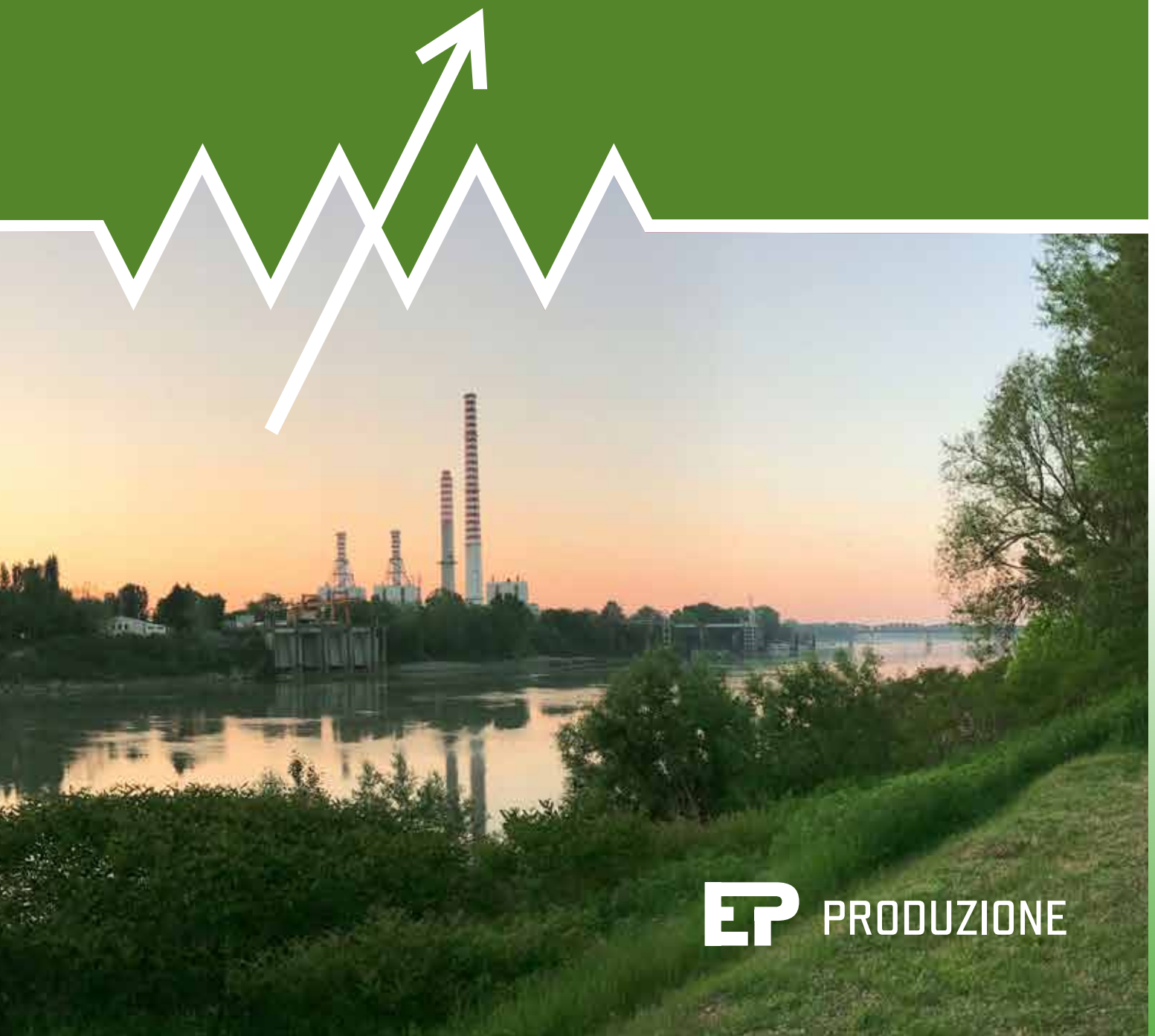


2021

New Capacities

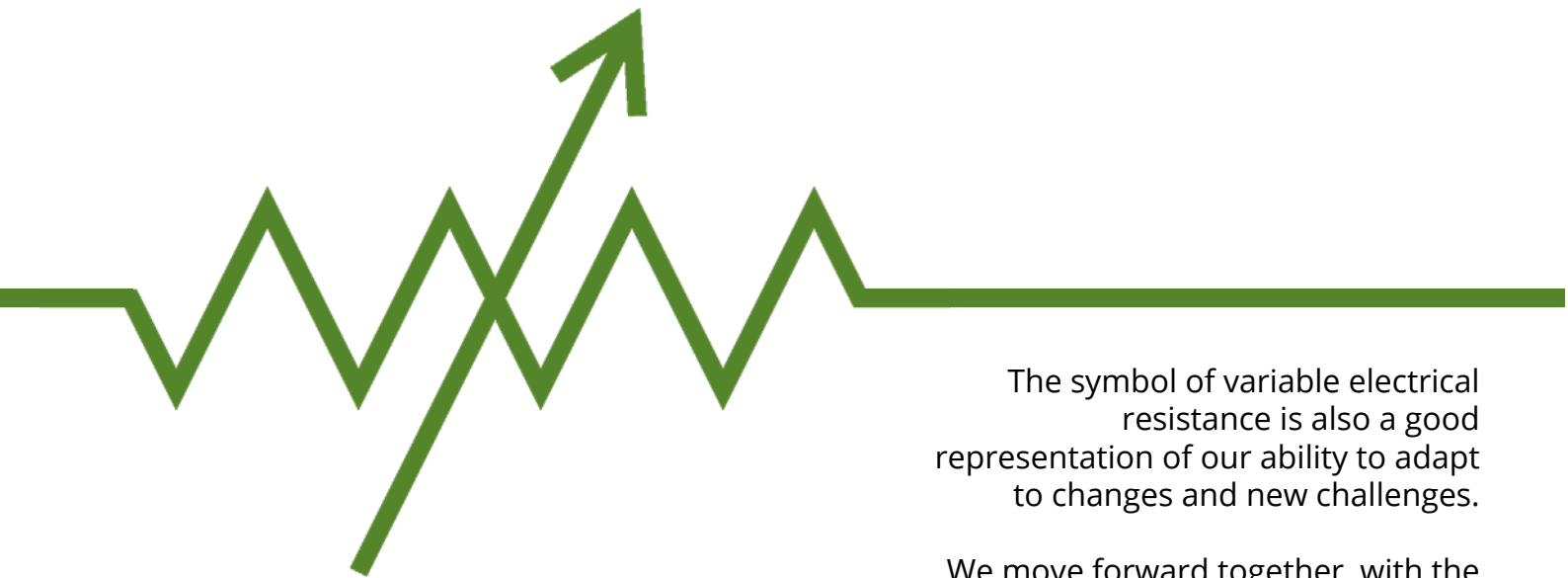
Sustainability Report



2021

New Capacities

Sustainability Report



The symbol of variable electrical resistance is also a good representation of our ability to adapt to changes and new challenges.

We move forward together, with the same energy as always.

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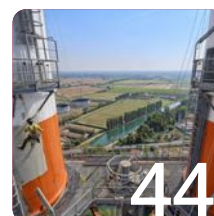


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Opening Remarks

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Luca Alippi

CEO of EP Produzione S.p.A.

“These last few years, so burdened with dramatic events, are proving to be a major challenge for the world’s social-economic systems. We shall be condemned to coexist for many years to come with the aftermath of a pandemic that has claimed the lives of colleagues, friends and relatives and severely impacted the social and economic fabric of our country. And following the pandemic, the relaunching and resumption of international trade has yet again been put to the test by a conflict, the Ukrainian Russian one, which is bound to scar the face of Europe - perhaps indelibly - for many years to come. The war and the energy crisis have brought to the forefront the fragility of our Continent and the new challenges that we shall have to face together. Against this backdrop of uncertainty and fragility, businesses are called upon to contribute to the search for concrete, high quality solutions with the power to satisfy, respect and balance the interests of the present and the future. We are the fifth largest energy

producer in Italy, part of a robust Group whose target is to become carbon neutral by 2050. Our efficient, flexible and programmable plants are accompanying the energy transition and decarbonization of the country, backing up - when required - the renewable sources, which are, by their very nature, subject to fluctuations in availability. All our power plants not only contribute to meeting demand, they also contribute to the security and adequacy of the grid. In particular, the Trapani and Fiume Santo power plants are acknowledged as being essential to the energy security of the Italian electricity system.

We are investing almost a billion euros in the renovation of our assets, to make them even more efficient and thus more environmentally sustainable, while creating jobs and generating value for our host territory.

The projects for boosting the efficiency of the Tavazzano e Montanaso power plant and the Ostiglia power plant include the construction of new, latest generation, combined cycle units with class H technology: the state-of-the-art in natural gas combined cycles. These are two projects that can make a major contribution to the energy transition process, guaranteeing security and adequacy to the evolving electricity system, and enabling lower-efficiency higher-emission power plants to be replaced. These projects are also important in connection with reflections on the most appropriate energy mix for the future, in terms of sources and origins of supply, an issue that the war in Ukraine has brought to the fore with dramatic force. It is reasonable to assume that natural gas will continue to play an important role in complementing the growing development of renewable sources, guaranteeing the security of the electricity system, even more so if it is used in plants that are highly efficient and high-performance in terms of environmental sustainability.

In addition to these two projects, we continue to pursue further development opportunities for our other production sites, forging ahead with the authorization processes already underway - for natural gas, photovoltaics and batteries - and evaluating new projects. In particular, our efforts and discussions are still continuing with all our stakeholders on the subject of creating a viable future for the Fiume Santo production site, a future that we envision as being multifunctional, multi-fuel and multi-technological.

When we speak of the new capacities required to meet the challenges ahead, we are not just referring to new plants for the production of electrical energy. The new capacities needed are also those that we have succeeded in developing so as to learn to work in a new normality, constantly adapting our security protocols, to protect our activities from the emerging risks of cyber-attacks and to seize the opportunities offered by the digital revolution.

Safety in the workplace, for us and those who work with us, is, and always must, remain a priority. We have shown that 'zero injuries' is possible; now it must become sustainable over time.

In the pages that follow, we wish to cover our commitment and achievements, the bond of trust we have built with all those who work for us and with us, the passion that guides us in everything we do. The challenges to be faced in the field are unprecedented. **At EP Produzione we will emerge, once again, full of energy and passion, ready to move forward, together."**

Luca Alippi

1° July 2022



challenges

EP Produzione

new capacities

energy

people

passion

appendix

we discuss with

climate neutrality

energy sector

twin transition

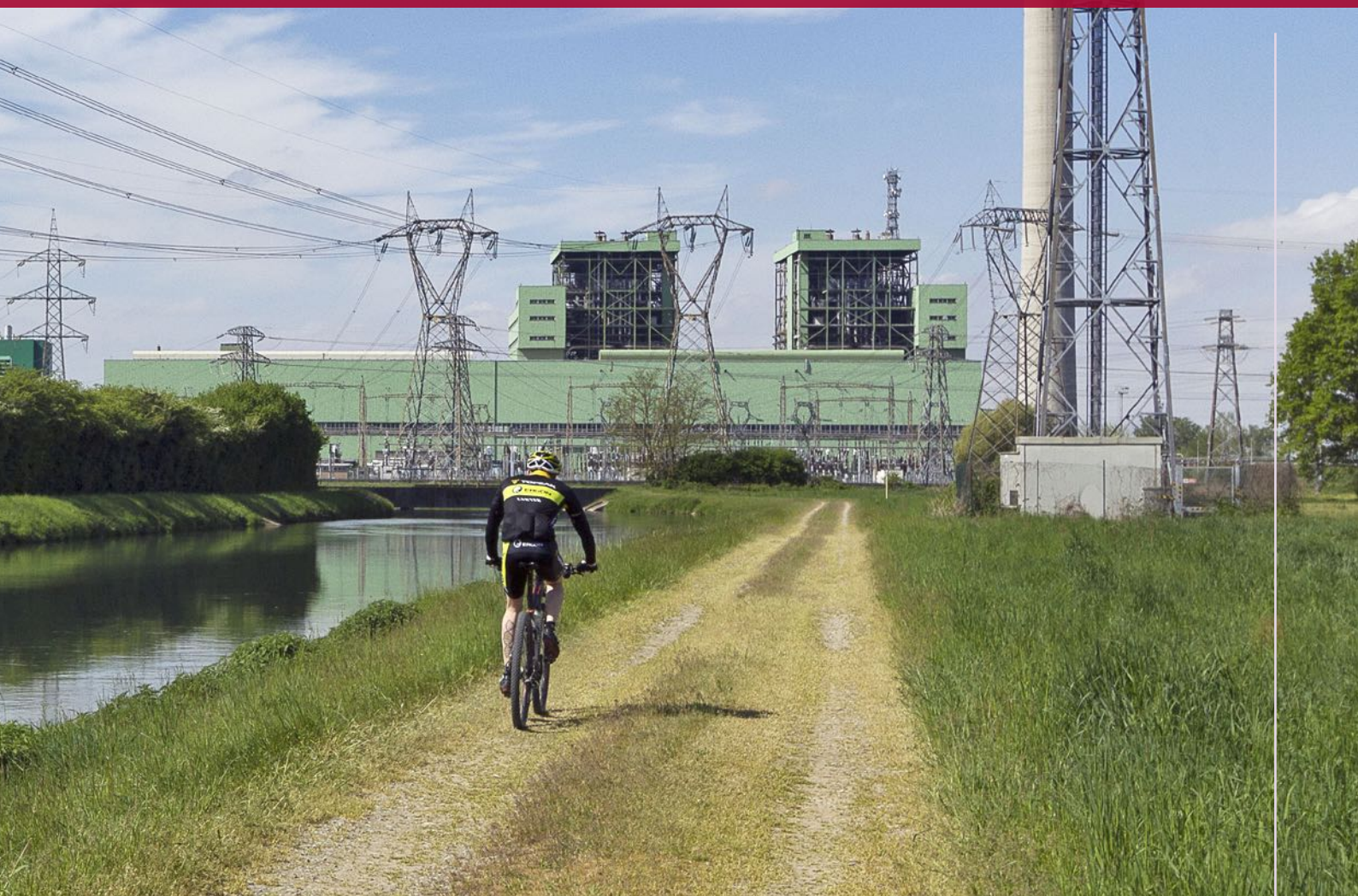
agenda 2030



#TwinTransition #Energytransition #Agenda2030 #COVID

The challenges of a green and digital transition

Sustainability is being speeded up more than ever before. Europe is aiming to become the first carbon-neutral continent by 2050, promoting a 'Twin Transition' in which green and digital technologies enable and fuel each other. Energy remains at the center of the international debate on sustainable development, posing new challenges to institutions and enterprises in the sector.



+2,7°C

global temperature increase
by the end of this century
(IPCC, 2021)

-55%

of greenhouse gas emissions
in Europe by 2030 compared
to 1990 levels
(Fit for 55, 2021)

2054

the year in which Italy should
reach the 2030 renewables
target
(EEA, Eurostat e PNIEC, 2021)

292 euro/MWh

the peak of the monthly
average value of the Single
National Energy Price
recorded in December 2021
(GME, 2021)

+40%

Next Generation EU resources
for climate change and
digitalization
(Commissione Europea, 2019)

37%

the Italian electricity require-
ments met by renewables
in 2021 (+3% compared
with 2019)
(Terna, 2021)

We discuss the matter with Catia Bastioli



Catia Bastioli

Chief Executive Officer of Novamont S.p.A.

Catia Bastioli is a chemist, a researcher and an entrepreneur. She is the CEO of the Novamont Group, an industrial reality born from the results of her research activity on the development of bioplastics and biochemicals from renewable origin, according to a model of Circular Bioeconomy that she developed, intended as territorial regeneration with the quality of soil and water at its centre. She is also President of the Kyoto Club Association and of the Italian Cluster of Circular Bioeconomy SPRING. She is Full member of the Club of Rome. She was President of Terna from 2014 to 2020. She has been a member of important EU working groups on climate change, environment and bioeconomy, such as the Mission Board on Soil Health and Food. She was nominated "European Inventor of the Year 2007" in the biopolymers sector.

Moreover, she holds a Honoris Causa Degree in Industrial Chemistry (2008, University of Genoa), in Materials Engineering (2016, University of Palermo), in Business Economics (2018, University of Foggia) and an Honorary Doctorate in Civil, Chemical, Environmental and Materials Engineering (2019, University of Bologna).

In 2017 she was given the honorary title of Knighthood "Cavaliere del Lavoro" by the President of the Italian Republic Sergio Mattarella.

What impact may the recent geopolitical developments have on the path of ecological transition envisaged by the European Union?

The war in Ukraine is not only a rapidly developing humanitarian disaster but is also affecting a key area for the global sourcing of raw materials, triggering a cultural clash between different forms of government, and forcing us to burn resources which should be used to mitigate the climate crisis. It is not easy to foresee scenarios and identify solutions in this context that is causing extreme vulnerability in the world balances which, following the ongoing pandemic, pivot around the energy crisis, the shortage and the rising prices of raw materials, as well as the major geopolitical problems. We must keep in mind that the many crises we are experiencing are the devastating effects of having ignored the complexity and rhythms of nature, which has been pushed beyond its own limits. In this respect, it is important to remember that in 2021, human constructions exceeded those of nature, when only in 1960 they counted for 10% and in 1900 for

3%. Unfortunately, as happens with exponential phenomena, when these effects occur they are no longer easily contained, certainly at least using the tools of the model that produced them. This accumulated delay in changing the course is having, and will continue to have, significant consequences on our lives and on the ecosystems for a long time to come, even if we are able to substantially change our model of development now. Not only damage caused by our behavior, but also the ways in which we will intervene to correct our behavior and our economic and social model will have major impacts on human activity, particularly on production activities. The complexity and gravity of the situation is evident to all and the difficulty in finding appropriate solutions lies precisely in how we perceive the evolutionary dynamics of the situation, and therefore seeing in advance which potential systemic feedback could be generated by a given strategic choice or action. Where conceived only as a response to emergencies without any future model or systemic overview, major local and global political, industrial, energy, agricultural, health and social decisions will trigger other phenomena of unprecedented intensity and acceleration.

Especially for Italy, the need to accelerate energy decoupling from Russia has highlighted the value of efficiency: how does our country stand in the European panorama? What challenges will it face in the coming years?

Italy has a series of records that place it at the top of the ecological transition in Europe. We are one of the most energy efficient countries, with a primary energy

intensity that is around 18% lower than the average. We are leaders in the renewables sector, which today meets almost one fifth of national energy requirements. As stated in the Green Italy 2021 Report, we also lead the circular economy sector, recycling 79.4% of all municipal and special waste, compared to the EU average of 49%. Annually we save 23 million tons of petrol equivalent and 63 million tons of CO₂ equivalent in emissions, by replacing secondary materials. We are also one of the world leaders in the green chemistry sector, with pioneering skills and plants first in the world, as well as more in general we are European leader in the Bioeconomy sector: we rank third in Europe by turnover (317 MLD) and jobs (around 2 MLN), second for research projects and innovation, first for the wealth of our biodiversity and the number of PDO, IGP and similar products, as well as first in organic waste collection (47% compared to 16% EU average). Italian agriculture is one of the most sustainable in Europe. However, in this context we must not forget that we are one of the poorest countries in terms of raw materials, and we would need a country 5.3 times larger than Italy to ensure enough resources to satisfy the Italians' annual consumption needs. We are also one of the European countries that depends most on foreign energy sources: in 2021, fossil fuel imports from other countries covered 77% of domestic needs, compared to 23% satisfied by national production (mostly from renewable sources). If we consider that Italy lies in the center of the Mediterranean area, one of those most affected by climate change and soil degradation, with low self-sufficiency, at a time in which the raw materials race is becoming unsustainable, we can see that the great challenge we are facing is that of

enhancing the development potential of our records. The ecological transition is in fact a process of induced incremental innovation, which we must trigger in order to strengthen the country's competitiveness, accelerating starting from those sectors in which we have invested over the years, where solid, structured partnerships have been created and concrete tangible results achieved, with transformational technologies, local regeneration projects acting as a bridge between different sectors, whose environmental and social effects are measurable and are not only technical but also cultural whose potential for multiplication and acceleration is tangible.

What are and what will be the key variables for determining the success of the ecological transition? Which technologies will positively affect energy in the next one or two decades?

The decisive variable for the success of the ecological transition will be a profound change of mindset. I truly believe that our incredible failure to react is not so much due to a lack of suitable technologies, but rather our cultural limits, which we still have great difficulty in overcoming. We must change the way in which we look at the world, which today focuses on separation and disconnection, tuning in to the sphere of complex systems, such as social and natural systems are. If we remain in the silos-based logic of a linear economy, marked by extreme individualism, industrialization and competition, disconnection from the social fabric and from nature, and by an approach based on the exploitation and accumulation of rootless capital, the

shift from fossil fuels to renewable energy alone will not make the difference in guiding the ecological transition. It is not enough to have the technologies, we also need wisdom in using them, because if they are not placed within a systemic approach through local projects, even the most sustainable solutions will have a highly negative impact. Having said that, to achieve the ambitious targets of the Green Deal for 2030 and 2050, top priority must be given to a rapid acceleration of renewables, including photovoltaic, agrovoltaiic, hydroelectric, wind power, as well as to energy efficiency, sustainable mobility, the economy and the circular bioeconomy. The bioeconomy in particular is a complex aggregate which includes agriculture, the related agrifood value chains, bioproducts, wood and paper, and even organic waste, bio-energy and bio-based chemistry. This sector is closely linked to the paradigm of the circular economy and represents one of its key elements for reducing the use of non-renewable resources and maximizing the efficiency and sustainability of renewable resources. If declined in the circular logic, as territorial regeneration and as the creation of interconnections between different sectors, focusing on soil health, it could be a powerful tool for the European Green Deal strategies and policies for decarbonizing our economy and for a change of course that also involves a cultural change in society.

When we talk of ecological transition, we often tend to focus on the point of arrival: if the aim is clear, what are the actual main steps in the path before us?

As I have said several times, this revolution is played at the level of territories, agriculture, integrated value chains, the relationship between the city and food, the eco-design of products, their biodegradability in those applications in which there is a concrete risk of accumulation in soils and water, interconnected infrastructures particularly for the production of bioenergy and the treatment of solid and liquid organic wastes, recognizing the value of these wastes not only to maintain soil fertility and biodiversity, but also as strategic raw materials, the implementation of chemical, physical and biotechnological processes to transform waste into products. In this direction, it will be necessary to encourage the development of systemic territorial projects in which no single technology prevails but the integration of different technologies at the service of the decoupling between the use of resources and the development, starting from the regeneration of marginal areas and of complex crisis, from the exploitation of diversified renewable sources, possible today, fostering an interdisciplinary approach and the connection with communities. Lighthouse and living labs, fields in which research, agriculture and industry come together to test and demonstrate solutions, will be essential for further enhancing territorial specificities, experimenting in the field and monitoring their effects, multiplying the virtuous cases. It will be essential to apply goals and targets of territorial regeneration and circularity factors to assess real environmental sustainability and monitoring systems to understand if we are really “doing more with less”. A fundamental step must then be the recognition of the value and regenerative potential of the sector, overcoming the regula-

tory barriers that still prevent the full implementation of the circular bioeconomy. Finally, it is necessary to fully understand the meaning of transition, which implies a dynamic intermediate condition, an evolution in progress. In the light of this, it must be clear to us that every action is not neutral, and generates an impact, and therefore we need to make choices that allow us to have clear ways of development. The autonomy of our country must be our priority, but it must be achieved with the multiplicity and redundancy of solutions having a broader horizon than the mere interest of individual companies and people, remembering that the contributive approach and working together are essential ingredients for the development of a systemic, far-sighted culture.

#thechallenges
#wediscussthematterwith

GLOBAL COMMITMENT TO CLIMATE NEUTRALITY

Man-made greenhouse gas emissions over the past 170 years have caused temperatures to rise by around +1.1 °C compared to pre-industrial levels. According to recent assessments by the Intergovernmental Panel on Climate Change, the current policies of the States are not sufficient to fulfill the commitments made in the Paris Agreement, confirmed by COP26 held in Glasgow, to keep global warming below 1.5 °C. On the contrary, as things stand, it is estimated that the temperature will rise by 2.7 °C by the end of the century.

In this context, the European Union is determined to play a leading role: it has set itself the ambitious goal of becoming the **first climate-neutral continent by 2050** and has drafted a roadmap of measures with medium-term targets for 2030. The 'Fit for 55' package, approved by the EU in July 2021, targets a 55% reduction of greenhouse gas emissions compared to 1990 levels by 2030, an increase to 40% of the share of renewables in the energy mix, and an energy efficiency target of 36%¹.

The more than €1,750 billion already mobilized through the Green Deal and NextGeneration EU, the extraordinary resource package launched to support a green, digital and inclusive recovery, will play a key role in supporting the achievement of this ambition.

THE ENERGY SECTOR AT THE CENTER OF THE DEBATE

In 2021, global CO₂ started to increase again, almost surpassing +5% compared to the previous year and coming worryingly close to pre-pandemic levels (only -0.8% compared to 36.7 GtCO₂ produced in 2019³). According to estimates of the Global Carbon Budget presented at COP26, **the world's largest producer of greenhouse gases (GHG) in the course of the year was China** (with about 31% of global CO₂ emissions), followed by the USA (14%), India and the European Union (both about 7%)⁴.

The energy sector is responsible for over 73% of global annual GHG production⁵.

The slowdown in consumption linked to the introduction of restrictive measures to curb the spread of the Covid-19 pandemic seems to have ended. While global electricity consumption dropped by -6% in 2020 compared to the previous year, reaching the record low of the last two decades (284 TWh⁶, **this year global energy demand has risen by +6%** with increases for all traditional sources of production - from coal (+9%) to nuclear (+3.5%) to gas (+2) - and an estimated year-on-year increase in CO₂ emissions (directly and indirectly generated by the sector) of +7%⁷. **That the energy sector is a key driver of global economic, environmental and geopolitical equilibrium is certainly nothing new**, but this became even more evident in late 2021 and early 2022.

¹ European Commission, Fit for 55, COM/2021/550 final. For more information, see The European House – Ambrosetti, European Governance of the Energy Transition, 2021.

² Global Carbon Project (2021): Global Carbon Budget 2021.

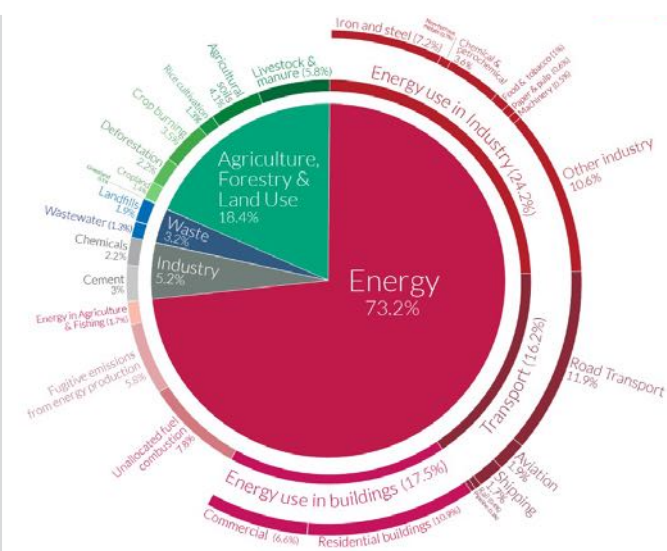
³ Cornell University (2021): Global fossil carbon emissions rebound near pre-COVID-19 levels.

⁴ Ibidem.

⁵ World Resources Institute, Climate Watch, 2020.

⁶ IEA (2022): Electricity Market Report.

⁷ Reuters (2022): Emissions set to rise with global power demand - IEA.



Greenhouse gas emissions by sector
Source: World Resources Institute, Climate Watch, 2020

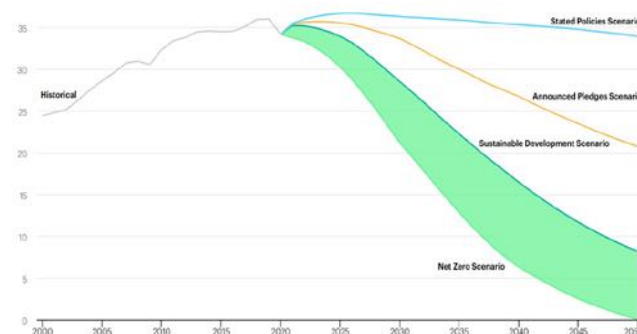
The sudden, sustained growth in demand has led to a major increase in the global prices of raw materials and set the stage for a real supply crisis, raising the level of tension in particularly sensitive markets such as those of oil and coal.

Among the most manifest effects of these tensions has been the sharp rise in average annual European gas prices - which more than doubled in 2021 (€48/MWh) compared to 2020 (€10/MWh), soaring, in Italy, to €184/MWh in December 2021⁸.

This phenomenon does not seem likely to end any time soon. Further exacerbated by geopolitical instability fueled by the Russian-Ukrainian crisis, **the energy issue continues to present itself as a crucial node in the debate on Europe's sustainable transition and, today more than ever, it revolves around two key words: independence and reliability.**

If, on the one hand, Europe seems intent on consolidating alternative and renewable production solutions that would enable decoupling from Russia as a gas supplier (currently responsible for more than 45% of European needs⁹) which would, in turn, reduce its exposure to price volatility, on the other hand, it has to deal with the main obstacles that still characterize 'green' energy: its lead times and its lack of programmability.

In 2020, 37% of Europe's energy needs were met by renewable electricity (+3% compared to 2019, reaching a total volume of 1,068 TWh).¹⁰



Comparison of climate-altering gas emissions (mt CO₂ equivalent)
Source: The European House - Ambrosetti elaboration of International Energy Agency, European Commission and Eurostat data, 2021

At the current pace, the emission **reduction targets of 55%** set for 2030 could be achieved:

- in 2048 by **Europe**
- in 2037 by **Italy**

⁸ ARERA Memoria 50/2022/I/COM.

⁹ ISPI, Missione: decoupling dal gas russo, 2022.

¹⁰ Eurostat, 2021.

However, at the current pace, according to estimates the **European Union will not be able to meet its 2030 emissions reduction target before 2048**, 18 years behind schedule¹¹.

In Italy, for example, out of the 7 GW of renewable energy plants that should be installed each year in order to reach this target, it is estimated that only 0.8 GW were installed in 2020 and only a further 3.5 are planned between now and 2026¹².

Additionally, in Italy it takes an average of 11.4 years - from design to commissioning - to build a renewable energy plant, 7 of which are solely dedicated to the authorization process¹³.

Given these challenges, it is clear that, in order to successfully complete the energy transition, Europe and Italy will have to be able to combine renewables with alternative and supporting sources, such as natural gas - which is likely to continue to play a strategic role in the European energy mix, with an estimated share of around 27% of the continent's total needs over the next 20 years¹⁴.

THE TWIN TRANSITION AND THE ROLE OF TECHNOLOGY

The success of the sustainable transition is inextricably linked to the economic competitiveness of green products and services compared to their high-impact counterparts, and thus to the maturity of the technological solutions needed to produce and deliver them.

In the energy field, the steadily decreasing cost of wind and solar energy is changing the market radically. **Only 10 years ago, wind power cost 22% more than coal, and solar as much as 223% more.** Today, just a decade later, the price has fallen by more than 89%¹⁵.

The potential of using technology to support decarbonization extends far beyond the energy sector. Digital technology, in particular, seems to be a strategic ally in reducing environmental impacts in sectors such as transport, agriculture, manufacturing and textiles. According to the latest estimates, **by 2030, ICT could reduce global CO₂ emissions by 20%** (- 12.8 Gt, i.e. 9.7 times its direct impact)¹⁶.

If, however, according to the experts, this is not backed up by a sufficient increase in the supply of renewable energy, the exponential spread of 4.0 devices could lead to a +550% increase in emissions compared to 2020 levels¹⁷.

Even now, in fact, **the ecological footprint of the digital transition is predominantly related to the energy-intensive nature of the technologies used.** Suffice it to say, as an example, that the electricity consumed to power the Bitcoin system exceeded 149 TWh, a volume equal to the annual requirements of Poland.

This is also why, **in 2021, the European Commission inaugurated Europe's Digital Decade** and presented its vision until 2030 for sustainable, people-centered digitalization aimed at developing enabling technologies to combat climate change and meet environmental challenges¹⁸.

¹¹ International Energy Agency, Commissione Europea ed Eurostat, 2021.

¹² Padova University, 2021.

¹³ Elettricità Futura & Althesys, Il disegno del sistema autorizzativo per decarbonizzare e rilanciare gli investimenti, 2021.

¹⁴ GECF, Global Gas Outlook 2050, 2022.

¹⁵ Our World in data, Why did renewables become so cheap so fast? 2020. Per approfondimenti si rimanda a The European House – Ambrosetti, Digitalization and Sustainability for Italy's Recovery, 2021.

¹⁶ Global Enabling Sustainability Initiative, 2021.

¹⁷ Andrae & Edler, 2020.

¹⁸ European Commission, 2030 Digital Compass: the European way for the Digital Decade, 2021.

AGENDA 2030: NO ONE LEFT BEHIND

The pandemic has made the connection between people, the planet and prosperity increasingly evident, confirming the importance of balancing short- and medium-term needs with long-term requirements, leaving no one behind. No one left behind is the promise of the Agenda 2030: the 17 goals adopted by the General Assembly of the United Nations in September 2015.

The 17 Sustainable Development Goals present a global call to action, and everyone - governments, institutions, NGOs, businesses and civil society - is called upon to respond to it. Synthetically expressed, these SDGs make a powerful demand - which has yet to find a full response in our country - to create a sustainable future on a global scale. The SDGs have been adopted in 193 participating countries, at the political level, by national and non-governmental institutions, and have been translated into national strategies, with bodies designated to oversee their achievement. The Goals have been designed in the form of a network: universal, interconnected and indivisible. Structured in 169 targets and over 240 KPIs, they provide a universal plan of action for people, the planet and prosperity. They are the starting point for a collective journey and, at the same time, the fruit of a years-long awareness-raising process: to accomplish these ambitious goals, a new phase of multidimensional (between enterprises and government) and international cooperation is needed. In this way, progress would be more rapid.

Our contribution to the SDGs



Ensure health and well-being in the workplace

We wish to ensure and promote health and safety in the workplace, so as to contribute to the overall well-being of the individual. We are committed to always prioritizing the Health and Safety of those who work for us and with us. Zero injuries is a possible and sustainable challenge.



Ensure access to affordable, reliable, sustainable and modern energy for all

We help advance the country's energy transition with efficient, flexible and programmable plants that contribute to the security and adequacy of the Italian electricity system, also enabling the development of renewables and progressive decarbonization



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We contribute to the economic growth of the country, ensuring lasting employment and generating value for the territory. We develop partnerships with our suppliers based on mutual trust, giving priority to local enterprises, in order to support the development of the economic and social fabric in which we operate.



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

We adopt state-of-the-art approaches, tools and technologies to enable a sustainable energy transition. We invest in new, more efficient and flexible capacities, with state-of-the-art technologies that offer higher performance while reducing atmospheric emissions.



Take urgent action, at all levels, to combat climate change

We produce energy in full compliance with the increasingly stringent legal limits on atmospheric emissions, which we monitor continuously. All our plants are registered under the European EMAS scheme and they publish an annual Environmental Declaration.



#energypeoplepassion #initalytogrow #newcapacities

EP Produzione, in Italy to grow

EP Produzione is the Italian electricity generation company of the Czech EPH energy Group. It manages a total generation capacity of 4.3 GW in Italy, via five gas-fired plants and one coal-fired plant. Efficient and high-performance power plants, managed according to the highest environmental, safety and reliability standards. All our production sites have obtained EMAS environmental registration, environmental certification and occupational Health and Safety certification.



THE EPH GROUP

employ approximately
22.000 people

EPH (Energetický a průmyslový holding) is among the leading electricity producers in Europe, with its headquarters in Prague and offices in the Czech Republic, Italy, France, Germany, the United Kingdom, Ireland, Slovakia and Switzerland. The companies of the Group employ approximately 22,000 people and operate throughout the value

chain, vertically integrating activities such as the development of efficient cogeneration systems, the production of electrical energy, natural gas storage, transport and distribution, and the supply of electrical energy. EPH manages **the most extensive gas transmission network in Europe** and is one of the largest thermal infrastructure operators in the Czech Republic and a market leader in gas storage in the Czech Republic, Slovakia and Austria.

The activities carried out by the Group, which numbers more than 70 companies, are divided into four business areas: **EP Power Europe, EP Infrastructure, EP Logistics International** and **EP Real Estate**.

EP Power Europe, a direct shareholder of EP Produzione, is the EPH Group's electricity generation company which operates in seven European Countries, including Italy, with a balanced portfolio of renewable and conventional low-emission sources.

In 2021, the Group's revenue was **€18.9 billion**, while adjusted EBITDA totaled €2.3 billion.

Sustainability is at the heart of the Group's development strategy, which for years has been promoting initiatives and programs to reduce its environmental footprint, always keeping in mind the social implications of its activities, starting with the health and safety of its workers, and the specific needs of the territories in which it operates.

Since 2015, EPH has invested more than €2.4 billion in zero- or low-carbon power plants, mainly biomass and plants with state-of-the-art combined cycle technologies, reducing carbon dioxide emissions by 38% compared to 2015 levels. For 2030, the Group has been aiming at 60% reduction, eliminating coal, and spearheading the transition to a hydrogen future, to achieve carbon neutrality by 2050, in line with European Union targets.

The EPH Foundation promotes social initiatives and community development programs to support human rights, environmental protection, the preservation of natural values, and the health of people, children and young people.

During 2021, a set of policies, applicable in all Group companies, was defined and implemented to define roles, responsibilities and procedures on environmental protection, health and safety, asset integrity, cybersecurity, inclusion and diversity. In the same year, Gary Mazzotti was appointed as an independent member of the Board of Directors of EP Infrastructure a.s. and EP Power Europe a.s., in charge of the ESG agenda, in line with international best practices.

Since 2015, EPH has voluntarily published a Sustainability Report to provide details on the Group's challenges and contribution to the energy transition: a conscious choice of transparency and responsibility towards all stakeholders. More information can be found at <https://www.ephholding.cz/en/>.

EP PRODUZIONE

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[GRI 102-17]

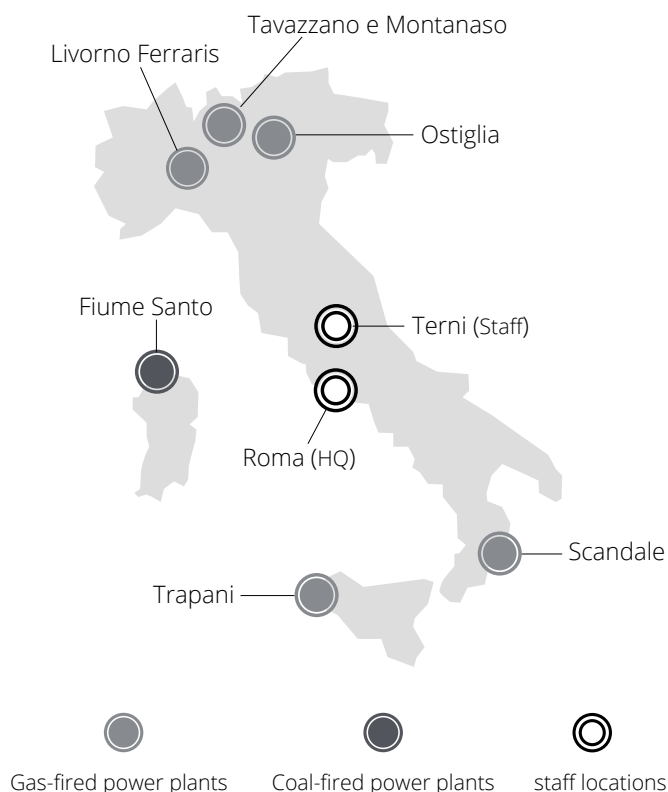
EP Produzione is the Italian electricity generation company of the EPH Group and specializes in producing electrical energy from heat sources. The company boasts generation capacity of approximately **4.3 GW thanks to five gas-fired plants**, one of which is held in partnership with A2A Gencogas S.p.A., and **one coal-fired plant**. EP Produzione intends to draw on the experience acquired in the sector as its key strength to contribute to Italy's energy transition, guaranteeing a high-quality service to the public and businesses thanks to its **efficient, flexible and programmable plants**. Indeed, EP Produzione power plants ensure continuous availability of electrical energy and high quality standards, also addressing the issue of non programmability typically associated with renewable resources. The EPH Group has been operating in Italy since July 1, 2015, through various subsidiaries and investee companies, including:

- **EP Produzione S.p.A.:** an Italian holding company, 100% controlled by EP Power Europe, it owns the Ostiglia (MN) and Trapani (TP) gas-fired power plants
- **EP Centrale Tavazzano Montanaso S.p.A.:** a subsidiary 100% controlled by EP Produzione, which, as of February 2022, owns the Tavazzano e Montanaso (LO) power plant
- **Centro Energia Ferrara S.r.l.:** 100% controlled by EP Produzione
- **Fiume Santo S.p.A.:** 100% controlled by EP Produzione, it owns the Fiume Santo (SS) Power plant
- **EP Produzione Centrale Livorno Ferraris S.p.A.:** joint venture between EP Produzione S.p.A. (75%) and BKW Italia S.p.A. (25%), it owns the Livorno Ferraris (VC) gas-fired plant
- **EPP 2 S.r.l. ed EPP 3 S.r.l.,** both 100% controlled by EP Produzione, a special purpose vehicle for development projects.

In addition to these plants, there is also the Scandale power plant, owned by Ergosud S.p.A., a company owned under a 50% partnership arrangement by EP Power Europe a.s. (100% shareholder of EP Produzione) and A2A Gencogas S.p.A.

Since 2020, Centro Energia Ferrara has been developing ideas and plans for an industrial development to replace the old open-cycle production plant. Currently, the focus is on a project based on electrochemical batteries.

In 2021, the company EP Centrale Tavazzano Montanoso S.p.A. was founded and on February 1, 2022 the production unit of the Tavazzano e Montanoso power plant was transferred from EP Produzione to the new company, together with all the new contracts and authorizations of the new Group. All EP Produzione 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 quality and occupational health and safety.



Generation capacity of

4.3 GW

5 gas-fired plants

1,140 MW - Tavazzano e Montanoso

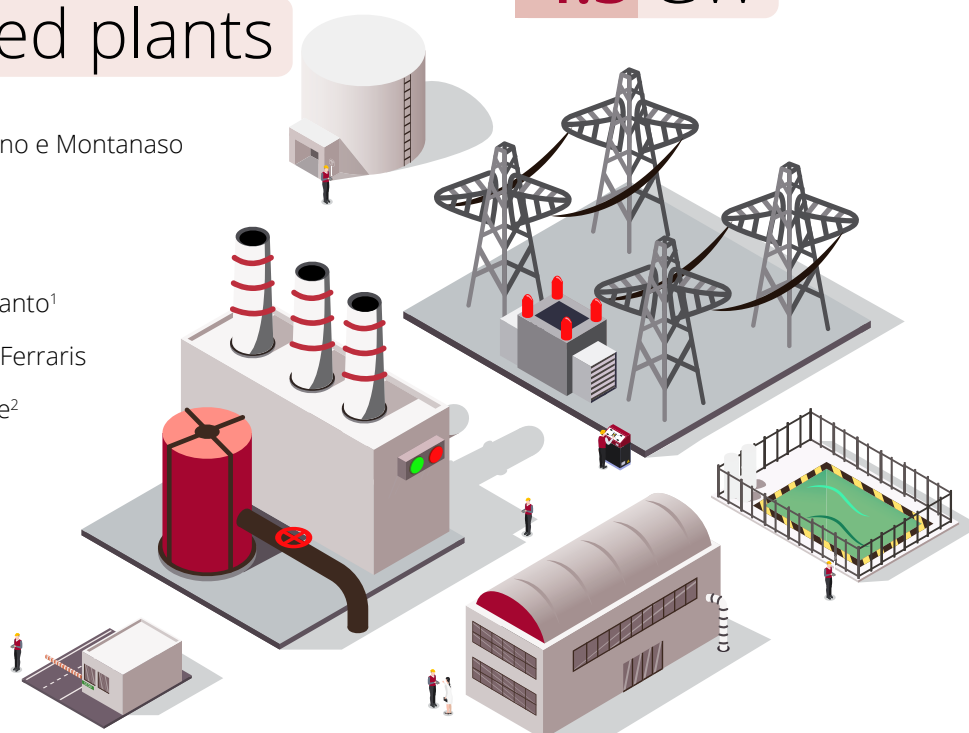
1,137 MW - Ostiglia

213 MW - Trapani

600 MW - Fiume Santo¹

805 MW - Livorno Ferraris

814 MW - Scandale²



¹Coal-fired power plant ² 50/50 with A2A Gencogas S.p.A.

The Tavazzano e Montanaso power plant

The Tavazzano e Montanaso power plant covers an area of approximately **70 hectares** in the Municipalities of Montanaso Lombardo and Tavazzano con Villavesco in the province of Lodi, 25 km from Milan.

Installed power is **1,140 MW** and the plants dedicated to producing electrical energy use **only natural gas**.

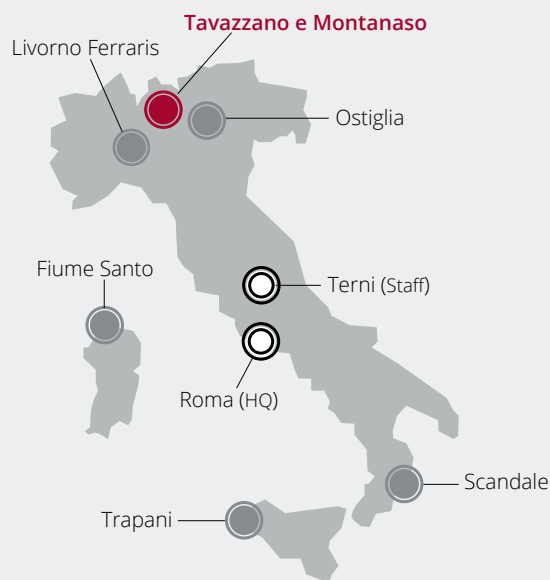
The power plant is located near major electricity consumption centers and has good access to water year round (required for condensation of the steam discharged by the turbines), thanks to the surface water network consisting of the Muzza and Belgiardino canals and the Adda river.

Two combined cycle units are currently in operation: unit 5, with a 760 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, the power plant became one of the first industrial sites in Italy to obtain ISO 14001 environmental certification and inclusion on the EMAS European Register. The former OHSAS 18001 management system formally transitioned to ISO 45001 in 2020.

In 2019, a new **efficiency improvement project** was developed, involving the construction of a **new latest generation combined cycle unit**, with class H technology, intended to operate alongside the two existing units. The new unit will have net electric power of approximately **800 MWe** and efficiency of more than **60%**, which means that the same amount of energy can be produced with a substantial reduction in fuel consumption and emissions.

The new combined cycle is being built to replace the existing Unit 8 as well as reducing the operating hours of Unit 6. In its final configuration, the power plant will perform better: it will be more flexible and efficient, and emissions into the atmosphere will be reduced.



Plant type

Thermoelectric power plant consisting of two combined cycle units with three turbogas units



Net installed power

1,140 MW



Surface

70 hectares



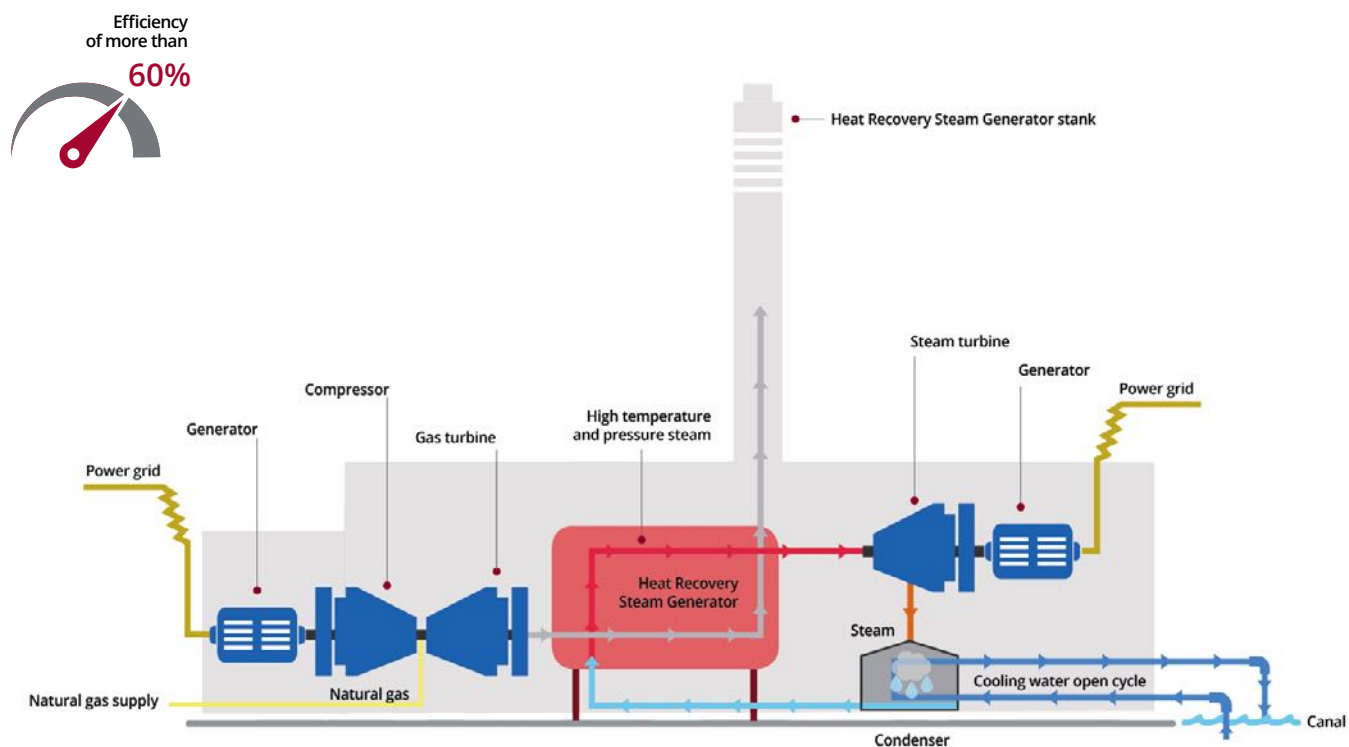
Certifications

ISO 14001 (Environment)
EMAS IT 000032 (Environment)
ISO 45001 (Safety)



Location

Via Emilia 12/A,
26836 Montanaso Lombardo (LO - Italy)



The Ostiglia power plant

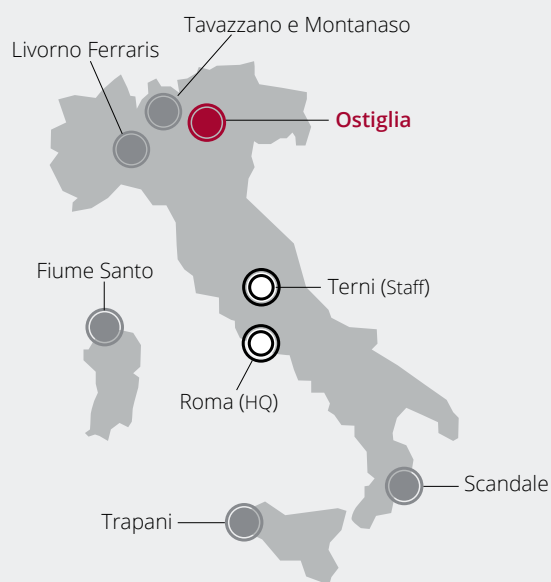
This thermoelectric power plant spans an area of approximately 51 hectares in the Municipality of Ostiglia, in the province of Mantua, on the left bank of the Po River. Installed power is **1,137 MW**, and the plants dedicated to producing electrical energy use **only natural gas**. Three combined cycle units are currently in operation, each with a capacity of approximately 380 MW, which entered operation in 2003-2004. Each unit consists of a gas turbine and steam generator connected to its own steam turbine.

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 development project presented in July 2020 involves the creation of a new combined cycle unit, consisting of a latest generation H class gas turbine, the most advanced and efficient currently available on the market.

The new unit will have nominal electric power of approximately **880 MW** and **net efficiency of more than 60%** which means that the same amount of energy can be produced with a substantial reduction in fuel consumption and emissions.

The project envisages the placement of section 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 system (SCR) for NOx inside the heat recovery steam generators in the already existing sections 1, 2 and 3.



Plant type

Thermoelectric power plant consisting of three combined cycle units



Net installed power

1,137 MW



Surface

51 hectares



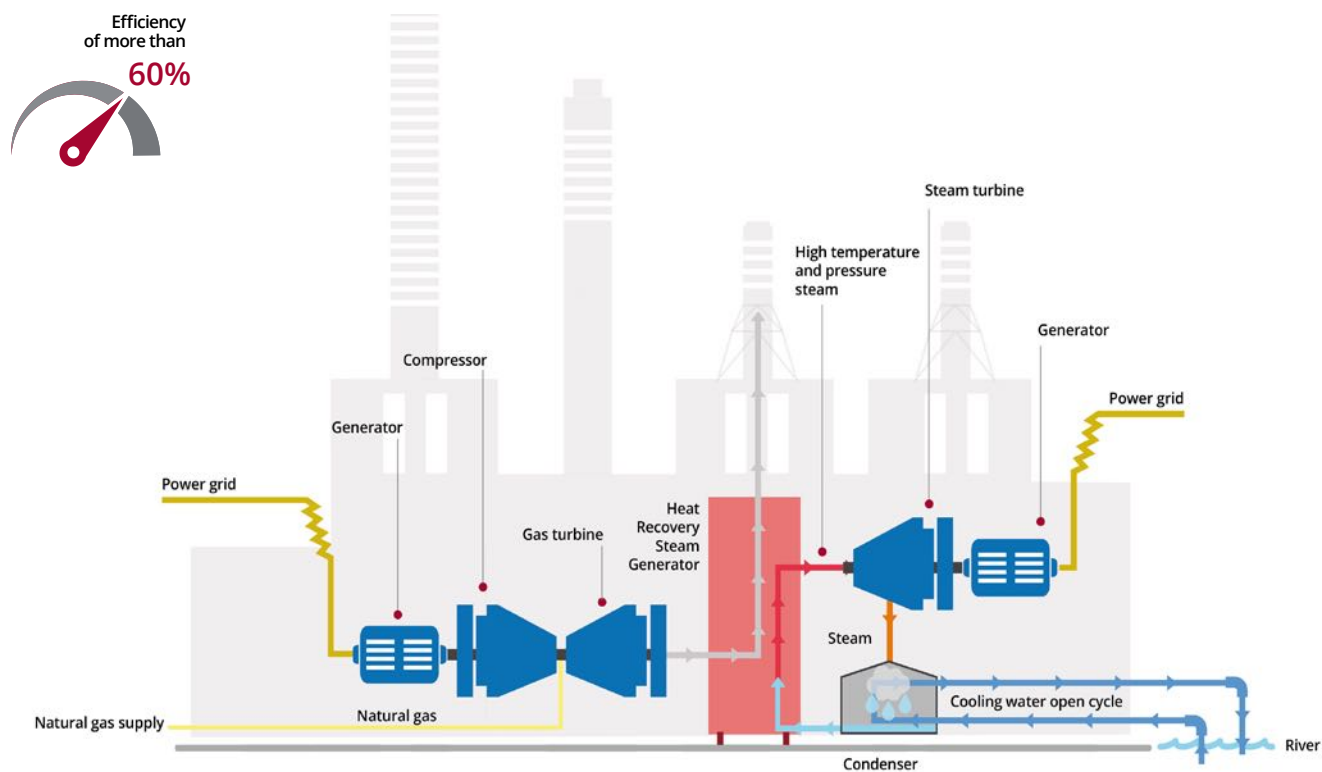
Certifications

ISO 14001 (Environment)
EMAS IT 000355 (Environment)
ISO 45001 (Safety)



Location

S.S. 12 Abetone-Brennero km 239 46035
Ostiglia (MN)



The new Combined Cycle will be built within 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. This will allow part of the power plant's electricity production to be removed from the town of Ostiglia and free up an important - currently industrial area - for community use.



The Trapani power plant

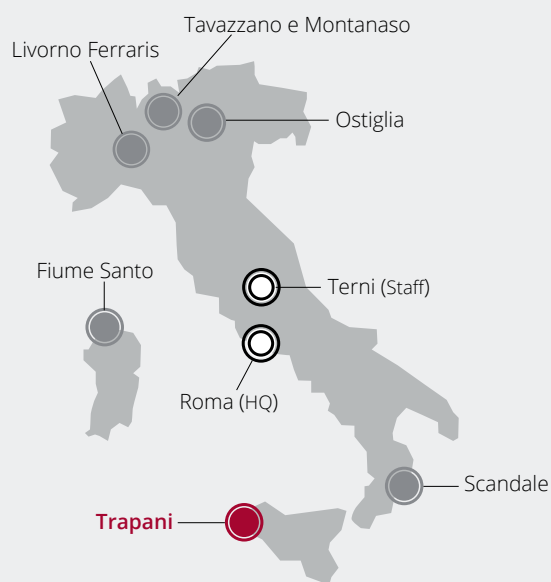
The Trapani thermoelectric power plant spans **9.2 hectares** and is located in Western Sicily, approximately 15 km south-east of the city of Trapani. It consists of two open-cycle turbogas units powered by natural gas with overall **net installed power of 213 MW**.

In 2013, the two gas-fired units were upgraded with the modernization and replacement of the main components: turbines (from B technology to E technology), generators, transformers, alternators and installation of DLN (Dry Low NO_x) to **reduce NO_x emissions**. Capacity of each unit increased by approximately 25 MW compared to the previous power of each individual unit.

The power plant was one of the first industrial sites in Sicily to obtain EMAS registration. Upgrading of the plant reduced NO_x and CO₂ emissions and **increased plant efficiency by 33%**. The site is considered essential to the safe and secure management of the western area of Sicily on an alternative basis and, in particular, plays a crucial role in the process of repowering the electricity grid managed by Terna in the event of blackouts.

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.

In 2021, an efficiency improvement project for the Trapani power plant was presented. It envisaged an investment of approximately €120 million for the replacement of the current turbogas units with new latest generation open-cycle units, more efficient and with a lower environmental impact. The development project has obtained a positive Environmental Impact Assessment (Decreto di Valutazione Ambientale, the



Plant type

Thermoelectric power plant consisting of two open-cycle turbogas units



Net installed power

213 MW



Surface

9,2 hectares



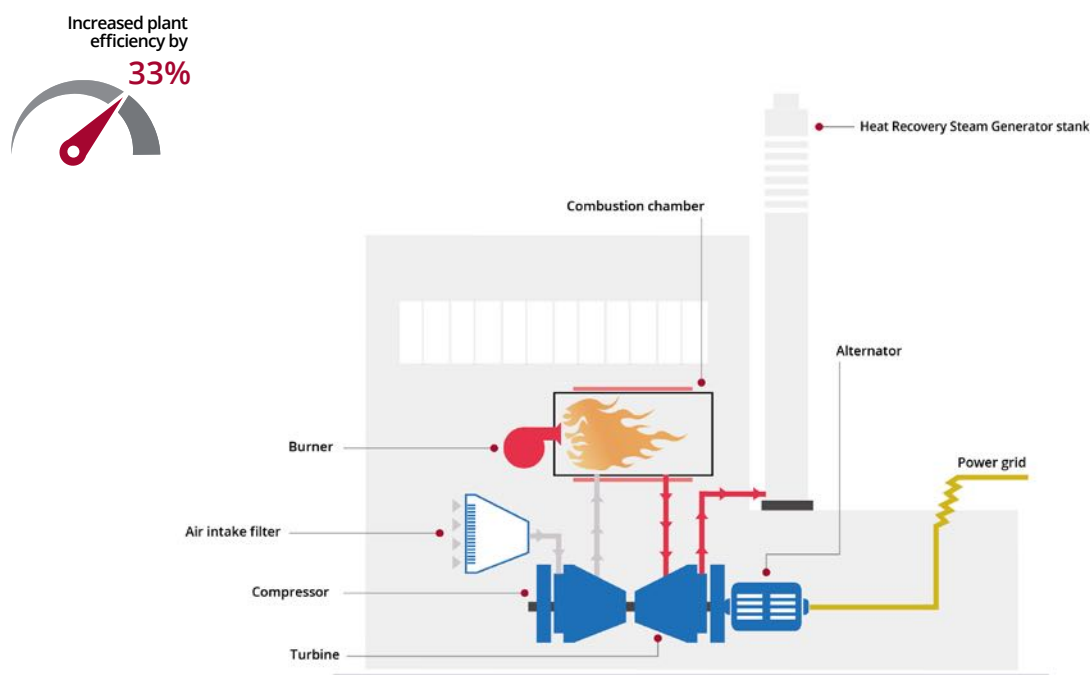
Certifications

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



Location

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



so-called VIA Decree) and the Single Authorization (AU - Autorizzazione Unica), and procedures are currently being finalized for the Integrated Environmental Authorization (Autorizzazione Integrata Ambientale - AIA) or IPPC (Integrated Pollution, Prevention and Control). Further development of the project will depend on market and regulatory conditions (e.g. continuation of capacity auctions).



The Fiume Santo power plant

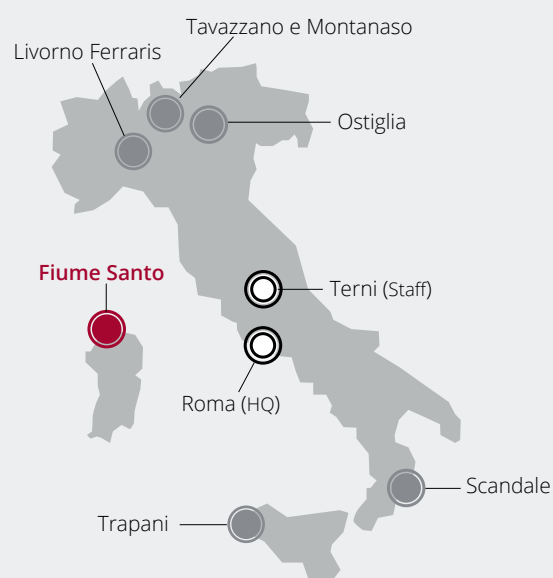
The Fiume Santo thermoelectric power plant spans approximately **153 hectares** on the Gulf of Asinara, in the "Cabu Aspru" area of the Province of Sassari, in the Sassari and Porto Torres Municipalities. There are currently two coal-fired generation units operating at the power plant, with net power of approximately **600 MW**, representing one of the most significant production sites in north-western Sardinia.

Units 3 and 4 are equipped with plants to reduce sulfur dioxide (DeSOX) 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.

At the Fiume Santo power plant, EP Produzione is assessing and planning the following solutions:

- **New gas-powered combined cycle units**, in anticipation of the coal phase-out and associated switch to methane in Sardinia. In December 2021, EP Produzione submitted an Environmental Impact Assessment application for a modular gas-fired plant of up to 560 MW, to be built in 2 phases, corresponding to an investment of approximately €400 million.
- **A solar power plant adjacent to the areas previously occupied by units 1 and 2.** The panels will reach overall peak power of around 10 MW, corresponding to €10 million invested by EP Produzione. The update of the project, for authorization purposes, was submitted at the end of 2021.



Plant type

Thermoelectric power plant powered by two coal-fired generation units



Net installed power

599 MW



Surface

153 hectares



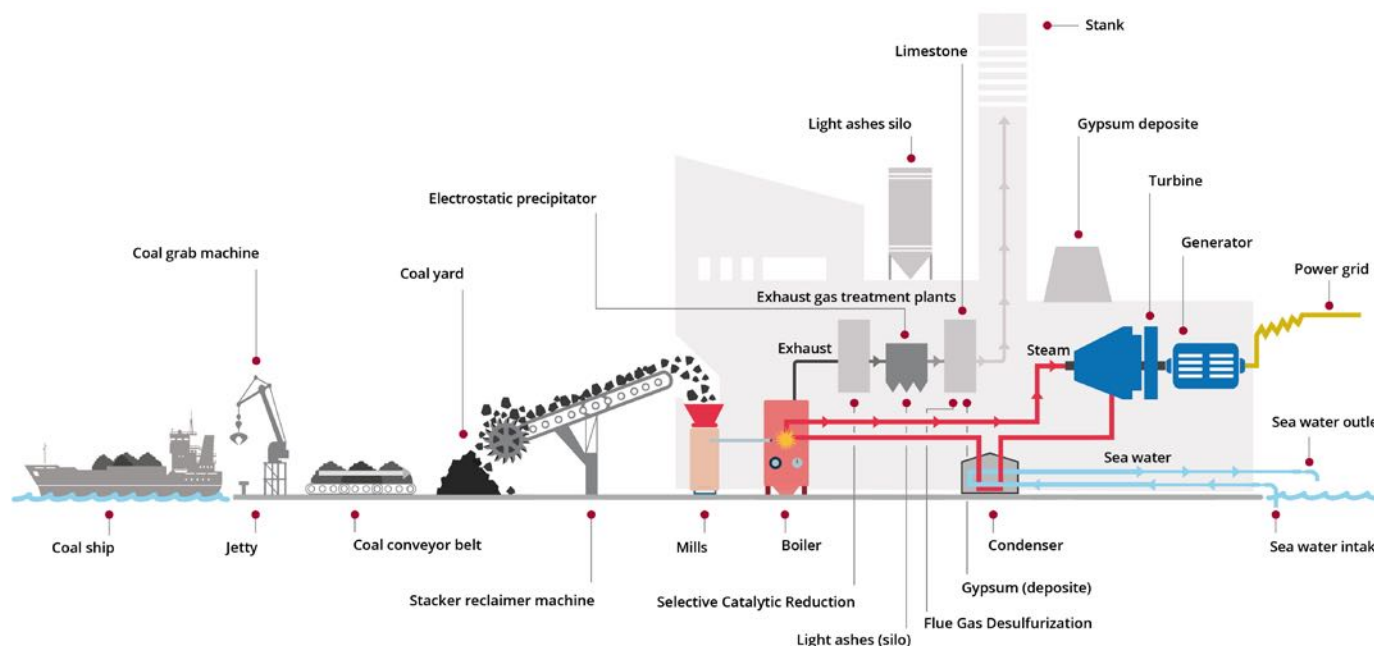
Certifications

ISO 14001 (Environment)
EMAS IT 000403 (Environment)
ISO 45001 (Safety)
ISO 9001 (Quality)



Location

Loc. Cabu Aspru
07100 Sassari (SS)



- **A storage plant with electrochemical batteries of about 100 MW**, with an investment of €100 million, for which an Environmental Impact Assessment application was also submitted in December 2021.

- **Conversion of a unit from coal to biomass which is a renewable energy source** – by way of monitored and sustainable supply chains – but also programmable. To proceed with this project, the regulatory framework would have to be substantially revised.

- **Exploring the potential applications of hydrogen**; to which end the company has already set up several collaboration agreements with local stakeholders, including one with the Center for Advanced Studies, Research and Development in Sardinia (CRS4).



The Livorno Ferraris power plant

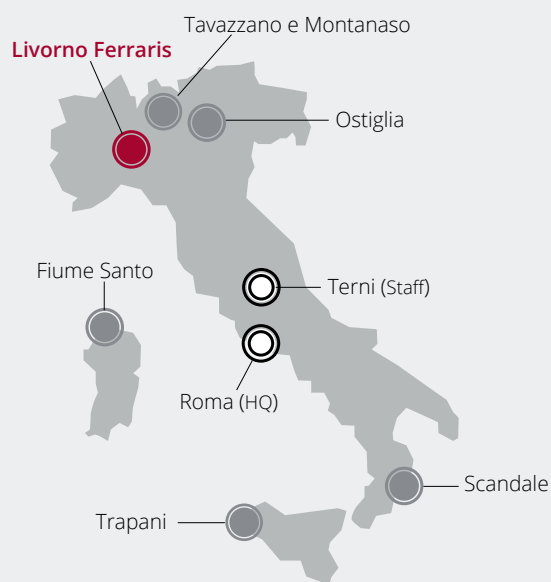
The Livorno Ferraris thermoelectric power plant is located in the municipality of the same name, in the province of **Vercelli**. The plant, owned by EP Produzione Centrale Livorno Ferraris S.p.A. (EP Produzione S.p.A. 75% and BKW Italia S.p.A. 25%), began operating in 2008.

It is a combined cycle plant 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 (approximately **57%**), resulting in relatively low greenhouse gas emissions, an indicator of contained environmental impact.

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, 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 delicate **ecosystem** in which it operates means it is subject to rigid environmental regulations, which required the adoption of a steam cooling system featuring a forced air condenser and stacks that form part of an architectural design, as well as the implementation of **significant air, water and noise monitoring measures**. The visual impact was also limited.



Plant type

Combined cycle thermoelectric power plant consisting of two turbogas units and a steam turbine



Net installed power

805 MW



Surface

6,5 hectares



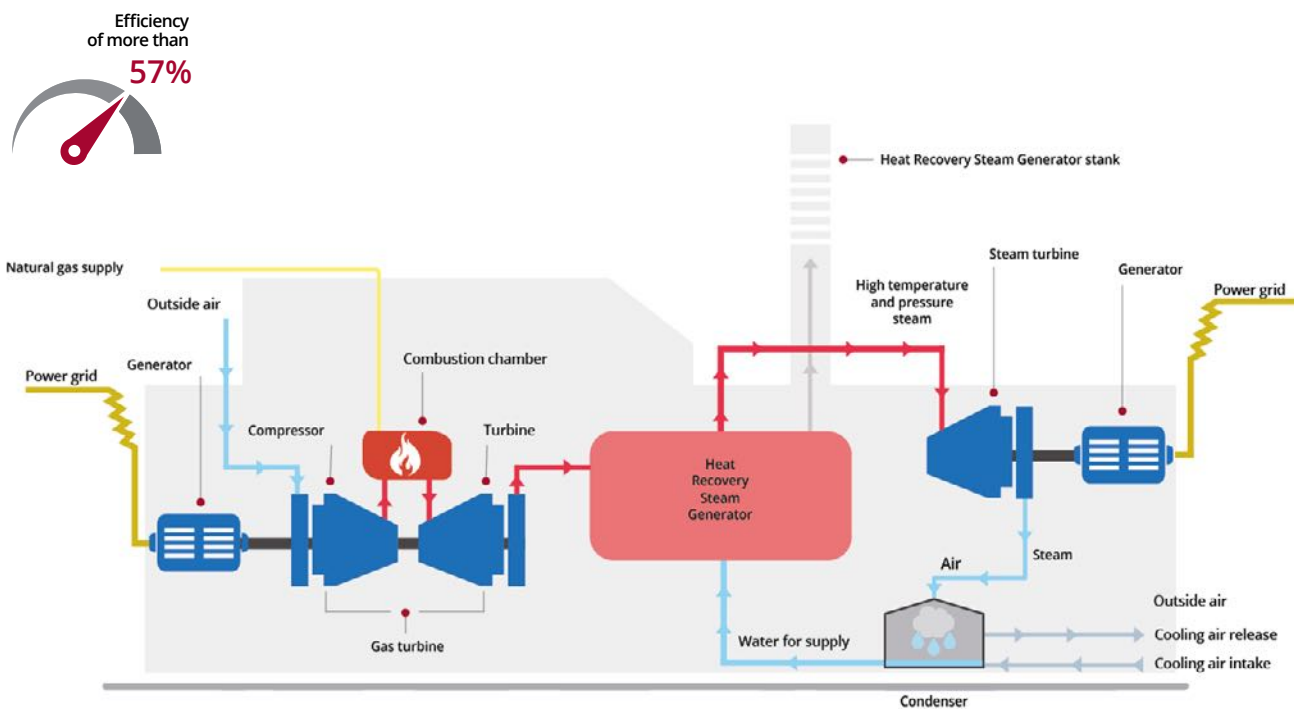
Certifications

ISO 14001 (Environment)
EMAS IT 1708 (Environment)
ISO 45001 (Safety)



Location

SP 7, km 9+ 430,
13046 Livorno Ferraris (VC)



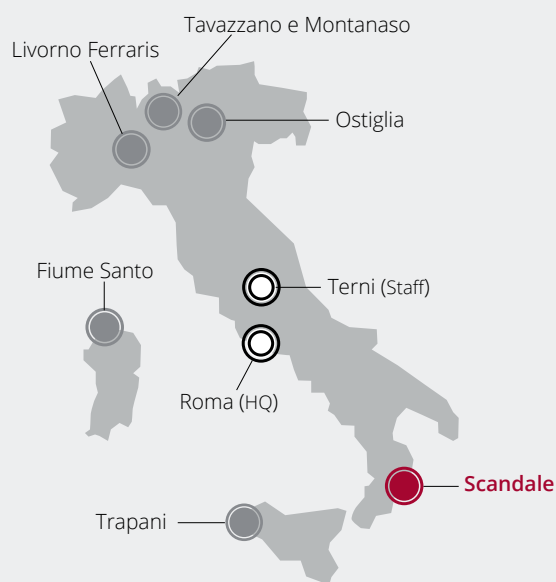
The Scandale power plant

The Scandale thermoelectric power plant, managed by Ergosud, owned in equal parts by the EPH Group and A2A Gencogas S.p.A., is located in the Scandale (KR) Municipality of S. Domenica, not far from Crotone, on the Ionian side of Calabria.

Operating since 2010, the production plant is a latest generation energy facility that uses highly **efficient and environmentally friendly** technology. It has overall installed power of **814 MW** and net efficiency of approximately **56%** and consists of two combined cycle generation modules (CCGT), with the potential for cogeneration, each with nominal power of 407 MW. Each unit is configured for a gas turbine and a steam turbine with the relevant electricity generators. The power plant has ISO 14001 and ISO 45001 environmental certifications and is included on the EMAS European Register.

By way of its own **gas pipeline** spanning approximately 6 km, 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 rainwater, 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.



Plant type

Combined cycle thermoelectric power plant



Net installed power

814 MW



Surface

7,8 hectares



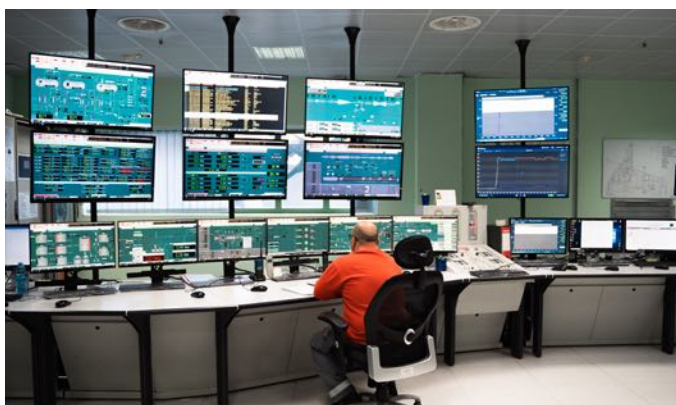
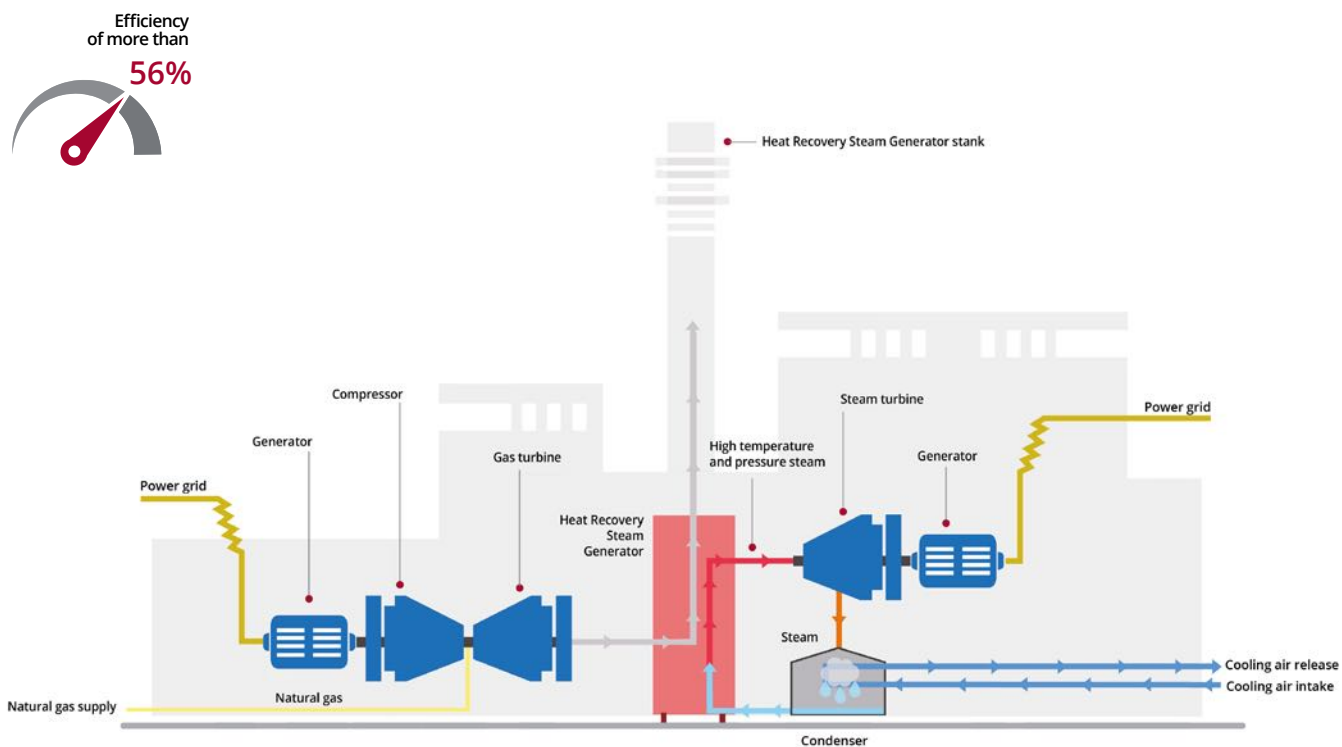
Certifications

ISO 14001 (Environment)
EMAS IT 001609 (Environment)
ISO 45001 (Safety)



Location

S.S. 107 bis - dir. Papanice
Loc. S. Domenica
88831 Scandale (KR)



ECONOMIC AND FINANCIAL RESULTS

[GRI 201-1]

In 2021, EP Produzione achieved consolidated revenue **of over €2.5 billion**, an increase compared to 2020. The increase in **gross operating margin**, compared to 2019, is essentially attributable to the trend seen across all energy commodity prices, enabling performances well above average on the electricity markets, dispatching services markets and bilateral markets averages.

Contributing to that increase, to a lower extent, was **the reduction in fixed costs**.

The overview of distribution of **economic value generated**¹⁹ 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 2021, the value distributed by the Group was over **€2.3 billion**.

REVENUE - Thousands of euros (consolidated values as at 31.12)	2021	2020	2019
Total revenue	2,568,789	1,151,111	1,218,543
Gross operating margin	260,061	222,802	146,254
Operating result	183,520	176,062	92,751
Profit of the EP Produzione Group	145,230	123,824	34,782

ECONOMIC VALUE GENERATED - Million of euros	2021	2020
Economic value generated	2,584,167,057.00	1,265,638,862.54
Economic value distributed	2,362,395,513.07	1,095,073,913.61
Suppliers	1,875,849,764.00	785,837,857.82
Personnel	47,709,899.00	46,383,120.00
Capital providers	1,345,698.47	4,514,773.02
Public Administration	57,735,476.83	53,955,470.09
Other operating costs	379,754,674.77	204,382,692.68
Economic value withheld	221,771,543.93	170,564,948.93
Amortization and depreciation	55,882,715.00	27,206,581.00
Provisions	20,657,858.00	19,534,102.00
Profit	145,230,970.93	123,824,265.93

With regard to Public Administration bodies, over **€57.7 million** was paid over the course of the year in the form of tax revenues, contributions and fees. **23%** of these resources were provided to local Public Administration

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

¹⁹ The 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	2021	2020	2019
Payments to local PA	11,004,251.71	10,389,874.51	7,127,176.16
Taxes to Regions	7,947,399.88	7,388,228.72	4,194,900.00
IMU and TASI taxes	2,514,242.27	2,533,941.39	2,537,817.14
State fees for water withdrawal	323,378.13	321,854.20	324,395.01
Refuse charges and stamp duty	94,536.43	42,763.18	70,064.01
ARPA (Regional Environmental Protection Agency)	124,695.00	103,087.02	-
Payments to state PA	46,731,225.12	43,565,595.58	14,771,407.85
State taxes	44,931,393.12	41,779,943.28	13,331,643.00
Contribution to the Authorities	518,805.53	556,175.67	574,298.37
Extraordinary items	139,675.27	6,139.14	-
Other	1,141,351.20	1,223,337.49	865,466.48
TOTAL	57,735,476.83	53,955,470.09	21,898,584.01

RESPONSIBLE GOVERNANCE

[GRI 102-18] [GRI 102-22] [GRI 102-24] [GRI 103-2] [GRI 103-3]

The Corporate Governance system

EP Produzione aims to create value for all its shareholders and stakeholders. As such, it has a corporate governance system that enables it to monitor corporate risks and guarantee the integrity of decision-making processes via:

- the **Shareholders' Meeting**, responsible for all decisions in the contexts provided for by law and the Articles of Association of the Company
- the **Board of Directors (BoD)**, which performs ordinary and extraordinary management tasks
- 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

- **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, suggesting any improvements or remedial actions

- **Risk Committee**, which monitors and supervises hedging activities, particularly in the context of financial and related risks

- **Data Protection Committee**, with mandates regarding GDPR/privacy and NIS/cybersecurity.



The members of 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 Centrale Tavazzano Montanaso 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 market. At E.ON since 2000, 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. Since 2016, he has been a member of the Strategic Committee of Assoelettrica and, since July 2020, he has been Vice-Chairman of Elettricità Futura.



Marco Arcelli

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

Having studied at the Harvard Business School after graduating in Mechanical Engineering from the University of Genoa, he is CEO of EP Global Commerce, Business Development Director of the EPH Group and Head of EP New Energy. From 2001 to 2016, he held various roles at Enel: Executive Vice President Upstream Gas (from 2009 to 2016); Head of Business Development and Operations Support; CEO of Slovenske Elektrárne (from 2005 to 2007); Chairman and CEO of Enel North America (from 2003 to 2005). He is a contract professor at IESE teaching courses on energy and business management.



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 (OECD).

Management and control models

The Company has adopted an **organization, management and control Model** that complies with the provisions of **Italian Legislative Decree 231/2001**. This document guides the activities of EP Produzione with regard to transparency and responsibility, establishing principles, rules and tools to prevent offenses and mitigate the risk of irregularity. Other elements that support transparent and responsible management are the Arti-

cles 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.

Furthermore, EP Produzione personnel are required to abide by a **Code of Ethics**, which constitutes an effective tool to support the prevention of unlawful or irresponsible conduct by persons operating in the name and on behalf of the Company.

With the goal of pursuing the highest Corporate Governance standards, EP Produzione has implemented a Whistleblowing management system with the goal of guaranteeing the necessary protections and enabling workers to make **reports** that could be crucial to combating **offenses and irregular conduct**.

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.
Seveso III Directive - Risk of Major Accident	Specific regulation for plants subject to the risk of major accidents associated with the presence of hazardous substances (Fiume Santo), subject to controls by ISPRA and the regional technical committee of the Ministry of the Interior, which includes the fire department, the Region and the Province, among others.
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.

With the aim of further simplifying the system that allows collaborators and third parties to communicate with the Group, in addition to the direct channel to the Chairman of the Supervisory Body, EP Produzione has also set up a dedicated **e-mail address** that is only accessible to members of the Body, to which collaborators can send their reports.

THE ISSUES THAT COUNT

[GRI 102-47] [GRI 103-1] [GRI 102-47]

An effective path towards sustainability cannot be achieved without analyzing the economic, social and environmental issues that count most for the company and its stakeholders. We asked our stakeholders and managers what counts most of all, drawing inspiration from the leading international non-financial reporting standards, which recommend the construction of a Materiality Matrix. The Matrix makes it possible to bring together the two perspectives - internal and external - representing on two axes the importance attributed to each issue by the stakeholders and by the organization, so that those most significant for both are highlighted. Thus, in 2021, we organized a forum involving 14 key stakeholders from different stakeholder categories who, armed with expertise and experience, took the time and energy to prioritize the relevant issues. Thanks to their respective privileged viewpoints – the product of a unique wealth of experience, skills, values and relationships – each had their own distinct contribution to make.

Based on the results obtained, together with the Group's managers, we identified the priority issues for EP Produzione. A comparison of the two sets of results provided management with a starting point to reflect on the main challenges and opportunities that EP Produzione must take on over the next few years.

The EP Produzione materiality matrix

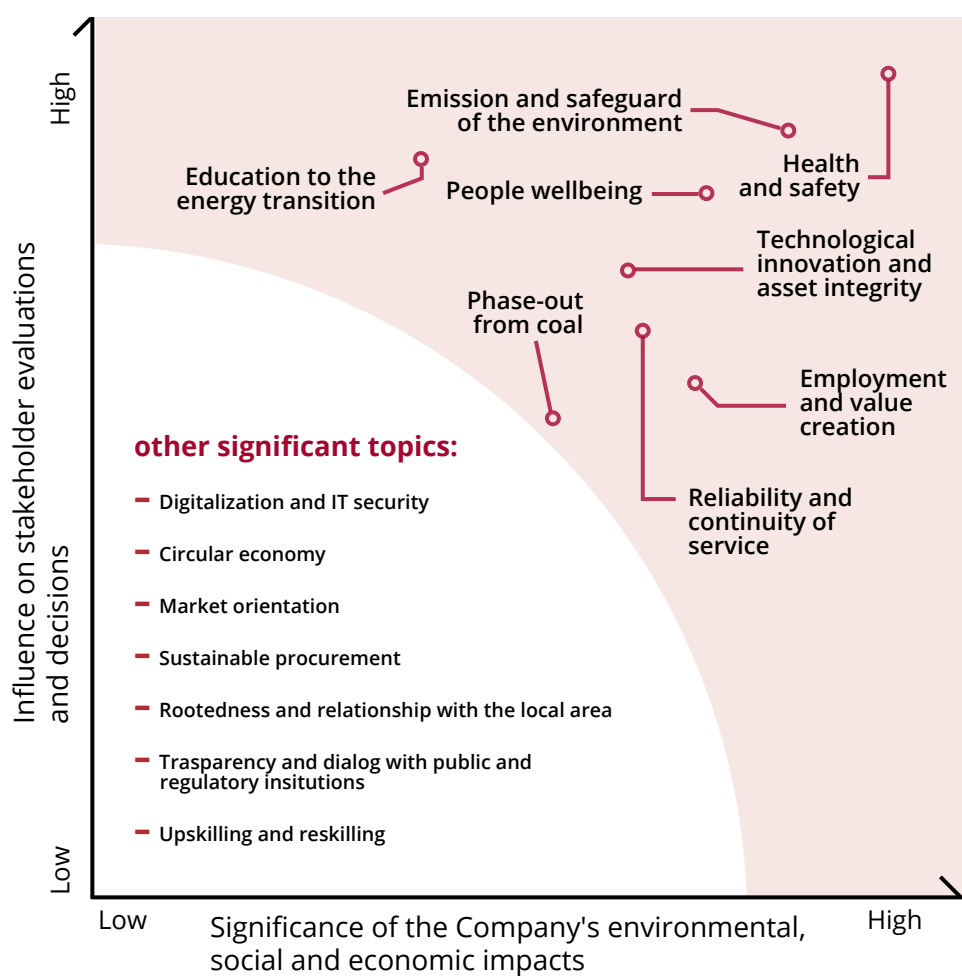
A number of issues were pinpointed during the selection exercise as key elements for responsible action on the part of the Group:

- **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 managements:** doing business according to the principles of ethics and integrity, complying with regulations and striving to combat corruption.

Participants

- **Fausta Barrese**, RINA
- **Carlo Belli**, Università degli Studi di Pavia
- **Mirko Brinoni**, SAFE - Risorse con Energia
- **Sabatino De Sanctis**, Go To The Moon
- **Guido Gentile**, Ansaldo Energia
- **Romina Maurizi**, Quotidiano Energia
- **Angelo Monesi**, CIMI
- **Mauro Parazzi**, Confartigianato Lodi
- **Davide Piscicelli**, General Electric Power
- **Giuseppe Ruggiu**, Confindustria Center-North Sardegna
- **Davide Tabarelli**, Nomisma Energia
- **Cosetta Viganò**, Elettricità Futura
- **Valentina Visconti**, Willis Towers Watson
- **Giuseppe Zammarchi**, UniCredit

EP Produzione's materiality matrix





new Capacities

"To support the energy transition and enable the growth of renewables in a changing system that is progressively moving towards an increasingly decentralized and renewable production set-up, thermal power plants are currently playing an essential role - and will continue to do so in the future - in guaranteeing security to the system since this cannot, at the present moment, be provided by renewables alone. High-performance, flexible plants are needed, plants that can enter into operation rapidly when production from renewable sources decreases, while ensuring a low environmental impact, in line with the EU's stringent directives."

Andrea Bellocchio, Operations Director of EP Produzione



THE PROJECT FOR THE NEW PRODUCTION UNIT AT THE TAVAZZANO E MONTANASO POWER PLANT

The power plant has been operative in the area since 1952, creating jobs and development. The direct and indirect spin-offs for the area are estimated at around €10-12 million per year. The power plant is operated under the strictest environmental standards: it is monitored and controlled by local and national authorities (ARPA and ISPRA) and operates with an EMAS, ISO 45001 and 14001 certified organization.

The plant has been operating exclusively on natural gas for at least twenty years. In 2004-2005, Combined Cycle Gas Turbine (CCGT) technology was introduced, and this led to major improvements in efficiency

(lower CO₂) and a reduction in specific emissions (NO_x and CO).

The new efficiency improvement project of the Tavazzano e Montanaso power plant involves the construction of a **new, latest generation Combined Cycle Gas Turbine (CCGT) unit, with class H technology**, which will operate alongside the two existing units.

The new, innovative unit will have net electric power of approximately **800 MWe** and efficiency of more than **60%**, which means that the same amount of energy can be produced with a substantial reduction in fuel consumption and emissions. The total investment for the project is approximately **€400 million**.

When the new unit enters commercial operation, the operating hours of unit 6 will be reduced to 3,000 hours/year, equal to 125 MW units in terms of emissions.

The strong points of the project

- **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 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)
- **Very high-performance, with an efficiency of over 60%**
- **Reduction** of both mass and specific emissions of CO₂ and NO_x into the atmosphere, thanks to the instal-

lation 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 compensated by the demolition of tanks no longer in use: 50,000 m³ of Heavy Fuel Oil tanks downstream of the entering into operation of the new CCGT and exit from Seveso III
- **Spin-offs and opportunities for the local community:** employment, development opportunities 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.

In July 2021, EP Produzione obtained the **Single Authorization** from the Ministry for Ecological Transition: the works commenced on September 1, 2021, and total construction time is estimated at about two years. The **EPC contractor is Ansaldo Energia S.p.A.**, which will be responsible for the complete construction of the new production unit. **More than 600 resources** will be involved in the works during the peak construction phases: this figure takes into account both

the direct personnel of Ansaldo Energia and that of the subcontractor companies. **In 2021 alone, almost 41,000 hours were worked on the construction site of the new unit.**

Mitigation actions promoted at the site include the implementation of an environmental monitoring plan (noise, water, soil, dust, etc.); the use of advanced, low-emission construction vehicles (Euro V and/or Euro VI); covered trucks to prevent the dispersion of dust.



THE PROJECT FOR THE NEW PRODUCTION UNIT AT THE OSTIGLIA POWER PLANT

The development project involves the construction of a new combined cycle unit consisting of a state-of-the-art, class H gas turbine. The project, which was presented in July 2020, is worth approximately **€430 million**.

The new unit will have nominal electric power of approximately **880 MW** and **net efficiency of more than 60%** which means that the same amount of energy can be produced with a substantial reduction in fuel consumption and emissions. Thanks to this technology, it will be possible to further reduce specific emissions in compliance with the most stringent national and European guidelines; in particular, **NO_x emissions** will be **less than 10 mg/Nm³**.

Improving the efficiency of the Mantua power plant, already managed according to the highest environmental, safety and reliability standards, also involves a series of **environmental improvement measures for the three existing units and the placement of unit 1 in “cold reserve”**.

The new configuration will make it possible to ensure access to **programmable and flexible capacity**, an essential requirement to tackle the needs to develop renewable sources with those relating to the security of the electricity grid.

The strong points of the project

- 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 system (SCR) of the NO_x** inside the heat recovery steam generators in the already existing sections 1, 2 and 3
- The new Combined Cycle will be built **within 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 Heavy Fuel Oil tanks currently existing on the production site will also be made available to municipal administration for uses to be agreed upon

- **Very high-performance, with an efficiency of over 60%**
- **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)
- Thanks to the technology used (class H&SCR class), **even stricter limits can be met:** NO_x from 30 mg/Nm³ to 10 mg/Nm³ in unit 5, from 30mg/Nm³ to 18 mg/Nm³ in units 1, 2 and 3; CO 30 mg/Nm³; NH₃ 5 mg/Nm³
- **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
- 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
- **The staff of the power plant will be increased** about 12-14 technicians will be added to the 60 currently employed. Additional resources from third-party companies are expected to be employed
- 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
- **Impact on the landscape:** visual mitigation measures, including through use of colors and plant barriers made up of native species.

The works are scheduled to commence in 2022. The implementation of the entire project is expected to take approximately 30 months.

OUR COMMITMENT TOWARDS THE TERRITORY

Today more than ever, engaging with stakeholders has become a fundamental prerequisite for successful integration into the territory, especially when choices that generate impacts for the environment and local communities are at stake.

In Italy, the development of infrastructures for energy, roading and the treatment of waste continues to encounter difficulties and delays, not only due to political, community and environmentalist opposition, but also to bureaucratic opposition, and this slows down the infrastructural growth of the country.

In 2017, the Permanent Media Observatory of the NIMBY (Not In My BackYard) Forum, which monitors the media and social media to supply the national database of **works of public utility** that have been contested, surveyed around **320** contested works nationwide, with a particular focus on Lombardy, Tuscany, Emilia-Romagna, Apulia and Veneto. Those with the most contested works were found to be the **energy** (57.4% of contested works) sector and the **waste treatment** (36.0%) sector.

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.

Engaging in dialogue regarding the acceptability of the plants not only contributes to preventing protest phenomena, but also makes it possible to actively involve the population in the energy transition process, particularly in areas where the most significant upgrades are carried out.

Aware of the importance of this aspect, EP Produzione has promoted numerous consultation and discussion initiatives with the territories affected by the two efficiency improvement projects, actively involving the many parties in question and always adopting a transparent and clear approach in the description of the impacts and benefits related to the implementation of the interventions.

Within the regulatory framework laid down by the Marzano Law (August 23, 2004, no. 239), territorial public bodies and the local and regional authorities concerned have taken part in the process of setting up agreements to establish environmental compensation and rebalancing measures, in line with the goals of Italy's energy policy.

By way of example, the measures agreed between the parties can provide for the implementation of works to support the local communities and sustainable mobility; landscape management with reforestation and the planting of hedgerows; measures regarding technological innovation, energy saving; environmental education; urban and environmental redevelopment works; provision to the municipalities involved of emission data and all data of environmental interest; the launching of noise impact detection campaigns; the suppression of dust production and the monitoring of personnel aspects, such as training, safety or the maintenance of existing employment levels.

The players involved

The Tavazzano e Montanaso power plant

- Lombardy Region
- Province of Lodi

Location of municipality

- Municipality of Montanaso Lombardo
- Municipality of Tavazzano con Villavesco

Neighboring municipalities

- Municipality of Boffalora d'Adda
- Municipality of Casalmaiocco
- Municipality of Galgagnano
- Municipality of Mulazzano
- Municipality of Lodi
- Municipality of Lodi Vecchio
- Municipality of San Zenone al Lambro
- Municipality of Sordio

The Ostiglia power plant

- Lombardy Region
- Province of Mantua

Location of municipality

- Municipality of Ostiglia

Neighboring 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

The Muzza Canal

The Tavazzano e Montanaso power plant has historically used water from the Muzza Canal for cooling purposes and has always been actively involved, as a member of the consortium, in strategic maintenance and refurbishment work for the entire Lodi area: from bank restoration works to canal dredging, from hydraulic regulation to flood control.

The Muzza Canal is a canal of historical importance that draws water from the River Adda, runs for 39 km across the Lodi plain distributing water to the countryside and ends its course in the River Adda near Castiglione. The Muzza Canal used to be the oldest and largest irrigation canal not only in Lombardy, but in the whole of Europe and one of the most important hydraulic engineering works contributing to the agricultural wealth of the area over the centuries.

As part of the power plant efficiency improvement project, the hydraulic infrastructures of the Muzza system will be upgraded by the Consorzio Muzza Basso Lodigiano (Lower Lodi Muzza Consortium). This is a project of systemic importance supported by EP Produzione.



challenges

EP Produzione

new capacities

energy

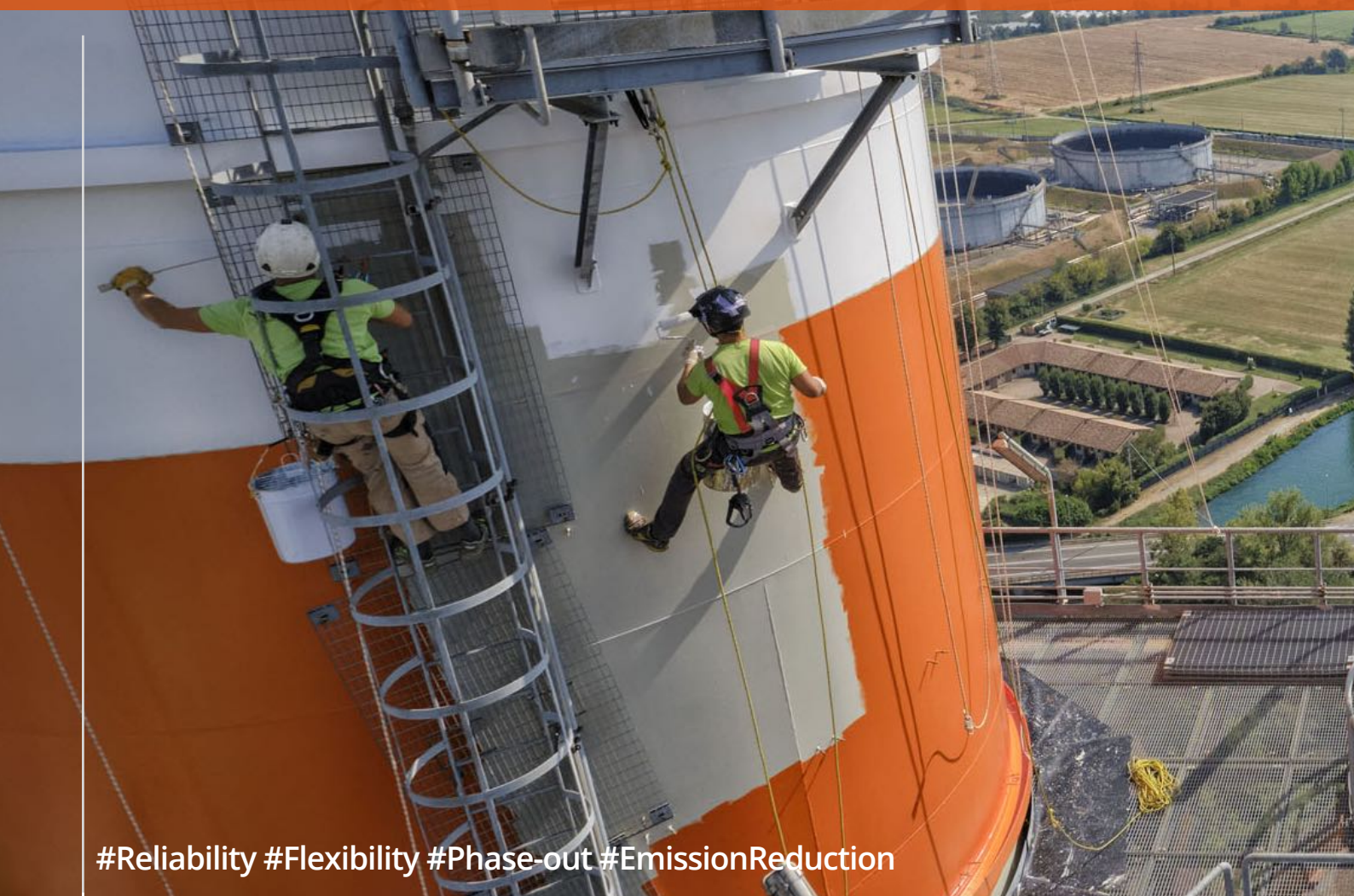
people

passion

appendix

reliability and continuity of service

emissions into the atmosphere and environmental protection



#Reliability #Flexibility #Phase-out #EmissionReduction

energy for the future

The efficiency, flexibility and programmability of our plants are key characteristics that allow us to support the decarbonization of the Italian energy sector by supplementing the contribution of renewable sources. We are responding to the needs of the country by guaranteeing a continuous and stable supply of energy, in compliance with the most stringent legal limits on atmospheric emissions.

2021 key facts and numbers

5th energy producer in Italy in 2021
(Annual Report 2021 ARERA)

4,3 GW of total installed capacity

FIUME SANTO the essential plant for Sardinia and the national electric system

12% of sales in MGP
(Day-Ahead Market)
in the Northern area

Fully operational from
2024 efficiency and development projects in the
Tavazzano e Montanaso and Ostiglia plants



Reliability and continuity of service

Our programmable, efficient and flexible plants allow us to support our country's energy transition, supplementing renewable sources as required. Our power plants perform the important task of stabilizing the electricity grid and guaranteeing that energy supply always meets demand.

[GRI 102-15] [GRI 103-1] [GRI 103-2] [GRI 103-3]



We produce an essential asset

5th leading energy producer in the country

EP Produzione is the **5th leading energy producer in the country**²⁰. The five gas-fired power plants and the coal-fired power plant, with overall capacity of 4.3 GW, produced over 16.2 TWh in 2021, equivalent to approximately 6% of Italy's total production²¹.

When the development projects at the Tavazzano e Montanaso and Ostiglia power stations are fully operational, as of 2024, total power will increase to around 6 GW, with increasingly efficient, high-performance, flexible plants and lower environmental impact.

In 2021, EP Produzione accounted for almost **12% of DAM (Day Ahead Market) sales** in the North, which includes Valle d'Aosta, Piedmont, Liguria, Lombardy, Veneto, Trentino-Alto Adige, Friuli-Venezia Giulia and Emilia-Romagna. The Fiume Santo power plant, regarded as essential to the security of Sardinia's electricity system, met approximately **21% of demand** in terms of **volume** between **DAM** and **DSM** (Dispatching Services Market) in Sardinia.

²⁰ ARERA 2021 Report, https://www.arera.it/allegati/relaz_ann/21/RA21_volume_1.pdf.

²¹ This data does not include the Scandale power plant.

²² Italy Adequacy Report 2021, https://download.terna.it/terna/Terna_Rapporto_Adeguatezza_Italia_2021_8d9a51d27ad741c.pdf.

In 2016, Terna identified the Fiume Santo plant as essential to the security of Sardinia's electricity system. With Resolution 803/2016, ARERA (Italian Regulatory Authority for Energy, Networks and Environment) admitted the plant to the scheme for recovery of costs from 2017 to 2020. The essential status of the Fiume Santo plant was then extended to 31/12/2024, by way of ARERA resolution 268/2019.

On January 1, 2019, the essential status of the Trapani power plant to Sicily was reinstated. Indeed, the essential status of the plant was recognized as regards the safe and secure management of the western area of Sicily on an alternative basis (art. 65 bis.2 of ARERA resolution 111/06), allowing it to exit the free energy and dispatching services market. With resolution 433/2021, the alternative scheme was confirmed also for 2021.

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

The Capacity Market

Technological innovation is a strategic element, particularly for companies in the energy sector that, like EP Produzione, wish to facilitate the sustainable energy transition.

In its latest Adequacy Report²², Italy's national electricity grid operator underlined that **thermoelectric plants and production processes are destined to evolve in ever faster and more significant ways**. In particular, Terna recognizes the growing importance of being able

to comply with strict environmental standards, guarantee flexibility and adaptability in relation to load variations by way of so-called "peakers", maintaining an appropriate amount of thermoelectric capacity, even in the face of a reduction in the number of operating hours, due to the gradual increase in renewables.

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. **This provides a stimulus to invest in upgrading the plants, as it offers a guarantee of purchase with regard to programmable capacities and, as such, protects the stability of the national electricity network.**

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, the Market auction called by Terna S.p.A. was held for the 2024 delivery year. The auction awarded one-year contracts for existing capacity and 15-year contracts for new capacity.

EP Produzione was awarded:

- 755 MW of CDP²³ for new authorized capacity. With this important result, the Group was able to launch the renovation project at the Ostiglia power plant
- 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).

The Company is continuing to pursue further development opportunities at all its production sites, proceeding with the authorization processes for projects already underway - natural gas, photovoltaics and batteries - as well as evaluating new projects.

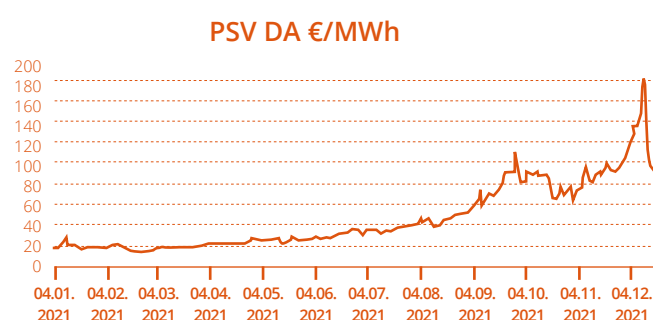
L'Energy Management

Price trends

After the collapse of commodity prices in 2020 due to the pandemic, we witnessed a significant recovery in 2021. In the first half of the year, the relaunching of production activities boosted the demand for gas, raising the price from about €20/MWh in January to about €30/MWh in June.

But in the second half of 2021, the reduction of gas flows from Russia, low LNG imports due to competition from Asian markets, and low gas supplies led to a progressive and more pronounced increase in prices from July onwards. Additionally, at the end of the year, the increasing lack of availability of French nuclear power together with the lack of wind generation in Germany and the further reduction of gas flows from Russia pushed prices up to exceptional levels, above €180/MWh.

Gas price at the Virtual Trading Point (VTP)

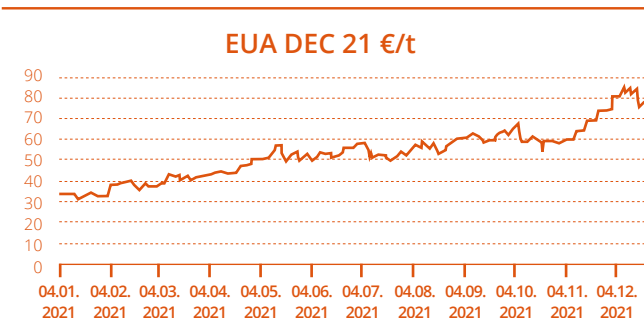


The prices of emissions certificates in 2021 were affected by the growing interest in green technologies. In particular, European emission reduction agreements and targets led to a powerful push for higher prices. Prices rose from around €30/t in January to over €80/t in December, marking an all-time high.

²³ Capacity Available Probability.

²⁴ The Ministry of Economic Development's "Directive 2003/87/EC (as last amended by EU Directive 2018/410) stipulates that since January 1, 2005, large emitters in the European Union cannot operate without a greenhouse gas emissions permit. Each authorized plant must offset its emissions annually with allowances (European Union Allowances - EUAs, equivalent to 1 tonne CO₂eq) that can be bought and sold by the individual operators concerned. Plants can buy allowances in European public auctions or receive them free of charge. Alternatively, they can get them on the market."

Price of European Union Allowances (EUA)²⁴



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 positions the plants on all market channels, forward, spot and real-time, thanks to a control center that works 7 days a week, 24 hours a day, 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 and the negotiation of PPA contracts²⁵.

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, organized 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.

2021 gave rise to a novelty in the Italian electricity market with the introduction of the XBID market, i.e. Single Intra-Day Coupling (SIDC). This is the mechanism of hourly continuously traded intraday markets, integrated with the DAM (Day Ahead Market)²⁶ and DSM (Dispatching Services Market)²⁷. These new markets are an important tool for balancing buy and sell positions subject to variations between the day-ahead market and real-time transactions, and they also offer the possibility of bidding by zonal portfolio and not by individual production unit, as is still the case in the DAM and DSM markets.

²⁵ A PPA is a long-term contract governing the supply of electricity between a producer and a buyer (off-taker).

²⁶ Day-Ahead Market.

²⁷ Dispatching Services Market.

Emissions into the atmosphere and environmental protection

We produce energy in compliance with the strictest legal limits on air emissions, making environmental sustainability a priority for our future projects and supporting the transition of the national energy system through management of thermoelectric plants.

[GRI 305-1] [GRI 305-4] [GRI 305-7]



A tangible commitment

In the context of increasingly demanding regulatory limits, EP Produzione has always put its energy into finding new technical and organizational solutions that enable a reduction of the environmental impact, to the benefit of public health.

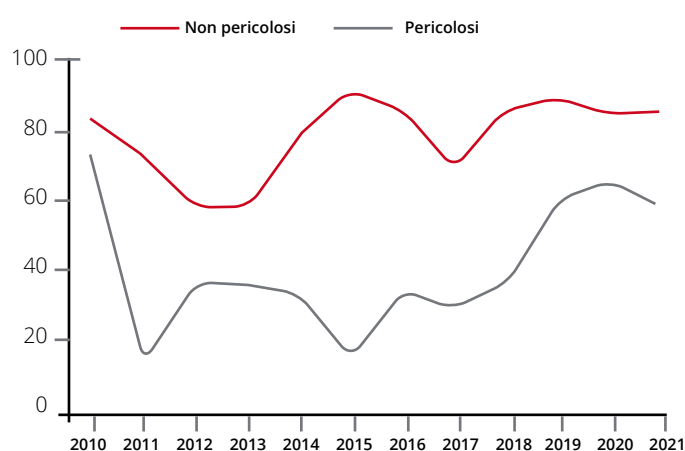
In 2021 alone, over €30 million was consolidated in environmental protection activities, +30% on 2020, and intended for the collection and/or treatment of waste, the prevention, reduction, elimination and monitoring of pollution and all other forms of environmental degradation. **More than 85% of the expenditure can be attributed to the measures promoted for adaptation to BAT at the Fiume Santo power station.**

In the three-year period 2019-2021, the costs allocated to environmental protection were over **€78 million**, 77% of which was for the Fiume Santo power plant alone.

All EP Produzione power plants are subject to Integrated Environmental Authorization (Autorizzazione Integrata Ambientale – AIA), which governs the operations of the plants as regards all environmental aspects, and adopt a management system that complies with the ISO 14001 standard, certified by a third party body. All plants are registered in accordance with the European EMAS scheme, requiring mandatory annual publication of an Environmental Declaration: this tool allows for the clear and transparent communication of the power plants' environmental impacts and the effort made to minimize such impacts.

As regards waste management, **86% of non-hazardous waste** (+0.6% on 2020) and **67% of hazardous waste** (+2.8% on 2020) produced **in 2021 was recovered** and, therefore, not sent to disposal facilities.

Recovered waste (%)



Trend in environmental performance of EP Produzione's power plants, 2010 – 2021
(Source: EP Produzione).

For more details and information on the specific environmental performance figures for each power plant, see the Environmental Declarations, available on the EP Produzione website: <http://www.epproduzione.com/dichiarazioni-ambientali>.

Emissions into the atmosphere

Atmospheric emissions are the most significant environmental aspect for thermal power plants. They are one of the main components affecting the **quality of the air**²⁸ depending on the source used. From 1990 to 2019, the emission factor for national gross thermoelectric production decreased steadily, with values ranging from 709.1 g CO₂/kWh to 415.5 g CO₂/kWh²⁹.

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 largely made up of the typical products of natural gas combustion, and specifically:

- **CO₂** (carbon dioxide) - This is the primary product of fossil fuel combustion 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 absent during normal operation: as such, it is regarded as an indicator of the completion of the combustion process.
- **Water vapor** - 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. The monitoring system meets the quality criteria provided for by the ISO 14181 standard, while the external laboratories used for verification purposes are accredited by Accredia to perform the requested monitoring activities. All emissions fall within the limits set by the AIA.

The data relating to emissions into the atmosphere must be read in the context of the production trend, with regard to the operating speeds of the production units (indeed higher speeds mean greater efficiency) and continuity (longer transition periods due to market-related switching on and off normally lead to higher total CO emissions).

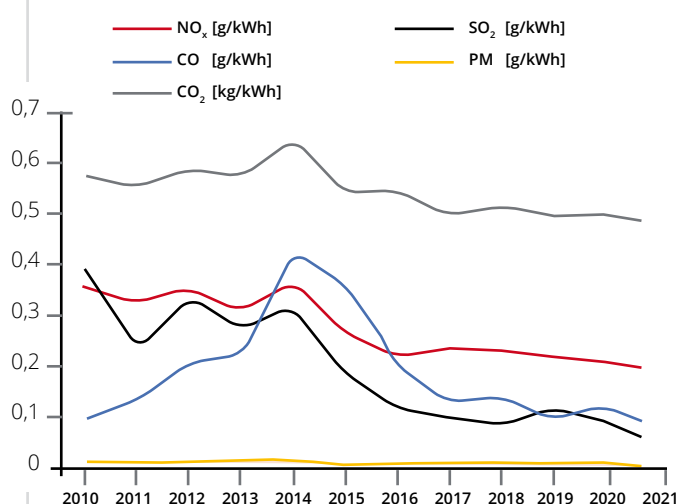
²⁸ Air quality generally depends on the typical atmospheric and climatic conditions of the area, combined with the presence of sources of industrial pollution, vehicular traffic and heating plants.

²⁹ ISPRA Report 343/21, 2021.

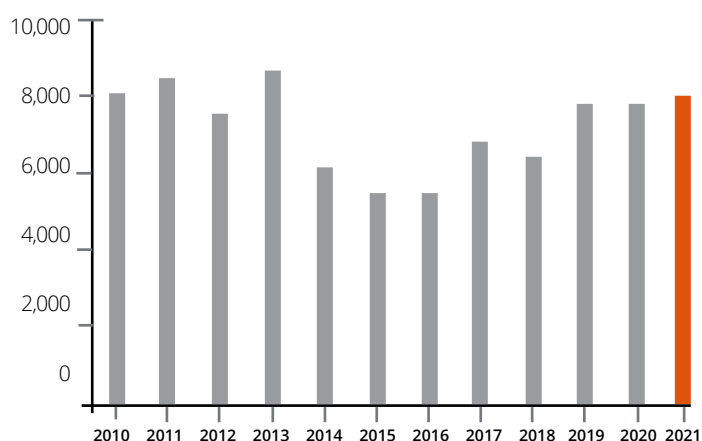
The trend in **mass emissions** is closely linked to the general production data (indeed, emissions increase with the increase in energy produced) and the efficiency of the transformation process.

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.

Specific emissions



CO₂ emissions [kt]



MASS AND SPECIFIC EMISSIONS – 2017-2021 DATA - TOTAL EP PRODUZIONE

Mass emissions (t)	2021	2020	2019	2018	2017	Δ 2021-2017
Net energy produced (GWh)	16,195.3	14,282.3	14,377.0	12,718.3	15,030.1	8%
CO ₂	7,615,876.0	7,389,409.0	7,562,912.0	6,821,899.3	7,946,841.0	-4%
% originating from coal	28%	37%	39%	41%	40%	-30%
NO _x	3,181.0	3,270.3	3,537.3	2,536.9	3,842.0	-17%
CO	1,531.8	1,836.3	1,646.3	1,984.2	2,132.0	-28%
Specific emissions (t/GWh)						
CO ₂	470.3	517.4	526.0	536.4	528.7	-11%
NO _x	0.20	0.23	0.25	0.20	0.26	-23%
CO	0.09	0.13	0.12	0.16	0.14	-33%

In 2021, there was an **increase in net energy production of 13%** (from 14,282 to 16,195 GWh) compared to the year before. If we consider the trend over the five-year period, we observe that while net energy produced increased by 8%, both mass emissions and

specific emissions of the main environmental parameters decreased significantly: a result that testifies to the success of the efficiency and environmental improvement measures promoted over the years and a gradual reduction in emissions from coal-fired

thermoelectric production. The drop in CO emissions reflects a change in how the machines operate: at the request of the market, periods of continuous operation have increased, avoiding frequent start-ups. NOX emissions, on the other hand, are an indicator of the normal operation of the machines: the fact that they have decreased by 17% against an increase in overall energy production confirms that the state-of-the-art technologies introduced have fulfilled their promises, enabling the machines to perform better when they are running at a steady speed.

Evolving legislation

In 2010, the European Commission issued a directive to support the process of reducing emissions in industrial facilities (Industrial Emissions Directive or IED, 2010/75/EU). The document, incorporating seven previous directives, came into force on 6 January 2011 and was adopted into national legislation by way of Italian Legislative Decree 46/2014.

At the center of the IED are the **"BAT Conclusions"**, which map out 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 limit values (and, as such, to establish the AIA conditions for plants) with reference to the BAT Conclusions. Furthermore, it provides that, four years on from publication of the BAT Conclusions in the Official Journal, the competent authority must review the authorization conditions and amend them if required. On July 31, 2017 (implementing decision EU/2017/1442), the European Commission ruled on the best available techniques, with which all plants producing energy from conventional sources must comply by August 2021³⁰.

The EP Produzione gas-fired power plants already fully comply with the BAT Conclusions. Proceedings are being finalized for Tavazzano e Montanaso and Trapani.

The Fiume Santo power station is currently finishing off the planned upgrades, with completion scheduled by March 2022. More specifically, the actions presently underway concern the replacement of the boiler burners, increasing the volume of the catalyst inside the DeNO_x, optimizing the existing blowers on the DeNO_x, revamping the electrostatic precipitators, and other minor interventions on the DeSO_x.

When completed, the Fiume Santo power station's emissions into the air will improve as follows:

- SO₂ will decrease from 200 mg/Nm³ (monthly average) to 130 mg/Nm³ (daily average) and 120 mg/Nm³ (annual average)
- NO_x will improve from 200 mg/Nm³ (monthly average) to 150 mg/Nm³ (daily average) and 140 mg/Nm³ (annual average)
- Dust will be reduced from 20 mg/Nm³ (monthly average) to 14 mg/Nm³ (daily average) and 10 mg/Nm³ (annual average). However, dust particles are also impacted by the percentage of ash in the coal and by the performance of the electrostatic precipitators over time.

³⁰ 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.

MASS AND SPECIFIC EMISSIONS - 2017-2021 DATA - COAL TECHNOLOGY

Mass emissions (t)	2021	2020	2019	2018	2017	Δ 2021-2017
Net energy produced (GWh)	2,366	3,050	3,317	3,185	3,565	-34%
CO ₂	2,407,477	3,086,137	3,370,200	3,198,229	3,513,929	-31%
NO _x	1,471	1,937	2,151	2,037	2,281	-36%
CO	70	101	81	80	97	-28%
SO ₂	1,047	1,565	1,798	1,400	1,774	-41%
Dust	93.3	88.7	100.6	129.3	129.7	-28%
Specific emissions (t/GWh)						
CO ₂	1,017.7	1,011.8	1,016.0	1,004.2	985.7	3%
NO _x	0.62	0.64	0.65	0.64	0.64	-3%
CO	0.03	0.03	0.02	0.03	0.03	8%
SO ₂	0.44	0.51	0.54	0.44	0.50	-11%
Dust	0.04	0.03	0.03	0.04	0.04	8%

MASS AND SPECIFIC EMISSIONS - 2017-2021 DATA - CCGT TECHNOLOGY

Mass emissions (t)	2021	2020	2019	2018	2017	Δ 2021-2017
Net energy produced (GWh)	13,830	11,232	11,060	9,534	11,481	20%
CO ₂	5,208,399	4,303,272	4,192,712	3,623,670	4,432,911	17%
NO _x	1,710	1,333	1,386	1,170	1,498	14%
CO	1,462	1,736	1,565	1,904	2,086	-30%
Specific emissions (t/GWh)						
CO ₂	376.6	383.1	379.1	380.1	386.1	-2%
NO _x	0.12	0.12	0.13	0.12	0.13	-5%
CO	0.11	0.15	0.14	0.20	0.18	-42%

The work to ensure BAT compliance at Fiume Santo required approximately 300,000 more working hours than the normal regime, reaching as many as 600 resources working on simultaneous operations. About 200 safety inspections were carried out, during the activities, all the COVID-19 protocols were followed and no injuries occurred.

Work has commenced on units 3 and 4 of the power plant, worth an investment of €17 million just for the purpose of adapting to the new emission limits and BREfs.

Environmental protection projects**We protect the water resources in the local area**

At the **Livorno Ferraris** power plant, where the utmost attention has always been paid to the discharge of waste water into surface water, waste water monitoring has been further improved to optimize the process and minimize its environmental impact.

The **water** ultrafiltration project at the **Scandale** power plant has been completed, optimizing management of production sludge. Additionally, the water supply contract has been renegotiated, from a flat rate to a consumption-based model, thus optimizing intake to the power plant and potentially enabling other active users in the area to benefit from it.

The experiments carried out in Scandale in terms of process water treatment technologies were exported to **Ostiglia** and **Tavazzano-Montanaso**, where in 2021 demineralization plants were completed in both power stations, replacing the old plants.

This state-of-the-art technology makes it possible to significantly reduce the use of hazardous chemical substances and to mitigate the risks associated with the reagents, increasing the efficiency of the entire system. It has been calculated that the new installations **in Ostiglia will reduce the amount of hydrochloric acid from 395 kg/day to 0.2 kg/day and caustic soda from 165 kg/day to 0.1 kg/day.**

Action to remove Heavy Fuel Oil (HFO)

From 2009, the Tavazzano e Montanaso, Ostiglia and Fiume Santo power plants stopped using **Heavy Fuel Oil (HFO)**. In 2012, HFO was classified as a “**hazard**” by the European Union under the Seveso III Directive. Since then, EP Produzione has taken action to **clean and remove** residues at the plants that used the substance, in order to reduce the risk of accidents and the potential impacts on the environment and health.

In 2020, the oil pipelines in **Ostiglia** that connected the fuel facility to the north of the plant with that located in Sermide, out of use since 2013, were cleaned and secured. These actions, begun back in 2019, resulted in the decontamination of an oil pipeline of over **11 km**, involving a total investment higher than **€1 million**.

Meanwhile, works begun in 2019 at the **Tavazzano e Montanaso** power plant to remove HFO continued. Cleaning works on the HFO and diesel tanks were completed this year, and the latter was also demolished, formalizing the exit from the Seveso Directive regime.

Cleaning of the seabed

In June 2020, the voluntary removal of coal from the seabed close to the unloading pier of the Fiume Santo power plant was completed. This was the result of a complex intervention that commenced in April 2017 when, following an inspection of the pier’s concrete underwater structures, a significant amount of coal was found on the seabed in front of the unloading station.

The presence of the coal probably dated back to the early years of the plant's operation (1970s) during the commissioning of the plant. In fact, the coal unloading procedures currently in place minimize the risk of coal falling into the sea while being unloaded from the ships.

As soon as the discovery was made, it was immediately communicated by the company, Fiume Santo S.p.A., to the Environmental Authorities so that the material found could be properly disposed of.

Given the complexity of the operation (seabed at a depth of 18 meters and operational constraints), in order to carry it out in good weather conditions and minimize the unavailability of the pier for coal unloading operations, the removal activities took place in three phases.

In the first phase, in May 2020, extraction took place using a submersible pump operated remotely from the pier, with the back-up of divers. During the second phase, in October 2020, and the third, in June 2021, the scheduled activities were completed, and about 500 m3 of coal was retrieved.

Environmental analyses and characterizations confirmed that the presence of coal had not led to contamination of the seabed, water or aquatic fauna, and the environmental authority approved the good result of the work during the closing meeting held in November 2021.

³¹ Directive 2012/18/EU (so-called “Seveso III”), adopted by way of Italian Legislative Decree 105 of June 26, 2015.

System flexibility

The electricity system needs to be modernized in order to meet the challenges arising from the increasing demand for electrical energy and its management, including the need to incorporate a greater share of energy from renewable sources.



The electricity system of the future

Due to their intermittency and unpredictability, the use of non-programmable renewable energy sources poses major challenges for the safe and efficient operation of the electricity system. In order to level out the intermittency of renewable energy production and promote its utilization, without wasting any overproduction, particularly at certain times of the day, it has to be coupled with systems for storing electricity, such as hydroelectric reservoirs and batteries. In particular, electrochemical storage systems, commonly referred to as "batteries", store energy in electrochemical form, which is then converted back into electricity when actually needed.

The development of these technologies is considered a key factor in the construction and correct functioning of the electricity system of the future, which must be able to integrate an increasingly large amount of energy from renewable sources³².

In the medium term, it is estimated that the growth of non-programmable renewables will cause periods of energy over-generation, i.e. times when it will be necessary to 'cut' the energy from wind and photovoltaics in order to ensure a continuous balance between generation and demand.

This can be avoided by using hydroelectric or electrochemical storage systems, which can store energy at times when production from renewable energy sources is greater than demand, e.g. in the middle of the day when there is more sunshine, and release energy in the evening hours when demand is greatest and supply is scarce. This is why the Integrated National Energy and Climate Plan (INECP) envisages the development of at least 6 GW of new centralized storage systems and 4.5 GW of distributed storage, both electrochemical and hydroelectric, by 2030, with this storage capacity growing to 30-40 GW in the long term (by 2050).

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, in terms of 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.

Many electrochemical storage projects have started the authorization process in the last two years. At present, the slowdowns in the development of these plants, especially in Italy, are due to the fact that the regulatory framework has not yet been defined, signi-

ficant uncertainties exist in the evaluation of the business model - also due to a lack of experience in the construction and use of these assets - and the high volatility of the market.

In Legislative Decree No. 210 of November 8, 2021 which implements the **Directive "Common rules for the internal electricity market"** (EU 2019/944), Article 18 (Development of storage capacity) states that the National Transmission System Operator, in coordination with the Distribution Network Operators, shall submit for approval by the Minister for Ecological Transition, after consulting ARERA, a proposal for the time progression of storage capacity requirements, based on geographical location and type of storage, also taking into account the already identified requirements of the PNIEC.

The same article also provides for the setting up of a long-term supply system for storage capacity, based on competitive auctions, and the obligation to make this capacity available to third parties, for which annual remuneration will be paid.

The peaker power plant in Trapani: an essential resource

Peakers are flexible turbogas plants, designed to be brought into operation rapidly to balance the intermittent production of renewable resources, thereby keeping the grid safe and flexible, even in the absence of wind and sunshine. They are typically used to cover peak periods of electricity demand, switching on and off rapidly for a few hours at a time.

³² ENEA, Tecnologie e sistemi per l'accumulo elettrochimico dell'energia, 2020.

The Trapani power plant is an example of this. More specifically, it consists of two open-cycle turbogas units with net installed power of 213 MW.

The Region of Sicily's electricity system is powered by a thermal park, mainly concentrated in the eastern and south-western areas of the island, and by numerous renewable energy plants, mainly wind farms, in the south-western and central-eastern areas.

The distribution of the generation facilities makes the Sicilian system extremely unbalanced so that it has also become an obstacle to the development of new renewable energy generation, particularly from wind power .

For these reasons, **the Trapani power plant is considered essential to the safe and secure management of the western area of Sicily on an alternative basis** and plays a crucial role in the process of repowering the electricity grid managed by Terna in the event of blackouts.



³³ Piano di sviluppo di Terna, 2021.

New energy hub of Fiume Santo

We are taking on the challenge of decarbonizing the country, supporting the transition of the national energy system toward the development of projects that ensure the essential energy requirements of the affected local areas are met, and the move away from producing electrical energy from coal, while minimizing the consequences on employment.

[GRI 102-15]



The decarbonization challenge

Decarbonization of the energy system has been identified as the key line of action to reduce the climate-altering emissions produced by humans. The energy production sector in Europe is decarbonizing: according to the European Environmental Agency³⁴, electricity generation today produces approx. 45% less CO₂ than in 1990. These results demonstrate a step change in the energy sector that, supported by European legislation, will contribute to achieving carbon neutrality for the continent by 2050. In order to reach this shared goal, the European **Green Deal** sets out the path for the transition of the Union's energy system.

The end-goal is guaranteeing security of supplies, environmental sustainability and fair prices for busines-

ses and the public. To this end, in 2020 the European Commission launched two strategies – one concerning the integration of the energy system and the other concerning hydrogen – to encourage the progressive move away from the most polluting non-renewable sources.

And yet, there are many Members States of the Union that today continue to use high-impact sources such as coal, and this gives reason for pause to consider the planned timelines. In **Germany**, for example, 24.5% of electrical energy in 2020 was still being produced using brown coal and hard coal³⁵, while in Italy the figure did not exceed 6.34%³⁴. In this context, to bring national goals into line with European ones, the Italian government presented the **Integrated National Energy and Climate Plan** in 2020.

³⁴ European Environmental Agency, Greenhouse gas emission intensity of electricity generation in Europe, 2020.

³⁵ Fraunhofer ISE, Public Net Electricity Generation in Germany 2021.

³⁶ GSE, Mix energetico iniziale nazionale anno 2020.

The Plan provides for the complete phase-out of coal by 2025, relying on the prompt construction of replacement plants and network infrastructure, as well as accelerating investments in renewables and energy efficiency. In particular, as part of the process of phasing out coal, the INECP provided, among other things, for the construction of additional gas-powered thermoelectric units, capable of maintaining the adequacy of the system in the context of an increase in renewables.

Some coal-fired plants still play an essential role in the energy system, and their closure must be planned and managed with the timely adjustment of the regulatory and infrastructural context (electricity and gas network) and with due focus on employment levels, to be protected and converted wherever possible.

However, in the light of the energy crisis resulting from the war between Ukraine and Russia, the Italian government is considering reopening coal-fired power plants, at the risk of backtracking on the progress made so far.

Sardinia: a unique energy situation in Italy

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 process of switching to gas. As such, a large part of the electrical energy required by the island is still today being generated by two coal-fired power plants operating under designated essential status, one of which is **Fiume Santo**.

Today, for Sardinia, it would not be possible to decommission the Fiume Santo and Sulcis coal-fired plants, which together have an installed capacity of about 1,000 MW, because of the current transmission capacity with the mainland, due to which the 3h/year LOLE (Loss of Load Expectation) limit value would not be met. As reported by Terna in the 2021 Adequacy Report, under these conditions, the **Sardinian system** is considered **inadequate and uncertain**, inasmuch as one or more disconnection events are likely to occur for some Sardinian consumers, especially in the event of the HVDC SA.PE.I (Sardinia - Italian Peninsula) connection being out of service (due to failure or maintenance) - in this configuration, the expected demand could exceed the resources available to meet it if the coal-fired plants were not in operation.

In order to resolve the critical issues so that the coal-fired plants can be decommissioned, Terna S.p.A., in its role as TSO, has indicated as necessary steps the construction of a new Center South – Sicily – Sardinia connection, called the **Tyrrhenian Link**, and the implementation of new programmable generation capacity, appropriately scattered over the island.

The Tyrrhenian Link is a new electricity corridor in the middle of the Mediterranean Sea, 950 kilometers long with a capacity of 1000 MW, at a total cost of €3.7 billion. It is an infrastructure initiative of international importance: the link will improve electricity exchange capacity, facilitate the development of renewable energy sources, and the reliability of the grid. It is an operation of paramount importance to provide grid services, contributing to the island's security, and as a minimum resource required to cope with possible states of the system in situations of non-integral grid and unavailability of regulatory and security resources in the Sardinian electricity system³⁷.

³⁷ Terna, Tyrrhenian Link: il doppio collegamento sottomarino tra Sicilia, Sardegna e penisola, 2021.

³⁸ Rapporto Adeguatezza Italia 2021 - Terna S.p.A.

In addition to the construction of the Tyrrhenian Link, according to Terna it is also necessary to supply at least 500 MW of new capacity, 200 MW of which installed in the northern area of Sardinia and at least another 300 MW in the south³⁹.

These 500 MW, procured in the Capacity Market auction with delivery in 2024, should enable the Sardinian regional system to reach the level of adequacy indicated by Terna as the minimum³⁹, corresponding to a probable Loss of Load Expectation (LOLE) of 6 hours per year, i.e. the level of adequacy below which the Sardinian electricity system is considered significantly inadequate by the Ministry for Ecological Transition and ARERA.

To achieve, also in Sardinia, **a level of adequacy in line with the standard defined at national and European level** the Loss of Load Expectation will have to be halved from 6 to 3 hours, by creating **additional programmable capacity** on the island to contribute to the adequacy of the system.

In Sardinia, the phase-out from coal presents a specific **challenge** 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.

Protection of employment and social sustainability are issues of primary importance in ensuring that the energy transition is undertaken in a fair way, particularly in the Sardinian context. For more than 40 years, the **Fiume Santo** power plant has served as a point of reference for the entire island. Today it is the 8th leading production facility in Sardinia⁴⁰ and represents the cornerstone of the main **industrial and entrepreneurial center** of the North of the island.

We believe that all these aspects must be taken into consideration, in order to bring about an energy transition as environmentally and socially sustainable as possible.

THE OPTIONS ON THE TABLE

Our company has put forward several development ideas, which are not exclusive but can be integrated with each other, to guarantee a post coal phase-out energy supply compatible with Sardinia's needs.

Combined cycle with natural gas

Various options have been considered to supply natural gas to Sardinia, and a number of studies commissioned by ARERA, the sector authority, among others, are currently being carried out. To date, the prevailing idea is that of a "Virtual Pipeline" based on LNG, two floating regasification units (FSRU), one to the north of the island and one to the south, and replenishment ships between these and the LNG terminals on the continent (primarily Panigaglia and OLT-Livorno). This approach was confirmed by the DPCM (Prime Ministerial Decree) on the Coal-Phase in Sardinia, signed at the end of March 2022, although not yet published in the Official Gazette.

The project presented for a natural gas-fired combined cycle at Fiume Santo would fit into the scheme envisaged by the above-mentioned DPCM, having as obvious, though not unique, preconditions that gas be available in Sardinia, at volumes and with supply reliability and economic conditions similar to those in the rest of Italy.

Electrochemical storage

Among the possible solutions for phase-out, there are also batteries, technically called electrochemical storage units.

Electrochemical storage units are systems that directly transform chemical energy into electrical energy. They

³⁹ ARERA delibera 498/2021/R/EEL; Disciplina mercato della capacità con consegna 2024, DTF 2 e Allegato 1 alla DTF 2; Rendiconto degli esiti dell'Asta Madre 2024.

⁴⁰ La Nuova Sardegna [The New Sardinia] (2020): Top 1000 Sardinia.

have the advantage of being modular and flexible, as well as being quick to install, and **thanks to their extremely flexible performance, they can be coupled with all renewable and non-renewable sources of power generation**⁴¹.

According to some estimates, in order to reach 60 GW of renewables to meet the targets of the 'Fit for 55' program requires - to avoid wasteful overproduction - the installation of at least 10-12 GW (average duration 4 h). In December 2021, an application was submitted for an Environmental Impact Assessment for a storage plant with electrochemical batteries of about 100 MW, corresponding to an investment of €100 million.

Photovoltaics

At the Fiume Santo power plant, EP Produzione is planning a solar power plant adjacent to the areas previously occupied by units 1 and 2; authorization is still pending. The panels will reach **overall peak power** of around **10 MW**.

The main objective is to maximize efficiency in the energy generation process, using not only mono-axial trackers, which will allow the panels to follow the sun, but also double-sided panels, to further increase the radiation received.

The construction of a photovoltaic plant will also make it possible to **increase the value of an industrial area** with high irradiation, thereby avoiding the use of agricultural land, with economies of scale thanks to the existing infrastructure network.

Biomass

Another potential solution to address the phasing out of coal could be the conversion of one of the two co-

al-fired power plants to use woody biomass for fuel. Biomass is a renewable energy source – **by way of monitored and sustainable supply chains** – but is also **programmable**. It could be a complementary or alternative option to gas, but to run it effectively, this would require the introduction of an **incentivization mechanism** for large-scale biomass production plants, developed specifically for Sardinia, which is the only region in Italy without a gas supply.

Hydrogen

The prospect of integrating **green hydrogen from electrolysis** into Sardinia's energy mix is closely linked to the development of capacity from renewable sources, for example photovoltaic solar, hydroelectric and offshore wind. In this scenario, green hydrogen could serve as a back-up and stabilizing element to balance out the contribution of **renewables** to the energy system, in particular for the generation of electricity, industrial heat and for transport.

Hydrogen-based supply certainly represents a **new frontier for decarbonization** of the energy sector in the medium-long term. The partnerships initiated with CIPS and CSR4 in Cagliari testify to a willingness to take an active part on this innovative and potentially very important front for the future of energy.

There are many challenges and the stakes are high. EP Produzione is at the front line to ensure a productive future for the Fiume Santo industrial site, a future that we envision as multifunctional, multi-fuel and multi-technological.

⁴¹ Ministero della Transizione Ecologica, Sistemi di accumulo elettrochimico.



challenges

EP Produzione

new capacities

energy

people

passion

appendix

the EP Produzione team

health and safety

people's wellbeing

value for the local area



#Health #Safety #Wellbeing #Employment #Territory

people

We look after our people and want them to look after their company. As such, we prioritize health and safety and take all measures necessary to ensure that nobody is injured inside or outside our plants. Our Group endorses a culture of occupational safety and promotes it in the local area. Strengthening the link of mutual trust, we want to ensure motivation and peace-of-mind for all those who work with and for us, and their families.

2021 Key facts and figures

495 employees, of which over 99% with permanent contracts

33% out of the Managers are women and so are 15% of the Executives

3 minor injuries throughout over 2 million worked hours

>30 average training hours per person, amounting to over 15.000 hours of which 56% are focused on Health and Safety

#abbicura

(#takecare) health, safety and environmental protection are at the core of the Group's strategy

The EP Produzione team

[GRI 102-8] [GRI 403-2] [GRI 405-1]

15,300 hours of training

As at 12/31/2021, the EP Produzione Group has a staff of **495 people**, almost all of them on permanent contracts. This includes **144** staff positions, most of whom are based at the Rome and Terni offices, while another 351 workers are distributed across the various power plants. Although in the power plants the majority of the staff is male and the average age is rising, in the staff roles the female population has reached 38%, and 64% of the population is under 50 years of age.

Still looking at staff roles, 13% of the women now hold a managerial position: in 2021, women accounted for 15% of Managers and 33% of Middle Managers.

Twenty-three people left the company in 2021, the majority due to retirement, but EP Produzione is proud to have added **14 new members to its team**. At the end of the year, the overall turnover rate dropped from 6% in 2020 to 4.6%.

In 2021, a total of 15,300 hours of training were provided, i.e. **an average of 30.9 hours of training per person**. This was a significant increase from around 8,800 hours in 2020, a year that had been heavily affected by the measures taken to curb the spread of the pandemic. Training was given both through e-learning and classroom sessions.

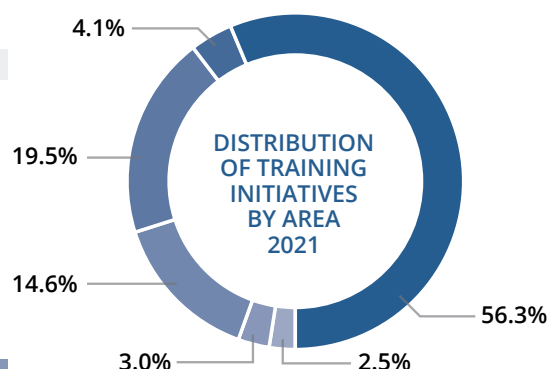


More than 56% of the hours were dedicated to the topics of **Health and Safety**. Particular emphasis was placed on improving **technical and specialist skills**. Additionally, **courses were also provided on Managerial Development, on the so-called Soft-Skills and on languages**, as well as on in-depth courses on environmental issues. In this context, for the energy sector, the National Collective Labor Agreement (Contratto Collettivo Nazionale di Lavoro - CCNL) established a **subjective right to training** (corresponding to 28 hours in the three-year period 2019-2021). This initiative will include

over 50,000 people. Of this training, 44% - corresponding to 6,700 hours - was dedicated to non-HSE topics, therefore, oriented towards building the technical and managerial skills of the EP Produzione team, which are the foundations on which HSE is based. Topics included sustainability and innovation, embracing topics such as mindfulness, the exercise of leadership in a work context that has now become hybrid (presence/smart working), highly dynamic, and influenced to a major extent by technology, providing notions and tools to prevent and effectively manage so-called technostress.

DISTRIBUTION OF TRAINING INITIATIVES BY AREA 2021

Managerial	2.5%
Linguistic	3.0%
IT	14.6%
Specialist and technical	19.5%
Environmental	4.1%
Health and Safety	56.3%



STAFF DISTRIBUTION	2021	%	2020	2019
Fiume Santo	192	38.8%	192	196
Livorno Ferraris	32	6.5%	32	33
Ostiglia	58	11.7%	62	65
Tavazzano e Montanaso	66	13.3%	68	73
Trapani	3	0.6%	3	3
Staff roles ⁴²	144	29.1%	143	133
TOTAL	495	100%	500	503

DISTRIBUTION BY AGE	<30 anni	30-50 anni	>50 anni
Staff	6%	58%	36%
Power plants	2%	23%	75%
TOTAL	3%	33%	64%

⁴² Staff personnel includes people on secondment from the company Fiume Santo to EP Produzione for the decommissioning of Units 1 and 2.

Health and Safety

Health and safety are our priority. We assess and prevent risks using state-of-the-art technologies, periodic audits, technical training and awareness campaigns. We want to promote an environment where everyone feels part of a team that places emphasis on a culture of occupational safety. To achieve this, we encourage participation, teamwork and identification with the Company's goals and strategies. We want to support the development of our people and the professionals of tomorrow in order to overcome the challenges that lie ahead, together.

[GRI 103-2] [GRI 103-3] [GRI 403-2]



Safety first and foremost

At EP Produzione, we work directly and via our subsidiaries and investee companies in the electricity generation sector. We encourage proper conduct, transparency and loyalty, which underpin our values. Our **daily commitment** is focused on guaranteeing the safety and health of people.

We are particularly conscious of **environmental sustainability**, because we see it as a material factor in increasing our competitiveness and contributing to protecting the planet. Our electricity generation power plants are characterized by significant flexibility and reliability, in accordance with high environmental and safety standards.

Our commitment in this regard strives towards the **continuous improvement** of our performance and the **satisfaction of our stakeholders**. Open **dialog** is always at the center of our actions and our conduct, to the benefit of the health and safety of people and utmost care for the environment, key elements to the success of our company.

Our company culture at EP Produzione is based on one fundamental pillar: working in the safest way possible, without compromising on the standards laid down by law and the management systems.

It is precisely in this context that EP Produzione avails itself of **external bodies** to certify its commitment, beginning by assigning **responsibilities** to people in relation to Health, Safety and Environmental (HSE) matters across all hierarchical levels, and also sharing experiences and best practices, with periodic reviews of the risk management models in order to progressively reduce tolerance limits.

In 2021, migration to ISO 45001 was completed for all production sites.

EP Produzione's commitment is set out in a ten-point pact - "The HSE Commitment" - which contains simple rules of awareness and responsibility designed to take care of everyone.

Our commitment to safety, human health and care for the environment



WE WORK SAFELY

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

As such, we have a Zero-accident goal, because we regard injuries of any kind as unacceptable.

We work safely, leading by example and following the principles that are an integral part of our corporate culture:

- We guarantee a safe and ergonomic work environment for all, that avoids causing harm of any kind to health and protects the psychological and physical wellbeing of people
- We 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
- We require all collaborators, company employees and suppliers to look after one other and immediately interrupt any unsafe activity or work conditions
- We promote improvement of workplace safety and health, inviting people to take an active role and engaging with the parties involved





WE CARE FOR AND RESPECT THE ENVIRONMENT

Our ongoing commitment is to monitor all environmental aspects via our activities, maintaining and improving the efficiency and performance of our electrical energy production plants:

- We use natural and energy resources in a mindful and sustainable way, in accordance with efficiency, affordability and quality requirements
- We respect and have regard for the local area and biodiversity in the places where our plants and infrastructures are located
- We work on a preventive basis to minimize emissions and discharges at source, promoting the reduction, reuse and recovery of all forms of waste
- We promote management measures and individual conduct oriented towards respect for the environment.



our 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

We have a Plan

EP Produzione's commitment to HSE matters translates into the 2022-2024 Improvement plan, a program that offers continuity with regard to the lines of development already undertaken in the 2019-2021 plan, developed based on a performance analysis carried out using key qualitative and quantitative indicators relating to the topic. The Plan has three pillars designed to guarantee safe and secure energy transition:

1. Strengthening HSE and sustainability culture by nurturing Health and Safety awareness, through reinforcement initiatives and the use of systematic tools, by learning from mistakes and the good practices observed in EP Produzione or outside the Company, and by constantly collaborating with suppliers to support their HSE performance. With the first pillar, EP Produzione aims to strengthen sustainability tools and governance within the organization, also in view of the new sustainability compliance targets of 2024.

2. Confirming the target of ZERO accidents in operating plants and involving staff with the consolidation of Asset Integrity management, including natural hazards, reinforcing control over the most severe risks by improving the process of securing plant and equipment, and then progressively adopting digital tools to support HSE performance.

3. Developing HSE management in new capacity projects by setting up appropriate project organization to ensure careful management of HSE issues, defining plans for training and for the involvement of the people working on the projects. The goal can also be achieved by implementing a systemic approach for project management and transferring experiences from the construction of the new unit in the Tavazzano e Montanaso power plant to other EP Produzione projects and by drawing on external experiences.

Zero injuries: a possible and sustainable goal

The safety culture has enabled us to achieve extraordinary results in recent years. The 'Zero is possible' challenge has been won, now the 'Zero is sustainable' challenge awaits us.

Matteo Bresciani, HSE Manager of the Ostiglia (MN) power plant

Once again, 2021 underlined the need for the workplace to be, above all, a safe place for those who go there. This is also necessary to ensure continuity of operations in the context of providing services that are essential to people's daily lives.

This awareness underpins everything we do at EP Produzione, summed up neatly in the motto **#takecare**.



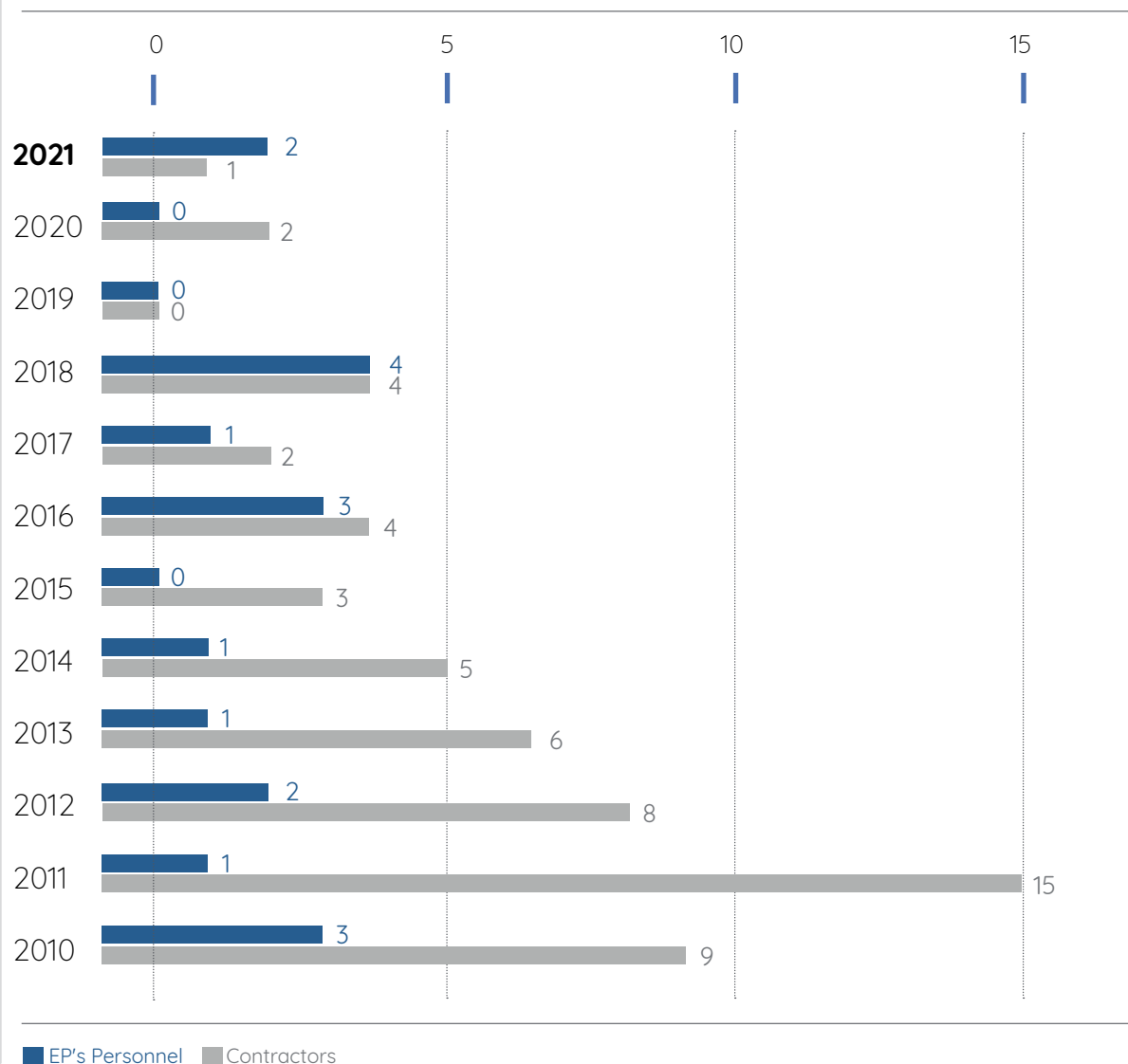
Zero injuries were recorded in 2019, a point of success in a journey begun years earlier and pursued with courage and tenacity by all EP Produzione collaborators.

Another milestone was achieved in August 2020: **3 million hours worked without injuries** among EP Produzione workers or third parties across all company plants. Furthermore, in the second half of the year, the milestone of **1,000 injury-free days** was exceeded at the Ostiglia, Fiume Santo, Trapani and Scandale power plants. In 2021, out of more than 2 million hours worked, three injuries were recorded at the Tavazzano e

Montanaso and Ostiglia power stations and at the de-commissioning site of the Fiume Santo power station, respectively, involving EP Produzione personnel and one person from the enterprises that collaborate with EP Produzione. The injuries were minor - the result of slipping or tripping up, but we have never underestimated them and they motivate us to work even harder towards the goal of Zero injuries.

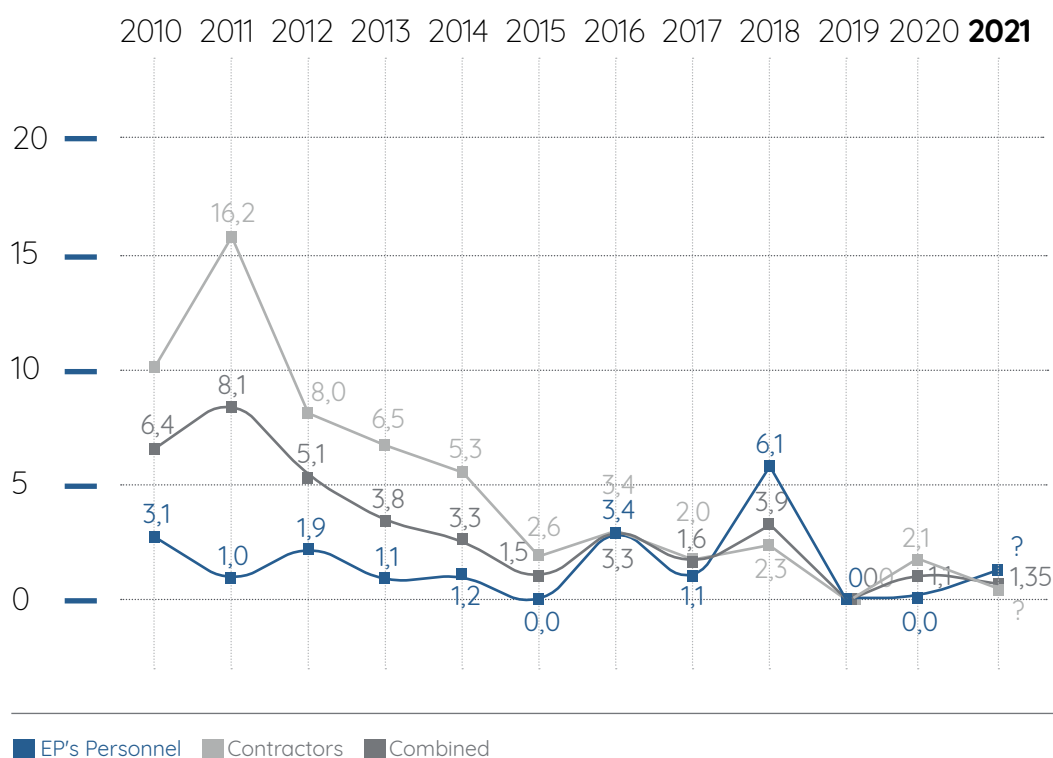
LTI - Lost Time Injuries (Number of injuries with absence from work beyond the day of the accident)

Injuries number



LTIF - Lost Time Incident Frequency (accident rate per million of hours worked)

Number of Injuries/million of hours worked



Plant maintenance, construction and demolition operations are complex and must be planned and prepared well in advance and in every detail. Safety is a constant priority in the undertaking of all maintenance and site activities. The dangers during such activities increase both in number and nature: from lifting to working at heights, from working in confined spaces to electrical work.

In 2021, a major plan of maintenance and construction activities was carried out, which brought about a 14% increase in hours worked compared to 2020, entirely due to contractors' activities.

All of the production sites were affected by planned shutdowns, including BRefs (BAT reference documents) compliance activities at the Fiume Santo power plant. The main construction sites developed in EP Produzio-

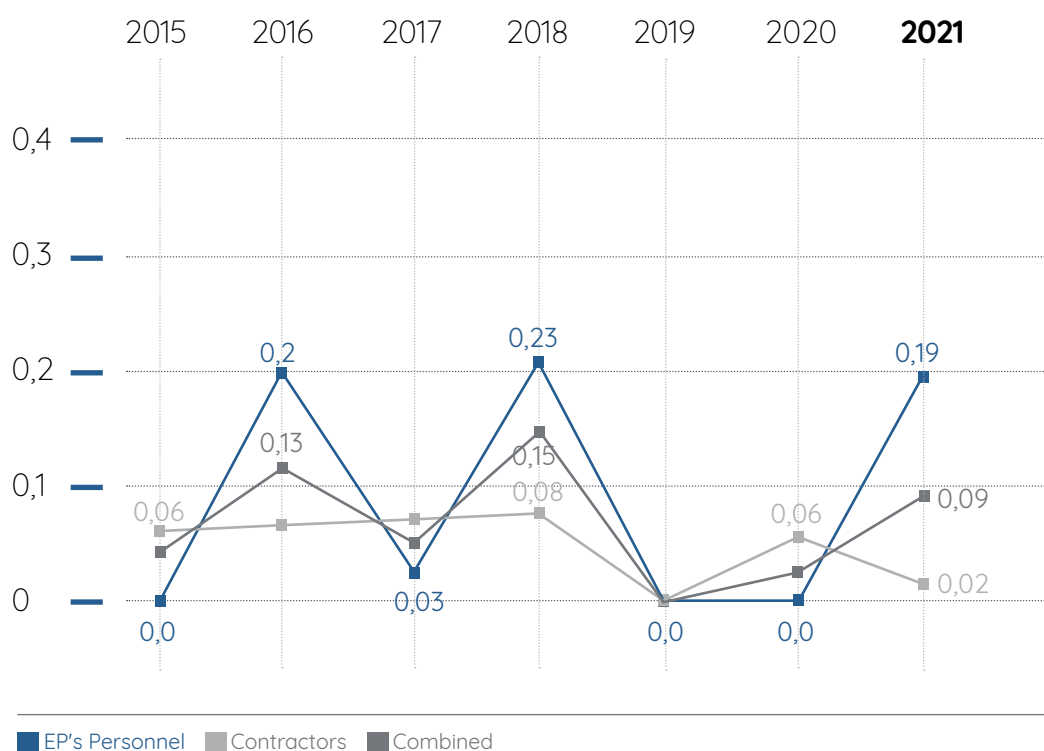
ne in 2021 were the demolitions in Borgo San Giovanni, in Ostiglia, at the Centro Energia Ferrara and in Tavazzano.

In addition to the inherent complexity of the activities, working in the context of the pandemic was a challenge within a challenge and it was successfully overcome thanks to the expertise of the EP staff and the company's selected contractors.

The HSE approach adopted has now been standardized and is based on the following mainstays:

1. Dissemination of EP Produzione HSE approach (e.g. the 4 Golden Rules, the #takecare approach, Safety hour, Communication and Involvement Plan, Accident Management Procedure).

Severity index



2. Organization and expertise through EP Produzione staff.

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

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

Ad hoc HSE measures were adopted at each site depending on operational needs, and any lessons learned were shared among staff at the sites and adopted in new projects.

In 2021, the Fiume Santo power plant was involved in two major maintenance shutdowns for units 4 and 3 which involved 500 people more than normal, with a peak of 700 resources and 600,000 additional working hours: **the work was concluded with zero injuries**.

Attention to safety rules was maintained at maximum levels thanks to the daily Safety inspections extended to the entire construction site: in this way, rapid intervention and implementation of corrective or preventive actions were possible. The intensive antigen and molecular swab campaign contributed to reaching positive results. In line with the best practices adopted in the winter championships in Cortina d'Ampezzo, state-of-the-art anti-contagion protocols were implemented, alongside an intensive molecular and antigen swab campaign.

Rather than an achievement, these results represent a new starting point. This is why EP Produzione organizes Safety Hours to talk to people about safety, and Safety Walks to involve them in the field by promoting preventive reporting. It is, in fact, **precisely on prevention - as opposed to reaction - that EP Produzione has been increasingly focusing its energies.**

Also in 2021, the Safety hours had to adapt to the pandemic: 19 in-person and digital meetings were held, reaching more than 770 people, including EP Produzione employees and contractors.

On the front line to deal with the emergency

For the second consecutive year the pandemic has represented an unprecedented challenge to human health. EP Produzione has responded promptly with clear and precise measures, thanks to the continuing efforts of the Crisis Committee set up by the company in 2020. Similarly, the **COVID Committees** at a site level, involving the Employer, Occupational Physician, Prevention and Protection Service Manager and Trade Union Representatives, coordinated management of the emergency at the production plants.

Right from the start of the pandemic, **Personal Protective Equipment** and **sanitization** supplies were purchased and distributed, and 2-meter distancing was imposed across all workplaces, immediately adopting those conduct and management measures that were to become essential everywhere.

In the meantime, **smart working** programs have been implemented for those able to work remotely due to their role.

To facilitate this measure, in 2020 a total of 187 new laptops were purchased, and the necessary changes were implemented in terms of accessing systems and devices to allow staff to bring their desktops, workstations and laptops home.

EP Produzione took out an insurance policy to protect its workers against pandemic-related risks, in particular to cover healthcare costs in the event of hospitalization.

The policy guarantees a hospitalization allowance, a recovery allowance, and a set of post-hospitalization support services (e.g. ambulance, babysitting, home help or grocery delivery) for all those hospitalized after catching the coronavirus.

Together with Elettricità Futura and AiFOS: vaccination against COVID-19

As in 2020, in 2021 EP Produzione launched a series of webinars in cooperation with AiFOS and Elettricità Futura. The focus of these webinars was on "Vaccinations against COVID-19", in order to provide factual and scientifically based information on the benefits of vaccinations against COVID-19 in the period when vaccinations were starting to be provided in Italy.

Health and Safety initiatives promoted throughout the plants

INITIATIVES	2021	2020	2019
Safety Hour (no.)	19	20	37
Safety Walk & Talk (no.)	709	204	278



MENTRE LA CAMPAGNA VACCINALE PROSEGUE:



USA
LA MASCHERINA



LAVALE MANI



RISPETTA
IL DISTANZIAMENTO



RICAMBIA L'ARIA
NEGLI AMBIENTI CHIUSI



SCARICA
L'APP IMMUNI



EVITA
ASSEMBRAMENTI

Visita la sezione Intranet: **Covid-19 > Materiale informativo per il contrasto del Covid-19**

Per info sulla vaccinazione: info.vaccinacovid.gov.it



Validità: dal 6 dicembre 2021 al 15 gennaio 2022

Workspaces were reorganized, and equipment was installed to monitor and sanitize spaces in accordance with the directives of the Istituto Superiore di Sanità (Italian National Institute of Health). Additionally, **PCR screening plans** were arranged in collaboration with local healthcare facilities, with a **protocol** being drawn

up to limit workplace spread of the virus and promptly identify any positive cases.

These measures were coupled with a range of **audits** and a session to raise awareness of the **COVID protocol** during the constant controls in the field, as well as the launch of the **#abbicura [take care]** campaign aimed at further exploring topics related to the pandemic, remote working, postural hygiene and healthy eating.

During the production stoppages at the Fiume Santo and Tavazzano power stations, protocols were issued with reinforced security measures to regulate the notable access by third-party personnel.

According to the occupational physicians, the vaccination of EP Produzione staff reached 95%, a figure that made it possible to appropriately evaluate the progressive nature of the measures taken in the anti-COVID protocols.

In 2021, Dr Sabatino De Sanctis was appointed **Coordinating Physician of the Occupational Physicians** and, in the course of the year he held three coordination meetings with the Occupational Physicians of the various sites.

The topics covered included: health measures in COVID protocols, management of screening campaigns, compulsory health surveillance, dissemination of health culture, and the strengthening of the medical service.

RossoLevante's short films

The pandemic has not stopped the culture of safety. In 2021, **four short films** were made in **collaboration with the Sardinian theatre company RossoLevante**, with the aim of sparking reflection on Health and Safety in the workplace, through the use of words, movement, music and video.

These short films were shared during Safety hours with the EP Produzione team and third-party personnel.

- **L'angelo del gas** (The Angel of Gas) tells of the two opposing souls of the worker: the first soul, characterized by awareness, governs and manages the danger, the second, on the other hand, chooses not to stop its activity, exposing itself to risk.
- **La scelta** (The Choice) shows how even the simplest decisions can be decisive when it comes to occupational Health and Safety: even your favorite scarf can become a source of danger.
- **Il rito del guard rail e PumZak** (The ritual of the guardrail) and PumZak make us realize how overconfidence and routine in the performance of an activity are fraught with pitfalls which can easily lead to injuries.

Gnocchi Thursday? Health comes from eating

Together with AiFOS, EP Produzione organized a webinar in four parts focusing on **healthy eating**: the company's employees and collaborators had the opportunity to acquire new skills and pose questions to a nutrition expert in order to learn how to make the right choices about nutrition at home and at work.

The training, which reached more than 200 participants on a voluntary basis, covered the main components of nutrition and their function for human health, tips on how to prepare a balanced meal, also in relation to specific tasks; and the sharing of recipes for shift workers and office staff. Emphasis was also placed on the informed and sustainable purchasing of food and the correct reading of labels.

Giovedì gnocchi? La salute vien mangiando



EP PRODUZIONE



AiFOS



Consigli a cura di Mica Spini - Nutrizionista e Personal Trainer

EP PRODUZIONE

AiFOS

Still on the subject of healthy eating, the Scandale plant offered its workers meetings with a nutritionist for a health screening and the preparation of a customized diet, while the Ostiglia plant launched an audit of its canteen services, sharing the results and proposals for improvement with the plant personnel during a safety hour dedicated to the subject.

Reclamation in complete safety

In March 2021, demolition work began on the disused Naphtha 2 site, in Borgo San Giovanni, just 1 km away from the Ostiglia power station. The aforementioned site had already been reclaimed and rendered gas-free 10 years earlier. Such demolition actions are part

of a package of measures passed in 2019 called **PRIA - Progetto di riqualificazione ambientale della Centrale di Ostiglia** (Ostiglia Power Station Environmental Upgrading Project) - which also includes the asbestos removal in Unit 4 of the power station and pipes.

The management of Health and Safety during the demolition and reclamation works achieved very satisfactory results, the control plans were implemented in a timely manner and the **Toolbox talks were carried out regularly**: each morning any potential risks envisaged for the day were discussed, and specific solutions were adopted. The environmental dust and noise control plan and the monitoring measures were also carried out in a scrupulous and continuous manner.

Working at heights

In 2021, a refresher course was organized for RSPPs (prevention and protection service officers) and maintenance technicians at the New Ecology training center in Cinisello Balsamo, in partnership with AiFOS. **During the training, participants simulated activities at heights and tested specific PPE** in order to understand not only their use but also their limitations. The training involved simulations of the recovery and rescue of people in the event of an accident at height, pointing out the critical issues and skills required to carry out the procedures. Lastly, there was no shortage of digital training: EP Produzione technicians had the opportunity to see the application of Safety IoT systems associated with specific PPE and equipment, in order to evaluate whether to introduce them into the production sites.

Best Contractor award presented at Livorno Ferraris

The firms that collaborate with the EP Produzione power plants play a key role in terms of health and safety. The **Best Contractor Award** is an award designed to promote the dissemination of a culture of safety, passing on EP Produzione's values to all contractors via a

competition aimed at continuous improvement of safety performances.

The Best Contractor Award is given to the firms judged most **reliable and proactive** following a **contest** held throughout the period of stoppage of the power plant or the work sites. A dedicated internal committee is tasked with judging the contest based on pre-set criteria and reports received from EP Produzione workers, awarding a **banner** on each occasion, to be displayed in the workspace. The ranking, updated weekly, is displayed in the Safety Corner and on the service outage board.

At the end of the stoppage period, **the firm with the highest score wins the final round** and, as well as receiving a trophy, sees its name displayed on the banner at the plant and a photo of the winners on the noticeboard at the entrance to the power plant to offer encouragement in subsequent competitions.

In 2021, the winning company was **Ansaldo Energia**. The stoppage team demonstrated excellent site management, even considering the workload and a great spirit of cooperation in implementing improvements and various adjustments that EP Produzione required. Also at the Livorno Ferraris power station, the initiative **'Livorno Ferraris takes a stand for safety'** was promoted. All the staff were invited to choose an aphorism to describe the company's safety culture and leadership.



Man down

In 2020, the pilot project of the **man down system** was launched at the Livorno Ferraris power plant. The system enables **geolocation tracking of operators**, particularly useful when working alone, including at night. These devices take their name from the feature that most distinguishes them from a conventional GPS system: as well as detecting the **position** of the individuals, they use special sensors that can also monitor operators' **movement**, automatically setting off an alarm in the event of prolonged inactivity ("man down" alarm).

The detection infrastructure installed at the plant has been increased and refined to support the new system. Finally, all operators at the power plant were equipped with new **work overalls**, featuring a pocket specifically designed to hold the detection device.

"Man down" is also in operation at the Ostiglia power plant and is scheduled to be adopted in the other power plants.

sVOLTA verso la sicurezza

The **"sVOLTA verso la Sicurezza"** (turn towards safety) training project was promoted by the Tavazzano e Montanaso power station and the "A. Volta" high school in Lodi, in cooperation with AiFOS.

The aim of the initiative is to raise awareness among the school's students of the importance of safety at work, starting with one of EP Produzione's four golden rules: **learning from near misses and mistakes**. An error is an opportunity for improvement, if it is investigated, understood and corrected through careful analysis, so as not to be repeated in the future.

The project was structured in four meetings, involved around 70 fifth-year students and explained the importance of analyzing events and their causes, one of the

fundamental processes on which EP Produzione's safety culture is based.

The AiFOS teachers taught the students a method for analyzing the causes of accidents, specifically the "Fishbone" method, according to which accidents are the result of many factors related to individuals, processes implemented, organization and environment. In the second meeting, the students had the opportunity to meet and talk with the young shift worker Andrea Longo, a former student of the "A. Volta" high school, who now works at the power plant.



People's wellbeing

We believe in the importance of creating a positive work environment to foster the wellbeing of the people who work with us. We see inclusion, cultivation of talent and personal development as the keys to increasing productivity, without ever losing sight of the fundamental importance of a work-life balance.



We take care of our people

In 2021, EP Produzione **renewed its offer of goods and services covered by the EP People company welfare program**, launched in 2017 with a view to enhancing people's wellbeing and quality of life.

Compared to last year, the program has a new supplier and an innovative platform with a customized layout, accessible from the corporate intranet and browsable on all devices. The program allows employees to **convert their Performance Bonus into welfare-related goods and services**. These include, for example, leisure and holiday initiatives, reimbursements for school attendance and babysitting services, as well as the reimbursement of interest payable on mortgages; employees can also make additional contributions to their own supplementary pension fund, purchase tickets for transport and shopping vouchers.

A large number of services are available (over 100,000) and can be provided thanks to a well-established network of partners throughout the country.

Last but not least, the initiative offers a significant economic benefit: as well as the tax exemption on the Bonus amount (provided for by the law), EP Produzione provides employees with an additional contribution of 18% of the converted amount, thus increasing the "welfare credit" available to them.

The response to the health emergency

Even in the most difficult months of 2020, EP Produzione demonstrated great **flexibility, ability to adapt and resilience**, aware that its workers provide an essential service to Italy.

Thanks to everyone's commitment, the power plants never stopped. EP Produzione is proud to have ensured a constant supply of electrical energy, in keeping with the highest safety standards, while always prioritizing the health of all. The PPE and extraordinary measures adopted in compliance with the Italian Prime Ministerial Decrees were fundamental elements in keeping the power plants running, by protecting operators' safety.

This meant that the EP Produzione team never stopped working, on-site or remotely, to guarantee the electrical energy required by the country as always, 24 hours a day, 365 days a year.

In 2021, about **one third of the company's personnel** continued with smart working: for part of the year, this covered all working days in the week, but at the beginning of the summer period, when COVID-19 infections slowed down, in-person working gradually resumed, reaching a rate of up to 10 days every 4 weeks.

Financial assistance to cope with the pandemic

Thanks to the commitment of all the people at EP Produzione during the COVID-19 pandemic, work was carried out under the most varied of conditions, ensuring the continuity of power generation. Specifically, credit is due to those who still had to keep going to work even during the most difficult months of the pandemic, in order to run the facilities, manage the activities of the control center and head up the offices.

In order to thank the whole team for their dedication and commitment, EP Produzione decided to pay, along with the measure already adopted in 2020, an Extraordinary Bonus calculated on the basis of the days spent on the job during the second and third waves of COVID-19 (November 2020-March 2021) with amounts of between €150 and €250 gross.

This measure was added to the other initiatives already implemented by the company to support employees coping with the pandemic including the opening of a health insurance policy to provide assistance and support in case of needs resulting from COVID-19, screening campaigns conducted in all of the group's production sites, and webinars providing vaccination information organized with AiFOS.



Il Welfare su misura per te

Non devi far altro che scegliere

EP People

Employment and generation of value for the local area

We want to contribute to territorial development by creating employment and working with local suppliers. We engage with Public Administration bodies, restoring value to our communities and providing support for initiatives aimed at boosting a sense of belonging. This is how we view our role within the local areas, balancing economic and human interests.

[GRI 102-9]



Supporting the local areas

The year 2021 was also particularly challenging: which is why EP Produzione decided to offer concrete help by directly supporting the local territory in dealing with the pandemic, among other things. The donations made demonstrate the spirit of solidarity that distinguishes the company and its employees who, in these difficult times, in addition to meeting their daily commitment to provide the country with much-needed energy, also support community initiatives. In fact, EP Produzione donated a surplus of diesel from the Trapani power plant - about 17,500 liters, placing it at the disposal of the **Provincial Civil Defense** organization engaged in the health emergency.

In 2021, the "Dona Energia" (donate energy) initiative was relaunched, promoted in partnership with **AVIS Comunale di Sassari** (municipal blood donors association) as early as 2019, with the aim of raising the local community's awa-

reness of the need for blood, increasingly essential for numerous therapies and in emergency situations. Power plant employees and workers of third-party companies had the opportunity to make an important contribution at a critical time for the collecting of blood.

The Fiume Santo power station is a partner of the amateur sports association: **Associazione Sportiva Dilettantistica Tennis Club Porto Torres**. Among its activities, the Association is also committed to promoting the development and integration of young people through sport. This is why it organizes a variety of fundraisers for charity, giving away free courses for deserving schoolchildren and cancer patients. This initiative includes the contribution of the Power plant, which supports the Tennis Club in the activities of the free sports workshops, also cooperating with the non-profit onco-hematology association "Mariangela Pinna" in Sassari, the most important

non-profit organization in Northern Sardinia involving oncologists and cancer patients. The Power plant of Ostiglia supported the **Fondazione Scuola di Musica Oltrepò Mantovano**, a non-profit organization dedicated to the dissemination of art and musical culture. The contribution served to reduce the fees of the music school for minors living in Ostiglia. The power plant is also a sponsor of the 2022 theater season, in addition to this, it donated around 6,000 masks to the municipality in 2021.

The Sassari-based non-profit associations **"Emporio della solidarietà"** of the Parish of San Paolo and the **"Casa della Fraterna Solidarietà"** received a donation from the Fiume Santo power station. The associations support families in need by purchasing food staples and providing small sums of financial aid and medical assistance. The **Scandale power station** has also joined an initiative to support the **Parent Project** association, which helps families of children with muscular dystrophy through a network of counseling centers and promotes scientific research on the subject.

The **Livorno Ferraris power plant** has decided to continue with the help already provided in previous years to the **AIL**, the Italian Association against Leukemia, Lymphoma and Myeloma, by giving all the personnel a Poinsettia plant, otherwise known in Italy as a stella di Natale (Christmas star).

In keeping with its tradition of previous years, the **Tavazzano e Montanaso power plant** contributed to the **2021 Christmas lights** for the municipality of Tavazzano. The power plant has also been a partner in the **municipal cardio-protection** project thanks to which a defibrillator was installed in the centre of Tavazzano, and it chose to sponsor the amateur sports association: **Associazione Sportiva Dilettantistica Villatavazzano 1957**.

The Energy Duo

EP Produzione has consolidated its **partnership with Dinamo Sassari** for a further three years: this is the seventh consecutive year that the company has been

a Gold Sponsor of the blue-and-white giants in their twelfth season of the 2021/2022 Serie A LBA national championship and their tenth year of the European Basketball Champions League competition.

The partnership consolidates the **"Energy and Sport Duo"** that is based on shared values and principles: support and belonging to one's home territory, but at the same time the spirit of renewal to cope with difficulties.

The proximity between EP Produzione and the Sassari club is also designed to encourage the resumption of sports activities, following the forced interruption rendered necessary by the pandemic, both at a national and local level with the involvement of the youth and minibasket sector.

In 2020, EP Produzione made a donation to the Dinamo Foundation for hospital facilities to help wage the battle against COVID-19 on the island.

But there is more than one Energy Duo. Indeed, for approximately four years, EP Produzione has been sponsoring **FC Sassari Torres Femminile**, one of the country's most prestigious women's football clubs. Sassari Torres Femminile has won 7 championships and 8 Coppa Italia cup competitions, and is a symbol of overcoming gender barriers in sport.



Working with our suppliers to generate value for the local area

EP Produzione's contribution to the development and growth of the local areas in which it operates begins with its relationships with local businesses.

In 2021 the **active suppliers** were **1,156**. EP Produzione entered into contracts with them for over **€139 million** (excluding fuel costs). **Over 37% of this value remained in the local area** (approximately €57 million), thanks to collaborations with local businesses and professionals⁴³.

DISTRIBUTION OF EXPENDITURE PER CATEGORY OF GOODS

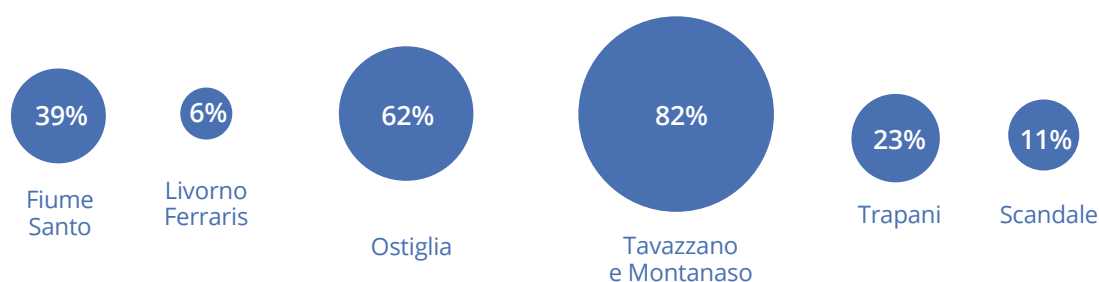
	2021	2020	2019
Manufacturers of primary machinery	45%	44%	46%
Maintenance	33%	34%	38%
Replacement parts	6%	6%	5%
Environmental services	6%	5%	2%
General services	9%	8%	6%
Chemicals	2%	3%	3%

DISTRIBUTION OF EXPENDITURE PER TECHNOLOGY

	2021	2020	2019
Power plant with coal-based technology	38%	33%	34%
Power plants with CCGT technology	43%	50%	55%

Again in 2021, local suppliers were prioritized where possible, and particularly the businesses already familiar with the technologies used by EP Produzione.

PERCENTAGE OF EXPENDITURE DESTINED TO LOCAL SUPPLIERS



(OUT OF THE TOTAL SUPPLY EXPENDITURE OF EACH POWER PLANT)

⁴³ In relation to each power plant, companies based in the following regions and provinces were regarded as local suppliers: Fiume Santo (Sardinia), Tavazzano e Montanaso (Lodi, Piacenza, Cremona, Milan, Pavia, Bergamo, Monza), Livorno Ferraris (Vercelli, Novara, Torino, Alessandria, Irea, Biella, Asti), Ostiglia (Mantua, Ferrara, Rovigo, Verona, Modena, Reggio Emilia), Trapani (Sicily).

For that same reason, all supply contracts include a **social clause**, aimed at protecting employees of the firms in the local areas where EP Produzione operates, particularly in Sardinia. This clause requires incoming suppliers to take on the workforce of the firm being replaced, particularly in cases where EP Produzione is the main client.

The social clause is a means of guaranteeing that all of the small businesses that grow alongside EP Produzione are protected, safeguarding the work and **employment continuity** for their people.

Adding to the expenditure for local suppliers the costs of food, accommodation and transport related to the stay of workers from third-party companies in the area⁴⁴, estimated at over €6.7 million, €145 million of total revenue was obtained thanks to related activities generated in the territory. In fact, considering that **in 2021 alone almost 1,100,000 hours were worked by third-party companies, it is as though, on average every day, more than 600 people (full-time equivalent) were added to EP Produzione's staff, practically more than doubling it.** It should be noted that the estimate of total revenue for related activities has been rounded down, as the value calculated does not include the revenue generated by those who visit the power plants each day and EP Produzione personnel on trips.

Reliability and responsibility: the key characteristics for working with us

Suppliers involved in the procurement processes are evaluated based on **reliability, reputation** and respect for the values set out in the EP Produzione Code of Ethics, as well as the quality-price ratio of the services offered and related support guarantees. At the tender stage, EP Produzione also regards the technical and professional qualification of suppliers as a priority, particularly as regards **health and safety**.

Finally, in selecting its suppliers, EP Produzione undertakes to guarantee respect for equal opportunities for all parties that meet the required standards.

With a view to managing the utmost **transparency** and efficiency at the procurement stage, the Company undertakes to ensure the separation of roles through different stages and to adopt documentable and objective criteria, guaranteeing the **traceability** and comparability of the information gathered. At the contract performance stage, careful monitoring and assessment of supplier performance is also performed, through the direct involvement of the power plants or site offices.

The social and employment impact of the new worksites

Investments planned to upgrade and improve the efficiency of the EP Produzione plants will not only benefit our company. The innovation will contribute to improving environmental performances and generate direct and indirect impacts on **employment** and the **social wellbeing** of the communities living in the areas surrounding the facilities. The new worksites will sustain employment, contributing to the evolution of "energy careers". Furthermore, the new worksites will attract new professionals to the local area, with tangible effects on **local businesses**, which will also benefit from the increased need for accommodation, food and transport by the workforce engaged at the worksites. The overall impact of these activities is calculated in light of the number of third-party personnel involved, the duration of the operation in which they are involved, and an estimate of the expenditure of each in relation to basic services.

The impact of a worksite on which work is carried out over multiple years can be extraordinary. The worksites to construct the new Tavazzano e Montanaso, and Ostiglia units will make EP Produzione one of the leading sources of value in the short-, medium- and long-term across the local areas in which it operates.

⁴⁴ The following assumptions are taken into account in the estimate of the revenue for related activities. For locals: no. 1 coffee (€1), no. 1 sandwich (€3), no. 1 small bottle of water (€1), €5 transport, totaling to €10 for each day visiting. For off-site visitors: 1 lunch (€10), 1 dinner (€30), 1 overnight stay (€50), €10 transport, totaling to €100 for each day visiting.



#Innovation #Integrity #Education #Cybersecurity

passion

Passion guides us in everything we do. We want our power plants to serve as a symbol of reliability and high performances. As such, we continue to invest in making our assets more efficient, flexible, available and resilient and ensure the utmost safety for our workers and the local areas in which we operate. We are part of a complex and invaluable social fabric with which we wish to cooperate to support job creation, the professional development of young people and environmental protection.

2021 key facts and figures

+130 Mln

euros spent towards the integrity, development and safety of our assets

+500

plant start-ups in 2021 necessary to respond to the market's demand

Cyber Cup

the journey aimed at building awareness on challenges and opportunities brought by the digital transition

+300

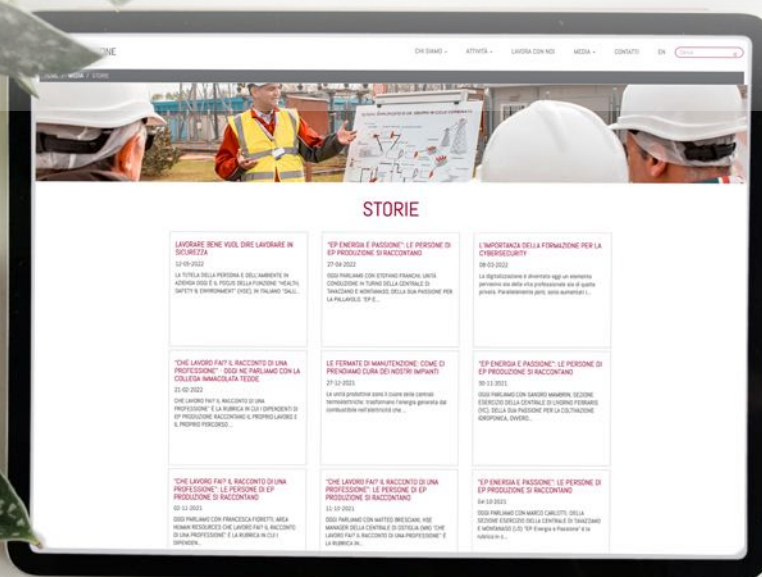
students in Sardinia are involved with the "New School" to have a dialogue with local businesses

Maestro del lavoro

the prestigious award obtained by our Fiume Santo colleague Paolo Schiaffino

OUR STORIES

In 2021, EP Produzione launched a brand-new news column where our people can write about their personal passions and interests, thereby creating a unique opportunity for our staff to get to know one another better and promote skills and commitment, both in the professional and in the private sphere.



(Only in Italian language)



Andrea Bellocchio,
Power Plants Operations
Director di EP Produzione

LA TRANSIZIONE ENERGETICA E IL FUTURO DEGLI IMPIANTI CONVENZIONALI

27-01-2021

L'idrogeno e le batterie possono rappresentare il futuro, ma oggi lo sviluppo delle rinnovabili ha bisogno dell'energia programmabile degli impianti convenzionali. Andrea Bellocchio spiega perché EP Produzione ha deciso di investire per innovare le proprie centrali termoelettriche.



Matteo Bresciani,
HSE Manager della Centrale
di Ostiglia (MN)

OGGI PARLIAMO CON MATTEO BRESCIANI, HSE MANAGER DELLA CENTRALE DI OSTIGLIA

11-10-2021

"Che lavoro fai? Il racconto di una professione" è la rubrica in cui i dipendenti di EP Produzione raccontano il proprio lavoro e il proprio percorso formativo e professionale. Un'occasione per conoscerli meglio, scoprire le loro competenze e l'impegno che mettono ogni giorno in ambito professionale.



Caterina Manca,
Responsabile del reparto
chimico della Centrale
di Fiume Santo (SS)

**OGGI PARLIAMO CON CATERINA MANCA,
RESPONSABILE DEL REPARTO CHIMICO DELLA
CENTRALE DI FIUME SANTO**

27-09-2021

“Che lavoro fai? Il racconto di una professione” è la rubrica in cui i dipendenti di EP Produzione raccontano il proprio lavoro e il proprio percorso formativo e professionale.



Ambrogio Visigalli,
Unità Conduzione in Turno
Centrale di Tavazzano e
Montanaso (LO)

**OGGI PARLIAMO CON AMBROGIO VISIGALLI,
DELLA CENTRALE DI TAVAZZANO E MONTANASO**

16-09-2021

“EP Energia e Passione” è la rubrica in cui i dipendenti di EP Produzione raccontano le proprie passioni e interessi personali, un’occasione per conoscerli meglio e valorizzare le loro competenze e impegno, sia in ambito professionale che privato.



**A Maestro del Lavoro (master of labor)
at Fiume Santo**

Paolino Schiaffino, Head of the Plant Operation Section of the Fiume Santo power plant, was awarded the prestigious Star of Merit for his work, conferred by Decree of the President of the Republic and accompanied by the title “Maestro del Lavoro”. The award is for employees who, thanks to special merits of skill, industriousness and good moral conduct have made a positive contribution to the company's business. There are 32 new Maestri del lavoro from all over the island, employed in various production sectors.

Schiaffino's candidacy was proposed by the Director of the power plant, Paolo Appeddu, in 2019, and after a rigorous vetting process by the Award Commission, chaired by Andrea Orlando, Minister of Labor and Social Policy, our colleague was selected.

The award ceremony, which had been postponed due to the pandemic, was held in 2021 in Cagliari at the Teatro Massimo, for the award winners of both 2020 and 2021.

Asset Integrity

We adopt state-of-the-art tools and approaches to manage our processes. Research and development of new technologies allow us to optimize our activities by efficiently managing our assets. Including in light of a progressive increase in extraordinary natural events, we have developed a predictive approach to maintenance, which guarantees continuous upgrading of the plants in response to the needs of energy distributors.

[GRI 103-2] [GRI 103-3]



The high availability of our plants

+ than €130 Mln
for the integrity, development and safety of our assets in 2021

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 may 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, the resources invested to increase the integrity and security of our assets, and for their development and improvement, grew considerably over the three-year period.

INDICATOR	2021	2020	2019
Total net production (TWh)	16,2	14,2	14,3
Availability index (%)	82	83	78
Programmed unavailability index (%)	11	7	6
Accidental unavailability index (%)	7	8	14
Average hours of operation (h)	5,369	5,244	4,980
Startups (no.)	744	640	517
Utilization factor ¹ (%)	48	43	43
Load factor ² (%)	78	71	76

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

INVESTMENTS (M€)	2021	2020	2019
Investments for new capacity (x)	97,293	14,183	1,206
Environmental improvement ⁴⁵ (Brefs – etc.)	11,352	9,301	5,394
Maintenance of existing assets (a)	12,691	24,506	11,281
Decommissioning activities	10,217	7,659	5,465
TOTAL	131,552	55,648	23,346

Asset Integrity

At EP Produzione, managing assets means prioritizing the protection of people, the environment, and the civil works that may be affected by the activity. To that end, in recent years, EP Produzione has adopted an **Asset Integrity** management procedure that identifies the tools required to develop:

- the “Condition Index” assessment methodology and its criteria
- the qualitative and quantitative risk assessment methodology
- standardized processes and metrics that provide objective, reproducible and consistent assessments
- tools to standardize results.

In 2020, the methodology was tested at the Fiume Santo power plant to evaluate the complexity of its application and its effectiveness. The results of the monitoring operation made it possible to implement the necessary risk mitigation measures.

In 2021, on the basis of the results obtained during the pilot test, a company procedure was developed that minutely regulates assessment methodology and defines the time frames, roles and responsibilities of the process in fine detail. The purpose of the document is to identify the applicable principles in order to ensure preventive management of the integrity of production plants and assets, with particular focus on civil facilities. It provides methodological guidelines that substantiate one of the key objectives of the HSE Improvement Plan, namely to improve asset integrity and manage plant risks, including seismic risks.

⁴⁵ The item Environmental Improvement includes certain costs that have been classified, for accounting purposes, in the operating costs. Disbursements for decommissioning activities have been entered against specific provisions for risks and expenses in the financial statements of the Group companies.

AiFOS has developed a specific training plan aimed at the 'teams of assessors', one for each production site, involving both Operation and Maintenance personnel and external professionals selected by the plants for their specific skills in structural engineering.

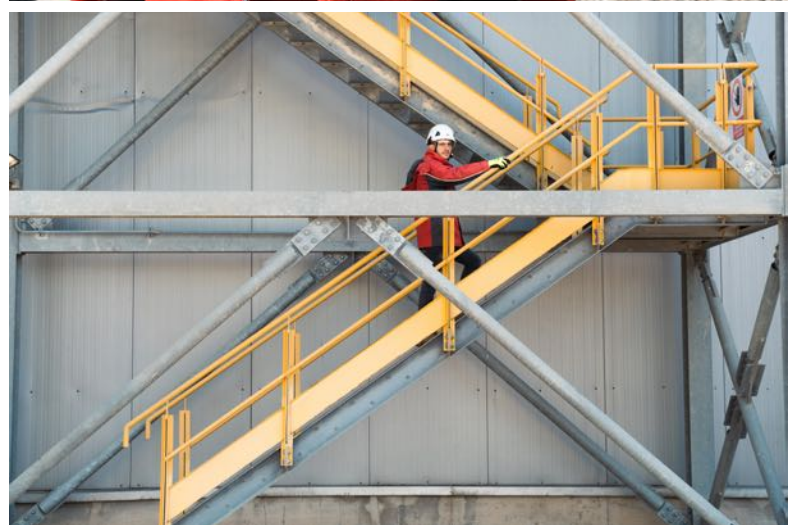
Seismic vulnerability: everywhere, safely

Assessment of **seismic risk** is part of the company's Asset Integrity process and involves visual inspections and instrumental testing, in order to significantly increase the quality of the data collected.

As every year, EP Produzione carried out analyses to assess seismic vulnerability at the power plants located in at-risk zones, particularly Scandale, Tavazzano e Montanaso.

Inspections were carried out on all site buildings at the **Scandale power plant**, including offices, the canteen, reception, the control room, electrical unit buildings and the load-bearing structures of both air heating systems. The result contributed to identifying the measures to be implemented over the coming months, including training programs on seismic risk for the Prevention and Protection Service team, and inclusion of seismic risk in the Risk Assessment Document and the Internal Emergency Plans.

In Tavazzano e Montanaso, extraordinary maintenance and seismic upgrading of the overpass on the SS9 Via Emilia were completed in 2021. The operation involved different activities, including: non-routine maintenance of the bridge, the ramps and the relevant road junctions, anti-earthquake measures and reinforcement of the supporting arches, installation of new expansion joints, new side barriers, horizontal and vertical signage and, finally, laying new asphalt surface.



Cybersecurity

The digital transformation presents great opportunities for both citizens and businesses. However, digitalization also carries along important responsibilities, exposing users to new vulnerabilities linked to digital identity and data protection.

Therefore, we wish to strengthen the level of protection and safeguarding systems, whilst making the most out of the opportunities and the potential offered by this extraordinary revolution.

[GRI 102-15]



The digital security of our assets

Today, the IT security of energy infrastructures is a key issue in the context of operating and strategic risks. The progressive digitalization of the sector and increasing connectedness of the networks increased access opportunity for hackers intent on breaching or tampering with the systems by way of cyber attacks.

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 on December 16, 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.

The revision did not substantially modify the list of “**Operators of Essential Services**” (OES) previously identified in the 2016 NIS, which includes all public or private entities that:

1. provide services that are essential for the maintenance of critical societal or economic activities
2. provide essential services that depend on the network and information systems
3. would be damaged in the event of IT incidents, with impacts on the provision of the services.

In Italy, the body responsible for drawing up the list of Operators of Essential Services is the Ministry for Economic Development, which issued Italian Legislative Decree 65/18. The national list includes over **450 public and private organizations**, and is regularly reviewed and updated.

In 2018, EP Produzione applied the NIS procedure to its generation facilities, putting in place a three-phase process:

1. Asset Inventory of all hardware and software to identify any points of vulnerability

2. Risk Assessment to assess asset vulnerability risks and draft a Remediation Plan, including initiatives to guarantee that the systems comply with the requirements of the Directive

3. Implementazione of the planned cybersecurity improvement works.

The procedure was completed for all of the Group's plants included on the ministerial list in 2020. At the same time, a similar process was launched for all plants not on the list.

Antonio Foggia was appointed in 2021 as **Cybersecurity Manager**. During his professional career, he has held positions as ICT Project Manager and Manager of the Systems Operation Area in national and international environments, both in large TLC companies and in Energy Utilities. In May 2021, Giovanna Ruggieri, Head of Information & Communication Technology, and Pietro Bianchimano from the Asset Management & Engineering area spoke at the concluding lecture of the course "Cybersecurity in Industry" as part of the new "Executive program in cybersecurity" at the Politecnico di Milano's School of Management. Colleagues from EP Produzione shared their expertise and experience with the students, describing the measures implemented in the company in the field of IT security and the risks connected with digital transformation.

IT and OT, security on all fronts

The cybersecurity team avails itself of the support of specialized partners to ensure the utmost oversight of what happens in the EP Produzione systems, promptly identifying potential anomalies and effectively neutralizing them. The cybersecurity experts work simultaneously 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.

With regard to OT, in 2020, EP Produzione implemented new primary Control System solutions (DCS – Distributed Control System) for the power plants, today classified as **"NIS Ready"**. The asset inventory has been completed for all six power plants. As of 2021, cyber remediation actions have been implemented throughout the perimeter defined in the list of Essential Services Operators and have also been extended to the rest of the power plants outside the perimeter. The asset inventory and cyber remediation process is continuous: from the vulnerability analysis, new actions are generated over time, also in line with evolving regulations and best practices.

With regard to **IT**, on the other hand, device protection systems have been consolidated, while at the same time focusing on employee training as regards IT risks and proper conduct. This has been particularly important in the last two years, given the widespread recourse to **remote working**. Working from home presented great opportunities in terms of health protection, but also increased the risks associated with cybersecurity. A total of **120 attempted malware attacks were mitigated, and 6,000 phishing mails and 10,000 spam mails were filtered** thanks to the tools introduced and users' greater attention in the utilization of IT tools.

With a view to facilitating remote working, the **digital infrastructure** was made more robust, making the most of new sharing and collaboration systems such as Microsoft Teams and Sharepoint, as well as providing dedicated **training and information sessions** on how they work. At the same time, the necessary **Network Access Control** procedures were completed in 2021, configuring the whole perimeter for WIRED access (at production sites) and WIRELESS access (for employees working from home and guests).

Also in 2021, the **data center** was upgraded with new hardware that enables the virtualization of applications and hyperconvergence, while decreasing the space occupied and offering more power to the machines, with easier scalability and a lower environmental impact.

Cyber Human Evolution

Particular focus was placed on the precautions required to ensure connection under fully secure conditions. Already in 2020, by way of the **cybersecurity handbook**, EP Produzione sought to pass on the few simple rules required **to safeguard the confidentiality of the information and protect potentially sensitive data**: performing operating system security updates, enabling firewalls and antivirus systems, never clicking suspicious links or attachments.

In February 2021, EP Produzione started a multi-year cyber security training program with the aim of providing employees and collaborators with the necessary tools to prevent online cyber-attacks. The project, entitled **Cyber Human Evolution**, was developed in collaboration with the company Cyber Guru, and was created in response to the need to develop an ongoing training program aimed at increasing awareness, the perception of danger and readiness to react when faced with risks in the digital environment. The project was a finalist in the Digital360 Awards 2021 for the Information and cybersecurity category.

In order to make the program more effective and engaging, EP Produzione chose a gamification strategy, turning the training course into a competition between colleagues, with a ranking on the basis of scores like a real tournament, the **1st EP Cyber Cup**. The initiative was a huge success, reaching **over 86% of the 533 employees involved in the program**.

The Cyber Cup took the form of a virtual championship in which each employee took part both as an individual and collectively, supporting the team represented by their own office.

The scores of the individual participants contributed to the overall team score, turning the training into a group effort. Training will continue until 2023 on the Cyber Guru Awareness platform, comprising 12 modules per year, each one dedicated to a specific topic such as phishing, privacy, USB devices or web browsing.

The initiative also includes a video channel, the "Cyber Guru Channel", in which short videos are periodically made available. By simulating real-life situations, these videos convey the cyber threats that can be posed to individuals and organizations.

Inventory 4.0

EP Produzione chose to introduce the SAP® Extension Suite, part of the SAP Business Technology Platform, to develop intuitive apps to create inventory documents and material commitments on devices and integrate them with the SAP ERP application.

Thanks to this digital system, operations are more efficient, manual data entry and errors are minimized and QR codes can be scanned for inventory management and the use of materials. In addition, this tool means fewer data entry discrepancies, making inventory management and plant maintenance operations smoother. The time and cost savings are remarkable too.

In the stations, operators will be able to use tablets to read the data by framing the devices that have been tagged, thereby reducing manual data entry and the possibility of errors. The digitalization of processes is also useful in back-office activities, to manage the delivery of Personal Protective Equipment or corrective actions better.

EP Produzione's project was presented as a case study in the SAP Business Technology Platform webinar, organized by BGP Management Consulting, attended by Giovanna Ruggieri, Head of Information and Communication Technology at EP Produzione.

Education for the energy transition

When looking to the future, we have to imagine 360-degree education focusing as much on environmental awareness as on innovation, investing in the relationship with younger generations through schools and universities and also promoting contamination among different worlds, to learn from each other and drive change together

[GRI 102-12]



The careers of the future

For the fifth consecutive year, the collaboration between EP Produzione and **SAFE** – a center of excellence on energy and environmental matters – has been renewed to support the 22nd edition of the **Master's in Energy Resource Management**. This 7-month multidisciplinary course combines technical and economic knowledge with a practical approach, consisting of 600 taught hours and visits to laboratories, as well as direct contributions from leading professionals in the sector.

The over **170 teachers** of the course include industry managers, consultancy professionals and a wide group of speakers made up of top opinion leaders in the sector, including Luca Alippi, CEO of EP Produzione.

Together with leading players in the sector, EP Produzione once again supported access to the Master's program in 2021, by funding a **scholarship** to contribute to promoting advanced professional training in the field of strategic development of the Oil&Gas, Electrical Energy and Renewable Energy Source industries.

Partnerships with schools

The **Ostiglia** power plant once again ran its environmental awareness campaigns for local schools. In June 2021, the plant finally reopened its doors to the 22 children of the 5th grade class of the "Istituto Redentore" Primary School in Mantua and their teachers.

A further 25 students, from the 3rd, 4th and 5th year of the high school “Leonardo da Vinci” of San Giovanni in Fiore (CS), also had the opportunity to visit the Scandale power station.

For the fourth consecutive year, the **Fiume Santo** power station opened its doors, albeit only virtually, to high school students for the “**La Nuova@Scuola**” program. The 2021 edition of the project, which offers young people the opportunity to meet local businesses, involved more than **300 students from various Sardinian high schools**. This year, the Director of the Fiume Santo power plant engaged with students via the **StreamYard** online streaming platform and Facebook live sessions on the “La Nuova Sardegna” [The New Sardinia] page, explaining the plant's role in the current energy system and the challenges ahead in the transition towards decarbonization.

We train our colleagues of tomorrow

In 2020, EP Produzione launched a collaboration with the **Engineering Department at the University of Sassari**, offering Electrical Engineering students the opportunity to gain first-hand experience with the topics studied in the classroom via a training internship at the Fiume Santo power plant.

The course – for which the Director of the Fiume Santo power plant is a member of the Steering Committee – trains professionals that go on to work in the field of **energy and environmental safety management**, with a focus on both innovation in relation to leading energy technologies and evolution of the regulatory context. EP Produzione regards this as a fundamental activity, in part because it enables know-how acquired over years of experience to be passed on to younger generations and future colleagues, but also because it increasingly consolidates the link between the power plant and the local area, fueling a relationship of exchange and reciprocal benefit.

Also, in the context of collaboration with the **University of Sassari**, Fiume Santo made a technical contribution to the doctoral research thesis of an **Architecture and Environment** student on the topic of “Energy production and global warming: the effect of temperature on carbon capture, monitoring and restoration of the Mediterranean seagrass beds”. The research, carried out in close collaboration with the Environment and Operation departments of the power plant, is due to be completed in **2023**.

University collaborations continue with EP Produzione's participation in **the first research project of the Politecnico di Milano dedicated to hydrogen, “Hydrogen Innovation Report #HIR21”**. The aim of the project is to analyze the current status of the technologies, their evolution in the medium-to-long term and their potential contribution to achieving renewable energy development goals. Central to the research is the transformation of energy into gas and vice versa, so-called power to gas (P2G) and gas to power (G2P), and the possible applications of the green gases thus generated, including hydrogen, to support the national energy transition.

Together with Elettricità Futura

In 2021, **Elettricità Futura** organized the webinar “**La Transizione ecologica e il futuro delle bioenergie**” (Ecological Transition and the Future of Bioenergy) at Key Energy, one of the most important national events in the energy sector. **EP Produzione CEO, Luca Alippi**, spoke at the round table on the future of bioenergy.

Bioenergy is the only renewable source, along with reservoir hydroelectric power, that can guarantee flexibility and programmability of production. Since biomass is not affected by seasonality and weather conditions, it can guarantee great regularity and continuity of operation, even more than 8,000 hours per year.

Alippi highlighted the advantages of biomass generation, which *“in addition to being a renewable source, able to contribute to the environmental sustainability goals defined by the PNIEC and by the European Green Deal, provides a high contribution to the stability of the electricity grid and contributes to reducing costs for the management of imbalances”, making it possible “to limit the country's exposure to the risks of international dynamics on fossil fuel supply”.*

Also in 2021, Elettricità Futura organized the workshop “Energy Security and Environmental Impacts” dedicated to the challenges of the energy transition in Sardinia.

Gianluca Perrone, EP Produzione's Head of Institutional Relations and Communication, also spoke at the webinar. At the center of the debate were the economic and environmental impacts of the energy transition, in particular of one of the most delicate aspects of the island's path towards decarbonization: the phase-out of coal by 2025, which will also involve the Fiume Santo power plant.

Gianluca Perrone illustrated the key role played by Fiume Santo, not only in supplying the island, but also as a productive and employment reality, pointing out the studies conducted by the company to evaluate the possible future of the plant.





Appendix

Publication of the fifth edition of the Sustainability Report confirms our voluntary commitment to reporting and communicating the economic, environmental and social results achieved in 2021 to all our stakeholders.

[GRI 102-45] [GRI 102-50] [GRI 102-54] [GRI 103-1]

HOW THIS DOCUMENT WAS PREPARED

Publication of the fifth edition of the Sustainability Report confirms our voluntary commitment to reporting and communicating the economic, environmental and social results achieved in 2021 to all our stakeholders.

This document was drafted in accordance with the **GRI Standards: Core option**. The inclusion of content that responds to the GRI Standards requirements has been highlighted in the text with a series of identifying codes that begin with “GRI” and are placed in square brackets.

The Sustainability Report has been prepared, in accordance with the Standards, with a focus on the material topics identified via 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. In particular, GRI defines material topics as: topics that are useful for the purposes of representing economic, environmental and social impacts generated by the organization and, as such, capable of influencing the decisions of its stakeholders and company strategies.

In 2020, the material topics were identified via an analysis process that involved all external stakeholders identified, our workers and our management. For more details, see the section of the Sustainability Report dedicated to this topic.

The scope of reporting in “New capacities” corresponds to that covered by the Consolidated Financial Statements:

- **EP Produzione S.p.A.:** an Italian holding company, 100% controlled by EP Power Europe, it owns the Ostiglia (MN) and Trapani (TP) gas-fired power plants
- **EP Centrale Tavazzano Montanaso S.p.A.:** a subsidiary 100% controlled by EP Produzione, which, as of February 2022, owns the Tavazzano e Montanaso (LO) power plant
- **Centro Energia Ferrara S.r.l.:** 100% controlled by EP Produzione
- **Fiume Santo S.p.A.:** 100% controlled by EP Produzione, it owns the Fiume Santo (SS) Power plant
- **EP Produzione Centrale Livorno Ferraris S.p.A.:** joint venture between EP Produzione S.p.A. (75%) and BKW Italia S.p.A. (25%), it owns the Livorno Ferraris (VC) gas-fired plant
- **EPP 2 S.r.l. ed EPP 3 S.r.l.:** both 100% controlled by EP Produzione, a special purpose vehicle for potential development projects.

The information provided in this document refers to the 2021 tax year (January 1 - December 31) and, where possible, is compared with the data for 2020 and 2019. The quantitative data do not include the Scandale power plant, Ergosud, jointly owned with A2A, each company holding 50%.

Collection of the information and related content included in the Sustainability Report has been undertaken in collaboration with all of our personnel, each in relation to their own activities, generating a full and accurate information flow that has guaranteed the robustness of the reporting model adopted.

Our Head of HSE, Matteo Mazzarini, coordinated the project, ensuring a seamless result.

See **the GRI Content Index** for further details.

For any clarification of further information, contact EP Produzione by e-mailing:

comunicazione@epproduzione.it.



GRI CONTENT INDEX

The Italian version of this report obtained the GRI Materiality Disclosures Service 2022 mark.

General Disclosures 2016

Page number(s), notes and omissions

ORGANIZATIONAL PROFILE

102-1	Name of the organization	EP Produzione
102-2	Activities, brands, products, and services	https://www.epproduzione.com/it § EP Produzione; p. 16
102-3	Location of headquarters	Via Vittorio Veneto, 74 - 00187 Rome, Italy
102-4	Location of operations	EP Produzione operates in Italy
102-5	Ownership and legal form	https://www.epproduzione.com/it § EP Produzione; p. 16
102-6	Markets served	https://www.epproduzione.com/it § EP Produzione; p. 16
102-7	Scale of the organization	https://www.epproduzione.com/it § EP Produzione; p. 16
102-8	Information on employees and other workers	§ The EP Produzione team; p. 66
102-9	Supply chain	§ Employment and generation of value for the local area; p. 82
102-10	Significant changes to the organization and its supply chain	The society EP Centrale Tavazzano Montanaso S.p.A. was constituted and is 100% controlled by EP Produzione
102-11	Precautionary Principle or approach	In the evaluation and management of economic, environmental and social risks EP Produzione adopts an approach based on the precautionary principle
102-12	External initiatives	§ Education for the energy transition; p. 96 § Emissions into the atmosphere and environmental protection; p. 50
102-13	Membership of associations	EP Produzione is part of Elettricità Futura, Assocarboni, Confindustria Nord Sardegna e, in qualità di osservatore, a Energia Concorrente

STRATEGY

102-14	Statement from senior decision-maker	§ Opening Remarks; p. 2
102-15	Key impacts, risks, and opportunities	§ Opening Remarks; p. 2 § The challenges of a green and digital transition; p. 4 § Emissions into the atmosphere and environmental protection; New energy hub of Fiume Santo; p. 59 § Cybersecurity; Education for the energy transition; p. 93

ETHICS AND INTEGRITY

102-16	Values, principles, standards, and norms of behavior	§ Responsible governance; p. 31
102-17	Mechanisms for advice and concerns about ethics	§ Responsible governance; p. 31

GOVERNANCE

102-18	Governance structure	§ Responsible governance; p. 31
102-22	Composition of the highest governance body and its committees"	§ Responsible governance; p. 31
102-23	Chair of the highest governance body	Daniel Křetínský is the President of the Board of Directors
102-24	Nominating and selecting the highest governance body	Fiduciary criterion

STAKEHOLDER ENGAGEMENT

102-40	List of stakeholder groups	Table below
102-41	Collective bargaining agreements	100% of employees are covered by collective bargaining agreements (CCNL)
102-42	Identifying and selecting stakeholders	Table below
102-43	Approach to stakeholder engagement	Table below
102-44	Key topics and concerns raised	Table below

REPORTING PRACTICE

102-45	Entities included in the consolidated financial statements	§ How this document was prepared; p. 100
102-46	Defining report content and topic Boundaries	Table below
102-47	List of material topics	Table below
102-48	Restatements of information	No significant review
102-49	Changes in reporting	In 2020 the materiality was updated. For further details refer to § I temi che contano
102-50	Reporting period	§ How this document was prepared; p. 100
102-51	Date of most recent report	giu-21
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	For any clarification or detail please send an email to: comunicazione@eproduzione.it
102-54	Claims of reporting in accordance with the GRI Standards	§ How this document was prepared; p. 100
102-55	GRI Content Index	§ Indice dei contenuti GRI; p. 102
102-56	External assurance	The Sustainability Report has not been submitted to an external assurance process.

Topic-specific disclosures 2016

EP PRODUZIONE (GRI 201: ECONOMIC PERFORMANCE 2016; GRI 205: ANTI-CORRUPTION 2016; GRI 206: ANTI-COMPETITIVE BEHAVIOUR 2016; GRI 406: NON DISCRIMINATION 2016)

GRI 103 Management Approach 2016

103-1	Explanation of the material topic and its Boundary	§ Responsible governance; p. 31
103-2	The management approach and its components	§ Responsible governance; p. 31
103-3	Evaluation of the management approach	§ Responsible governance; p. 31
201-1	Direct economic value generated and distributed	§ Economic and financial results; p. 30
205-3	Confirmed incidents of corruption and actions taken	There were no episodes of corruption
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There is no legal action in progress for anti-competitive behaviour, anti-trust, or monopoly practices.
406-1	Incidents of discrimination and corrective actions taken	None
405-1	Diversity of governance bodies and employees	Table below

ENERGY FOR THE FUTURE (GRI 305: EMISSIONS 2016)

GRI 103 Management Approach 2016

103-1	Explanation of the material topic and its Boundary	§ How this document was prepared; p. 100
103-2	The management approach and its components	§ Asset integrity; p. 90
103-3	Evaluation of the management approach	§ Reliability and continuity of service; p. 46
305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	§ Emissions into the atmosphere and environmental protection; p. 50

**PEOPLE (GRI 401: EMPLOYMENT 2016; GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016;
GRI 404: TRAINING AND EDUCATION 2016; GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016)**

GRI 103 Management Approach 2016

102-8	Information on employees and other workers	§ The EP Produzione team; p. 66 Table below
103-1	Explanation of the material topic and its Boundary	§ How this document was prepared; p. 100
103-2	The management approach and its components	§ Health and Safety; p. 68
103-3	Evaluation of the management approach	§ Health and Safety; p. 68
401-1	New employee hires and employee turnover	Table below
404-1	Average hours of training per year per employee	§ The EP Produzione team; p. 66
403-2	Hazard identification, risk assessment, and incident investigation	§ Health and Safety; p. 68 (partially reported); p. 68
405-1	Diversity of governance bodies and employees	Table below

PASSION (GRI 204: PROCUREMENT PRACTICES 2016)

GRI 103 Management Approach 2016

103-1	Explanation of the material topic and its Boundary	§ How this document was prepared; p. 100
103-2	The management approach and its components	§ Asset integrity;; p. 90
103-3	Evaluation of the management approach	§ Asset integrity;; p. 90
204-1	Proportion of spending on local suppliers	§ Employment and generation of value for the local area; p. 82

TECHNICAL APPENDIX

Material Topics (GRI Standards 102-46, 102-47)

Material Topics	GRI Topic Specific Disclosure	Where the impact is generated	The involvement of the organization	Where we talk about it
Reliability and continuity of service	GRI 201: Economic Performance 2016	In the local areas that surround EP Produzione	Direct	§ Energy for the future
People's wellbeing	GRI 401: Employment 2016 GRI 404: Training and Education 2016 GRI 405: Diversity and Equal Opportunity 2016	In relation to EP Produzione workers and their families	Direct	§ People
Education for the energy transition	GRI 404: Training and Education 2016 GRI 201: Economic Performance 2016	In the local areas that surround EP Produzione	Direct and indirect	§ Passion
Emissions into the atmosphere and environmental protection	GRI 305: Emissions 2016	First and foremost in the local areas that surround the EP Produzione power plants	Direct and indirect Atmospheric emissions from EP Production power plants are one of the factors affecting the quality	§ Energy for the future
Asset integrity	-	In the local areas that surround EP Produzione	Direct and indirect The integrity of EP Production's assets is linked to the integrity of assets upstream and downstream of the power plants, thus outside the perimeter of EP Production	§ Passion
Employment and generation of value for the local area	GRI 201: Economic Performance 2016 GRI 204: Procurement Practices 2016	Across the value chain	Direct and indirect Value creation is strongly linked to the evolution of the production system and the role it recognizes for power generation from renewable sources	§ People
Phase-out from coal	GRI 201: Economic Performance 2016 GRI 305: Emissions 2016	In the local areas that surround EP Produzione and in relation to EP Produzione workers and their families	Direct	§ Energy for the future
Health and Safety	GRI 403: Occupational Health and Safety 2016	In relation to everyone who works for or with EP Produzione (employees and third-party workers)	Direct	§ People

Stakeholder engagement (GRI Standards 102-40, 102-42, 102-43, 102-44)

Our stakeholder	Main expectations	Main listening and engagement channels
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
Workers and HSE	- 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 - You Tube/LinkedIn channel - Environmental Statements - Code of Ethics and Conduct - Stakeholder meetings
Local communities	- Value creation - Respect for rules - Attention to the health and safety of workers - Environmental protection - Integrity of assets - Relations with the territory - Transparency	- Annual Report - Sustainability Report - Regular presentations and communications - Dedicated meetings - Community support projects - Sponsorships and partnerships - Agreements with educational institutions and school-to-work alternation projects - Technical Monitoring Committee - Sustainability Report - You Tube/LinkedIn channel and website - Environmental Statements 231 Model - Meetings with stakeholders

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Stakeholder engagement (GRI Standards 102-40, 102-42, 102-43, 102-44)

Our stakeholder	Main expectations	Main listening and engagement channels
Third sector	Value creation Respect for rules Attention to the health and safety of workers Environmental protection 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 Statements Regular presentations and communications Dedicated meetings Website You Tube/LinkedIn channel 231 Model Meetings with stakeholders
Supervisory and regulatory bodies	Respect for rules Attention to the health and safety of workers Environmental protection Integrity of assets Transparency	Communications and documentation sent for regulatory compliance Annual Report Sustainability Report Periodic presentations and communications Control visits and audits Technical Control Committee Environmental Statements 231 Model
Suppliers and partners	Economic and financial sustainability Value creation Respect for rules Attention to the health and safety of workers Environmental protection Integrity of assets Transparency	Annual Report Sustainability Report Dedicated meetings Website - supplier area 231 Model Meetings with stakeholders
Media	Value creation Compliance with rules Attention to the health and safety of workers Environmental protection Integrity of assets Relations with the territory Transparency	Annual Report Sustainability Report Press releases Dedicated meetings Website You Tube/LinkedIn Channel

Stakeholder engagement (GRI Standards 102-40, 102-42, 102-43, 102-44)

Our stakeholder	Main expectations	Main listening and engagement channels
University 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 Statements Regular presentations and communications Dedicated meetings Website You Tube/LinkedIn Channel 231 Model Meeting with stakeholders

Diversity of governance bodies and employees (GRI Standard 405-1, subpart a)

CHIEF EXECUTIVE

EPP 2 S.r.l.

2021							2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.	
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		
100%	0%	0%	100%	0%	1	na	na	na	na	na	na	na	na	na	na	na	na	

EPP 3 S.r.l.

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	100%	0%	1	na	na	na	na	na	na	na	na	na	na	na	na

BOARD OF DIRECTORS

EP Produzione S.p.A.

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	80%	20%	4	100%	0%	0%	80%	20%	4	100%	0%	0%	80%	20%	5

Fiume Santo S.p.A.

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	80%	20%	4	100%	0%	0%	80%	20%	4	100%	0%	0%	80%	20%	5

EP Produzione Centrale Livorno Ferraris S.p.A.

2021							2020							2019						
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.			
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years				
100%	0%	0%	25%	75%	4	100%	0%	0%	25%	75%	4	100%	0%	0%	50%	50%	4			

Centro Energia Ferrara S.r.l.

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	33%	66%	3	100%	0%	0%	33%	66%	3	100%	0%	0%	50%	50%	2

EP Centrale Tavazzano Montanaso S.p.A

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	66%	33%	3	na	na	na	na	na	na	na	na	na	na	na	na

EP Produzione S.p.A.

2021							2020							2019						
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.			
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years				
100%	0%	0%	0%	100%	3	100%	0%	0%	00%	100%	3	100%	0%	0%	0%	100%	5			

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	0%	100%	3	100%	0%	0%	0%	100%	3	100%	0%	0%	0%	100%	5

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	0%	100%	3	100%	0%	0%	0%	100%	3	100%	0%	0%	0%	100%	4

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	0%	100%	1	100%	0%	0%	0%	100%	1	100%	0%	0%	0%	100%	1

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	0%	100%	3	na	na	na	na	na	na	na	na	na	na	na	na

SUPERVISORY BOARD

EP Produzione S.p.A.

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	33%	66%	3	100%	0%	0%	33%	66%	3	100%	0%	0%	0%	100%	3

Fiume Santo S.p.A.

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	33%	66%	3	100%	0%	0%	33%	66%	3	100%	0%	0%	0%	100%	3

EP Produzione Centrale Livorno Ferraris S.p.A.

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
66%	33%	0%	0%	100%	3	66%	33%	0%	0%	100%	3	100%	0%	0%	0%	100%	3

EP Centrale Tavazzano Montanaso S.p.A

2021						2020						2019					
Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years		Man	Women	<30 years	30-50 years	>50 years	
100%	0%	0%	33%	66%	3	na	na	na	na	na	na	na	na	na	na	na	na

INFORMATION ON EMPLOYEES AND OTHER WORKERS (GRI 102-8)

PERMANENT - TEMPORARY	2021					2020					2019				
	Permanent		Temporary			Permanent		Temporary			Permanent		Temporary		
	Men	Women	Men	Women	Tot.	Men	Women	Men	Women	Tot.	Men	Women	Men	Women	Tot.
Fiume Santo	184	8	0	0	192	180	8	4	0	192	187	7	1	0	195
Livorno Ferraris	30	2	0	0	32	29	3	3	0	32	29	3	0	0	32
Ostiglia	57	1	0	0	58	61	1	1	0	62	63	1	2	0	64
Tavazzano e Montanaso	61	5	0	0	66	64	4	4	0	68	68	4	0	0	72
Trapani	3	0	0	0	3	3	0	0	0	3	3	0	0	0	3
Staff functions	89	53	1	1	144	92	49	49	0	143	88	45	0	4	137
TOTAL	424	69	1	1	495	429	65	65	4	500	438	60	1	4	503

FULL TIME - PART TIME	2021					2020					2019				
	Full Time		Part time			Full Time		Part time			Full Time		Part time		
	Men	Women	Men	Women	Tot.	Men	Women	Men	Women	Tot.	Men	Women	Men	Women	Tot.
Fiume Santo	183	8	1	0	192	183	8	1	0	192	184	6	4	1	195
Livorno Ferraris	30	1	0	1	32	29	3	0	0	32	29	2	0	1	32
Ostiglia	57	1	0	0	58	61	1	0	0	62	63	1	0	0	64
Tavazzano e Montanaso	60	5	1	0	66	63	4	1	0	68	67	4	1	0	72
Trapani	3	0	0	0	3	3	0	0	0	3	3	0	0	0	3
Staff functions	89	52	1	2	144	93	46	1	3	143	87	44	1	5	137
TOTAL	442	67	3	3	495	432	62	3	3	500	433	57	6	7	503

Note on the table GRI 102-8:

- total number of employees by employment contract (permanent and temporary), by gender
- total number of employees by employment contract (permanent and temporary), by region
- total number of employees by employment type (full-time and part-time), by gender"

- whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.

Not applicable

- any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).

No significant changes. Starting in 2022, figures for the new company EP Production Tavazzano e Montanaso will also be reported.

- an explanation of how the data have been compiled, including any assumptions made.

Data were extracted from HR Analytics management software that receives input from all Company sites and verified centrally

Diversity among employees (GRI Standard 405-1, subpart b)

BLUE COLLAR - man/women	2021		2020		2019	
	Man	Women	Man	Women	Man	Women
Fiume Santo	100%	0%	100%	0%	100%	0%
Livorno Ferraris	100%	0%	100%	0%	100%	0%
Ostiglia	100%	0%	100%	0%	100%	0%
Tavazzano e Montanaso	100%	0%	95%	5%	95%	5%
Trapani	0%	0%	0%	0%	0%	0%
Staff functions	0%	0%	0%	0%	0%	0%
TOTAL	100%	0%	100%	0%	99%	1%

WHITE COLLAR - man/women	2021		2020		2019	
	Man	Women	Man	Women	Man	Women
Fiume Santo	94%	6%	94%	6%	95%	5%
Livorno Ferraris	92%	8%	88%	12%	78%	12%
Ostiglia	98%	2%	98%	2%	98%	2%
Tavazzano e Montanaso	90%	10%	92%	8%	94%	6%
Trapani	100%	0%	100%	0%	100%	0%
Staff functions	54%	46%	58%	42%	57%	43%
TOTAL	84%	16%	86%	14%	87%	13%

EXECUTIVES - man/women	2021		2020		2019	
	Man	Women	Man	Women	Man	Women
Fiume Santo	75%	25%	75%	25%	80%	20%
Livorno Ferraris	100%	0%	100%	0%	100%	0%
Ostiglia	100%	0%	100%	0%	100%	0%
Tavazzano e Montanaso	100%	0%	100%	0%	100%	0%
Trapani	100%	0%	100%	0%	100%	0%
Staff functions	67%	33%	68%	32%	66%	34%
TOTAL	72%	28%	73%	27%	73%	27%

DIRECTORS - man/women	2021		2020		2019	
	Man	Women	Man	Women	Man	Women
Fiume Santo	100%	0%	100%	0%	100%	0%
Livorno Ferraris	100%	0%	100%	0%	100%	0%
Ostiglia	100%	0%	100%	0%	100%	0%
Tavazzano e Montanaso	0%	0%	100%	0%	100%	0%
Trapani	0%	0%	0%	0%	0%	0%
Staff functions	85%	15%	89%	11%	88%	12%
TOTAL	87%	13%	91%	9%	91%	9%

Diversity among employees (GRI Standard 405-1, subpart b)

BLUE COLLAR - age classes	2021			2020			2019		
	<30 years	30-50 years	>50	<30 years	30-50 years	>50	<30 years	30-50 years	>50
Fiume Santo	0%	31%	69%	0%	34%	65%	0%	38%	62%
Livorno Ferraris	0%	75%	25%	0%	75%	25%	0%	67%	33%
Ostiglia	10%	40%	50%	9%	27%	64%	9%	36%	55%
Tavazzano e Montanaso	20%	33%	47%	19%	25%	56%	0%	15%	85%
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%	4%	34%	62%	1%	34%	65%

WHITE COLLAR - age classes	2021			2020			2019		
	<30 years	30-50 years	>50	<30 years	30-50 years	>50	<30 years	30-50 years	>50
Fiume Santo	0%	25%	75%	0%	25%	75%	0%	20%	80%
Livorno Ferraris	0%	50%	50%	0%	50%	50%	0%	33%	67%
Ostiglia	0%	67%	33%	0%	33%	33%	0%	50%	50%
Tavazzano e Montanaso	0%	100%	0%	0%	50%	50%	0%	50%	50%
Trapani	0%	0%	100%	0%	100%	100%	0%	0%	100%
Staff functions	2%	48%	50%	0%	34%	34%	0%	71%	29%
TOTAL	2%	47%	51%	0%	39%	39%	0%	61%	39%

EXECUTIVES - age classes	2021			2020			2019		
	<30 years	30-50 years	>50	<30 years	30-50 years	>50	<30 years	30-50 years	>50
Fiume Santo	0%	10%	90%	0%	14%	86%	0%	16%	84%
Livorno Ferraris	0%	36%	64%	0%	44%	56%	0%	58%	42%
Ostiglia	0%	23%	75%	0%	23%	77%	0%	29%	71%
Tavazzano e Montanaso	2%	22%	76%	0%	24%	74%	0%	29%	71%
Trapani	0%	0%	100%	0%	0%	100%	0%	0%	100%
Staff functions	10%	62%	28%	12%	59%	28%	11%	62%	27%
TOTAL	3%	28%	69%	2%	30%	67%	2%	34%	64%

DIRECTORS - age classes	2021			2020			2019		
	<30 years	30-50 years	>50	<30 years	30-50 years	>50	<30 years	30-50 years	>50
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 e Montanaso	0%	0%	0%	0%	0%	0%	0%	0%	100%
Trapani	0%	0%	0%	0%	0%	0%	0%	0%	0%
Staff functions	0%	65%	35%	0%	63%	37%	0%	71%	29%
TOTAL	0%	65%	35%	0%	64%	36%	0%	64%	36%

"New Hires and Turnover*" (GRI Standard 401-1)

*partially recounted

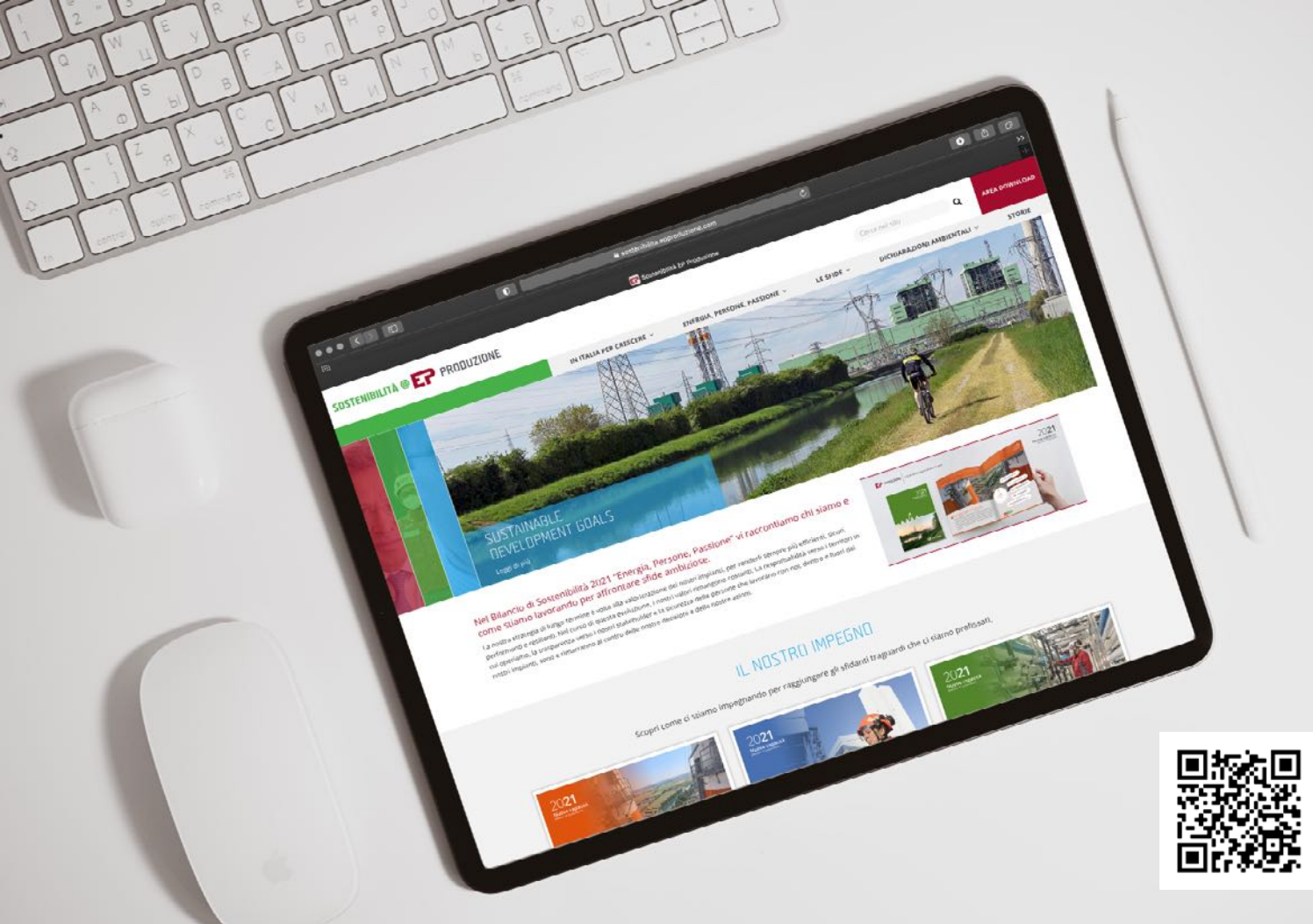
N.	2021						2020						2019					
	Gender		Age range			Tot.	Gender		Age range			Tot.	Gender		Age range			Tot.
	M	W	<30	30-50	>50		M	W	<30	30-50	>50		M	W	<30	30-50	>50	
Fiume Santo	0	0	0	0	0	0	0	0	1	0	0	0	1	0	0	1	0	1
Livorno Ferraris	2	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Ostiglia	4	0	2	2	0	0	0	0	1	0	0	0	1	0	0	1	0	1
Tavazzano e Montanaso	1	1	1	1	0	4	4	0	4	0	0	4	0	0	0	0	0	0
Trapani	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Staff functions	2	5	2	1	0	7	3	0	3	0	0	3	4	5	0	8	1	9
TOTAL	9	6	5	8	2	15	7	0	7	0	0	7	6	5	0	10	1	11









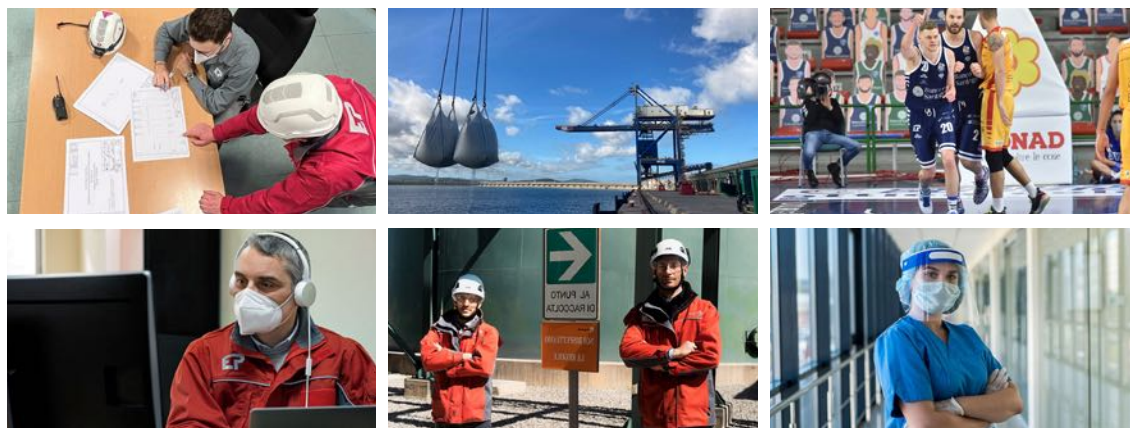


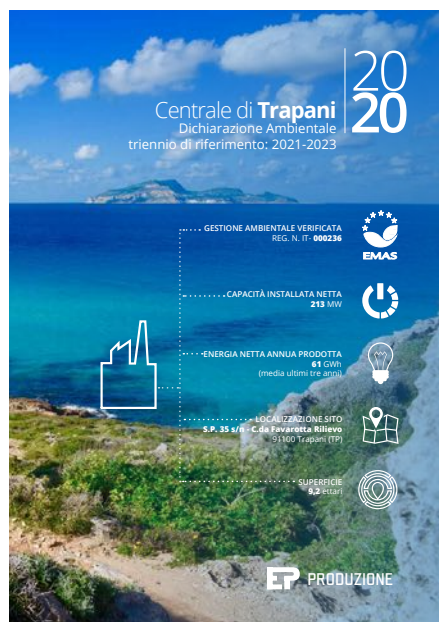
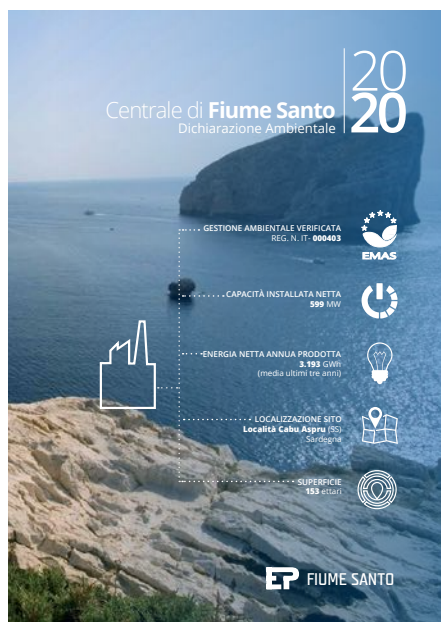
The Sustainability Report is also available on:

sostenibilita.epproduzione.com

(Only in Italian language)

Inside you can find "the Stories of Sustainability"





And the Environmental Declarations,

where we communicate proactively and according to principles of transparency the results achieved according to the environmental targets set and we indicate how we intend to continuously improve our performance in the environmental field.

Knowledge partner:

The European House - Ambrosetti (ambrosetti.eu)

Concept design and realization:

Olimpia Com (olimpiacom.com)

VGR Studio (vgrstudio.it)

Copy editing:

postScriptum di Paola Urbani

Photo credits:

Professional photographers

- Roberto Cavallo
- Antonella Messina
- Dionigi Soda

Employee photographers

- Giovanni Pala – Centrale di Fiume Santo
- Gabriele Pastori – Centrale di Scandale
- Luca Sacchi – Centrale di Ostiglia
- Ambrogio Visigalli – Centrale di Tavazzano e Montanaso

Printing

VAL - Varigrafica Alto Lazio (varigrafica.com)

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