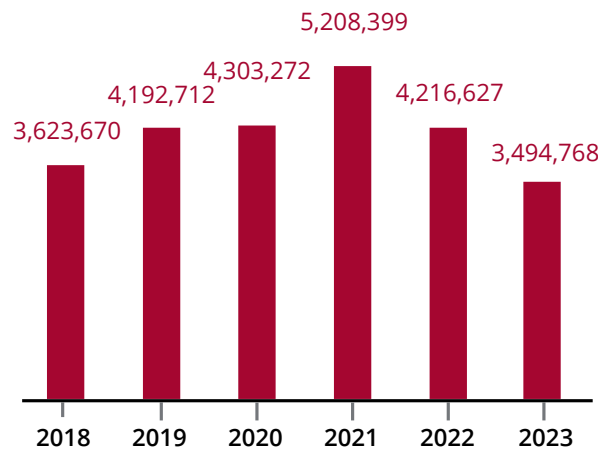


MASS AND SPECIFIC EMISSIONS ARISING OUT OF CCGT POWER PLANTS

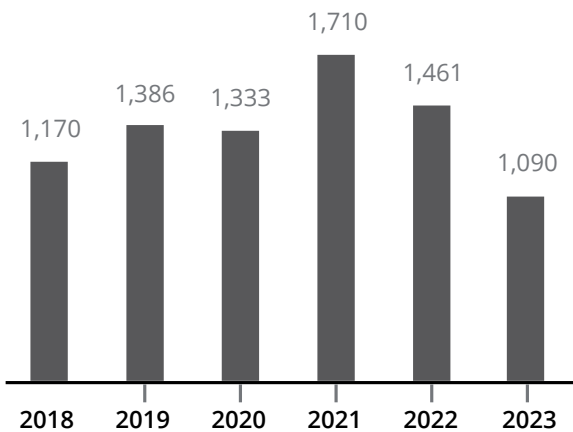
Mass emissions (t)	2018	2019	2020	2021	2022	2023
CO ₂	3,623,670.36	4,192,712.00	4,303,272.00	5,208,399.00	4,216,627.00	3,494,768.00
NO _x	1,170.00	1,386.30	1,333.30	1,710.00	1,461.10	1,090.10
CO	1,904.00	1,565.20	1,735.60	1,462.10	1,757.40	1,799.90
Net energy produced (GWh)	9,534.00	11,060.00	11,232.30	13,829.80	11,234.82	9,182.23

Specific emissions (t/GWh)	2018	2019	2020	2021	2022	2023
CO ₂	380.1	379.1	383.1	376.6	375.31	380.60
NO _x	0.12	0.13	0.12	0.12	0.13	0.12
CO	0.20	0.14	0.15	0.11	0.16	0.20

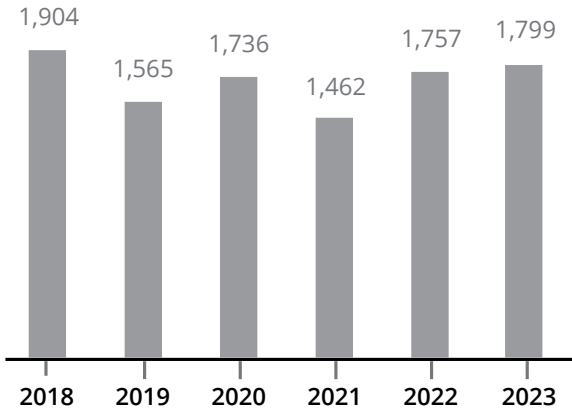
Mass emissions CO₂ of CCGT power plants (t)



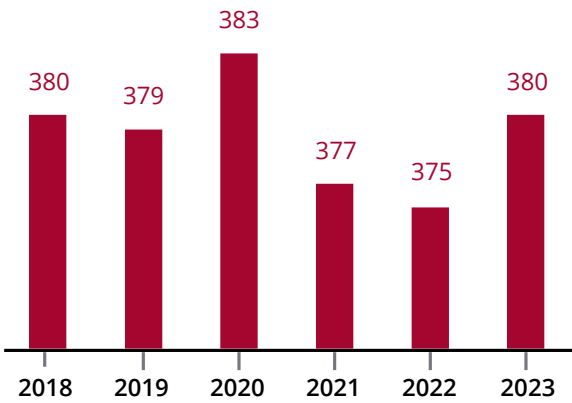
Mass emissions NO_x of CCGT power plants (t)



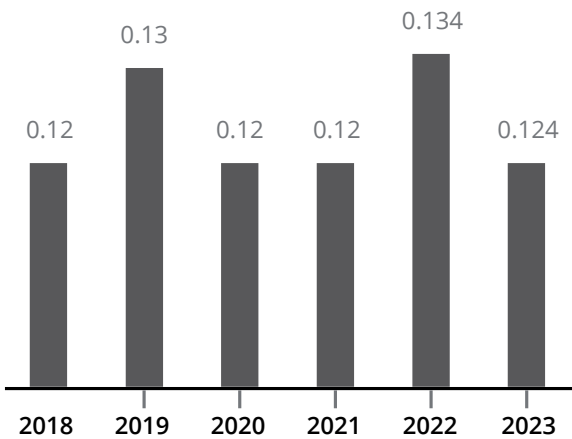
Mass emissions CO of CCGT power plants (t)



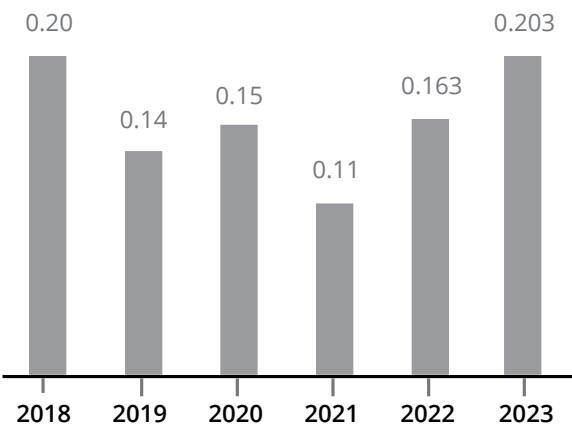
Specific emissions CO₂ of CCGT power plants (t/GWh)



Specific emissions NO_x of CCGT power plants (t/GWh)



Specific emissions CO of CCGT power plants (t/GWh)



People's wellbeing

Employees (GRI 2-7)

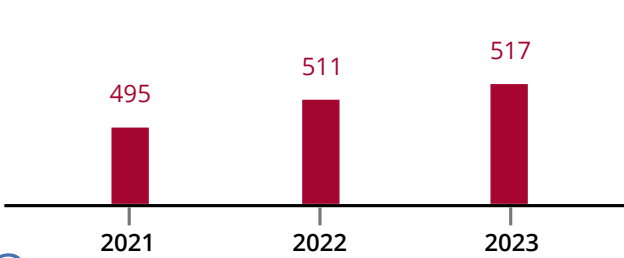
EMPLOYEES	2021			2022			2023		
	Male	Female	Tot.	Male	Female	Tot.	Male	Female	Tot.
Fiume Santo	184	8	192	179	8	187	176	8	184
Livorno Ferraris	30	2	32	29	3	32	30	3	33
Ostiglia	57	1	58	59	1	60	63	1	64
Tavazzano and Montanaso	61	5	66	67	5	72	69	5	74
Trapani	3	0	3	3	0	3	3	0	3
Staff functions	90	54	144	97	60	157	95	64	159
TOTAL	425	70	495	369	142	511	436	81	517

PERMANENT - TEMPORARY	2021					2022					2023				
	Permanent		Temporary			Permanent		Temporary			Permanent		Temporary		
	Male	Female	Male	Female	Tot.	Male	Female	Male	Female	Tot.	Male	Female	Male	Female	Tot.
Fiume Santo	184	8	0	0	192	179	8	0	0	187	176	8	0	0	184
Livorno Ferraris	30	2	0	0	32	29	3	0	0	32	30	3	0	0	33
Ostiglia	57	1	0	0	58	59	1	0	0	60	63	1	0	0	64
Tavazzano and Montanaso	61	5	0	0	66	66	5	1	0	72	68	5	1	0	74
Trapani	3	0	0	0	3	3	0	0	0	3	3	0	0	0	3
Staff functions	89	53	1	1	144	96	60	1	0	157	94	62	0	2	158
TOTAL	424	69	1	1	495	432	77	2	0	511	434	79	1	2	516

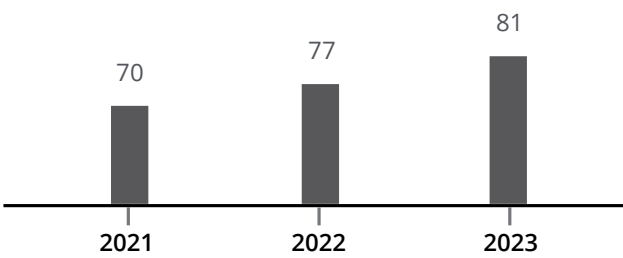
FULL TIME - PART TIME	2021					2022					2023				
	Full Time		Part time			Full Time		Part time			Full Time		Part time		
	Male	Female	Male	Female	Tot.	Male	Female	Male	Female	Tot.	Male	Female	Male	Female	Tot.
Fiume Santo	183	8	1	0	192	178	7	1	1	187	174	8	2	0	184
Livorno Ferraris	30	1	0	1	32	29	2	0	1	32	30	2	0	1	33
Ostiglia	57	1	0	0	58	59	1	0	0	60	63	1	0	0	64
Tavazzano and Montanaso	60	5	1	0	66	66	5	1	0	72	68	5	1	0	74
Trapani	3	0	0	0	3	3	0	0	0	3	3	0	0	0	3
Staff functions	89	52	1	2	144	96	57	1	3	157	93	61	1	3	158
TOTAL	442	67	3	3	495	431	72	3	5	511	431	77	4	4	516

Note: EP Produzione has no employees with non-guaranteed hours

EP Produzione's employees (no.)



Female employees in EP Produzione (no.)



Gender diversity of employees (GRI 405-1, paragraph b)

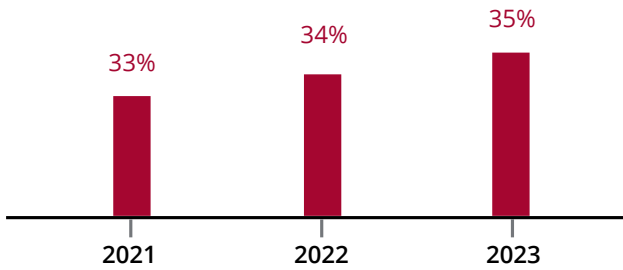
BLUE COLLAR - male/female	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Fiume Santo	100%	0%	100%	0%	100%	0%
Livorno Ferraris	100%	0%	100%	0%	100%	0%
Ostiglia	100%	0%	100%	0%	100%	0%
Tavazzano and Montanaso	95%	5%	95%	5%	100%	0%
Trapani	0%	0%	0%	0%	0%	0%
Staff functions	0%	0%	0%	0%	0%	0%
TOTAL	100%	0%	100%	0%	100%	0%

EXECUTIVES - male/female	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Fiume Santo	75%	25%	80%	20%	80%	20%
Livorno Ferraris	100%	0%	100%	0%	100%	0%
Ostiglia	100%	0%	100%	0%	100%	0%
Tavazzano and Montanaso	100%	0%	100%	0%	100%	0%
Trapani	100%	0%	100%	0%	100%	0%
Staff functions	67%	33%	66%	34%	65%	35%
TOTAL	72%	28%	71%	29%	72%	28%

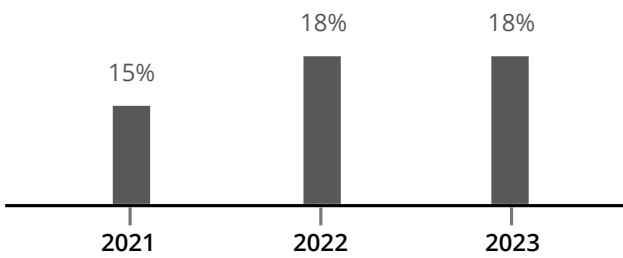
WHITE COLLAR - male/female	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Fiume Santo	94%	6%	94%	6%	94%	6%
Livorno Ferraris	92%	8%	88%	12%	88%	12%
Ostiglia	98%	2%	98%	2%	98%	2%
Tavazzano and Montanaso	90%	10%	90%	10%	89%	11%
Trapani	100%	0%	100%	0%	100%	0%
Staff functions	54%	46%	54%	46%	51%	49%
TOTAL	84%	16%	83%	17%	82%	18%

DIRECTORS - male/female	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Fiume Santo	100%	0%	100%	0%	100%	0%
Livorno Ferraris	100%	0%	100%	0%	100%	0%
Ostiglia	100%	0%	100%	0%	100%	0%
Tavazzano and Montanaso	100%	0%	100%	0%	100%	0%
Trapani	0%	0%	0%	0%	0%	0%
Staff functions	85%	15%	82%	18%	82%	18%
TOTAL	87%	13%	85%	15%	84%	16%

% Women in STAFF



% Women executives in STAFF



Intergenerational diversity of employees (GRI 405-1, paragraph b)

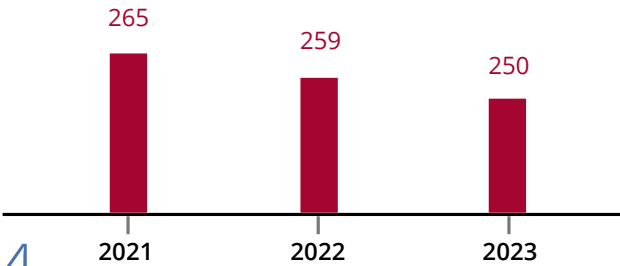
BLUE COLLAR - age group	2021			2022			2023		
	<30 y.o.	30-50 y.o.	>50 y.o.	<30 y.o.	30-50 y.o.	>50 y.o.	<30 y.o.	30-50 y.o.	>50 y.o.
Fiume Santo	0%	31%	69%	0%	27%	73%	0%	29%	71%
Livorno Ferraris	0%	75%	25%	0%	67%	33%	0%	67%	33%
Ostiglia	10%	40%	50%	34%	33%	33%	35%	41%	24%
Tavazzano and Montanaso	20%	33%	47%	33%	52%	15%	56%	44%	0%
Trapani	0%	0%	0%	0%	0%	0%	0%	0%	0%
Staff functions	0%	0%	0%	0%	0%	0%	0%	0%	0%
TOTAL	4%	34%	61%	12%	35%	53%	20%	37%	43%

WHITE COLLAR - age group	2021			2022			2023		
	<30 y.o.	30-50 y.o.	>50 y.o.	<30 y.o.	30-50 y.o.	>50 y.o.	<30 y.o.	30-50 y.o.	>50 y.o.
Fiume Santo	0%	25%	75%	0%	20%	80%	0%	20%	80%
Livorno Ferraris	0%	50%	50%	0%	50%	50%	0%	50%	50%
Ostiglia	0%	67%	33%	0%	75%	25%	0%	67%	33%
Tavazzano and Montanaso	0%	100%	0%	0%	50%	50%	0%	50%	50%
Trapani	0%	0%	100%	0%	0%	100%	0%	0%	100%
Staff functions	2%	48%	50%	0%	53%	47%	0%	55%	45%
TOTAL	2%	47%	51%	0%	50%	50%	0%	52%	48%

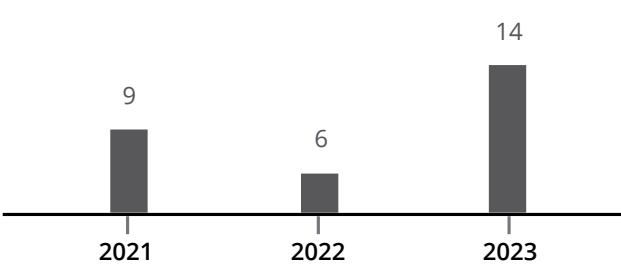
EXECUTIVES - age group	2021			2022			2023		
	<30 y.o.	30-50 y.o.	>50 y.o.	<30 y.o.	30-50 y.o.	>50 y.o.	<30 y.o.	30-50 y.o.	>50 y.o.
Fiume Santo	0%	10%	90%	1%	8%	91%	1%	8%	91%
Livorno Ferraris	0%	36%	64%	0%	42%	58%	0%	37%	63%
Ostiglia	2%	23%	75%	2%	25%	73%	2%	21%	77%
Tavazzano and Montanaso	2%	22%	76%	2%	19%	79%	4%	23%	73%
Trapani	0%	0%	100%	0%	0%	100%	0%	0%	100%
Staff functions	10%	62%	28%	7%	63%	29%	16%	56%	28%
TOTAL	3%	28%	69%	3%	28%	69%	5%	27%	68%

DIRECTORS - age group	2021			2022			2023		
	<30 y.o.	30-50 y.o.	>50 y.o.	<30 y.o.	30-50 y.o.	>50 y.o.	<30 y.o.	30-50 y.o.	>50 y.o.
Fiume Santo	0%	100%	0%	0%	100%	0%	0%	100%	0%
Livorno Ferraris	0%	100%	0%	0%	100%	0%	0%	100%	0%
Ostiglia	0%	0%	100%	0%	0%	100%	0%	0%	100%
Tavazzano and Montanaso	0%	0%	0%	0%	100%	0%	0%	100%	0%
Trapani	0%	0%	0%	0%	0%	0%	0%	0%	0%
Staff functions	0%	65%	35%	0%	55%	45%	0%	48%	52%
TOTAL	0%	65%	35%	0%	58%	42%	0%	52%	48%

Employees > 50 at plants (no.)



Employees < 30 on staff (no.)

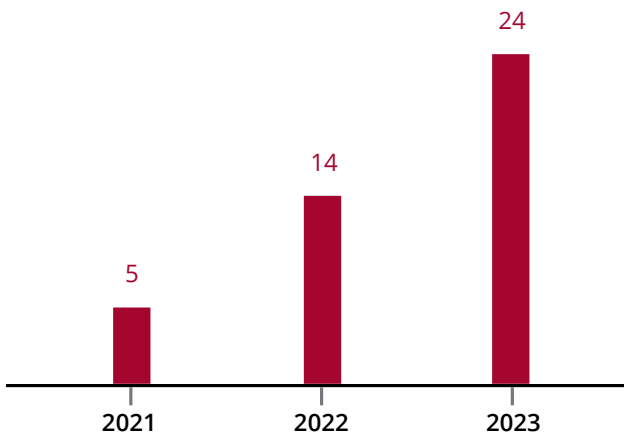


New employee hires and employee turnover (GRI 401-1b)

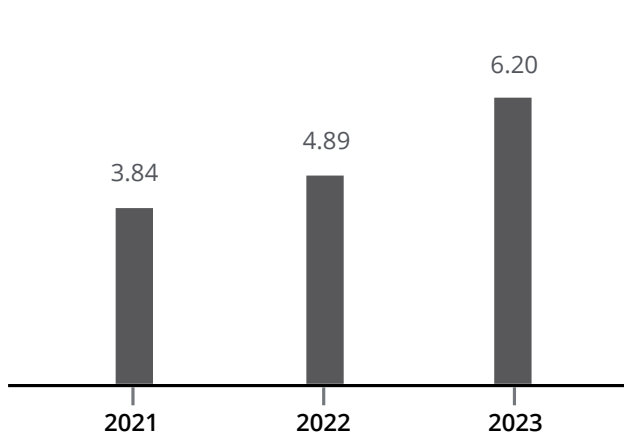
A. HIRES	2021			2022			2023		
	Female	Male	Tot.	Female	Male	Tot.	Female	Male	Tot.
< 30 y.o.	3	2	5		14	14	4	20	24
30 - 50 y.o.	2	6	8	9	14	23	4	15	19
> 50 y.o.	1		1		4	4	1		1
Total	6	8	14	9	32	41	9	35	44
Total employees	495			511			516		
Hiring rate	2.83			8.02			8.53		

B. TURNOVER	2021			2022			2023		
	Female	Male	Tot.	Female	Male	Tot.	Female	Male	Tot.
< 30 y.o.		1	1		1	1	1	1	2
30 - 50 y.o.		6	61	2	5	7	3	5	8
> 50 y.o.	1	11	12		17	17		23	23
Total	6	18	19	2	23	25	4	29	33
Total employees	495			511			516		
Turnover rate	3.84			4.89			6.40		

Recruitment of staff aged < 30 years (no.)



Turnover rate (%)



Parental leave (GRI 401-3)

PARENTAL LEAVE	2021			2022			2023		
	Male	Female	Tot.	Male	Female	Tot.	Male	Female	Tot.
a. Employees entitled to parental leave	17	9	26	8	11	19	12	6	18
b. Employees who have taken parental leave	17	9	26	8	11	19	12	6	18
c. Employees returned to work after parental leave	17	9	26	8	11	19	12	4	16
d. Employees who returned to work and are still employed 12 months after their return to work	17	8	25	8	10	18	12	4	16
e. Return to work rate	100			100			88.89		
e. Retention rate	-			69.23			84.21		

INFORMATION NEEDED TO CALCULATE THE RETURN AND RETENTION RATE	2021	2022	2023
	26	19	18
Total number of employees who should have return to work after taking parental leave			
Total number of employees returned to work following parental leave in the previous reporting period(s)	25	18	17

Training hours 2023 (GRI 404-1)

SUBJECT-MATTER	TP	TZ	OS	LF	FS	Staff	Senior managers	Total
Managerial	-	40	221	28	119	1,611	383	2,019
Linguistics	-	-	249	-	-	1,224	61	1,473
Informatics	13	273	325	263	332	468	8	1,682
Technical-specialist	-	8,431	705	383	1,958	1,639	52,000	13,168
Environmental	-	144	-	8	96	-	-	248
Health and Safety	49,5	2,462	1,666	1,163	2,518	1,225	60	9,144
Total	62	11,350	3,166	1,845	5,023	6,167	564	27,613
Employees	3	74	64	33	184	159		517
Average training hours	21	153	49	56	27	39		52
Average days/year per person	2.6	19.2	6.2	7.0	3.4	4.8		4.5



The Sustainability Report is also
available on the website



<https://epproduzione.com/en/sustainability/bilancio-di-sostenibilita-2/>



In the web site, you can also find Environmental Statements

where we proactively and transparently communicate our achievements in relation to our environmental targets and indicate how we intend to continuously improve our environmental performance.

Document approved by **the Board of Directors** on 25/03/2024

A special thanks to all our employees and collaborators who, through the photos representing them, have allowed us to best represent our greatest asset: our people.

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