



Sustainability Report 2023
(long version)



Environmental Declarations
(Only Italian)



Fiume Santo Energy Park



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2023

Sustainability Report at a glance





Reflections on 2023



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

“Once again, 2023 revealed the increasingly central role played by energy within the global scene.

In this context, EP Produzione continued to make its contribution to the national electricity system and the energy transition. Work to create new efficient combined cycle units and the Fiume Santo Energy Park are the initial, fundamental steps we are taking to support EPH Group’s efforts toward net-zero by 2050.

In this process, health and safety are primary concerns and we are focused on the younger generations, guided by our key values: **People, Responsibility, Competence and Courage.**

We are moving forward, together, to create value for our company and all its stakeholders.”

March 2024

In Italy to grow

Check out the corporate structure at:



EP Produzione is the Italian electricity generation company of the **EPH Group**.
One of the largest private capital energy groups in Europe and leader in the transition toward zero or low-emission energy sources.

5th largest energy producer in Italy

EP Produzione’s power plants are efficient and high-performance, managed according to the highest environmental, safety and reliability standards.

4.4 GW
total generation capacity

6 thermal power plants
5 gas and 1 coal-fired plants

6 GW
of installed capacity created **by end-2025**
as part of its development strategy

€2.8 bln
total EP Produzione revenues in 2023
and **€2.6 bln** economic value distributed

€450 mln
investment plan for 2024-2028

€340 mln
invested in 2023, **+34%** compared with 2022 and **+222%** compared with 2021

Our values

Guaranteeing continuous, stable energy supplies while also contributing to the decarbonization of the Italian energy system, requires that every day EP Produzione personnel work within a **corporate environment that is solid and shared.**



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

Our contribution to the 2030 Agenda



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 and 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

Power Plants and Markets

For us, professional expertise is a must
#commitment #sharing #proactivity

View environmental declarations:
(Only Italian)



11.6 TWh*

our contribution to energy production in Italy in 2023, with **13.7 TWh** sold on the national market

EMAS registration

voluntary environmental management system for all power plants, also **ISO 14001 (environment)** and **ISO 45001 (safety)** certified

EP Energia Italia

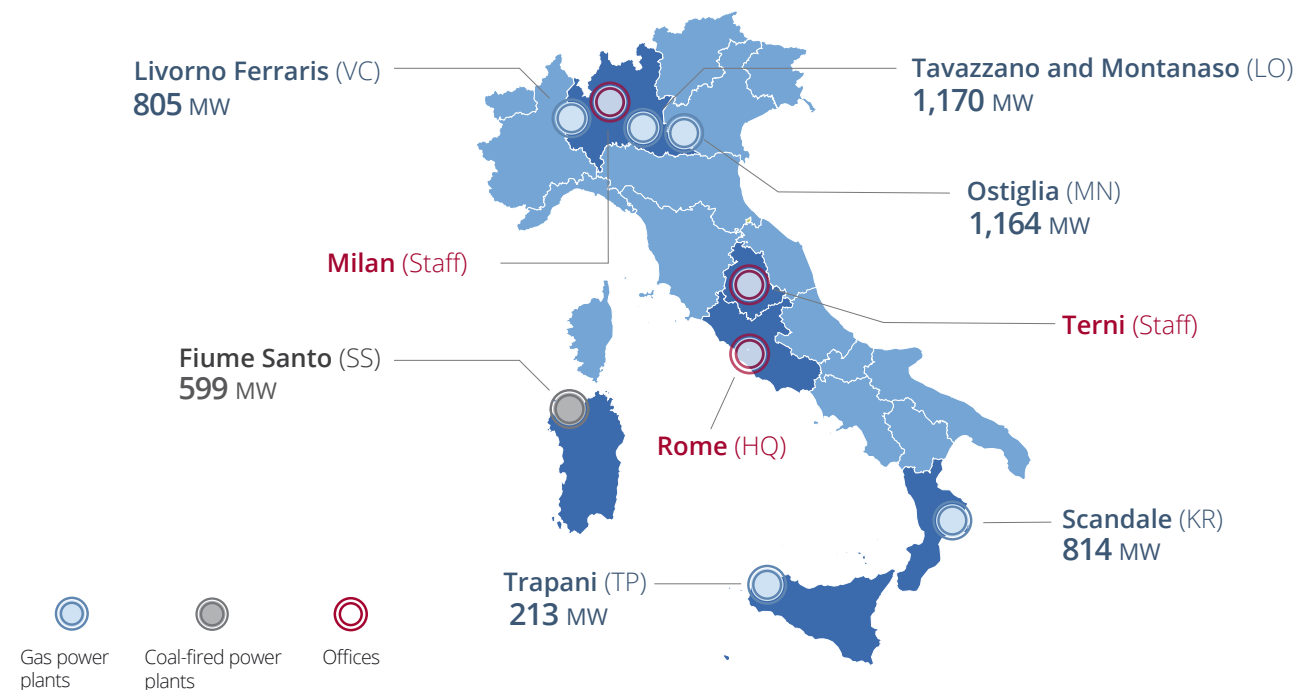
company founded in 2023 involved in **the sale of electricity to companies**

over 3,500 MW

allocated by Terna to EP Produzione for new and existing capacity, with delivery expected in 2024

* Does not include electricity production from the Scandale power plant.

Our Power Plants



The EP Produzione value chain

Production

Through the power plants located in Italy, we contribute to the nation's energy security by guaranteeing maximum efficiency, flexibility and programmability

Dispatching

We distribute the energy produced in our power plants on energy markets and we are also dispatching users for the plants owned by our subsidiaries

Sales

Through EP Energia Italia, we sell electricity to industrial clients, offering services that are high in quality, reliability and cost effectiveness

Decarbonization

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

New capacity



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.



Strengths

Tavazzano and Montanaso power plant



The power plant's electrical output will increase from 1,170 MW to **1,970 MW**

NO_x emission reduction of more than **50%**



1,560,000 hours worked at the site in 3 years (2021-2023)

New volumes offset by **demolition of 50,000 m³ tanks** no longer in use



10,000 trees planted in the Adda Sud park as a result of compensation works

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



Ostiglia power plant



Reduced CO and NO_x emissions, mass and specific



Forestation of 10 hectares



Reducing the thermal impact on the Po River

The new unit is further **away from the town centre** and will not consume new land



Demolition of dense fuel oil tanks from the Borgo San Giovanni area

Decarbonization

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#futureoutlook #criticalthinking #perseverance

Fiume Santo Energy Park



Watch the full video:
(Only Italian)

In 2023, we presented the **Fiume Santo Energy Park**, a project to create a productive future for the Fiume Santo industrial site, even after the phase-out of coal, through **a mix of renewable energy sources, including photovoltaic, batteries, hydrogen and biomass, as well as those with low environmental impact (natural gas)**. In a single site, we will bring together an integrated and balanced energy mix with the goal of contributing support in meeting the 2030 goals identified in the Integrated National Energy and Climate Plan.



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

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

Up to **€1 billion** in investments

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

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

An integrated project to reach the **targets of the Italian PNIEC**

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

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

Decarbonization

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#futureoutlook #criticalthinking #perseverance



A roadmap for 2050

The EPH Group has launched a **project that involves all its companies in the nine European countries** in which it operates to promote a decarbonization program designed to take on tangible commitments toward reducing emissions as early as 2030, **with the aim of achieving net-zero by 2050**. In 2023, EP Produzione carried out a preliminary study to identify a realistic emission reduction program for 2050, with 2022 as the baseline year.



HYDROGEN

We are among **the partners of the Agici-Fichtner H2 Green Hydrogen Observatory** to make it an economically sustainable solution

People

We believe in the worth of our people
#care #trust #collaboration

People are the cornerstone of EP Produzione, which is why we foster an inclusive environment that allows each employee to thrive and contribute meaningfully.

In 2023, we focused especially on the younger generation, given that 60% of our workforce is currently over 50. Projections indicate that within five years, around 48% of our operational staff and 44% of our line managers will be nearing retirement. To address this, we implemented several targeted initiatives in 2023. Among these is the new **"Onboarding Program,"** a comprehensive induction and inclusion process designed to integrate new employees and equip them with the tools they need to become integral members of our team from day one.

Health and Safety



#abbicura our motto to promote a culture focused on people's health and safety

Over 2,000 safety Walks and Talks organized in power plants, **+113%** compared with 2022

>10,000 hours of training in HSE topics in 2023

HSE improvement plan to guarantee health and safety monitoring in all office and production facilities

People's wellbeing



517* people on our team, almost all with permanent contracts

44 newly-hired colleagues in 2023

EP People welfare program that offers over **100,000 services** to employees

>27,000 hours of training provided for the development of our people

Diversity and inclusion



1 out of 3 women in a managerial position in staff roles

Valore D the association of companies that **promotes gender balance**, which we joined in 2023

24 new hires in 2023 under age 30, 55% of total hires

EPP Next onboarding program designed to improve the new-hire experience

Territory

We are responsible toward ourselves, the environment and society
#sustainability #coherence #safety

We contribute to the growth and **creation of value in the communities where we operate** not only through direct employment and the activation of local suppliers, but also by giving back and strengthening mutual trust with these areas. This is why, even in 2023, numerous initiatives were promoted by our various power plants in collaboration with local institutions and associations.

Our commitment to the community is also reflected in our environmental protection efforts near our facilities. Since 2005, the **Livorno Ferraris power plant** has undertaken a significant project in the Vercelli rice fields, **creating grasslands, forests, and shrublands comprising 25 native species** and over **34,000** planted trees. Today, projects related to the new capacities of Ostiglia and Tavazzano and Montanaso are driving a positive transformation of the production sites. Old infrastructures are being demolished, areas are cleared for new installations, and hazards to health, safety, and the environment are being removed.

Generation of value for the local area



~ 1,170 current suppliers, representing a total expenditure of over €104 million

40% share of expenditure, whose amount has remained in the local area

19 apprenticeships in 2023, each lasting six months

Gold Sponsorship with Dinamo Sassari for the ninth consecutive year in the 2023/2024 Serie A LBA national championship

Environmental protection



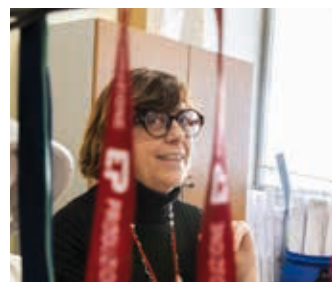
Lower emissions through a process of gradual reduction, in particular of SO₂ and dust particles at Fiume Santo

Land reclamation at the Trapani power plant where old diesel tanks were located

Muzza Canal maintenance and repair work on the canal near the Tavazzano and Montanaso power plant

90% non-hazardous waste produced and recycled in 2023 as part of a circular economy approach

* Excluding employees of the Scandale power plant.



A special thanks to all our employees and collaborators who, through the shots that capture them, have allowed us to best represent our greatest capital: our people.

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