

SUSTAINABILITY REPORT 2023



WELCOME!
Let's continue our journey
in the **WORLD OF SUSTAINABILITY.**



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HIGHLIGHTS 2023

ENERGY PERFORMANCE

ELECTRICITY FROM RENEWABLE SOURCES PRODUCED AND SOLD:

919 GWh

of which: 522 GWh from wind power
392 GWh from biomass

ELECTRICITY FROM CCGT PRODUCED AND SOLD in 2023:

3,289 GWh

EMISSIONS AVOIDED:

417,619 tCO₂e

of which: 240,241 tCO₂e - Wind power
177,378 tCO₂e - Biomass

SCOPE 1 EMISSIONS

1,301,513.5 tCO₂e

SCOPE 2 EMISSIONS (Market-Based):

1,802 tCO₂e

PHOTOVOLTAIC SYSTEMS IN CONSTRUCTION:

work started in Grosseto for the installation of approx.

32 MW

GREEN-TECH

PHOTOVOLTAIC SYSTEMS INSTALLED IN 2023:

over **25 Mwe**

of which: ~ 7 MWe private
~ 18 MWe industrial

SOCIAL PERFORMANCE

CUSTOMERS:

over **600,000**

and **900,000** supply points

+20% customers vs 2022, of which about 200,000 in the Gradual Protection Service

NUMBER OF EMPLOYEES:

643

INJURY FREQUENCY INDEX:

0.6

3 injuries attributable to fortuitous events

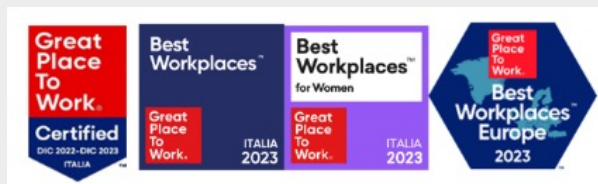
VALUE DISTRIBUTED TO THE COMMUNITY:

~€ 750,000

invested in initiatives with a social and environmental impact

~€ 125,000

invested in redevelopment in the framework of territorial agreements



LETTER TO STAKEHOLDERS

The contribution of companies to sustainable development and the energy transition is based on data and evaluated in numbers. Only structured and comparable reporting allows to truly express progress towards established and relevant goals.

However, the numbers do not have an absolute value. They express magnitudes that must be included and interpreted in a broader scenario, at least nationally.

Therefore, the fact that the CO₂ emissions from our plants will be more than halved in 2023 compared to 2022 values is a positive result for Sorgenia's carbon footprint, which has been drastically reduced.

Yet this is not a good sign for our country from two points of view.

Firstly, the lower overall energy demand was not due to increased efficiency, but to reduced industrial production. Moreover, the reduced use of combined-cycle plant generation was not only offset by the increase in renewables (among other things due more to the return to usual levels of hydroelectric availability than to new developments), but also by the use of coal-fired power plants, supported by the regulatory initiatives to "maximise" these plants that initiated during the most critical period of the gas crisis and continued through the end of September 2023.

Now that the gas crisis seems to have been averted, we anticipate that natural gas-fired combined cycle plants will once again be the thermoelectric resource of choice. Internationally recognised as the Best Available Technology in the thermoelectric field, they are capable of best accompanying the energy transition thanks to their high efficiency, scalability and speed of commissioning: all factors that make them complementary to non-programmable renewable sources, such as wind and photovoltaics.

Despite the lower overall production, we still maintained the efficiency level of our CCGT power plants in 2023. We have also obtained the necessary authorisations to install storage systems at the premises, although the delays in establishing a legal and regulatory framework for energy storage systems has forced us to postpone their installation.

With a view to further improving the environmental compatibility of combined cycles, we have undertaken research into hydrogen co-firing and the installation of CO₂ capture and storage (CCS) systems - with the possibility of also using the latter in our biomass plants.

Aware of the role we can and want to play vis-à-vis the supplier system and external stakeholders, and in order to lay the groundwork for a comprehensive emissions reduction strategy, we embarked on a journey to map our overall carbon footprint in 2023, including direct emissions (Scope 1), indirect emissions (Scope 2) and emissions generated along the entire value chain (Scope 3). For Scope 3 activities in particular, we followed the guidelines of the GHG Protocol, with a value chain analysis that allowed us to identify the emission categories applicable to our business.



Michele Enrico De Censi
Chief Executive Officer

LETTER TO STAKEHOLDERS

Although slightly later than planned, we then commissioned the biogas plant in Marcallo (MI), contributing to the valorisation of the organic fraction of waste (OFMSW), and we are committed to bringing the plant up to regime in order to maximise its production capacity.

Also with a view to contributing to the country's decarbonisation process and accelerating its energy transition, we have started work on a photovoltaic park in Grosseto that will be completed by 2024, with more than 30 MW capacity and an expected annual output equal to the average consumption of about 22,000 Italian households.

Photovoltaics is also one of the cornerstones of our green-tech strategy as a player in the end-customer market. The installation of systems in private households and companies continued in 2023, the latter segment being less affected by the regulatory changes that led to freezing the assignment of credit - an element that instead had a heavy impact on the deployment of photovoltaics in households and individuals, slowing down the targets we had set.

In general, the power plant operations, constant dialogue with the market and customers, communication initiatives, and the sense we give to our daily work have enabled us to achieve 37 of the 40 qualitative-quantitative targets we set ourselves for 2023 in our ESG Plan.

In addition to industrial and business initiatives, in order to be even stronger in creating sustainable value, we have established an internal ESG Committee with the specific objective of ensuring proper governance and implementation of the sustainability strategy of the entire Sorgenia Group.

The role of all colleagues has been and will continue to be crucial in concretely implementing our sustainable growth plan. Sorgenia employee's respect and recognition of the company values have led to confirmation of our Great Place to Work certification and entry in the European Best Workplace ranking. We also defined a DE&I Policy in 2023 that will form the premise of management models that value and truly protect each individual.

2024 marks an important milestone for Sorgenia, established 25 years ago as the first new entry in the newly liberalised electricity and gas market. We have always been a private operator, with no vested interests. We have a history of successes, mistakes, obstacles and lessons learnt behind us. Today we are part of a large infrastructure group and supply 800,000 Italian companies and families.

We believe that working towards the energy transition depends largely on the understanding that energy is an enabling resource for our lives: from primary services to industrial production, from education to health. A commodity that can only be truly sustainable if it is produced in an environmentally friendly manner, managed with respect for people, and affordable for all.

Michele Enrico De Censi
Chief Executive Officer



PRESENTING SORGENIA



1.1 OUR BUSINESS MODEL

We are active in the generation of electricity from natural gas, renewable sources and bioenergy and manage a network of more than 600,000 customers, for more than 900,000 delivery/redelivery points nationwide.

We manage a flexible, balanced and distributed portfolio of energy-related assets that allows us to operate in an integrated manner in key market segments.

ENERGY MANAGEMENT AND TRADING

Procurement activities of:

- gas for the operation of power plants and for our end customers
- wholesale purchase and sale of energy
- physical and virtual generation and transport capacity
- Energy portfolio of more than 20 TWh/year traded on wholesale markets.

COMBINED CYCLE PLANTS WITH NATURAL GAS

(CCGT - Combined Cycle Gas Turbine)

We produce electricity and provide dispatching services and reserve capacity for the security of the national electricity system through four highly efficient CCGT power plants.

With an installed capacity of almost 3.2 GW with high availability, reliability and flexibility, our power plants are always available and are the ideal support for renewable generation.

PLANTS FROM RENEWABLE SOURCES

(RES - Renewable Energy Sources)

We produce energy from renewable sources thanks to an important generation park focused in particular on bioenergy and wind power for a total of around 370 MW installed, which will be further expanded in the coming years.

3 biomass plants for a total installed capacity of 70 MW.

7 wind power plants in the portfolio, for a total installed capacity of 300 MW.

1 OFMSW plant with a treatment capacity of approximately 35,000 tonnes/year.

2 mini-hydroelectric plants with an installed capacity of approximately 1 MW MW.

RETAIL ENERGY AND GREENTECH

Activity involving the sale of energy efficiency and self-production services and solutions to end customers, such as photovoltaic systems, charging stations, condensing boilers and high-speed fibre-to-the-home (FTTH) installation, with full digital offers on both the residential (B2C) and business (B2B) market segments.

More than 900,000 delivery/redelivery points nationwide, of which about 200,000 in the micro-enterprise protection service.

Over 4,000 photovoltaic systems installed with private and industrial customers.

We adopt a flexible and diversified energy production and management model. The contribution to the transition that we have made through investments in wind and bioenergy is paired with complementary renewable development projects, such as CCGT plants and photovoltaics.

We therefore efficiently produce energy that is always available and reliable, counting on an increasingly sustainability-oriented energy mix.

Modern technologies provide us with digital tools that allow us to interact with customers in a simpler and more immediate way, facilitating their experience and making each of them an active part of the energy transition process.

Spreading a culture of sustainability means providing our customers with the skills and tools to actively participate in the transition, proposing energy efficiency solutions and services which, in addition to the economic benefit, contribute to transforming the current generation and consumption model into a more sustainable and distributed one.



1.2 OUR STORY

1999

We were established as Energia SpA, the first newcomer in the free energy market in Italy.

2006-2009

We became Sorgenia.

The first combined cycle plant entirely designed and built by Sorgenia, the Termoli plant, was commissioned.

2010-2012

We commissioned our second CCGT power plant in Modugno in March 2010, a green-field plant designed and built by Sorgenia.

The Lodi CCGT plant was commissioned in February 2011.

The Aprilia combined-cycle power plant, the fourth to be designed and built by Sorgenia, began commercial operation in June 2012.

2015-2019

After a financially critical two-year period, the company's shareholding structure changed with the acquisition of control by the main creditor banks, and the reorganisation process began.

We positioned ourselves as a digital energy company, launching a full digital acquisition strategy of residential customers and acquiring ESCo Universal Sun (now Sorgenia Green Solutions) to offer innovative and customised energy efficiency solutions.

Paralympic champion Bebe Vio became our testimonial: we started building an increasingly inclusive and future-oriented brand along with her.

We launched the first edition of #sempre25novembre to raise awareness on violence against women.

We obtained Great Place to Work certification for the first time and were included in the "Best Workplaces" Italy list.

We entered the Diversity Brand Index and were the first service company to be honoured with the Diversity Media Award.

2020

A new chapter in our history opened with the entry into the capital of F2i, Italy's largest infrastructure fund, and the Spanish fund Asterion Industrial Partners.

We began selling connectivity via fibre, becoming a single service provider.

We responded to the pandemic emergency with the Spesa Sospesa initiative.

The new MySorgenia App was launched. We started the Greeners community, which rewards customers' sustainable actions and those protecting the environment.

We began construction of the innovative plant in Marcallo (MI) for the production of biomethane from OFMSW (Organic Fraction of Municipal Solid Waste).

2021

F2i gave Sorgenia a significant portfolio of renewable plants with around 300 MW of wind farms (through the VRG companies) and around 70 MW of plants for the production of energy from plant biomass (through San Marco Bioenergie, now Sorgenia Bioenergie), making Sorgenia one of the largest producers from renewable sources in Italy.

A structured plan to increase the share of renewable energy began with a pipeline of both wind and photovoltaic plants as well as two mini-hydro plants of 360 kW on the Dora Riparia and 500 kW on the Oglio; initiatives to build geothermal plants were also explored.

We created a new catalogue of energy-efficiency products and services.

We created the number one Renewable Energy Community in Italy for number of participants.

1.2 OUR STORY (continued)

2022

We implemented our Three-Year ESG Plan (2022-2024), formalising our commitment to sustainability and defining key areas of action.

We continued our authorisation and construction activities for renewable plants and obtained authorisation for the installation of 45 MW of storage systems at our combined cycle plants and 43 MW of photovoltaic plants.

We expanded our green-tech solutions, offering customers not only photovoltaic systems of different sizes, but also storage systems, high-efficiency electric heat pumps and charging stations for electric vehicles.

We continued to organise numerous social initiatives to ensure our closeness to the communities in which we operate, such as Spesa Sospesa, Dono Sospeso, #Sempre25Novembre, Il viaggio di Paolo, Progetto M.A.R.E.

We launched the MyNextMove app, making sustainable mobility simpler and more intuitive.

We participated in the tender managed by ARERA and were selected as the supplier of the Micro Enterprise Protection Service for about 300,000 customers.

2023

We began work to install approximately 32 MW of photovoltaic plants in Grosseto Park, and we outsourced work on the construction of the Collesalveti plant of approximately 10 MW.

In order to reduce dependency on gas, replenish storage and maintain sufficient availability for the winter period, the solid biomass plants maximised their production in the period from May to September.

We continued to invest in and maintain our production facilities; we implemented innovative software for monitoring plant performance during the year and we began studies for hydrogen co-firing and for the installation of CO₂ capture and storage (CCS) systems.

Biomethane production activities were started at the plant in Marcallo.

Around 300,000 customers of the Gradual Protection Service became Sorgenia customers through the new dedicated software platform.

We continued to work on numerous social and environmental initiatives to ensure our closeness to the communities in which we operate, such as Spesa Sospesa, Dono Sospeso, #Sempre25Novembre, Generation Carbon.

We trained all our management on ESG issues.

We carried out a GHG emissions assessment of our value chain (Scope 3).

1.3 ENERGY BORN FROM VALUES

"Clean and affordable energy" is the seventh of the 17 goals of the 2030 Agenda, placed in order after SDG No. 6 on the right of access to water, and before SDG No. 8 focusing on decent work and economic growth. Just like water, energy is a primary good, to the point of enabling other essential conditions for sustainable development, such as health care and education.

On the one hand, energy is a key element of almost all other objectives: it is pivotal in the formation of sustainable cities and communities, an activator of business, innovation and infrastructure, and an essential component of global economic growth itself.

On the other hand, energy production and consumption not only have a decisive impact on climate change and life on our planet, but also on international political relations and democracy.

Increasingly widespread and systematic digitalisation over the last decade has introduced major innovations in the energy chain, from production to final consumption, enhancing the effects of more mature and distributed renewable generation.

We are well aware of this framework, both as a company that produces energy, and as a supplier close to the customers who use it every day in their homes and to the companies that contribute to economic development.

The result is a collective commitment, shared by each of the more than 600 people who make up Sorgenia: contributing to our country's energy transition, with a flexible generation model and sustainable supply solutions, for the environment and for people.

Our strategy is in keeping with the National Recovery and Resilience Plan (NRRP) and with the European plans (REpowerEU) for the development of renewable energies, decarbonisation and the fight against climate change to favour more robust, sustainable and inclusive economic growth.

On the other hand, our history and our size give us the opportunity to be part of a global transformation process and at the same time to directly see the impacts of our choices. It is a great responsibility and a great challenge, which we try to respond to with concrete actions, considering the immediate consequences and future effects.

For example, we were among the pioneers of digitalisation in the Italian energy sector and we believe in innovation - of tools, processes, technologies - as a vehicle to guarantee an increasingly efficient service for our customers and to support the energy transition that is still underway.



Protecting the planet can only be a global objective. We try to share it first and foremost with our customers: conscious energy consumers (some even self-producers), who form a sustainable and caring community, participating in our environmental education and activism initiatives.

Indeed, we seek to surpass the role of mere supplier, providing those who have chosen us with support and tools to responsibly use energy that is not a mere commodity, but an asset to be preserved and intelligently managed. It must therefore first be explained and made simple, despite its innate complexity.

Simplicity and transparency are not an exercise in style, but a rule of behaviour: an approach to relations with customers and all external stakeholders, as well as with suppliers and colleagues. It is a form of respect and the first requirement for receiving trust.

At our core, trust comes from total openness to each person and their freedom to be themselves, with their own identity and the passion that drives them - the energy they put into it.

Sorgenia's Meanings, Principles and Values are summarised in our "Trilobe". The values can never be separated from behaviour and business choices, but must become principles of behaviour in everyone's work.



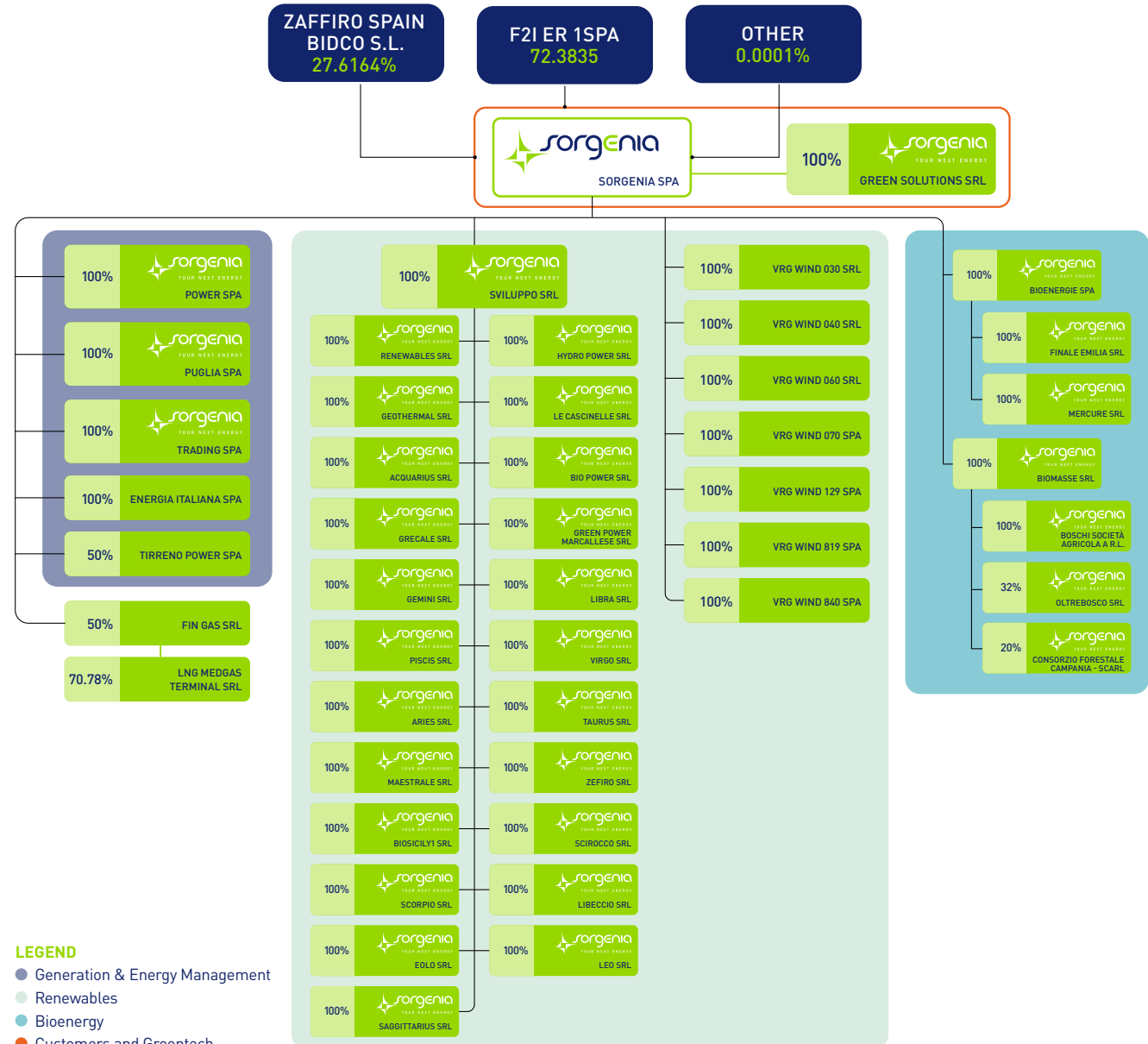
1.4 OUR CORPORATE STRUCTURE

2020 was a key year in our recent history thanks to the acquisition by the F2i fund, one of Italy's largest infrastructure funds, and Zaffiro Spain BidCo S.L., belonging to the Spanish fund Asterion Industrial Partners.

This transaction brought Sorgenia a number of power generation plants from renewable sources (around 300 MW of wind farms and 70 MW of plants for producing energy from plant biomass), making the assets under management more complete and diversified, enriching it with a component that gives us a major role in the energy transition process.

We currently have both modern gas-fired power plants (CCGTs) and plants powered by renewable sources, and we continue to provide services to ensure the stability of the electricity system, fostering the growth of renewable sources' contribution to covering national consumption.

GROUP STRUCTURE AS AT 31.12.2023



* As of 6 October 2020, the Employer and the Principal, pursuant to Italian Legislative Decree. 81/2008, is Mr Andrea Chinellato.

Sorgenia Power and **Sorgenia Puglia** operate the combined-cycle natural gas generation plants (CCGTs) in Aprilia, Lodi, Termoli and Modugno which use a generation technology internationally recognised as the Best Available Technology for thermoelectric power generation, for a total installed capacity of around 3,200 MW.

Sorgenia Trading engages in trading on the spot and forward markets of wholesale electricity and gas through physical supplies and financial instruments.

Sorgenia Bioenergie and its subsidiaries, which became part of the Group in 2021, are among Italy's largest operators in the production of electricity from plant biomass and Italy's leading circular energy company. With the Finale Emilia and Bando d'Argenta plants (in Emilia-Romagna) and the Mercure plant (in Calabria), the total installed capacity is over 70 MW. Thanks to the companies in the Sorgenia Bioenergie Group, we have entered into relations with a controlled supply chain based on planned forest maintenance (authorised by the relevant authorities) and involving local producers. It is important to emphasise that the generation of energy from biomass has a low impact in terms of CO₂ emissions into the atmosphere and that non-hazardous process waste (ash) is reused as a by-product in the building materials production chain. In addition, in 2023 the Marcallo plant for the generation of advanced biomethane from the wet fraction of waste or by-products of agricultural origin was commissioned, according to a model that allows the development of circular economies at local level, starting from waste products.

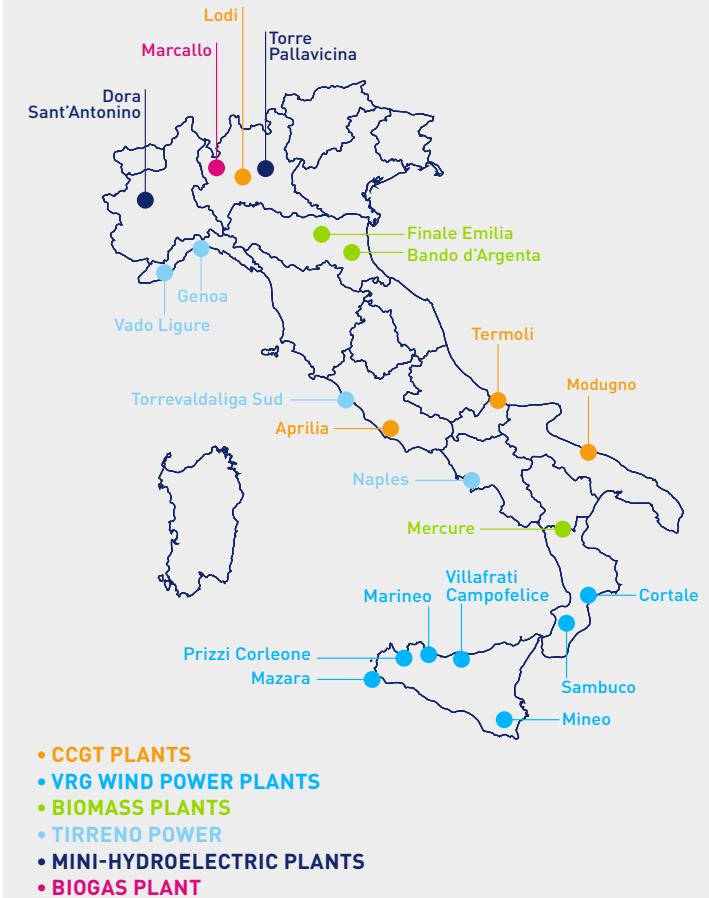
VRG WIND is a group of companies that joined Sorgenia in June 2021 and brought wind farms to the portfolio, namely six in Sicily (Prizzi-Corleone, Marineo, Villafrati-Campofelice, Mineo and Mazara del Vallo) and two in Calabria (Cortale and Sambuco), for a total installed on-shore capacity of approximately 300 MW. With these assets, we contribute to decarbonising the national power generation mix and curbing CO₂ emissions.

Sorgenia Hydro Power has two run-of-river mini-hydroelectric plants with VLH (Very Low Head) turbines commissioned in 2023 and located along the Oglio River (Torre Pallavicina) and Dora Riparia (S. Antonino di Susa), with a total installed capacity of 1 MW.

Sorgenia Green Solutions (SGS) is an Energy Service Company (ESCO) specialising in energy efficiency products and services for households and businesses, which are characterised by technological content focused on digitalisation and a high rate of customisation (photovoltaic systems of different sizes, storage systems, electric vehicle charging stations, high-efficiency electric heat pumps, thermal and lighting systems and both domestic and industrial trigeneration and cogeneration plants).

Sorgenia also holds a 50% stake in Tirreno Power, a jointly controlled company 50% owned by the Sorgenia Group (through the company Energia Italiana) and Engie Italia SpA, active in the production of electricity with combined-cycle gas (2.4 GW) and hydroelectric (75 MW) plants⁽¹⁾.

WHERE WE PRODUCE OUR ENERGY



(1) Tirreno Power is not included in the reporting scope of this Sustainability Report.

1.5 CORPORATE GOVERNANCE AND COMPLIANCE

In order to create sustainable value, we feel it is essential to have a transparent corporate governance system based on balance in the roles of corporate bodies, constant dialogue with stakeholders and internal and external transparency.

The governance structure of Sorgenia S.p.A. includes the following bodies: Shareholders' Meeting, Board of Directors, Board of Statutory Auditors and Supervisory Body.

The **Board of Directors**⁽²⁾ of the Parent Company Sorgenia S.p.A. (BoD), appointed by resolution of the Shareholders' Meeting of 28 April 2023, directs and governs the company, pursuing the objective of creating value for shareholders in compliance with the law, the Articles of Association, ESG principles and correct ethical conduct.

The BoD is vested with all powers for the ordinary and extraordinary company management, with the express power to perform all acts deemed appropriate for the implementation of the corporate purpose, with the exception of those that the Law and the Articles of Association reserve strictly to the Shareholders' Meeting. The Articles of Association also govern the matters reserved to the competence of the BoD and the related resolution quorums, including the attribution and revocation of powers to the directors.

On 28 April 2023, the Board of Directors appointed the Chief Executive Officer and General Manager and granted him specific powers for the office.

The current Board of Directors will remain in office until the Shareholders' Meeting to approve the financial statements as at 31 December 2025 and is composed as follows⁽³⁾: [\[GRI 405-1\]](#)

BOARD OF DIRECTORS

Office held	Director	Executive member
CHAIRMAN	Ettore Francesco Sequi	Yes
CHIEF EXECUTIVE OFFICER	Michele Enrico De Censi	Yes
DIRECTORS	Bice Di Gregorio	No
	Guido Mitrani	No
	Alessandra Moiana	No
	Roberta Neri	No
	Alberto Ponti	No
	Corrado Santini	No

(2) The Board of Directors is appointed on the basis of lists submitted by Shareholders in accordance with the Articles of Association.

(3) None of the Board members is independent. Of the eight members, three are female (about 40%). In addition, two members (one of whom is female) belong to the age group of 30 to 50, while the remaining six (two of whom are female) are over 50.

The Board of Statutory Auditors (composed of three statutory auditors and two alternate auditors, chosen from among independent professionals) has the task of supervising the activities of the directors and checking that the management and administration of the company are carried out in accordance with the law and the Articles of Association.

BOARD OF STATUTORY AUDITORS

CHAIRMAN	Maurizio Di Marcotullio
STANDING AUDITORS	Fabrizio Bonelli Pina Murè
ALTERNATE AUDITORS	Giuseppe Cassinis Davide Martelli

We have a **Code of Ethics** that clearly and unambiguously defines the behaviour that must guide the activities of employees, collaborators, suppliers of goods and services, business partners and agents, in compliance with national and international standards and taking into account the expectations of all stakeholders. This document applies to the entire Sorgenia Group and all the initiatives and actions we implement in the environmental, social and community engagement spheres, as well as all the choices that guide us every day in the conduct of our business, emanate from this document. In order to ensure that all its recipients are aware of what is contained in the Code of Ethics, we have envisaged an adequate training and continuous awareness programme on any issues related to the Code of Ethics itself, which is available and can be consulted on our website.

The Code of Ethics constitutes the ethical-value foundation of the Organisation, Management and Control Model (OMC, pursuant to Italian Legislative Decree 231/2001), a document voluntarily adopted by all Group companies that establishes roles and responsibilities in combating offences of various kinds (including environmental and health and safety at work). The purpose of the OMC is to ensure that business activities are conducted under conditions of fairness, transparency and legality.

While the Code of Ethics represents a common element for all Group companies, the Organisation and Management Model 231 (OMC 231) is adapted to the contexts of the individual companies that adopt it, taking into account their specific situations and organisational needs.

Both the Group Code of Ethics and Model 231 are made available to all employees on the company intranet and to external stakeholders on our website.

The task of supervising the functioning, observance and correct application of the Code of Ethics and the OMC lies with the Supervisory Body (SB), which - assisted by the Internal Audit, Compliance and Risk Control Department - issues periodic reports containing the results of the audit activities carried out on company processes. Every six months, the Supervisory Body reports to the Board of Directors on the results of the audit activities carried out, pointing out any critical issues (5).

As regards whistleblowing, with the entry into force of Italian Legislative Decree 24/2023, all companies in the Sorgenia Group have seized the opportunity to provide new reporting methods in order to ensure the decree's full effectiveness. In fact, we have intervened on internal communication channels in order to further strengthen the relationship of trust and transparency that distinguishes us and to ensure the constant and effective adoption of behaviour fully compliant with the standards and integrity of the company's values.

We also regularly provide specific training on anti-corruption policies and procedures, among the most sensitive issues included in the Code and the OMC 231. In addition to updating the OMC 231 to the recent legislation, in 2023 we developed an e-learning platform where a course on 231 training and one on the Group Code of Ethics [GRI 205-2] were made available to the corporate population.

On the subject of anti-corruption, it should be noted that no corruption incidents occurred within the Group during the three-year period 2021-2023 [GRI 205-3].

(5) No significant critical issues were found in 2023.

Whistleblowing

ZERO incidents in the three-year period 2021-2023

Corruption

ZERO reports in the three-year period 2021-2023

In 2022 we published an ESG Policy that enshrines Sorgenia's commitment to sustainable behaviour and actions in relation to ESG (Environmental, Social, Governance) issues and represents a fundamental step in our sustainability journey, as it contributes to increasing awareness both internally (of our people and shareholders) and externally (of customers, suppliers, contractors, our business partners, communities, financial partners, etc.) towards the growing importance of environmental and social issues.

The ESG Policy is inspired by the principles and values in which we identify ourselves and emphasises the importance of an appropriate governance system, which is why we set up an inter-functional ESG Committee composed of the Chief Executive Officer - who chairs it - his front lines and the ESG Function, ensuring the dissemination and implementation of our sustainability strategy and the proper management of the Group's impacts on the environment, people and the economy.

1.6 OUR ECONOMIC PERFORMANCE

over **180 €M**
EBITDA
2023

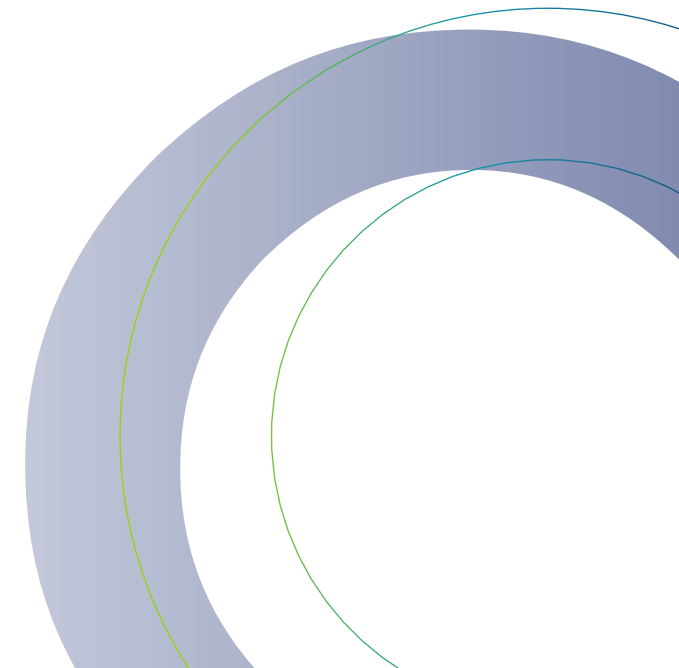
2.4x
NET DEBT/EBITDA RATIO
as at 31.12.2023

The EBITDA - which represents earnings before interest, tax, depreciation and amortisation, i.e., gross operating profit - saw a decrease this year compared to 2022 (down from € 550 to € 181 million). This reduction is mainly attributable to four factors:

- the decreased margins reported by the Generation and Energy Management area due to a completely different scenario from last year, characterised by an increase in energy imports from abroad and by regulatory initiatives to maximise the use of coal-fired power plants - launched during the most critical period of the gas crisis and continuing through the end of September 2023 - which significantly reduced the contestable demand for combined-cycle natural gas (CCGT);
- lower margins from renewable generation, related to the absence of incentives, from which the Group had benefited in the previous year, and to sharply reduced prices for the energy sold;
- the effect of a lower revaluation of the investment in Tirreno Power SpA compared to the previous year;
- the reduced results of the Customers and Greentech area linked to the costs due to the acquisition, activation and take-over (i) as of 1 April 2023, of "Micro-Enterprise Gradual Protection" customers (portfolio of 247,000 users at 31 December 2023) and (ii) of new customers on the free market, both business and retail (672,000 users at the end of 2023 vs 493,000 at the end of 2022), with a negative impact on 2023 but a positive effect on future years.

Despite the reduction compared to 2022, the 2023 results were nevertheless good, both in terms of the income statement (Group net profit of € 6 million) and the net financial position (which declined from € 432 to € 426 million), thanks to the generation of operating cash and despite the payment in 2023 of approximately € 76 million in "extra-profit contributions," € 19 million in taxes on the results achieved in the previous year, and € 5 million in IRAP advances on 2023.

The Net Debt to EBITDA ratio, which is one of the most widely used ratios to assess a company's financial strength, stands at 2.4x at the end of 2023, among the best in the industry.

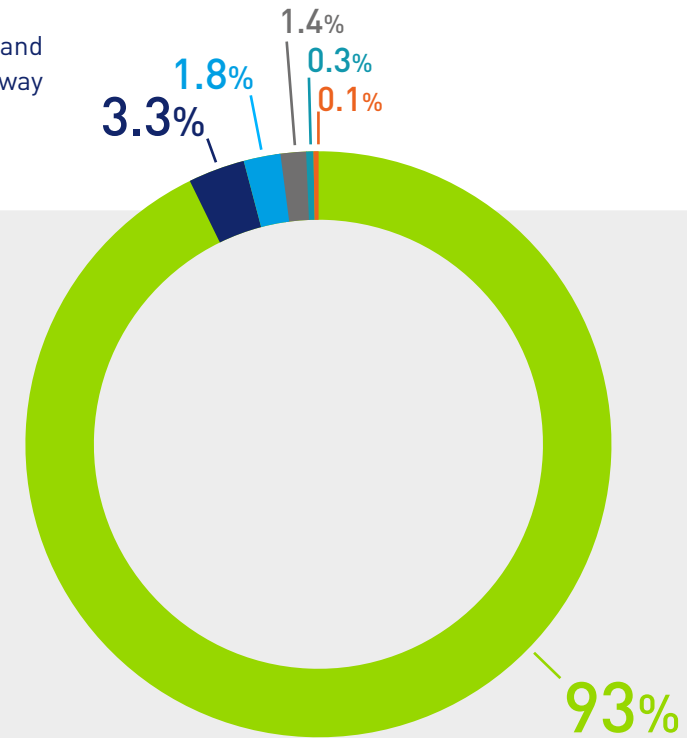


HOW DO WE USE THE VALUE GENERATED?

Economic responsibility finds its synthesis in the representation of the wealth produced by business activity and the way in which it is redistributed to stakeholders, i.e., to all those who - for various reasons - are in some way affected by our activity.

In 2023, the economic value generated amounted to approximately € 3,251 million, of which:

- 93%** distributed in the form of remuneration to suppliers of goods and services
- 3.3%** as value retained by the Group
- 1.8%** as employee remuneration
- 1.4%** as interest and financial charges to financing banks
- 0.3%** as taxes and fees to the public administration
- 0.1%** as disbursements, donations, sponsorships and collaborations



Approximately € 900,000 (as community investments and as investments within the framework of territorial agreements) were allocated directly to the local areas in the form of disbursements, donations, sponsorships, collaborations, environmental offsets, forestation, and the construction of bike paths, both in favour of the local communities in the municipalities where our power plants are located, and by supporting initiatives for the development of a more inclusive, fairer society, consistent with our values.

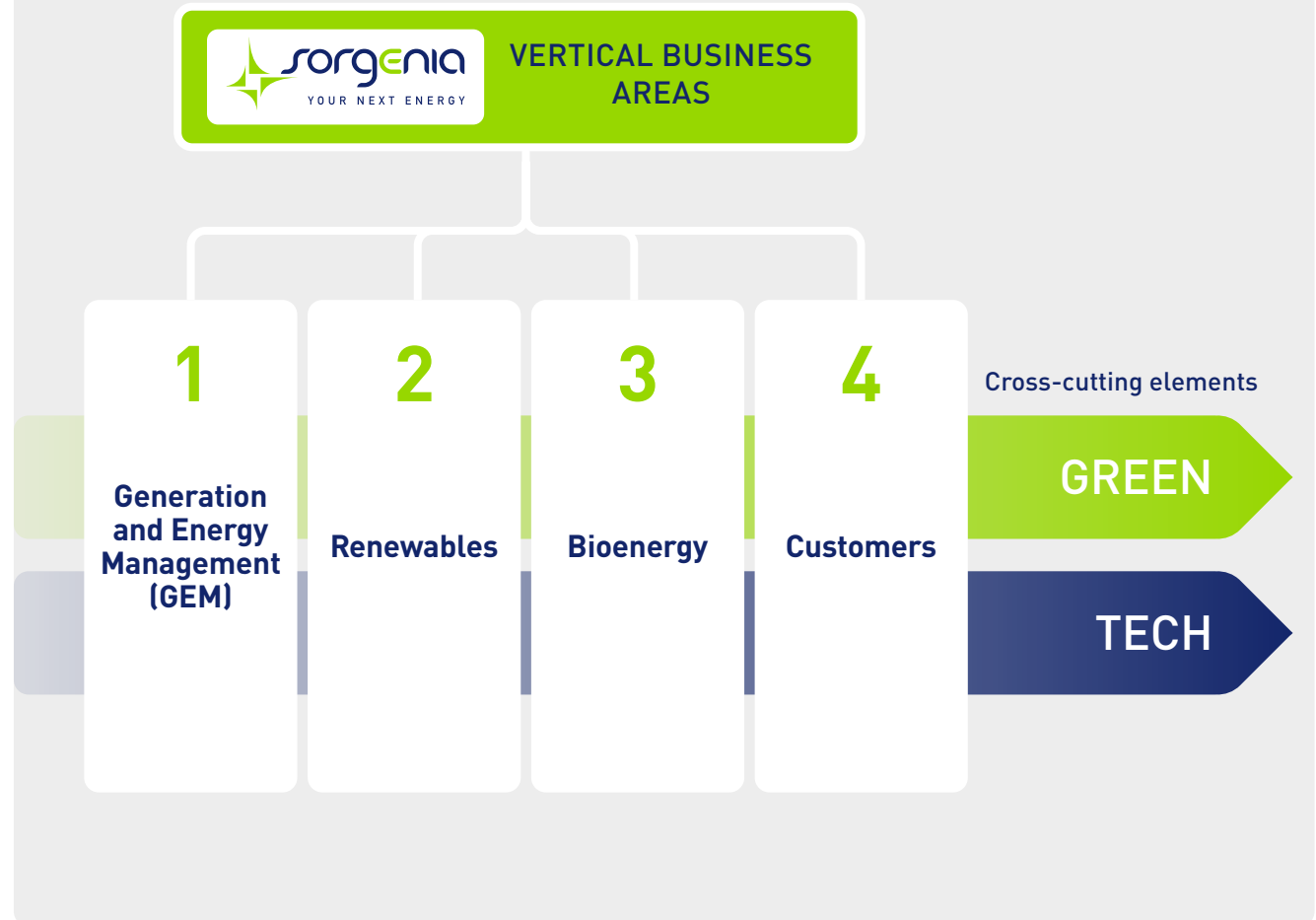
1.7 WHY WE ARE A GREEN-TECH ENERGY COMPANY

Sustainability and innovation, green and tech are the cornerstones of our strategy, cutting across all business areas in which we operate.

While the digital and innovation (tech) component is inherent in the tools we adopt, in our plants and in the channels of dialogue with our customers, environmental sustainability (green) is the ultimate goal of everything we do.

OUR GROWTH STRATEGY

(BUSINESS PLAN 2024-2028)



Already today, our energy is produced using the Best Available technologies. By enhancing our existing assets, we intend to increasingly integrate renewable energies into our portfolio in the future through organic development in geographic areas with higher availability of natural resources, particularly sun and wind.

Through digitalisation, we want to further improve our service to customers, facilitating every stage of our relationship, from subscription to supply management.

Our growth strategy has been formalised in the **2024-2028 Business Plan** approved on 21 December 2023 by the Board of Directors of Sorgenia S.p.A., and in which for the next five years we aim to consolidate our position as the leading private energy operator in Italy.

This strategy comes at a time of particular turmoil for our sector in which, in addition to the transformation processes already underway (electrification of demand, distributed generation, digitalisation), the regulatory framework is constantly evolving, both at an Italian (NRRP - National Recovery and Resilience Plan), European (European Green Deal) and global (Paris Agreement) level.

National Recovery and Resilience Plan - NRRP

The NRRP is a Europe-wide programme with a package of investments and reforms divided into six shared missions:

- Digitalisation, innovation, competitiveness and culture;
- Green revolution and ecological transition;
- Infrastructure for sustainable mobility;
- Education and research;
- Inclusion and cohesion;
- Health.

This intervention aims to repair the economic and social damage of the pandemic crisis, helping to resolve structural weaknesses in the economy and accompanying the country on a path of ecological and environmental transition, as well as aiming to reduce territorial, generational and gender gaps.

European Green Deal

The European Green Deal is a set of policy initiatives proposed by the European Commission with the goal of achieving climate neutrality in Europe by 2050, with the ambitious interim target of a 55% net reduction in greenhouse gas emissions by 2030.

Paris Agreement

The Paris Agreement is an international treaty concluded between the member states of the United Nations Framework Convention on Climate Change, which presents an action plan to limit global warming. The agreement was reached on 12 December 2015 during COP21 (21st Conference of Parties) and stipulates governments' long-term goal to keep the global average temperature increase well below 2°C above pre-industrial levels and to continue efforts to limit it to 1.5°C. The countries agreed to communicate their action plans every five years, each setting increasingly ambitious targets.

Leveraging what are already our strengths today, in the coming years we intend to introduce innovative business models, focusing on those segments of the deregulated market characterised by higher growth and profitability potential. In addition to increasingly expanding our customer base, we want to focus most of our efforts on investing in green technologies, organically developing renewable plants across the country.

The **ESG Plan** approved by the Board of Directors formalises our commitments in the environmental, social and governance spheres and the related targets we have set for 2024; within it, we have identified six areas of action, transversal to our purpose and Business Plan:

OUR PURPOSE...

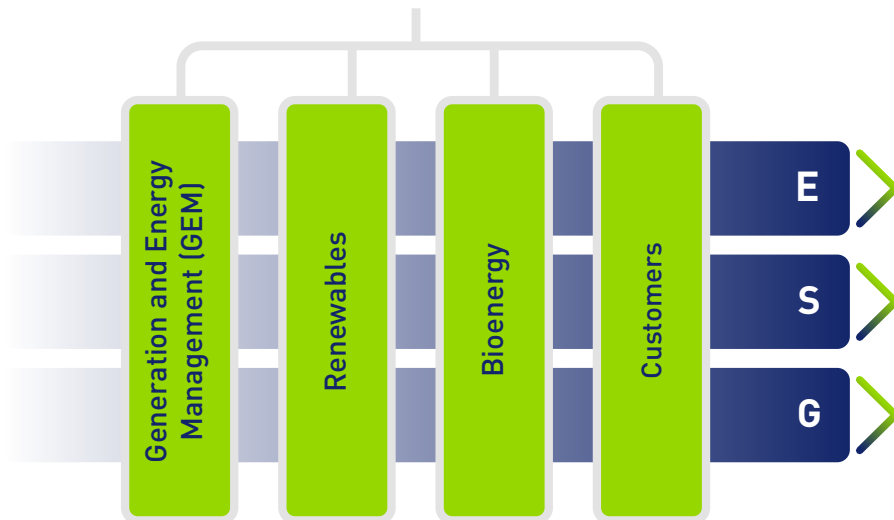
Contributing to our country's energy transition, with a flexible generation model and sustainable supply solutions, for the environment and for people



... GUIDES OUR BUSINESS PLAN

... AND DIRECTS THE FOCUS AREAS OF OUR THREE-YEAR ESG PLAN

VERTICAL BUSINESS AREAS



- Contributing to the country's decarbonisation process by accelerating the energy transition
- Promoting a circular economy
- Being accountable to the local area and the community
- Guaranteeing the development and well-being of people while respecting their uniqueness
- Spreading the culture of sustainability to promote the energy transition
- Adopting sound and efficient governance to implement our sustainability strategy



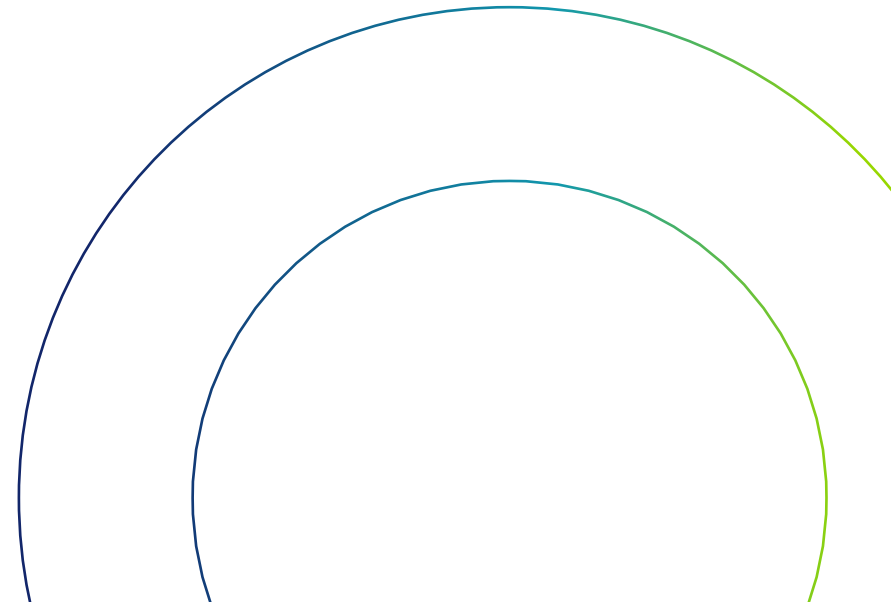
In the environmental sphere, by expanding the renewable generation park and maintaining the best available technologies in our CCGT plants, we contribute to the country's decarbonisation process, accelerating the energy transition and actively participating in combating climate change. Through the organic development of bioenergy, we seek to foster the circular economy, enhancing agricultural and forestry by-products and municipal solid waste.

We try to help companies and consumers to become self-producers (e.g., through photovoltaic plants and self-produced energy storage systems) and accompany them in the responsible and intelligent use of energy.

In the social sphere, we have made a commitment to continue to be responsible towards the territories and communities where we operate, listening to their points of view, discussing their expectations and involving them through distinctive partnerships and initiatives (such as #Sempre25Novembre and the concrete support for Art4sport and Spesa Sospesa; see page 114 for more details).

Our people always remain the focus, for whom it is fundamental to ensure a fair and inclusive working environment that stimulates passion and enthusiasm. Everyone must be enabled to enhance their skills and enrich their career path within a proper work-life balance.

For this plan to be feasible, it must be accompanied by an appropriate governance system based on balance in the roles of corporate bodies, constant dialogue with stakeholders and internal and external transparency.



1.8 OUR PROCUREMENT POLICY

We are committed to creating and maintaining a lasting and constructive relationship with our suppliers, where each party can share best practices adopted to improve their respective performance and identify areas for possible improvement on a reciprocal basis.

This shared contribution in terms of innovation not only concerns technology, but also processes and everything related to environmental and social issues.

We have implemented a structured vendor management system through which we create tailor-made supplier evaluation questionnaires for specific product categories and for the specific interlocutor; the questions asked in the qualification phase range from the more classic requests for compliance with current regulations (e.g., documents such as the DURC, or Single Document of Regular Contributions) to questions related to staff management, up to sustainability issues.

It is an osmotic process, where the interchange of knowledge, practices and skills is an advantage for all parties involved.

ESG ASSESSMENT OF OUR SUPPLY CHAIN

In 2023, we launched a pilot project to assess the ESG sustainability of our supply chain. The project collects and manages information on the sustainability of our partners through a self-assessment questionnaire administered on a digital platform and focused on the three broad topics Environment, Social and Governance.

Suppliers are an essential partner in achieving our sustainability goals, and it is important to involve them right from the qualification phase in order to design improvement and cooperation plans together.

LEGALITY PROTOCOL

Group companies operating in the bioenergy sector today adhere to the legality protocol signed between the Ministry of the Interior and the Italian Confederation of Small Private Industry (Confapi).

Adherence to the protocol defines a voluntary system of controls and checks on the biomass supply chain and further enshrines our commitment to guarantee legality, transparency and safety in order to create even more value in the world of biomass against any possible interference of organised crime in managing local resources.

This protocol is a further way to safeguard the areas in which we operate through our power plants.

1.9 OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT

The **Sustainable Development Goals** (SDGs) consist of 17 goals approved in 2015 by the governments of the 193 member countries of the United Nations General Assembly.

The SDGs are part of the action programme called Agenda 2030, which focuses on people, planet, peace and prosperity and emphasises the common challenges faced by all countries. These goals are universal in scope, addressing both developing and advanced countries, and are based on the integration of the three dimensions of sustainable development: environmental, social and economic.

In line with the material topics identified and the areas of focus defined in the ESG Plan, we have identified 11 objectives related to our values and commitments, seven of which we believe we can positively influence, and four of which we can significantly influence.



SIGNIFICANT IMPACT



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



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



Make cities and human settlements inclusive, safe, resilient and sustainable



Take urgent action to combat climate change and its impacts

POSITIVE IMPACT



Ensure healthy lives and promote well-being for all at all ages



Achieve gender equality and empower all women and girls



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



Reduce inequality within and among countries



Ensure sustainable consumption and production patterns



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation, and halt biodiversity loss



Promote peaceful and inclusive societies for sustainable development; provide access to justice for all and build effective, accountable and inclusive institutions at all levels

1.10 OUR STAKEHOLDERS

Identifying Sorgenia's stakeholders, meaning all those who may be significantly affected by the activities and services we offer, or whose actions may conversely affect the Group's ability to achieve its objectives, was the first pillar in structuring our sustainability journey.

Following an in-depth analysis of the Group's activities, the main stakeholders were identified by engaging all the company's front lines and examining those with which we interface on a daily basis.

Our relationship with our stakeholders is based on active listening and constant dialogue: an open, inclusive approach that helps us to understand their needs and build solid, lasting relationships.



1.11 OUR MATERIAL TOPICS

In order to identify the most relevant sustainability topics in terms of the impacts generated by our value chain on the environment, people and the economy, we also updated our materiality analysis in 2023, in line with the new GRI Standards 2021. This allowed us to confirm the priority issues for the company and its stakeholders, identifying the Group's "material" topics, meaning those that are most relevant and on which we will focus our attention and efforts in the future.

Here is a list of the material topics identified as a result of this analysis: the only new items compared to last year are air polluting emissions, water management and biodiversity protection.

For further details on the approach adopted and the stages of the topic identification process, please refer to the Methodological Note.

OUR MATERIAL TOPICS

- | | | | |
|--|---------------------------------------|--|--|
| 1  | Energy transition and decarbonisation | 7  | Closeness to the local area |
| 2  | Growth strategy and business ethics | 8  | Customer intimacy and digital transformation |
| 3  | Workers' health and safety | 9  | Employee self-fulfilment |
| 4  | Circular economy | 10  | Supply chain engagement |
| 5  | Polluting emissions | 11  | Water resource management |
| 6  | Diversity and equal opportunities | 12  | Protection of biodiversity |

ANALYSIS OF MATERIAL TOPICS



Energy Transition and Decarbonisation

To date, power generation from CCGT is the best available thermal mix technology to enable the energy transition needed to compensate for the natural intermittency of renewable sources. However, such production causes climate-changing emissions that contribute to climate change, albeit to a lesser extent than the average national thermal mix. To combat climate change linked to climate-altering gas emissions, we are upgrading our renewable generation fleet, measuring our own carbon footprint, adopting a corporate electric fleet, adding storage systems to the CCGT plants and investigating possible new CO₂ capture and storage technologies.



Growth Strategy and Business Ethics

We operate in a large, complex and heavily regulated market. We are aware that if not adequately managed, any regulatory compliance and business ethics issues (e.g., corruption, lack of transparency to customers, etc.) could have negative impacts on us and our stakeholders.

Our Code clearly and unequivocally defines the values and principles that guide our activities, in compliance with national and international regulations, and considering the expectations of all our stakeholders, in the belief that values can never be separated from behaviour.



Workers' Health and Safety

A culture of safety at work is a prerequisite for us. We are aware that work activities can lead to accidents and injuries among employees and outsourced workers; therefore, we are committed to continuously improving the places where we work by putting safety first and adopting the highest management standards.



Circular Economy

By their very nature, energy generation activities - especially from biomass - give rise to waste (e.g., ash) which can cause damage to the environment if not properly disposed of or managed. Sorgenia endeavours to correctly manage the various types of waste it generates by promoting their recovery, recycling and reuse, and valorising them as by-products reused in other sectors (e.g., cement factories). Only a residual part is sent for disposal in landfill/incineration. Sorgenia is committed to using raw materials that promote circularity, both in the production of biomethane (using agricultural or agro-industrial waste) and in the production of electricity from biomass, using biomass from chemically untreated wood from a controlled supply chain based on planned forest maintenance (authorised by the relevant authorities).



Polluting Emissions

Strictly regulated polluting emissions can create significant risks to the global and local environment, to workers' health and to the communities surrounding plants, if they exceed legally imposed thresholds.

We have low atmospheric polluting emissions and strictly adhere to the limits imposed by law, thanks to the fact that our plants use methane gas or woody biomass for combustion and that our power plants use BATs (Best Available Technologies).



Diversity and Equal Opportunities

We believe that the values of diversity, inclusion and equity are a great expression of people's well-being. We are committed to valuing diversity, with company policies that make every individual feel represented and protected (and thus included) without distinction, prejudice or cultural bias (thereby guaranteeing fairness). And to ensure a fair and inclusive working environment, we have adopted D&I policies and defined a roadmap of actions to implement our vision of respecting diversity and equal opportunities.



Closeness to the Local Area

We believe that the people who live in the areas where our production plants are or will be located are key stakeholders: they have points of view to listen to and expectations on which we must focus dialogue, right from the authorisation stages. We develop the infrastructure while consulting the communities involved, ensuring positive spillover effects on the territory in a circular economy logic. Our commitment to fostering sustainable development also continues while the plants are in operation, strengthened by the knowledge of local needs and the direct participation of our employees in local life.



Customer Intimacy and Digital Transformation

Customer centricity and customer intimacy are key principles of our work and mean listening to customers in order to improve our service every day, being at their side so that they can be an active part of sustainable growth. We strive to offer quality products and services and make a positive contribution to technological and digital development. We guarantee complete transparency and have adopted a sustainable business that uses secure channels with the aim of avoiding cases of incidents and reports in terms of privacy, antitrust and aggressive and fraudulent telemarketing, and of avoiding incorrect or misleading communication to the customer.



Employee Self-fulfilment

We focus on the energy and passion of our people, but also on their well-being and involvement. We promote respect for equal opportunities, the growth of individual skills, the development of teamwork and continuous learning, in an overall effort to cultivate everyone's skills and expertise. We promote skills development and seek to increase the satisfaction of our people, resulting in improved engagement and retention levels, striving to always maintain constructive and inclusive relationships with our people and the unions that represent them.



Supply Chain Engagement

We know that sustainable sourcing practices along the supply chain cannot be guaranteed without an adequate control system. This is why we have defined an ESG supplier assessment process that allows us to effectively monitor the value chain in terms of sustainability performance, promoting a more responsible supply chain, stimulating the market to act in the same direction, reducing risks related to the supply of products and services, risks to the health and safety of workers working in the value chain, and the environmental impacts of the procurement process.



Water Resource Management

We know that water scarcity due to factors such as increased consumption and reduced supplies caused by climate change could push authorities to limit withdrawal capacity, especially in regions with high water stress.

We manage and monitor water resources very carefully, especially since thermal power plants generally depend on large amounts of water, above all for cooling purposes. In order to reduce water consumption, our plants have an industrial waste water treatment system (ZLD - Zero Liquid Discharge), which allows for the recovery of water in the final phase of the production cycle, thus reducing the water consumed and the discharge from the plant's production activities.

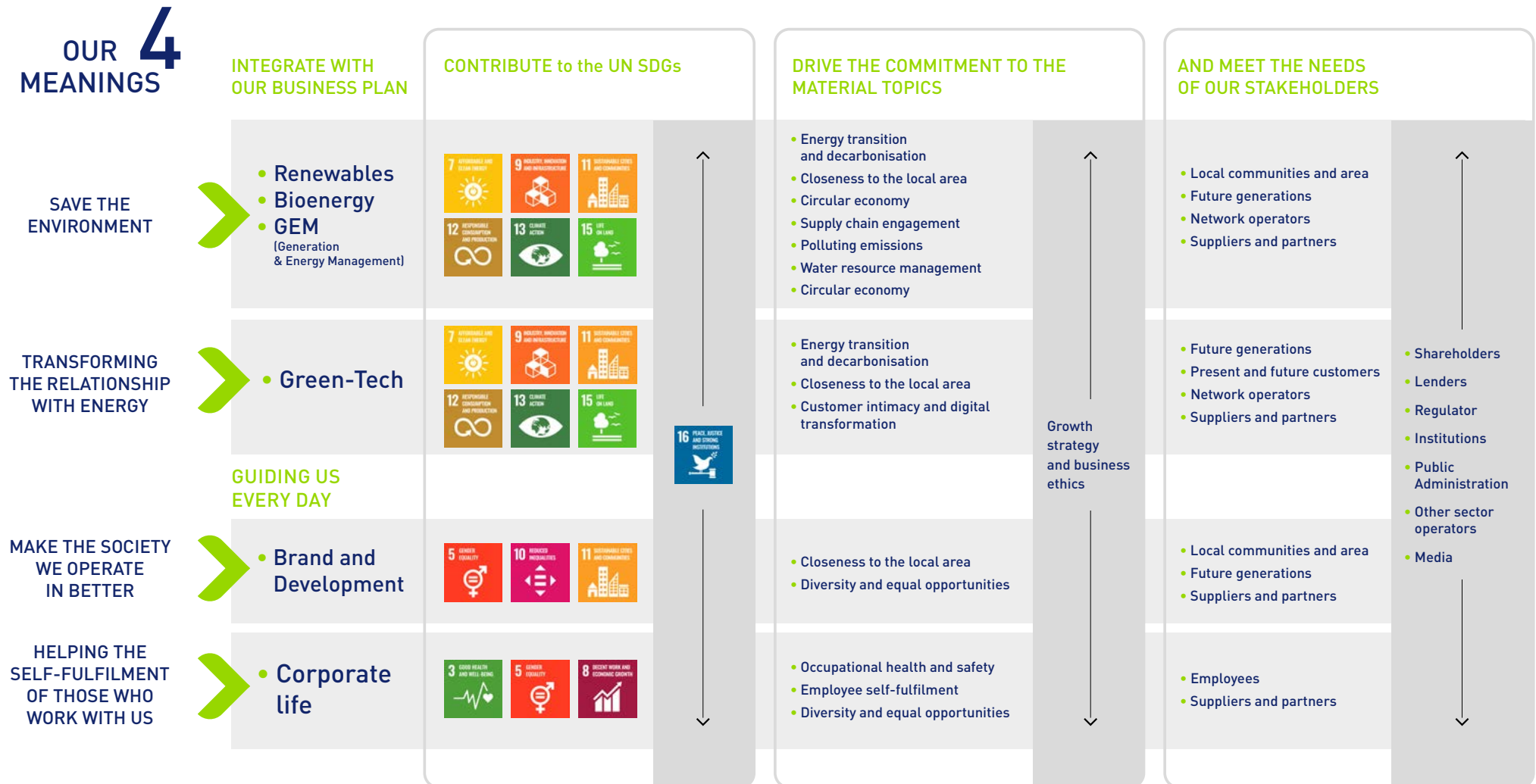


Protecting Biodiversity

We are aware that preserving biological diversity is our planet's life insurance, and that concrete action is needed. Activities related to the raw material procurement phase and to plant management operations can cause environmental impacts on natural habitats and landscapes, including in terms of land consumption and visual and noise impacts. We therefore strive to minimise impacts on the habitats in which we operate by complying with legal limits in our plants and also selecting suppliers on the basis of environmental criteria.

1.12 OUR SUSTAINABILITY STRATEGY

Sustainability pillars, Business Plan areas, SDGs, material topics and the needs of our stakeholders are rationalised in the diagram below, which defines our commitments and forms the foundation of our sustainability journey.



1.13 ECONOMIC REPORTING

Economic performance | GRI 201-1: Economic value directly generated and distributed

	UoM	2021	2022	2023
Economic value generated	€M	3,613	6,227	3,251
Distributed economic value	€M	3,333	5,935	3,143
Operating costs	€M	3,143	5,666	3,027
Salaries and employee benefits	€M	49	56	58
Payments to capital providers	€M	76	34	47
Payments to Public Administration	€M	64	177	10
Investments in the community	€M	1	2	1
Retained economic value	€M	280	292	108

	UoM	2021	2022	2023
Value of production	€M	3,610	6,221	3,233
Production costs	€M	3,313	5,896	3,217
Financial income and expenses	€M	-39	-27	-30
Adjustments to the value of financial assets and liabilities	€M	13	38	17
Distribution of profits in the year	€M	35	33	0

Procurement practices | GRI 204-1: Proportion of spending on local suppliers

	UoM	2021	2022	2023
Percentage of procurement budget spent on local suppliers¹	%	97%	87%	99%

¹ Local suppliers are defined as suppliers based in Italy.

Anti-corruption | GRI 205-2, 3: Communication and training on anti-corruption policies and procedures; Cases of corruption and actions taken

Number of training hours on anti-corruption - Total hours	UoM	2021	2022	2023
Executives	Hours	3	0	94
Managers	Hours	6	0	312
White collars	Hours	60	0	1,297
Blue collars	Hours	3	0	130
Total hours	Hours	72	0	1,833

Number of people involved in anti-corruption training	UoM	2021	2022	2023
Executives	no.	3	0	33
Managers	no.	3	0	78
White collars	no.	41	0	443
Blue collars	no.	2	0	43
Total	no.	49	0	597

Cases of corruption and actions taken	UoM	2021	2022	2023
Number of cases of corruption	no.	0	0	0

ENERGY PRODUCED RESPECTING THE ENVIRONMENT

2.1 ENERGY FOR THE TRANSITION

3,180 MW
Installed power
CCGT

300 MW
Installed power
WIND POWER

70 MW
Installed power
BIOENERGY

We produce clean energy by harnessing the power of wind, water, biomass and OFMSW. To guarantee the continuity of our service, we **compensate for the natural intermittency of renewable sources with our combined-cycle natural gas generation plants (CCGTs)** which, while using fossil fuels, represent the best technology available today for thermoelectric power generation.

The main environmental impacts on which we will take action in the coming years are:

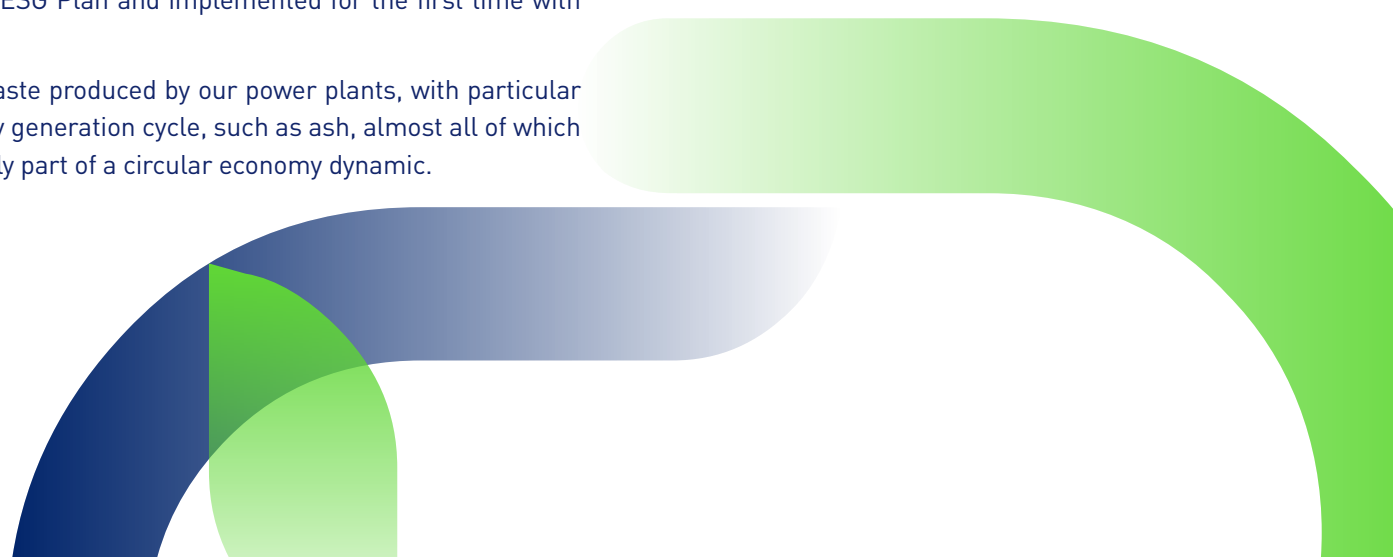
- **climate-changing emissions**, through a reduction in the average emission intensity of our generation fleet (Greenhouse Gas Emissions, GHG - see page 43), while preserving the efficiency and reliability of our CCGT plants; the importance of the commitment to map and quantify these emissions along the entire value chain ("Scope 3") should be highlighted, as listed among the objectives of our ESG Plan and implemented for the first time with reference to the 2022 calendar year.
- **waste**, we promote the recovery, recycling and/or reuse of waste produced by our power plants, with particular reference to the key role of by-products of the biomass energy generation cycle, such as ash, almost all of which is sent for recovery, since it is non-hazardous waste and is fully part of a circular economy dynamic.

We contribute to the following UN SDGs...

SIGNIFICANT IMPACT



POSITIVE IMPACT



THE ENERGY MARKET

Unlike the previous year, 2023 saw a significant drop in commodity prices at European level; at the same time, the Italian demand for electricity fell by around 3%, with causes attributable to both climatic and industrial phenomena, settling at levels slightly higher than in 2020 (the year marked by the Covid-19 pandemic). The same may be applied to the demand for natural gas, which fell by around 9% compared to 2022: here too, the climate component played a significant role, particularly in the retail segments. Extremely important geopolitical events, for example the conflict in the Middle East, contributed to concerns about possible disruptions in gas flows to Europe and Italy, without however having a significant impact on prices.

Historically more sensitive to changes in market demand, our CCGT power plants were affected by the fluctuating trend in electricity demand, as well as an upward trend in hydroelectric production and imported volumes from abroad in 2023, in addition to the must-run period at the beginning of the year for coal-fired plants. The production of our biomass power plants also had an intermittent trend with a more stable phase in the middle months of the year: in particular, the reduced operations are due to the absence of stable incentive mechanisms and the fact that their remuneration is based on criteria related to the economic market.

In 2023, the other renewables performed in line with the past.

WHERE WE PRODUCE OUR ENERGY



2.2 COMBINED CYCLE PLANTS

4
CCGT
PLANTS

3,289 GWh
electricity produced
and sold in 2023

52%
AVERAGE
PERFORMANCE

Our combined cycle green-field plants were built between 2006 and 2012 according to the internationally recognised best available technology in terms of efficiency and environmental compatibility, known as CCGTs, or Combined Cycle Gas Turbines.

The combined cycle produces energy from two turbines powered by natural gas and one turbine powered by steam generated from the exhaust gases of the gas turbines. The use of a transitional fuel such as natural gas and the high efficiency compared to a conventional power plant means that the emissions of hazardous substances into the atmosphere are minimised, little dust is produced and land consumption is minimised.

In addition, the ability to modulate production, i.e., to start up quickly when needed, and to schedule the amount of energy produced according to the demands of the national grid, make these power plants the ideal support for generation from renewable sources, which by their very nature cannot be programmed.

Our four power plants produced about 3,367 GWh of electricity in 2023, using about 628 billion m³ of natural gas, with a very high average electricity generation efficiency, about 52%. The large drop in energy produced compared to 2022 is mainly attributable to the lower energy demand in 2023 (for more details, see box "The Energy Market" on page 37).

To ensure the proper environmental management of production processes, our plants are ISO 14001 certified and EMAS registered*, as well as ISO 45001 certified for the proper management of workers' health and safety.

The use of advanced digital tools is also a distinctive feature of the management of our generation plants; for example, our HSE (Health Safety Environment) Team has directly engineered software to manage the environmental and health & safety management processes on our plants, which are continuously monitored with a view to continuous improvement.

(*) Environmental certification according to the ISO 14001 standard and environmental registration according to the EMAS Regulation are tools that dictate principles for the proper environmental management of production processes, and are able to provide significant results in terms of controlling and improving the environmental impacts related to the organisation's activities from a life-cycle perspective. ISO 45001 certification instead covers the management system relating to workers' health and safety.

CCGT PLANTS		ACTIVITY START	INSTALLED CAPACITY
Termoli (CB)	First plant built by Sorgenia, occupying approximately 40% less land than a conventional power plant of the same capacity.	2006	780 MW
Modugno (BA)	Plant fed with water taken from the Bari Ovest purification plant, for a reduced impact on local water resources.	2010	810 MW
Bertonico Turano Lodigiano (LO)	Built on the reclaimed area of a former refinery, it is the third CCGT plant built by Sorgenia, covering an area of 150,000 m ² .	2011	800 MW
Aprilia (LT)	Low emissions also thanks to the installation of a catalytic system to abate carbon monoxide emissions (also present at the Modugno and Lodi plants).	2012	790 MW



OPERATION OF A CCGT PLANT

The combined cycle power plant (CCGT) is a very reliable and environmentally-friendly plant that generates electricity from the combustion of natural gas, with very high efficiencies.

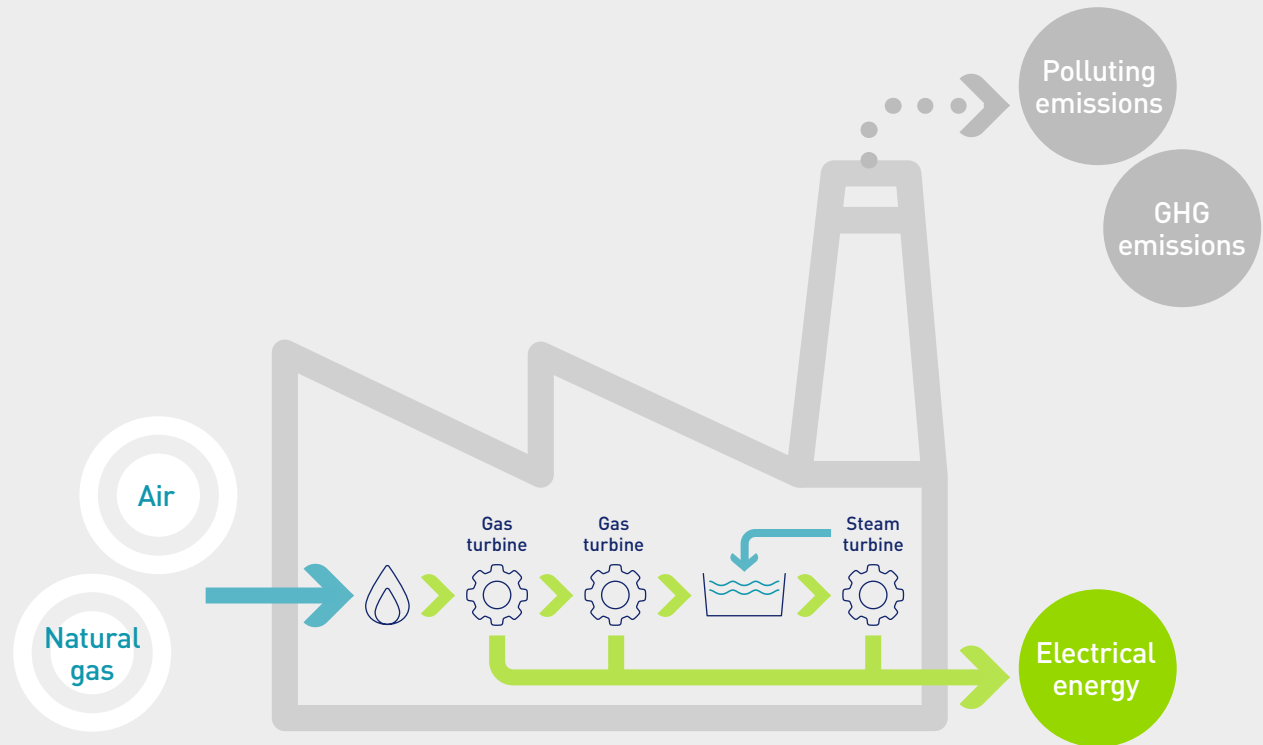
The plant consists of three rotating machines, two gas turbines and one steam turbine, each connected to its own alternator and transformer to generate electricity.

The gas turbines are fired by natural gas, which releases its calorific value through combustion with high-pressure compressed air. The expansion of the hot gases generated by combustion inside the gas turbine generates mechanical energy, which is converted into electrical energy via the alternator.

The hot gases discharged by the gas turbines are fed into a recovery heat generator that produces steam at high pressure and temperature. The expansion of steam inside the steam turbine generates mechanical energy, which is converted into electrical energy via the alternator.

The electrical energy produced by the alternators is raised to a voltage of around 400kV and fed into the national grid, while the low-pressure steam exiting the steam turbine is condensed and fed back into the recovery boilers (closed cycle) with the help of extraction and feed pumps, thereby minimising water consumption.

OPERATING DIAGRAM OF A CCGT POWER PLANT



The electrical energy produced by the alternators is raised to a voltage of around 400kV and fed into the national grid, while the low-pressure steam exiting the steam turbine is condensed and fed back into the recovery boilers (closed cycle) with the help of extraction and feed pumps, thereby minimising water consumption.

OUR ZERO LIQUID DISCHARGE (ZLD) PLANTS

In order to reduce water consumption, we have equipped our Lodi, Aprilia and Modugno plants with a Zero Liquid Discharge (ZLD) water treatment system. This technology recovers water in the final phase of the production cycle, resulting in less water consumed and less water discharged from the plant's production activities: the only product leaving the plant is a non-hazardous solid waste consisting of the salts contained in the water itself.

The water purification plant involves successive precipitation stages of the sludge contained in the water, a reverse osmosis process that purifies the "crude" water (which is less valuable and used for fire-fighting purposes, for example) by reducing its salt content and allowing it to be used as demineralised water for the thermal steam cycle. Moreover, at our Modugno plant we further reduced our water footprint by sourcing plant water from a low-value resource such as the water coming out of the Bari Ovest purification plant.

ENVIRONMENTAL IMPACTS OF CCGTS

Every year we invest to keep our power plants aligned with the best technology available on the market, while maintaining an average specific emission level below the national average for conventional generation.

The most significant environmental aspects for these types of plants are the EMISSIONS into the atmosphere (NO_x, CO and CO₂) generated by the combustion of natural gas, and secondarily WASTE, most of which is produced during maintenance activities.

In addition to natural gas, these types of plants draw small amounts of electricity from the grid to meet internal self-consumption needs, especially during maintenance shutdowns. Finally, negligible quantities of diesel are used, but only in emergencies, to power generator sets or fire-fighting equipment. Specifically, some 36,600 litres of diesel fuel were consumed in 2023 (for operational tests of the above-mentioned plants and not for real emergency management) and 44,500 MWh of electricity withdrawn from the grid.

The natural gas consumption of the CCGT plants contributes to making the two companies operating the four power plants (Sorgenia Power and Sorgenia Puglia) responsible for 93% of the Group's total energy consumption, as well as 98% of its total GHG emissions (Scope 1 + Scope 2 - Market based) of CO₂ - for a total of 1,276,524 tCO₂.

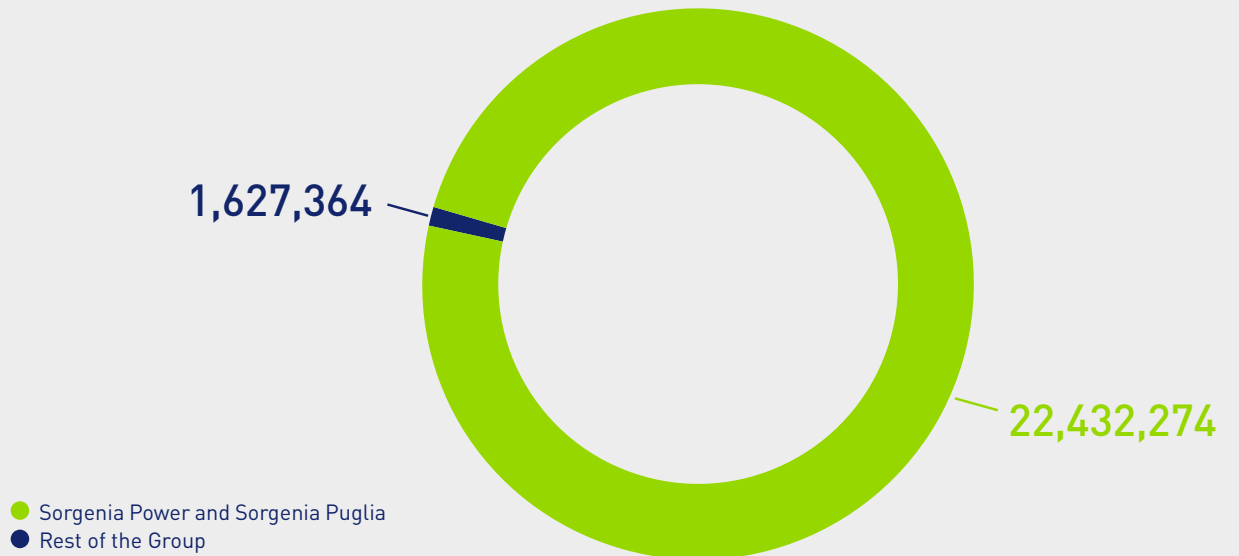
1,276,403t CO₂e

emissions from the combustion of gas for electrical generation equal to 98% of the Sorgenia Group's total climate-changing emissions (Scope 1 + Scope 2 - Market-based).

735.7t total waste produced

of which 617.4 t non-hazardous, mainly arising from extraordinary maintenance activities (such as packaging or consumable plant parts), mostly destined for recovery or recycling, amounting to about 2% of that produced by the Group.

ENERGY CONSUMPTION [GJ]



FOCUS: GHG EMISSIONS

Greenhouse gas emissions (GHG) are the emissions of climate-changing gases that trap heat in the atmosphere, causing it to overheat and thus creating what is known as the "greenhouse effect." The main greenhouse gases are carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆) and water vapour.

According to the methodology introduced by the GHG Protocol*, these emissions can be divided into three macro-categories:

- **Scope 1 emissions:** all direct greenhouse gas emissions generated within the organisation's scope, the sources of which are owned or controlled by the company. These emissions are due to the use of fossil fuels and the direct emission of any climate-changing gases into the atmosphere.
- **Scope 2 emissions:** indirect emissions that arise from the generation of the electricity purchased and consumed by the organisation and from other energy purchases, such as district heating or cooling. This second classification is further divided into two parts pertaining to two different calculation methodologies: the location-based methodology takes into account a factor reflecting the energy mix of the country where the energy is consumed; the market-based methodology instead reflects supply choices.
- **Scope 3 emissions:** all indirect emissions not included in Scope 2 that occur in the organisation's value chain; they are a consequence of the company's activities, but are generated by sources the company neither owns nor controls.

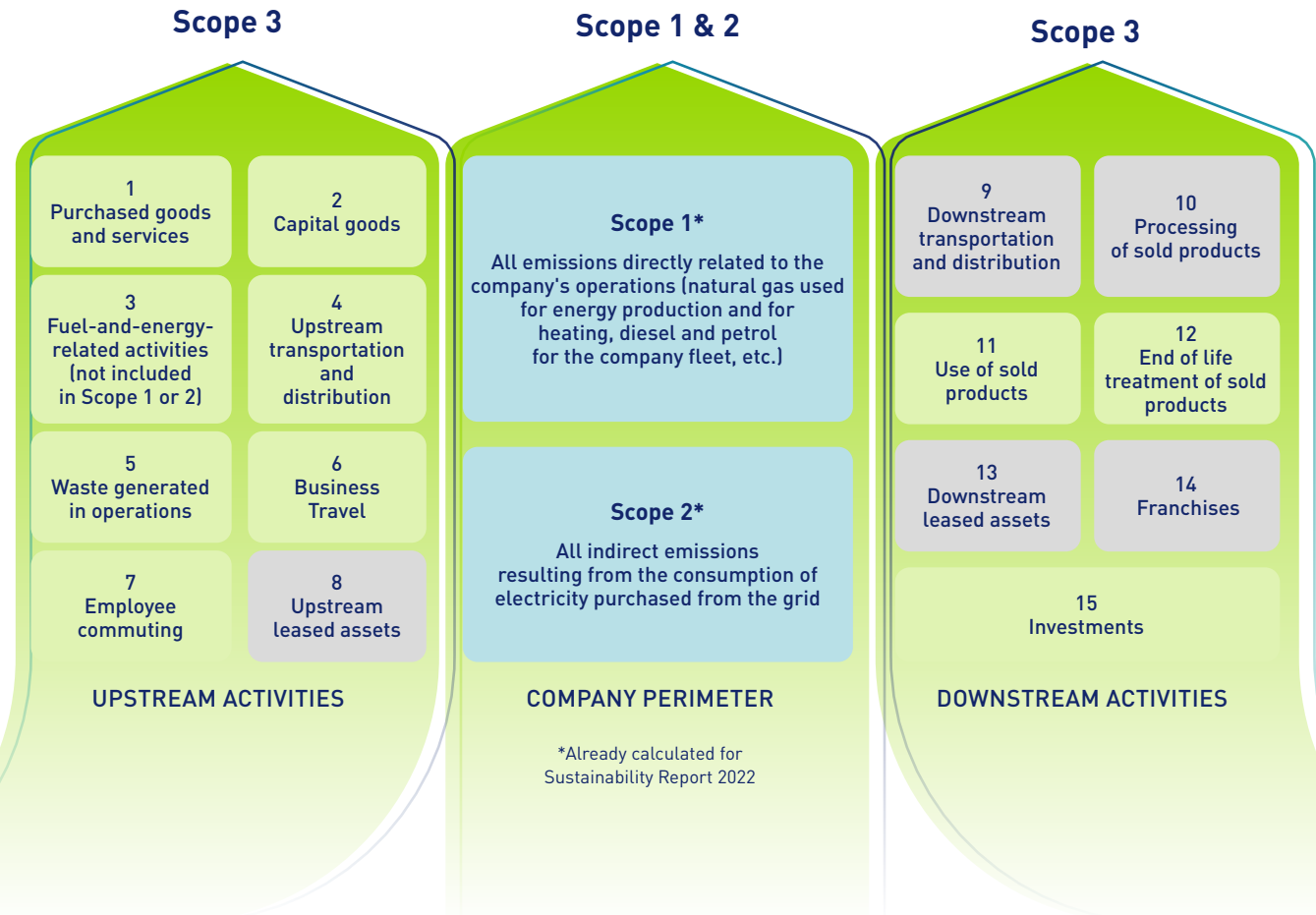
(*). Arisen from the collaboration between the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD), the Greenhouse Gas Protocol (or GHG Protocol) provides companies, governments and organisations in general with the standards and tools they need to measure, manage and report on climate-changing emissions.

OUR SCOPE 3 EMISSIONS

In line with the objectives of our ESG Plan, in 2023 we embarked on a pathway to quantify and monitor the GHG emissions generated along our value chain (indirect Scope 3) for the year 2022. This activity is essential to obtain a more accurate and detailed picture of our carbon footprint and is simultaneously a starting point for defining an emissions reduction strategy.

Emission-causing activities were mapped using internationally recognised methodologies and standards: in particular, reference was made to the GHG Protocol* guidelines, which identify 15 emission categories divided between upstream and downstream activities. This process involved a detailed analysis of our value chain and the activities we carry out, which led to the identification of the following categories as applicable to our business:

- 3.1** Purchased goods and services
- 3.2** Capital goods
- 3.3** Fuels and energy activities
- 3.4** Upstream transport and distribution
- 3.5** Waste generated in operations
- 3.6** Business trips
- 3.7** Employee commuting
- 3.11** Use of products sold
- 3.12** End of life of products sold
- 3.15** Investments



THE NEW FRONTIERS OF ENERGY

ENERGY STORAGE

Energy storage has proven to be a resource that is more relevant and necessary than ever to protect environmental sustainability.

Battery Energy Storage Systems (BESS) function as platforms that combine the energy storage capacity of batteries with the advanced control systems needed to manage consumption.

The batteries are recharged by exploiting excess renewable electricity in the grid. The same energy is then released when needed by the grid, especially at times when renewables are not present. In addition, they manage charging and discharging cycles based on energy availability and demand forecasts using special control systems, providing essential services to support the electricity grid.

Already state-of-the-art from a technological point of view thanks to efficiency and reliability among the highest in national and European power plants, as well as control systems that allow them to be operated fully automatically, our combined cycle power plants are about to exploit the potential of storage, not only by producing energy but also storing it, integrating more and more closely with the needs of an electricity system that is more sustainable every day.

In fact, we have obtained authorisation for the installation of 70 MW of storage systems in our CCGT plants, which will allow us to make our production sites increasingly green, efficient and flexible, a true example of the energy transition.

CARBON CAPTURE STORAGE AND CO-FIRING

We are researching the technical and commercial feasibility of installing carbon capture (CC) systems on gas-fired combined cycle (CCGT) and biomass power plants.

To this end, a study was carried out, assisted by a technical consultant, which covered:

1. examining capture technologies for the removal of carbon dioxide (CO₂) from the flue gas of gas turbines or biomass boilers;
2. evaluating potential technologies and their suppliers;
3. evaluating the potential impacts of each technology on the operation of the CCGT/biomass plant;
4. defining technical and surface requirements for the installation of a capture plant;
5. summarily identifying barriers and risks to be considered when installing a capture system.

The technologies currently available on the market and analysed in the study, showed material impacts in terms of investment, combined cycle performance, land occupation, and the need for an infrastructure capable of absorbing the CO₂ flows to be transported to the final storage sites. The outcomes of the study are still being evaluated.





OUR NEXT CHALLENGES

Our commitment is to continue to provide services for the stability of the national electricity system, with flexible production that complements the growth of renewables, while maintaining the high efficiency of our plants.

We also plan to integrate storage systems in the same areas as our combined cycle plants, for which we have already obtained the necessary permits.

This will enable us to store a portion of electricity and then make it available to the market at times of peak demand, in an immediate and extremely efficient manner, further contributing to the security of the national electricity system.

In 2022

we obtained authorisation to install
45 MW of storage systems

In 2023

we obtained authorisation for a further
25 MW reaching the quota of
70 MW of authorised storage systems.

Business Plan targets:

- We intend to install
70 MW of storage systems by 2028.
- Maintain high availability of our CCGT plants, minimising unplanned unavailability (forced unavailability), including through preventive and predictive maintenance programmes.

2.3 PLANTS FROM RENEWABLE SOURCES

9

Plants from
renewable sources

7

Wind
farms

2

Mini-hydroelectric
plants

522,994 MWh

of energy produced and sold
in 2023 from wind farms

1,193 MWh

of energy produced and sold in 2023
from wind farms

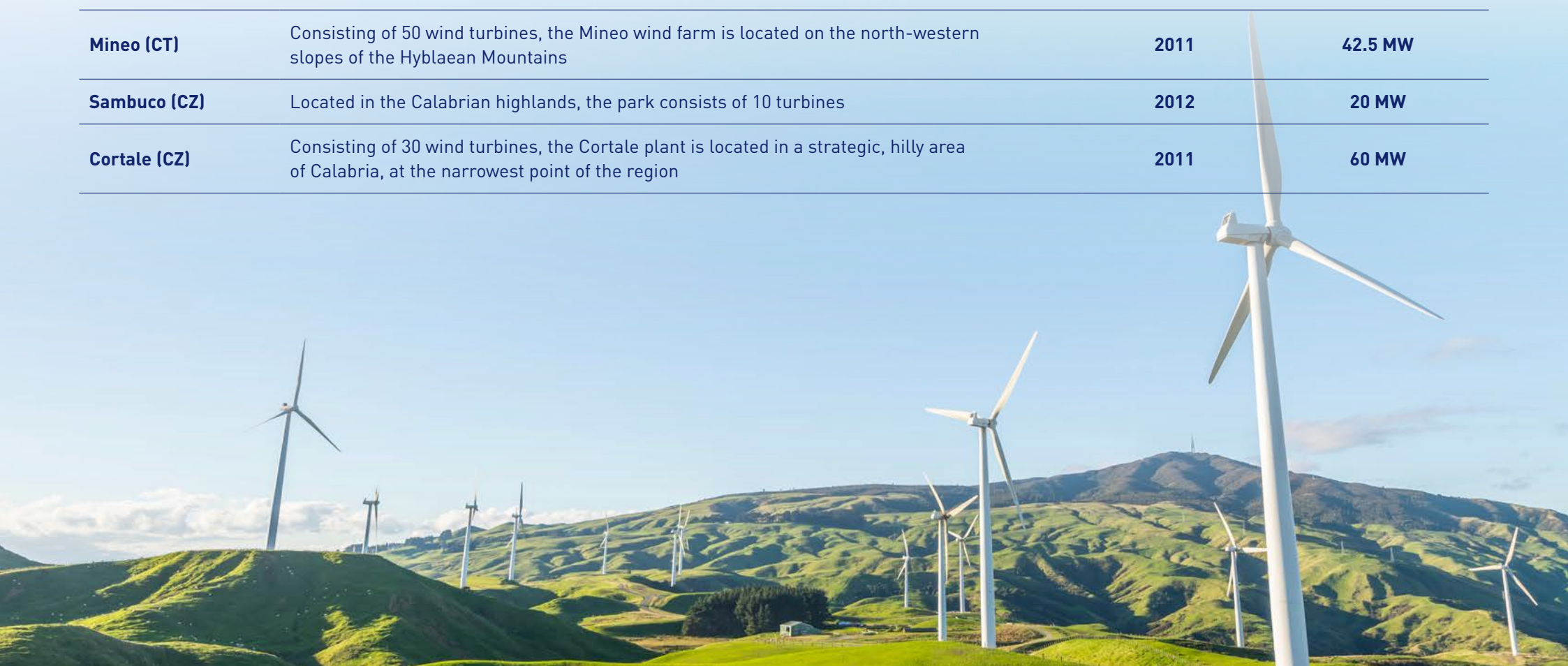
2.3.1 WIND ENERGY

Our wind farms harness the inexhaustible energy of wind to produce fully renewable electricity (522,994 MWh in 2023) without generating any climate-changing emissions, and are our most important contribution to the decarbonisation of the energy mix today.

All the wind farms have an Integrated Safety and Environmental Management System and are ISO 14001 and ISO 45001 certified.

In 2023, the Marcallo biomethane plant and two run-of-river mini-hydroelectric plants (Dora and Torre Pallavicina) were also commissioned. With a total installed capacity of about 1 MW, these plants produced 1,193MW of electricity.

WIND FARM		ACTIVITY START	INSTALLED CAPACITY
Villafрати – Campofelice (PA)	Consisting of 35 wind turbines, the wind farm is located on the route connecting Palermo and Agrigento	2008	30 MW
Marineo (PA)	Located in the central area of the province of Palermo, the park consists of 26 turbines	2009	22.1 MW
Prizzi – Corleone (PA)	Wind farm located about 1,000 metres above sea level and consisting of 30 wind turbines	2009	60 MW
Mazara del Vallo (TP)	Divided into two units, the Mazara del Vallo wind farm is capable of producing energy equivalent to the annual needs of almost 40,000 households	2008 (Mazara) 2020 (Mazara new)	48 MW 18 MW
Mineo (CT)	Consisting of 50 wind turbines, the Mineo wind farm is located on the north-western slopes of the Hyblaean Mountains	2011	42.5 MW
Sambuco (CZ)	Located in the Calabrian highlands, the park consists of 10 turbines	2012	20 MW
Cortale (CZ)	Consisting of 30 wind turbines, the Cortale plant is located in a strategic, hilly area of Calabria, at the narrowest point of the region	2011	60 MW



THE ENVIRONMENTAL BENEFITS OF WIND FARMS

The environmental impacts of wind farms are almost null: their operation creates zero emissions, while any water discharged is exclusively civil.

Energy consumption in 2023 is related to the diesel fuel used during the emergency generator tests, as well as 22,830 litres of petrol used by the hybrid cars in the company fleet.

In summary, the contribution of the wind farms of VRG Wind to the Group's CO₂ emissions is less than 0.1% of the Group total.

It is very interesting to reflect on the contribution of our wind farms in terms of avoided emissions: for the same amount of energy produced compared to a classic thermal power plant, 240,241 tCO₂e were avoided in 2023 thanks to the wind energy we produced.

Even as regards waste production, wind turbines are essentially neutral: most of the waste is generated during maintenance activities, always opting for recovery or recycling where possible.

During 2023, most of the waste directly produced by our plants was approximately 108 tonnes of rainwater with a potential presence of oily residues, which was collected in special sealed tanks underneath the electrical transformer rooms and then disposed of.



63
emissions
produced (tCO₂e)



240,241
emissions
avoided (tCO₂e)



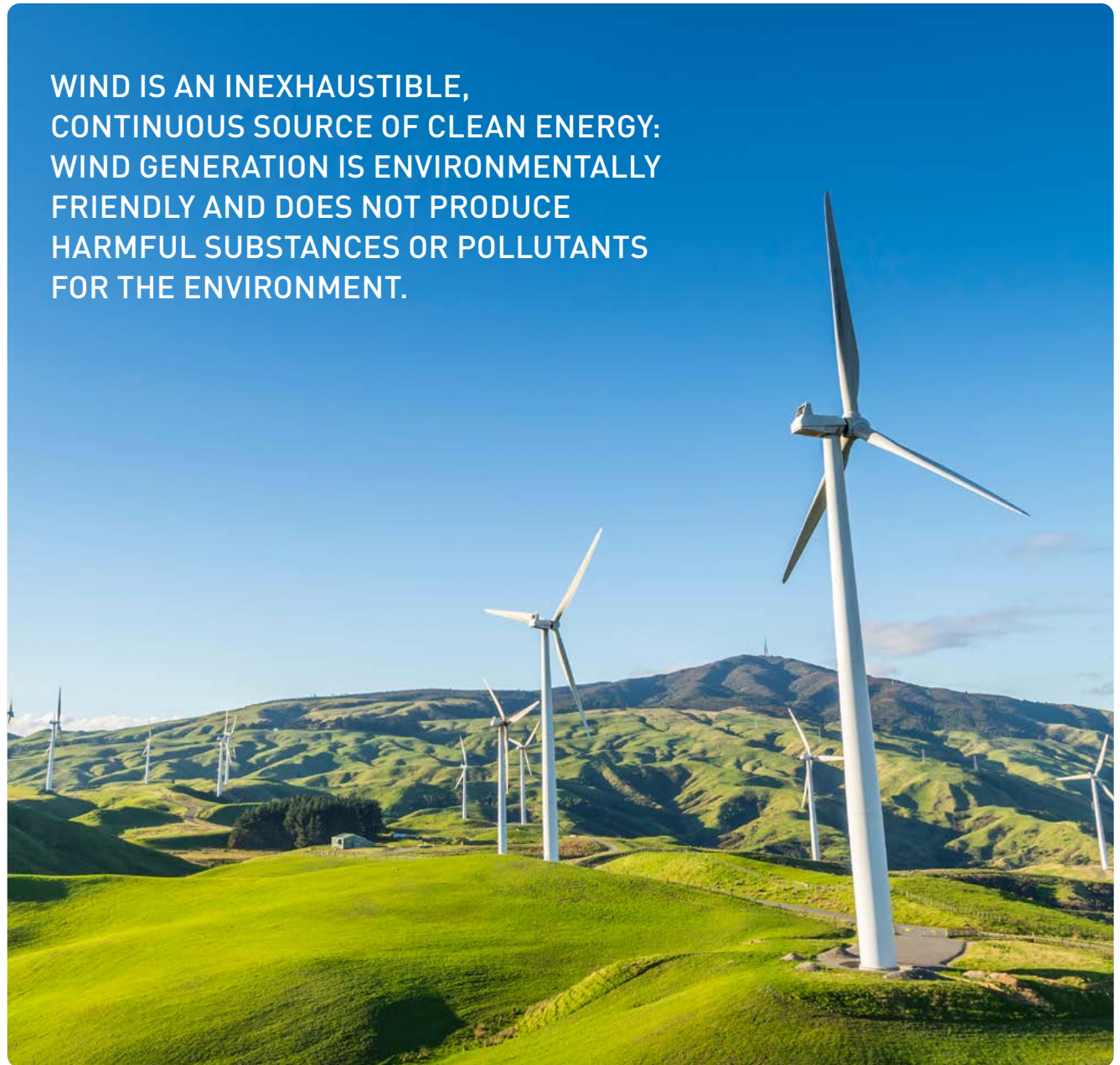
WHAT IS WIND ENERGY?

Wind energy is an energy source that harnesses the kinetic capabilities associated with wind to convert it into mechanical energy and, in turn, into electrical energy: it is therefore kinetic energy produced by the movement of the wind, which is the movement of air over the earth's surface, between areas of high pressure and low pressure.

Wind farms are wind power plants where towers, i.e., very high wind turbines, produce and transform wind energy into electricity. The operation of a wind farm is ensured by the presence of a medium voltage connection and a remote monitoring system. The transformation of wind energy into electrical energy takes place through the action of a transformer located in a substation. Wind farms can be on-shore or off-shore:

- **On-shore wind farms** (such as those of Sorgenia): located on land, they are usually built in areas where there is normally a certain amount of wind motion, which can be exploited to create electricity. Examples include inland plains or mountainous areas or, above all, the coasts, which are naturally buffeted by sea currents.
- **Off-shore wind power plants:** these are built far from the coast, directly on the sea, and make it possible to create most of the electricity that can be obtained from wind power, thanks to the high stability of the wind: however, their construction and maintenance costs are much higher than those of the first type.

**WIND IS AN INEXHAUSTIBLE,
CONTINUOUS SOURCE OF CLEAN ENERGY:
WIND GENERATION IS ENVIRONMENTALLY
FRIENDLY AND DOES NOT PRODUCE
HARMFUL SUBSTANCES OR POLLUTANTS
FOR THE ENVIRONMENT.**



2.3.1 MINI-HYDROELECTRIC PLANTS

In 2023, two new mini-hydroelectric plants were commissioned: Dora (0.37 MW) and Torre Pallavicina (0.59 MW) came into operation. The two new environmentally-friendly plants harness the power of water to produce energy and feature innovative solutions that allow for the full protection of the water ecosystem. In 2023, these plants produced 1,193 MWh of electricity from renewable sources, avoiding the emission of 545 tonnes of CO₂ into the atmosphere.

MINI-HYDRO		ACTIVITY START	INSTALLED CAPACITY
Dora a S.Antonino (TO)	The plant involves the use of an innovative turbine designed for low heads, called VLH (Very Low Head Turbine), which guarantees the production of electricity with good efficiency even at heads below 2 m.	2023	0.37 MW
Torre Pallavicina (BG)	Located in the protected area of Parco Oglio Nord, the plant uses a VLH turbine and a fully submerged generator and allows for total noise abatement and a significant reduction in volumetric footprint, with almost no visual impact.	2023	0.59 MW

PHOTOVOLTAIC PLANTS UNDER CONSTRUCTION

In 2023, we started the construction site for one of the largest and most productive photovoltaic parks in Tuscany. Located in the municipality of Grosseto, thanks to the more than 32 MW of installed power and the approximately 58 GWh of energy produced each year, once commissioned, the plant will be able to meet the electricity needs of approximately 22,000 households, or two thirds of the inhabitants of Grosseto.

The plant features the latest technology used, with single-axis, double-sided photovoltaic modules (called trackers) that allow the sun to be tracked throughout the day, obtaining optimal radiation and maximising energy production. Such solutions can produce 20% more green energy for one hour more per day than conventional technologies, even on cloudy days.

This project will also be implemented in close collaboration with the local community, whose participation is crucial for the success of innovative projects capable of both producing important benefits for the local area and developing the renewable energy production necessary for the energy transition of the entire country. Our contribution to the installation, at the same time as the photovoltaic park is being built, of a lighting system along a bike path is tangible evidence of the cooperation between Sorgenia and the Municipality of Grosseto; extending over more than nine kilometres, it will connect the city to the Marina di Grosseto beach.

The photovoltaic park in Grosseto is not the only being developed in Tuscany: in 2023 we awarded the works and started the engineering for the construction of a second plant located in the municipality of Collesalveti (Livorno). Thanks to its approximately 10 MW of installed power, once completed it will be able to produce about 17 GWh of energy from solar energy every year, satisfying the electricity consumption of about 6,300 households. Like the one in Grosseto, this photovoltaic park employs state-of-the-art technology to maximise energy production while minimising land use.

FOCUS: SOLAR TRACKER

The solar tracker is an automatic mechanical device whose purpose is to orient the photovoltaic panel or solar thermodynamic system in the direction of the sun's rays. This tool makes it possible to tilt the solar panels towards the sun so as to maintain an angle of incidence between the panel and the sun's rays of approximately 90°, in order to optimise the production of solar energy throughout the day and thus improve the overall efficiency of the system.

Two main solar tracking systems exist: single-axis trackers and dual-axis trackers.

Single-axis solar trackers are devices that track the sun's radiation, rotating around their own axis in order to follow the sun from sunrise to sunset, achieving higher performance in electricity production than a traditional fixed photovoltaic system. They are particularly effective in regions where the amount of sunlight varies significantly throughout the day.

Biaxial solar trackers have two rotation axes perpendicular to each other, which use a sophisticated electrical system to maximise the capture of sunlight, as they can follow the sun in every direction throughout the day and year.



OUR NEXT CHALLENGES

- The development of renewable energy sources is a cornerstone of our growth plan.
- We want to strengthen production from renewable sources: this is an important assumption of responsibility towards the country, even more so in light of the serious international scenarios and their consequences for Italian and European energy stability.
- We have an important development pipeline of new renewable plants, some already authorised, and we intend to upgrade and extend the life of those we already have.

In 2022

We obtained authorisation to install

43 MW of photovoltaic plants.

In 2023

We began the installation work for

32 MW of photovoltaic plants (Grosseto).

Business Plan targets:

By 2028 we intend to install:

- > over **200 MW** of capacity from utility-scale photovoltaics (exploiting the best available technologies such as solar trackers);
- > over **400 MW** of wind power capacity;
- > maintain high availability and efficiency of existing wind farms.

2.4 BIOENERGY PLANTS

3plants using
vegetable biomass**575,114 t**of biomass
used in 2023**391,869 MWh**produced and sold
in 2023

Thanks to Sorgenia Bioenergie, we are the sector leader in Italy.

The plants are mainly fuelled by local forest biomass from forest maintenance and clearing, and by local agricultural by-products: they therefore play an important role in sustainable forest management, in reducing hydrogeological and fire risks, and in supporting the wood supply chain.

Generation from biomass, and more generally of bioenergy, is an important form of circular economy with advantages for the country's economic system thanks to the reduction of dependence on fossil fuels, and for the areas involved thanks to the enhancement of by-products otherwise destined to be treated as waste.

We also strive to make the best possible use of our processing waste, mainly combustion ash.

Sorgenia Bioenergie has an ISO 14001-45001 certified Integrated Environment and Safety Management System.

BIOMASS POWER PLANTS

ACTIVITY START

INSTALLED CAPACITY

Bando d'Argenta (FE)

The largest biomass power plant in northern and central Italy and among the most efficient plants of its type (with an efficiency greater than 25%); with its annual energy production, it is able to meet the average needs of around 27,000 people.

The biomass used as fuel comes from fruit tree cultivation residues, forest maintenance and poplar cultivation.

2021

22 MW

Finale Emilia (MO)

The plant converts approximately 124,000 tonnes of biomass per year into energy, half of which is processed in the plant using a mechanical chopping process. It comes from both dedicated crops (fibre sorghum, poplar) and from non-dedicated crops (straw, grain stalks), as well as from specific treatments (silviculture and pruning branches).

2016

12 MW

Mercure

Plant located in Pollino National Park, it covers 11 hectares and uses only untreated virgin biomass derived from forestry, and to a lesser extent also from pruning and uprooting, as fuel. It is supplied by local producers, which has helped to develop a virtuous circular economy around the plant.

2016

36 MW

During 2023, we used a total of 691,987 tonnes of biomass as input material for our power plants (of which 575,114 tonnes were actually consumed for energy production), 94% of which was sourced from circular by-product enhancement paths in forestry, agriculture and agribusiness.

ORIGIN OF THE BIOMASS USED

Solid biomass consisting of plant waste is a renewable and environmentally friendly source of energy. We transform their disposal, once a cost to bear, into an opportunity for electricity production within a circular economy system, thanks to an integrated and sustainable local supply chain.

The raw biomass is processed through cutting and shredding operations, which yields a more refined and homogeneous product that on the one hand has a much higher calorific value than the material before processing, and on the other hand facilitates combustion in plant boilers.

Through a system of intermediate storage and conveyor belts, the biomass is then fed into the boilers, either grate or fluidised bed, where the combustion process takes place. The heat generated makes it possible to produce pressurised steam which, expanded in a steam turbine, generates electricity. Before being emitted to the stack, the fumes generated in the combustion process undergo a purification cycle consisting of several sections in series, which reduces the emissions of hazardous substances (NOx, CO, NH4, etc.) into the atmosphere to below legal limits.

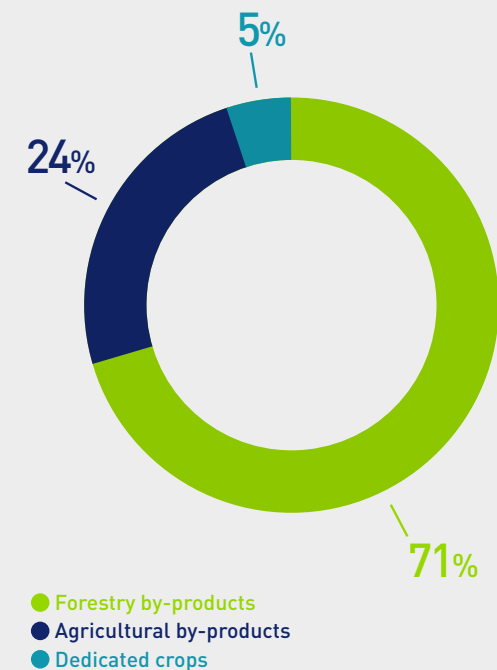
The main by-product of the process is the ash generated by combustion, in particular bottom ash, which accumulates in the boiler sub-grate, and fly ash, which is formed from fume purification. The ash is inert, stabilised and therefore non-hazardous, and is employed as recovered material in cement factories, where it is used to make construction products.

We work daily to find new channels to recover the ash and further increase its value under the banner of the circular economy.

The sourcing of raw material is one of the most important aspects of biomass generation, moreover which is well regulated, with stringent regulations concerning both the land of origin and the types of cuts.

In this context, our objective is to favour forest and agricultural by-products and the use of biomass from short supply chains, focusing on the purchase of biomass from suppliers operating within a 70 km radius of our power plants. Furthermore, we ensure that the biomass used meets all the required sustainability characteristics, verifying its origin with advanced digital traceability.

ORIGIN OF THE BIOMASS USED

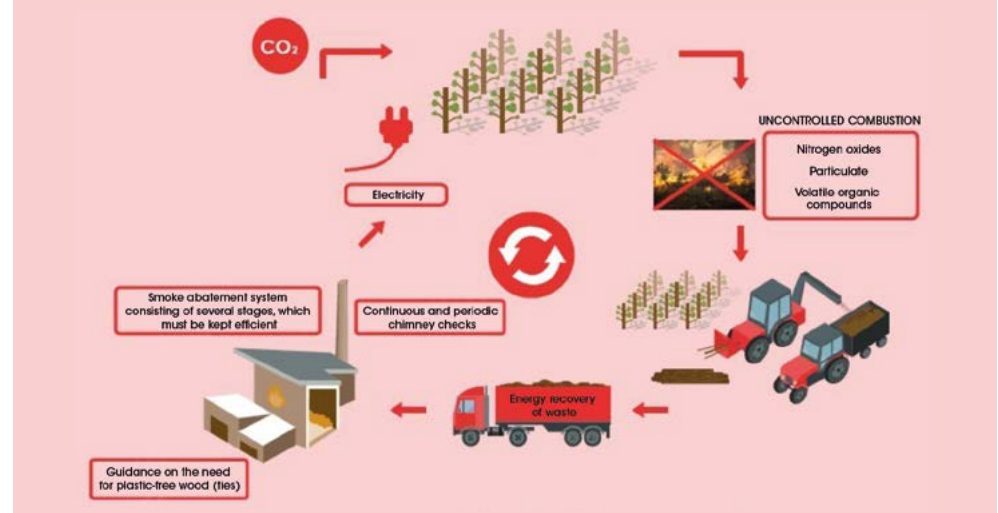


THE SUPPLY CHAIN OF A BIOMASS PLANT

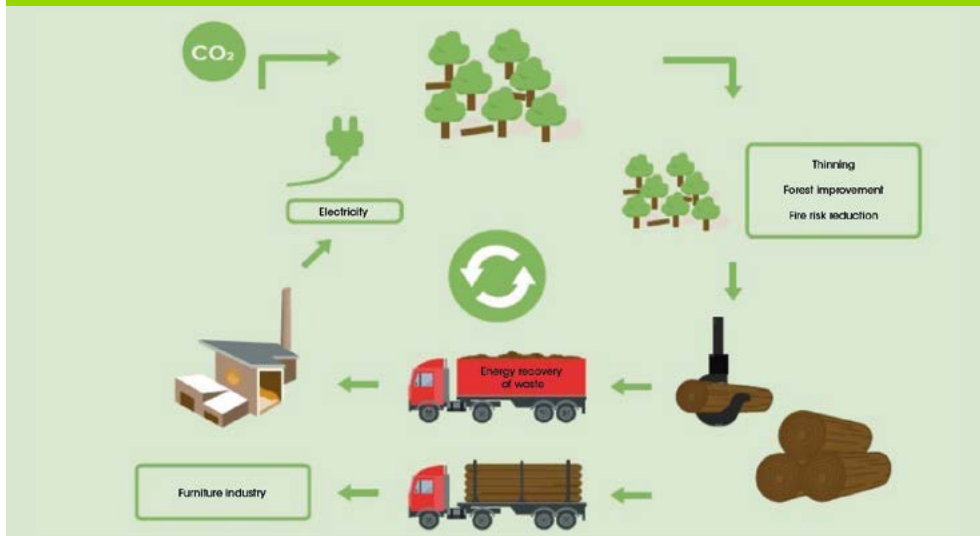
Three main players can be identified in the biomass energy production cycle: the biomass, which represents the input of the cycle, the electrical energy produced and the ash generated by the combustion process, which are the two outputs.

The supply chains are diversified according to the territory in which the power plant operates and the technology used to operate it. We can currently distinguish three main supply chains that we use to source our raw material:

1 Waste from FRUIT ARBORICULTURE processing, such as using uprooting and pruning of end-of-life fruit trees.



2 Waste from FORESTRY MAINTENANCE, from which we mainly procure wood chips.



3 Waste from WOOD ARBORICULTURE processing, from which poplar wood and by-products of its processing, such as branches and logs, are obtained.



CARING FOR THE FOREST HERITAGE

Sustainable forest management involves various care and protection measures: thinning out the forest in a controlled manner, for example, allows more CO₂ to be absorbed, biodiversity to be preserved and young plants to grow healthily.

Taking care of the forest prevents its abandonment and plays an important preventive role:

- mitigates fire risk;
- counteracts hydrogeological instability;
- intervenes as support in the event of agroforestry emergencies, using wood material that cannot be used for other purposes to produce energy, such as that resulting from the storm in the Vaia area or from trees damaged by pathogens such as bark beetles and xylella.



THE BIOTRACK APP

This innovative digital application developed by Sorgenia Bioenergie supports the traceability of biomass used in energy production plants.

The transport drivers will be able to check the conformity of the material pick-up point, record the loading operations and provide the destination plant staff with an estimated time of arrival for the delivery. They will also record the loading point and confirm arrival at the plant.

The app is part of the Group's digital transformation strategy; it guarantees end-to-end chain traceability and fully supports the internal functions dealing with raw material procurement and purchasing.

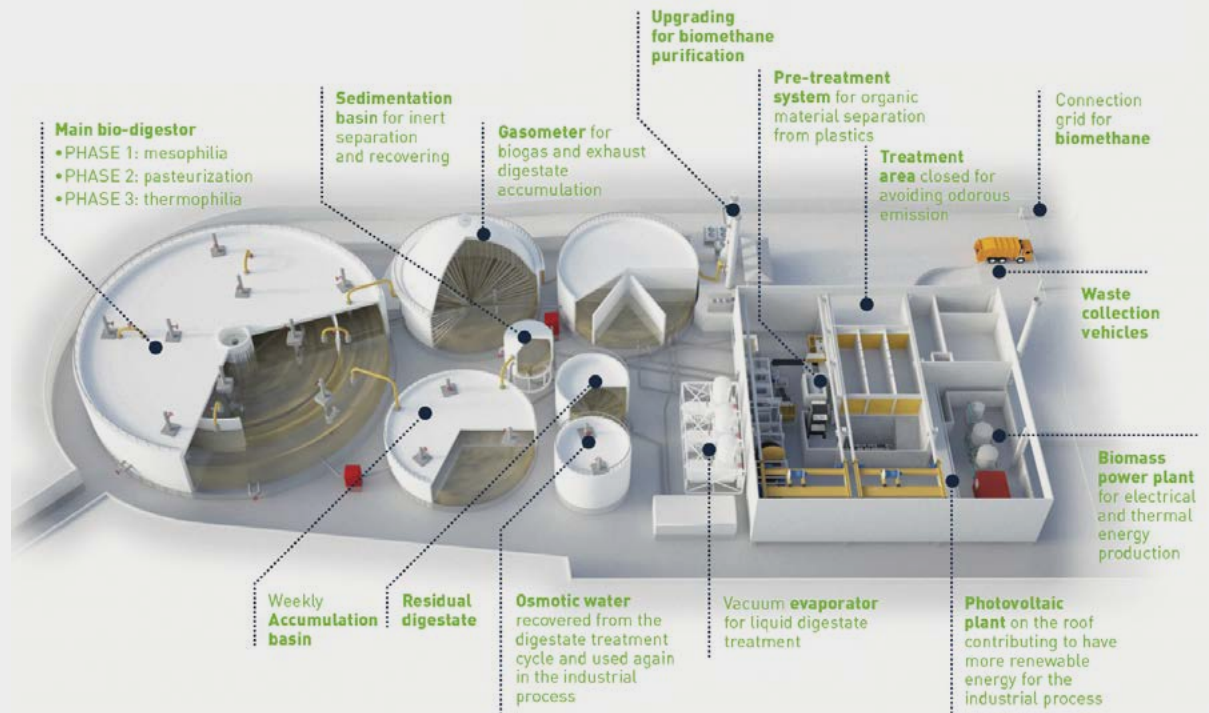


GREEN BIOMETHANE: ENERGY FROM WASTE

The new power plant in **Marcallo con Casone (MI)** was commissioned in 2023, and will contribute to Italy's energy independence through the production of green biomethane from OFMSW and other organic waste, one of the main renewable sources at the heart of the European transition. The innovative process combines different technologies - biodigestion, biomass and photovoltaics - allowing to enhance all the materials introduced, in a circular economy logic.

In 2023, the plant transformed 6.6 tonnes of urban organic waste and other biodegradable materials (to reach about 35,000 per year at full capacity) into about 283,000 Scm of green biomethane in gaseous form, directly fed into the national grid managed by Snam. The OFMSW will thereby generate 100% environmentally sustainable, emission-free biomethane and a completely pollutant-free fertiliser.

The project also has a positive environmental impact on the area through the construction of hydrogeological risk protection works and the use of biomass from forest maintenance in the surrounding areas.



THE ENVIRONMENTAL IMPACTS AND BENEFITS OF BIOMASS

Our biomass power plants use the best available technology to limit emissions, which are constantly monitored through certified systems.

Due to its particular geographical location in Pollino National Park, we pay special attention to the Mercure power plant, for which we have set up an extensive and capillary monitoring network with 10 air quality control stations which record daily readings.

The main environmental impacts of biomass power plants are atmospheric emissions and the waste produced.

The waste generated is almost entirely attributable to ash produced in the combustion process, and in 2023 accounted for around 88% of all waste produced by the Sorgenia Group, totalling 31,477 tonnes.

The ash is already being reused as recyclable material in cement factories today, for the production of conglomerates and building products, but we are constantly seeking out new channels of reuse in an ever increasing circular economy.

In 2023, the CO₂ emissions from the production of electricity from biomass amounted to 23,645 tCO₂e, to which approximately 2,572 tCO₂e must be added related to the consumption of natural gas needed in some phases of plant operation, diesel for powering the biomass handling and processing vehicles, and electricity purchased from the grid (calculated according to the Market-Based methodology). As with the wind farms, however, emphasis must be placed on the emissions avoided through energy production from the biomass power plants: for the same amount of energy produced, compared to conventional thermoelectric generation, we avoided the emission of a total of 177,378 tCO₂e into the atmosphere in 2023.

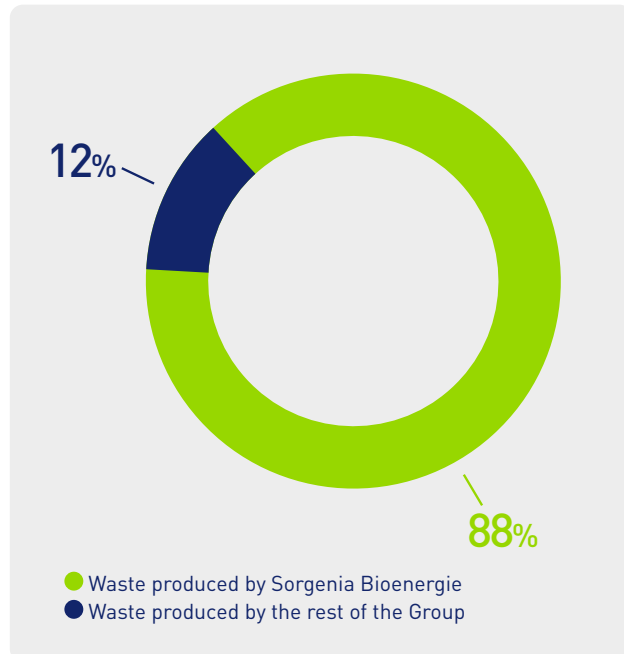


26,218
emissions produced
(tCO₂e)



177,378
emissions avoided
(tCO₂e)

Bioenergie has a particular focus on the issue of biodiversity, as the Mercure power plant is located within Pollino National Park, and the power plant area is biomonitoring in order to assess possible impacts on the biodiversity surrounding the plants.



2.5 ENVIRONMENTAL REPORTING

Energy | GRI 302-1: Energy consumed within the organisation

Fuel consumption from non-renewable sources		UoM	2021	2022	2023
Natural gas used for heating and power generation at CCGT plants		m3/000	1,209,875	1,183,755	628,396
Diesel used for heating, generator set operation and biomass handling		l	299,553	259,667	180,336
Fuel consumption for the fleet	Diesel	l	39,192	29,714	19,594
	Petrol	l	75,686	114,059	128,548
Biomass (including wood chips)		tonnes	861,254	746,062	575,114
Indirect energy consumption		UoM	2021	2022	2023
Purchased electricity consumption		MWh	41,007	46,216	48,640
Of which with certification from renewable sources (GO)		MWh	0	0	44,698

Electricity produced	UoM	2021	2022	2023
Electricity from renewable sources produced and sold	MWh	1,173,996	1,138,252	919,184
of which from photovoltaics	MWh	137	135	531
of which from wind power	MWh	568,200	512,511	522,994
of which from biomass	MWh	605,659	625,606	391,462
of which from hydroelectric	MWh	-	-	1,193
of which from OFMSW	MWh	-	-	3,004
Electricity from renewable sources produced and consumed	MWh	66,427	64,751	50,831
of which from photovoltaics	MWh	39	37	38
of which from wind power	MWh			2,524
of which from biomass	MWh	66,388	64,714	48,269
Electricity from other sources produced and sold (CCGT)	MWh	6,272,065	6,321,000	3,289,255
Electricity from other sources produced and consumed (CCGT)	MWh	101,538	81,361	77,458
Total electricity produced	MWh	7,614,025	7,605,365	4,336,728
of which from CCGT	MWh	6,373,603	6,402,361	3,366,713
of which from photovoltaics	MWh	176	172	569
of which from wind power	MWh	568,200	512,512	525,519
of which from biomass	MWh	672,046	690,320	439,731
of which from hydroelectric	MWh	-	-	1,192
of which from OFMSW	MWh	-	-	3,004

Energy consumed	UoM	2021	2022	2023
Natural gas used for heating and power generation at CCGT plants	GJ	42,685,584	41,830,336	22,281,044
Diesel used for heating, generator set operation and biomass handling	GJ	10,829	9,364	6,416
Fuel for the fleet	Diesel	1,417	1,071	697
	Petrol	2,421	3,649	4,122
Electricity purchased from the grid	GJ	147,623	166,378	175,105
Biomass used for energy production	GJ	2,419,367	2,485,152	1,583,030
<i>of which for self-consumption</i>	GJ	238,995	232,970	173,767
Electricity from self-consumed renewable sources	GJ	143	133	9,224
Total	GJ	45,267,384	44,496,083	24,059,638

Emissions | GRI 305-1 GHG Direct emissions (Scope 1)

	UoM	2021	2022	2023
Natural gas used for heating and power generation at CCGT plants	tCO ₂ e	2,399,181	2,356,855	1,277,016
Diesel used for heating, generator set operation and biomass handling	tCO ₂ e	800	692	474
Fuel for the fleet	Diesel	105	79	52
	Petrol	177	267	301
Biomass used for energy production	tCO ₂ e	49,223	29,685	23,645
Refrigerant gas leaks	tCO ₂ e	479	951	26
Total emissions Scope 1	tCO₂e	2,449,965	2,388,529	1,301,514

Emissions | GRI 305-2: Indirect GHG emissions from energy consumption (Scope 2)

	UoM	2021	2022	2023
Purchased Electricity - Location-Based Method*	tCO ₂	12,917	14,558	15,322
Purchased Electricity - Market-Based Method**	tCO ₂ e	18,804	21,101	1,802

* The Location-Based method takes into account a factor reflecting the energy mix of the country where the energy consumption takes place.

**The Market-Based method reflects procurement choices (e.g., use of instruments such as Renewable Energy Certificates (RECs) and Guarantees of Origin (GOs)).

Emissions | GRI 305-7: Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions

	UoM	2021	2022	2023
NOx	kg	1,449,186	1,321,084	764,167
SOx	kg	24,809	23,503	21,252
PM	kg	11,152	6,984	3,435

Waste | GRI 306-3, 4, 5: Waste generated, not sent for disposal and sent for disposal

Type of waste	UoM	2021	2022	2023
Bottom ash	t	17,377	19,010	15,178
Fly ash	t	16,603	17,205	13,304
Sludge	t	1,910	1,332	1,105
Waste from fume purification	t	617	768	633
Aqueous solutions	t	566	803	2,776
Plastic	t	187	8	6
Metals	t	171	197	226
Packaging	t	112	54	60
Digestate produced by anaerobic treatment of municipal waste	t	-	-	1,511
Other ¹	t	424	428	1,116
Total	t	37,967	39,805	35,915
<i>Of which hazardous</i>	t	720	937	855
<i>Of which non-hazardous</i>	t	37,248	38,868	35,060
<i>Of which sent for recovery/recycled</i>	t	35,533	36,608	31,309
<i>Of which sent to landfill or incineration</i>	t	2,434	3,197	4,606

¹ - 2021 and 2022: Among others: bulky items, batteries, filters, oils, glass.

- 2023: Among others: bulky waste, batteries, filters, oils, glass, plus mixed materials and the liquids produced from anaerobic treatment at the Marcallo OFMSW plant.

Water Resources | GRI 303-3: Water withdrawn per source

Withdrawals by source	UoM	2021	2022	2023
Surface water	m ³	3,687,786	3,371,247	2,126,196
Groundwater (wells)	m ³	72,397	106,572	89,772
Third party water (aqueduct)	m ³	79,114	72,806	42,695
Total water withdrawn	m³	3,839,297	3,550,625	2,258,663

Direct emissions in water	UoM	2021	2022	2023
Number of water samplings during the year	no.	N/A	6	12
Total amount of water discharge	litres	N/A	1,247,297	965,154

Supplier environmental assessment | GRI 308-1: New suppliers assessed using environmental criteria

	UoM	2021	2022	2023
Percentage of new suppliers assessed using environmental criteria	%	11%	6%	5%

CONSCIOUS AND INCREASINGLY EFFICIENT CUSTOMERS

3.1 SPECIALISED, RELIABLE, CLOSE

Over **600**
customers

900,000
supply points

(+20% Customers vs 2022, of which about 200,000 in the Gradual Protection Service)

8.3 (out of 10)
satisfaction
of our customers

We have chosen to combine the supply of energy and connectivity with green-tech solutions in recent years: from photovoltaic systems to storage systems, from heat pumps to charging stations for electric cars, to digital systems for monitoring and limiting consumption, these innovative tools can provide customers with an economic advantage, let them be an active part of the energy transition and make our country's supply system safer.

We bring sustainable energy and simple, personal and shared services to our customers through a simple concept: respect.

Those who choose energy, gas or fibre from Sorgenia do so in complete freedom, without pressure or phone calls, but by personally simulating online how much they would spend and having plenty of time to consider our offers.

But that's not all: we protect customer data and privacy with strict, up-to-date policies and procedures. Making customer centricity and customer intimacy the principles of our work means listening to customers in order to improve our service every day, being at their side so that they can be an active part of sustainable growth.

We contribute to the following SDGs...

SIGNIFICANT IMPACT



POSITIVE IMPACT



HOW OUR CUSTOMERS EVALUATE US

Customer Satisfaction*

8.3 out of 10

vs energy sector average = 7.5
and aligned with top players in other markets

Source: SWG

(*) Customer Satisfaction measures customers' overall satisfaction with their relationship and contact experience with Sorgenia on a scale of 1 to 10.

NPS (Net Promoter Score)*

42

vs energy sector average <0

Source: GFK

(*) NPS is an index ranging from -100 to 100 that measures customers' willingness to recommend a company's products or services to others.



CONSUMERISMO RATING

Again in 2023 we were rated as an "excellent operator" by Consumerismo No Profit APS, a consumer protection association, on aspects of customer care, contracting and employee protection, reflecting our commitment to making the experience with energy easier and more personal and shared.



CREDIT RISK MANAGEMENT SYSTEM CERTIFICATION

DNV renewed the three-year certification on the sensitive topic of credit management in 2023, with a merit note for significant innovations. We dedicate the utmost attention and closeness to the customer in this area as well, in situations that can be particularly difficult.

CERTIFICATION OF CUSTOMER CARE PROCESSES (ISO 18295)

One of the first in the free energy market, in 2015 we obtained (and have confirmed every year since) a quality certification of our customer service processes by the international body DNV.

We were the first operator in the free energy market to have its customer care services certified by the international certification body DNV in 2015, one of the world's leading certification bodies.

The certification attests to the quality, transparency and accuracy of telephone customer care services according to UNI EN 18295:2017, specifies a set of requirements defining best relationship practices and identifies initiatives aimed at improving customer satisfaction.



SORGENIA IS A "RECOMMENDED PROVIDER" BY ALTRICONSUMO

After an analysis carried out by Altroconsumo on the pre-contractual conditions and responses of almost 30,000 customers of electricity and gas providers, we were awarded the title "Recommended Provider."

**OUR PREFERRED
TOUCHPOINTS:**



Call Centre



Chat



WhatsApp



APP



Website

OUR SOCIAL NETWORKS:



GRADUAL PROTECTION

The Gradual Protection Service was set up by ARERA (Regulatory Authority for Energy Networks and Environment) to accompany the transition of all customers who have an electricity supply contract in the protected market to the free market.

The transition to the free energy market is an important step in opening up the Italian energy market, offering consumers the possibility to choose between different offers and suppliers in order to optimise costs and customise their energy supply. The compulsory transition to the free market aims to foster competition and stimulate innovation in the sector, promoting a more dynamic market geared to the individual needs of consumers.

A first step was taken in 2022 when micro-enterprises with an electricity supply contract in the enhanced protection service and with certain characteristics (less than 10 employees, annual turnover not exceeding 2 million euros, and owners of at least one withdrawal point with a contractually committed power of more than 15 kW) joined the Gradual Protection Service. These are added to non-domestic customers with only withdrawal points with a contractually committed power not exceeding 15 kW.

In November 2022, Sorgenia participated in the tender managed by ARERA and was selected as the supplier of the micro-enterprise Gradual Protection Service for customer lots in Lombardy, Veneto, Emilia-Romagna and Piedmont.

These customers signed their supply with us on 1 April 2023, and this year our efforts have focused on accompanying them on this new journey with our experience and reliability and our simple, personal and shared services.

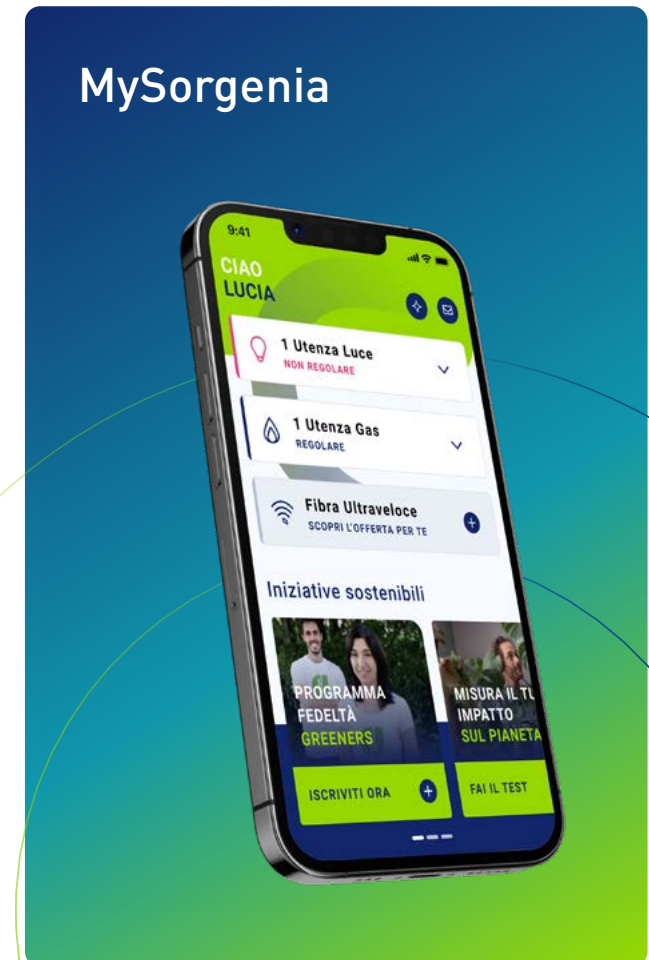
THE INTERACTIVE DIMENSION OF ENERGY

We strive to improve the classic customer-supplier relationship, guaranteeing transparency and building an authentic dialogue that interprets energy no longer as an undifferentiated commodity but as a primary asset, whose proper management can help to improve the world we live in.

- **Energy Corner:** through this service, customers can access all the information on their supplies, services and news from Sorgenia in one place, as well as the customer area and useful insights to better understand their bills, consumption and how to manage it efficiently. In addition, several guides to adopting a more sustainable lifestyle are available.
- **MySorgenia app:** the meeting point between Sorgenia and customers who have chosen the Light, Gas, Fibre and soon Photovoltaic services. The app is updated and innovated according to collaborative design principles and by constantly listening to customers. MySorgenia brings together all the management and control possibilities of utilities in a single place, with a focus on in-depth analyses of consumption, environmental impact and advice on more efficient and eco-friendly behaviour.

In 2023, the **Energy Check Up** was added to the App: a new digital service allowing to identify the most suitable energy efficiency solutions for the home in order to reduce its environmental impact and lower its energy bills.

- **Beyond Energy:** the system available in MySorgenia for monitoring consumption down to individual appliance details and receiving targeted, energy-saving advice. The scope of the features that can be used by our community of Greeners was further expanded in 2023.
- **MyNextMove:** launched in October 2022, this is Sorgenia's app dedicated to electric mobility. It allows users to locate nearby charging points, choose columns, view their details, including the energy source, choose those offering only green energy, and start the charging process.



GREENERS

A true community born in 2020 as a loyalty programme inspired by the principles of sustainability. After being extended in 2022 to all our customers, in 2023 it was also opened to all people who, like Sorgenia customers, care about the environment and are committed to environmental and social activism.

Greeners are those who are ready to face our "missions," put our green tips into practice and challenge themselves every day to improve the planet and the environment we live in. Greeners acquire green coins through interactive videos, questionnaires or tests, with which they can request certified sustainable products or make donations to social causes guaranteed by recognised NGOs or promoted by Sorgenia.

We involve our Greeners every day, as protagonists in initiatives that make a difference, including:

SPESA SOSPESA: the project for donating basic necessities to families in need.

> [see the focus on page 115](#)

GENERATION CARBON: educational project launched in 1,000 primary schools throughout Italy, with the aim of involving 25,000 students to raise awareness of greenhouse gas emissions into the atmosphere.

> [see the focus on page 117](#)

DO THE RIGHT THING: participation in this trade fair that has been promoting sustainable lifestyles for 20 years; this was the right place to make the Greeners community known and increase the number of participants, as it has become a community open to all.

CITIZEN SCIENCE: we involved the Greeners in a Citizen Science activity (a "participatory science" project that allows people to feed an updated biodiversity database by sending simple photos from their smartphones) to raise awareness of the importance of collecting and sharing information with the scientific community, facilitating their analysis and study of climate change. The digital sphere makes this dialogue between people and scientists possible, and we wanted to propose an activity to the community to help them discover this new world of opportunities.

ONCE AGAIN THIS YEAR, THE COMMUNITY WAS EXTREMELY RECEPTIVE, WITH 80% OF GREENERS ACTIVELY AND PROACTIVELY INVOLVED AND MORE THAN 50% OF GREEN COINS USED IN SUSTAINABLE PROJECTS.



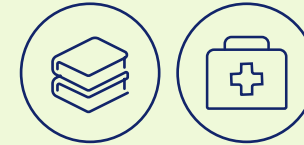
THE GREENERS' CONTRIBUTION IN NUMBERS

WHAT WE HAVE BEEN ABLE TO DO THANKS TO THE GREENERS' DONATIONS IN 2023:



Forests

50,000 sqm of forests adopted in partnership with the non-profit organisation Rete Clima, in the province of Brescia (15,000 sqm of forest in Piana del Gaver, an area comprising about 600 trees) and a portion of the Crocedomini Pass (covering about 35,000 sqm).



Support for Communities in Need

260 medical examinations donated to individuals and families in situations of economic fragility with TempoSospeso - within the Lab00 project.



Biodiversity

80 hives adopted with 3bee

A hive was donated: a home for **60,000 bees**, in Rovigo with Savingbees

3.2 RENEWABLE ENERGY COMMUNITIES (REC)

SOLISCA - TURANO LODIGIANO

45 KW

annual production for 2023
was 49 kWh



9 municipal users
1 parish
23 households

SONGROEN - BERTONICO

24.8 KW

expected annual production
of 27,000 kWh



2 municipal users
5 households

RECs play a key role among the tools of the European energy transition strategy, promoting distributed generation and true zero-kilometre production through the development of green energy plants. This also has positive repercussions from a social point of view, thanks to the involvement of territorial realities in an effort that promotes cohesion and brings an economic contribution, useful for mitigating energy poverty and especially helping in situations of fragility. Despite the fact that institutions have recently focused on the topic of energy communities, there are still very few projects completed at national level, as we are still in an experimental phase and the regulatory activity is conspicuous. After our first Renewable Energy Community SOLISCA was authorised in Turano Lodigiano in 2022, in 2023 we obtained authorisation from the GSE (Energy Services Manager) for a new REC a few kilometres away, in the municipality of Bertonico.

The Turano REC arose as a project that brings together public administration and the local community to generate environmental and social

benefits as well as economic savings. It is now well established and produces around 50,000 kWh/year of renewable energy thanks to two photovoltaic plants with a total power of 45 kW installed on the covered areas of the sports field and gymnasium. Today, this energy community consists of 23 households, one parish and nine municipal users.

The new REC in the municipality of Bertonico, called SONGROEN, consists of two photovoltaic plants, one for 25kW placed on the roofs of the school canteen and a second one for 9kW placed instead on the civil protection headquarters. The project began in 2021 with the installation of photovoltaic panels, and became a full-fledged REC in 2023, capable of aggregating five households and two municipal utilities.

With the recent publication of the new decree of the Ministry for the Environment and Energy Security (MASE) on 24 January 2024, it will be possible to set up larger renewable energy communities with larger plants, for zero-kilometre renewable

energy production and local sharing, enabling the implementation of more efficient tools for achieving the objectives of the National Integrated Energy and Climate Plan (NIPEC), as well as for the transformation of the energy system towards a new paradigm of distributed generation on the territory.

For Sorgenia, this confirms the opportunity to develop new projects and consolidate its position as one of the first energy operators that believed in the renewable energy communities project and pioneered the first communities in the country. The construction of new plants for renewable energy production is also part of our goal to develop a pipeline of projects for new green plants. There are more than 20 other projects in the pipeline that will lead to the establishment of new RECs, with an installed capacity of almost 2 MW.

3.3 THE VALUE OF EFFICIENCY

Again in 2023, the contribution of Sorgenia Green Solutions allowed us to offer a wide range of energy efficiency solutions for private and industrial customers; the year just ended was particularly challenging in the B2C retail world, especially as a number of regulatory changes led to freezing credit assignment (Italian LAW 38 of 11 April 2023 - Conversion into law, with amendments, of Italian Decree-Law 11 of 16 February 2023), with a consequent impact from a commercial point of view. For this reason, we have been working on new selling propositions: for example, we have purchased excess energy produced by our customers and are considering new forms of economic incentives for the installation of photovoltaic plants.

The B2B segment was instead less affected by the regulatory changes: the photovoltaic market is still quite buoyant, and therefore new business models were developed during the year, from turnkey sales to PPA (Power Purchase Agreement) sales, which is still in the launch phase but will see the first contracts in 2024.

Whether for private or industrial customers, our commitment is always to spread a virtuous approach to energy consumption based on the digitalisation of processes and conscious actions, so that everyone does their part for the planet:

1. **PRODUCING OUR OWN ENERGY**
2. **SAVING MONEY**
3. **REDUCING OUR CARBON FOOTPRINT**

In the course of 2023 alone, thanks to a network of specialised professionals in the area that constantly ensure an efficient and sustainable service, we installed:

~25 MWe of photovoltaic systems
of which

~ 7 MWe private individuals

~ 18 MWe industrial

Over 11 MWh of storage batteries

From the birth of Sorgenia Green Solution in 2020 to today, we can boast:

more than 4,100 photovoltaic systems
of which

over 4,000 private individuals
137 industrial

~ 50 MW installed capacity
of which

~ 23 MW private individuals
~ 27 MW industrial

more than 35 MWh of storage capacity installed

The average output of the photovoltaic systems alone is around 29,150 MWh per year: a value that will lighten the consumption and impact for our private customers, who thanks to our support have also been able to benefit from the various forms of subsidies available.

ENVIRONMENTAL IMPACTS OF SORGENIA GREEN SOLUTIONS

As an ESCo (Energy Service Company), Sorgenia Green Solutions offers its customers energy efficiency services and solutions that represent a concrete and tangible way to contribute to the energy transition, allowing households and businesses to choose and self-produce clean energy from renewable sources, manage their consumption efficiently and reduce their carbon footprint.

SGS's energy consumption and impacts are therefore negligible and minor compared to those of the entire Group. The main consumption is related to the maintenance of the offices, and therefore refers to the electricity purchased and used for heating, lighting and the operation of computers.

Sorgenia Green Solutions has 4,171 photovoltaic systems to its credit for a total of 50.69 MW of installed power.

For the installation and maintenance of the systems and the various services we offer, we rely on a network of qualified installers depending on the installation site. This ensures we always have an efficient service near the customer, thereby also reducing fuel consumption for the installers' own vehicles.

Among other advantages, having a network of qualified professionals and installers distributed throughout the country also allows us to increase service efficiency by significantly reducing travel and transfers from the headquarters to the end customers' sites.

The typical service offered consists of a photovoltaic system, storage batteries to make the most of the energy produced by the system itself, electric car charging stations and hybrid or all-electric heat pump water treatment and heating systems.

Photovoltaic storage batteries enable flexible management of the energy produced by the photovoltaic system, as they allow energy not consumed during the day to be stored and made available at other times or to partially recharge any electric cars owned by the customer, e.g., in the evening hours.

3.4 TRANSPARENCY AND PROTECTION OF PRIVACY

HOW WE PROTECT OUR CUSTOMERS

We want customers to choose Sorgenia freely. We guarantee complete transparency and for years now we have decided to adopt a transparent and sustainable business using secure channels: we do not carry out phone sales activities in the domestic segment and this allows us to avoid reports in relation to privacy, antitrust and aggressive and fraudulent telemarketing.

We are aware that the liberalisation of the energy market has led to an increase in various types of scams, mainly involving those who, belonging to a non-digital native generation, are less familiar with the web. We have raised awareness through all our main touch points, providing useful information and guides to combat this phenomenon that is so harmful to us and to the customer. With the aim of helping to draw attention to the phenomenon, we have had a form on our website since 2021 that can be filled in to facilitate reporting suspicious phone calls to Sorgenia and the Competition and Market Authority. A useful tool to fight, together with consumers, a phenomenon that is becoming more and more aggressive.

HOW WE PROTECT PRIVACY

All Sorgenia Group companies adopt specific Privacy policies (which determine general principles, organisational models, roles and responsibilities) and implement Privacy by Design and by Default.

Personal data is processed in accordance with applicable laws and in particular the General Data Protection Regulation 2016/679 (GDPR). We also have a Data Retention Policy that lays down the rules and timeframes for retaining personal data, and a specific procedure for handling data breaches.

Lastly, we have a specific complaints handling procedure within which we formalise the internal operating practices for handling complaints received from customers regarding non-compliance with privacy consent and the internal operating procedures for handling requests received from data subjects on the exercise of their rights.



OUR NEXT CHALLENGES

- Our typical customers are evolved families and companies that are concerned about the environment and sustainability, open to the continuous advances offered by digitisation, and at the same time have an extremely concrete understanding of how energy impacts their lives and those of the entire planet. This awareness has been made even stronger by the extremely complex international situation.
- Today more than ever, energy is a primary good and as such it must be managed, guaranteed to all, and protected from waste.
- This ideal vision is put into practice in our industrial action and our daily customer relations, and is at the root of our 2024-2028 Business Plan.

In 2022

We installed over
17 MW of photovoltaic systems
at private and business customers.

In 2023

We installed over
25 MW of photovoltaic systems
at private and business customers.

Business Plan targets:

- > **Providing customers with more awareness and tools to actively participate in the energy transition and virtuously use an energy that is not just a commodity, but a primary asset to be preserved.**
- > **Install over 300 mw of photovoltaic systems at private and business customers between 2024 and 2028.**

VALUE TO OUR PEOPLE

4.1 MORE THAN 600 PEOPLE FOR ONE ENERGY

643
employees

+8
vs
2022

4 training hours
on ESG issues
to all management

As at 31 December 2023, our workforce consisted of 643 employees, plus 15 interns, 5 temporary and 1 self-employed collaborator.

Compared to the previous year, our total number of employees grew by a further 8%, reflecting the strong growth that all Group companies are experiencing. The rate of new hires stood at 16%. In absolute values, we welcomed a total of 94 employees into our Group, of whom 44 were women and 50 men. Of the total number of hires, an impressive 44 are under 30 years old, and 46 are in the middle 30-50 age group. By contrast, the turnover rate stood at 8%. [\[GRI 401-1\]](#)

Also as a result of this growth, every day we strive to create a working environment based on trust and the pleasure of being together, where people can feel free to express themselves and achieve common goals with passion and enthusiasm.

We contribute to the following SDGs...

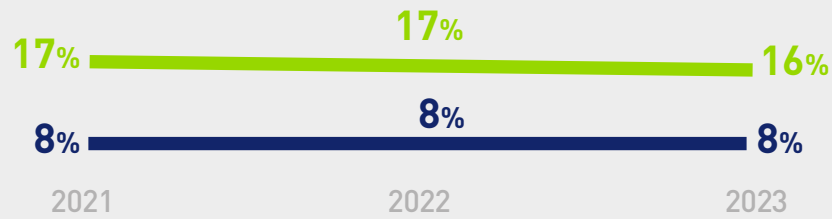
SIGNIFICANT IMPACT



POSITIVE IMPACT



Hire rate and termination rate

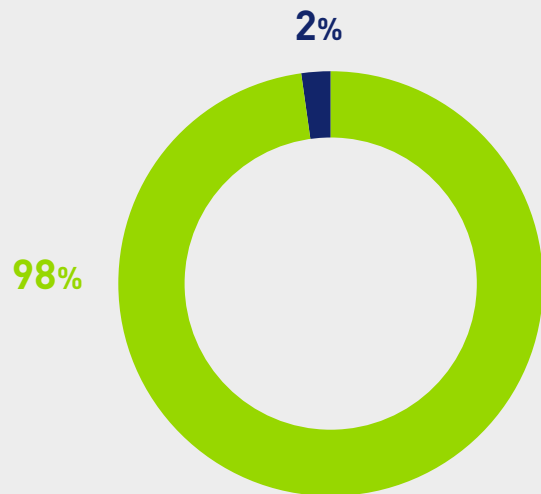


Hire rate
Termination rate

People by professional category

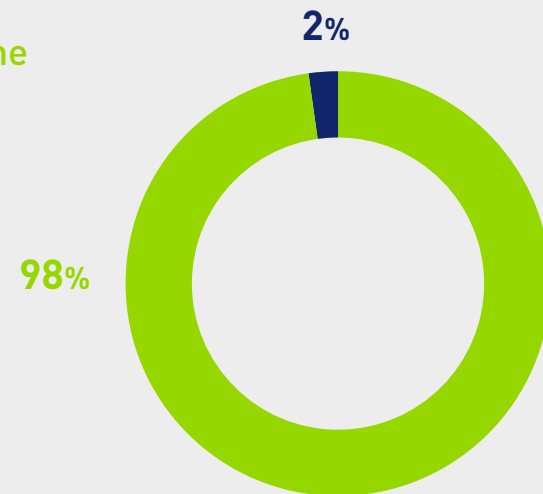


Fixed-term and permanent



Permanent
Fixed-term

Full-time and part-time



Full-time
Part-time

4.2 DIVERSITY AND INCLUSION

At Sorgenia, everyone is free to be themselves, with their own history and background, passions and life experiences. For us, inclusion means above all allowing everyone to be comfortable and free to express themselves, encouraging the discussion of different points of view, contaminating ideas and experiences. We believe this is the best way to reach common goals together.

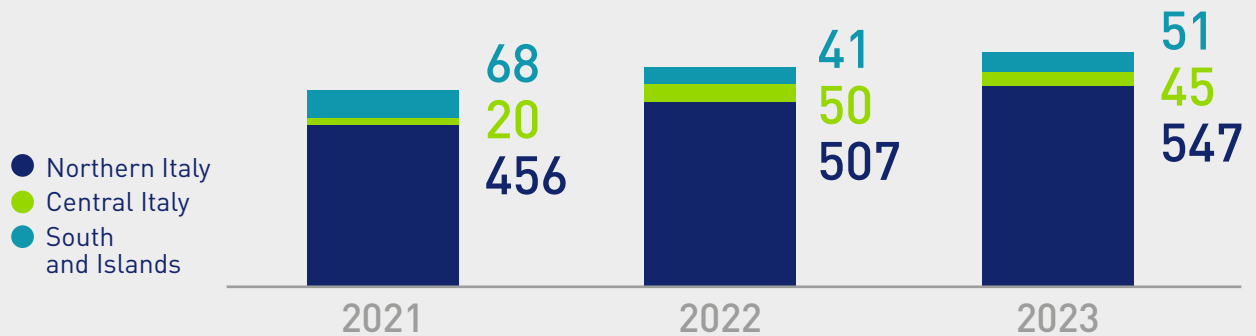
We intend to value people's diversity through company practices that make every individual feel represented and protected (and thus included) without distinction, prejudice or cultural bias, thereby guaranteeing fairness.

All this finds expression in our D&I Policy, which follows the path already outlined in the Code of Ethics: we believe in the centrality of the person and in listening to individual needs, promoting inclusiveness while respecting the differences and identities of each individual.

The gender inequality highlighted by the data can be traced back to the technical-engineering skills required by our company's core business, areas that have historically and culturally been more male-dominated; however, we are striving to increase the presence of women, even in traditionally less covered areas. [GRI 405-1]



People by geographical area



Most employees are between 30 and 50 years old, and 53% of the new colleagues hired in 2023 (with more than half of whom were women) were under 30. [GRI 405-1]

Respect for workers' rights and their appreciation are paramount: we do not tolerate any form of irregular employment, and the relationship with employees and collaborators is always governed by fair and decent employment contracts that comply with the relevant regulations and national collective bargaining agreements.

We firmly reject any kind of discrimination and promote the physical, cultural and moral integrity of each person, committing ourselves to guaranteeing working conditions that respect individual dignity and opposing any attitude, behaviour or act that is discriminatory, damaging or violent, both physically and psychologically.

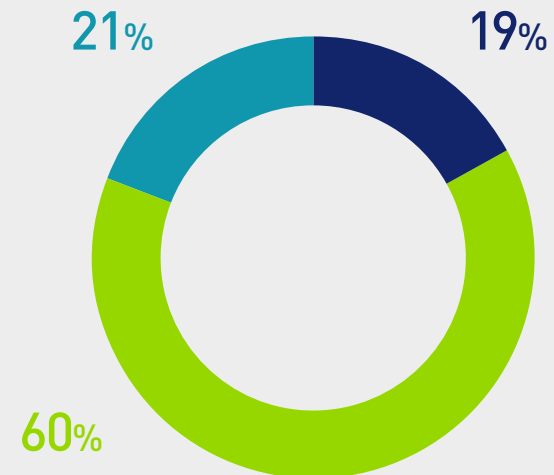
People BY GENDER

- Women
- Men



People BY AGE GROUP

- <30 years
- between 30 and 50 years
- >50 years



4.3 OUR PASSION FOR TALENT

We are a young organisation that has put people at the centre: their energy and passion, first and foremost, but also their well-being and involvement, starting with their ability to recognise themselves in the principles and values expressed by the company.

We seek out enthusiastic people who can bring creativity, vision, autonomy and responsibility to build a fertile, collaborative environment capable of facing the many challenges of an ever-changing industry.

We offer the opportunity to confront ever new, at times pioneering, frontier challenges.

We search for new talent in a way that supports and encourages diversity and inclusion, with selection processes that take into account not only professional and soft skills, but above all a deep sharing of our principles and values.

GREAT PLACE TO WORK SORGENIA HAS BEEN RECOGNISED AS A "GREAT PLACE TO WORK ITALY" SINCE 2018



Our commitment has enabled us to obtain the prestigious award Best Workplace Italia from Great Place to Work over the last few years. In fact, we were awarded as a Certified Company by Great Place to Work® Italy also for the year 2022-2023, and we ranked in the large 500+ employees category for the first time, reaching 11th place as "Great Place To Work Italy" among "large" companies, thus confirming us as one of the best Italian companies to work for according to the opinion of our employees. In addition, we have been awarded "Best Place To Work Italy 2023" in the "Women" category and "Best Workplaces Europe 2023," ranking 13th and confirming the Group as an excellence for our flexible, innovative and inclusive culture not only in Italy but also - for the first time - in Europe.

OUR GPTW TRACK RECORD

- 2019 - Category 150-499 employees, 7th place
- 2020 - Category 150-499 employees, 8th place
- 2021 - Category 150-499 employees, 8th place
- 2022 - Category 150-499 employees, 8th place
- 2023 - Category +500 employees, 11th place
- from 2018 to 2023: Great Place to Work Italia certified
- From 2019 to 2023: Best Workplaces Italia for Women
- In 2019 and 2022: Best Workplaces for Millennials
- In 2021: Best Workplaces for Innovation
- In 2022: Best Workplaces for Diversity, Equity & Inclusion

4.4 TRAINING AS A COMPETITIVE ADVANTAGE

Training makes us grow as people and improve as a company, and is a strategic factor as an engine of development and value generator.

Precisely in order to foster talent development and to have a reference framework - which is also applied in the selection process of new colleagues - we developed a leadership model called "CAICEI," which stands for the six core skills needed for our work: Collaboration, Agility, Insight, Customer intimacy, Energy, Innovation. CAICEI also applies to our Performance Management (MBO) system, which in addition to the evaluation by one's own manager, includes both a self-assessment phase and the support of a peer/co-worker assessment.

We offer continuous training opportunities: in addition to all legally required courses, e.g., in health and safety, we have various skills development programmes, talent management programmes and mentoring and coaching courses.

The learning paths take place both in-person and online and in blended mode, depending on the methodology and training content, and concern:

- onboarding new hires;
- compulsory training (e.g., environment, health and safety, compliance with regulation 231, Code of Ethics, GDPR, cybersecurity and others);
- hard skills (specific technical skills);
- soft skills (cross-cutting skills).

We provided a total of 18,577 hours of training in 2023. The training offer focused on both hard skills and soft skills such as Excel, Powerpoint, ThinkCell, Project Management, foreign languages (English, French, Spanish, German and Italian for foreigners), Occupational Health and Safety, Digital Skills, Cyber Security, Sustainable Smart Working, Management Skills, Communication and Public Speaking, Emotional Intelligence and others. [\[GRI 404-1\]](#)

We involved management in specific ESG training in 2023 to raise awareness of sustainability issues among senior management, and to share the strategy and challenges that await us with the entry into force of the CSRD (Corporate Sustainability Reporting Directive) legislation.

On average, women received 22 hours of training each, slightly less than the figure recorded for men, which stood at 33, mainly due to the technical training of staff working in power plants, which historically have a higher male representation. [\[GRI 404-1\]](#)

As far as professional categories are concerned, Blue collars received an average of 93 hours of training each in 2023, followed by White collars (28), executives (21) and Managers (19). [\[GRI 404-1\]](#)

Average training hours per capita by professional category (2023)



CAICEI PROJECT FOR POWER PLANTS

Developed with the aim of giving substance to Sorgenia's path as a "Great Place To Work" and to actively involve the people who work in our power plants, it stems from the desire to express our attention and closeness to the world of our plants. Our leadership model CAICEI is a tool to make people grow, reinforce skills and stimulate shared behaviour consistent with Sorgenia's values, principles and meanings.

This training activity made it possible to adapt the CAICEI terminology to the language of the power plants, giving specific, everyday examples, and to customise the tool that allows people to self-assess and provide feedback to their colleagues, linking directly with the performance management process.

In addition to plant managers, all colleagues from our plants were involved in the project, with a total of 179 participants and around 200 hours of training provided.

The conclusion of the project was celebrated with a meeting-event on 25 October 2023, which actively involved a team of Ambassadors from each power plant and provided an important opportunity for colleagues to get to know each other better, constructively interact and share their experience during the project.

MANAGERIAL EMPOWERMENT PROJECT

This was designed for the managers responsible for our plants: strategic people in the company, as they manage the many people working in the field in addition to the complexity of production activities.

It is a cross-functional group coaching and managerial development project based on five drivers: development of each participant's potential, enhancement of the team as an enabler and generator of change, concrete focus on self-cases and orientation to real challenges, feedback and incisive communication, and employee development. This project involved nine managers and two area managers. The project will continue during 2024 through the "360 assessment" tool that will evaluate its effectiveness and give further soundness and concreteness to the results obtained.

DIGITAL COMPETENCE CENTRE PROJECT

This is a cross-functional training centre that aims to empower people to use company data efficiently and consciously.

Several training activities were organised during the year to strengthen the pyramid of digital skills in the area of data analysis, processing, programming and organisation, facilitating an increasingly conscious and efficient use of the available business intelligence tools.

COACHING PROJECT

We have decided to increase the dissemination of the coaching culture in the company along two paths: on the one hand, through individual coaching courses aimed at managers and, in parallel, by opening up this powerful development tool to an increasing number of people through the digital platform CoachHub, in order to support individual, collective and organisational transformation.

The pilot project with CoachHub involved 11 people managers for a total of 58 hours of coaching provided. The most relevant result of this project is the generation of a widespread positive impact that involves not only managers but gradually cascades to positively impact the entire organisation.

Coaching moments foster more transparent dialogue between colleagues at all levels, with both positive and constructive shared feedback, aimed at stimulating the assumption of responsibility and awareness of one's own capabilities.

As role models, managers adopt a more inclusive leadership style and help team members to unleash their potential.

4.5 THE WELL-BEING OF ALL COLLEAGUES

Over the years, we have developed various corporate welfare programmes, such as the **WELFARE 4U** service, which was launched in 2019 and has been gradually enriched with new services. The plan is the result of an inclusive project that involved the entire company population and allowed us to build a range of proposals in line with the actual needs of our people. These are added to the first initiatives carried out in cooperation with the Department for Family Policies, with the aim of implementing work-life balance projects through activities aimed at all our people.

We also launched the **Wellbeing@Work** project with the aim of promoting corporate well-being and creating an increasingly healthy, inclusive and satisfying work environment.

We also believe in the importance of face-to-face work interaction, which encourages discussions, the continuous and direct exchange of information between colleagues, the strengthening of team spirit, collaboration, the contamination of ideas, the continuous stimulation of innovation and the inclusion of all people. We have thus formalised the **smart working policy** by adjusting the number of days in which to work remotely.





WELLBEING@WORK PROJECT

In collaboration with Stimulus Italia (a consultancy company specialising in the field of mental health at work), Wellbeing@Work is a project that has accompanied us over the past few months and will continue to accompany us in the discovery of what well-being in an organisation means and how we can take care of our own psychological health and that of the people who work with us.

Through an Employee Assistance Programme (EAP) service, we give our people (and a family member) access, free of charge, to psychological, legal/tax and socio-assistance support sessions and to start a psychotherapy programme in the area, the first eight sessions of which are paid for by Sorgenia. We thereby provide support in solving everyday problems that may concern both personal (family, relational, social, legal, tax) and professional (managing workload, stress, interpersonal relationships, etc.) aspects. A better working environment can be created by working on situations of personal discomfort, stress, anxiety or anger, addressing these difficulties through dedicated channels and fostering a climate of greater trust and satisfaction.

CONCILIAMO

As part of our WELFARE plan, the first initiatives co-financed thanks to the "Conciliamo" call for tenders awarded to Sorgenia in 2022 began in 2023.

"Conciliamo" is a path created in collaboration with the Department for Family Policies, which aims to implement work-life conciliation projects through activities aimed at all employees. The initiatives financed through the "Conciliamo" call for tenders concern: contributions to support the expenses for crèche, summer camps and study holidays, repayment of school expenses, purchase of public transport passes, psychological support services for the person and support for caregivers who take care of elderly or frail relatives, and finally a package of hours to be used for qualified baby-sitting services.



4.6 SAFE AT WORK

0.6

**injury frequency index
2023**

3

**injuries attributable
to fortuitous events**

A culture of safety at work is a core prerequisite.

- All our facilities have an ISO 45001 certified Health and Safety Management System (HSMS), the most recognised international standard in this field.
- The sites of the companies to which our production plants belong (Sorgenia Power, Sorgenia Puglia, Sorgenia Bioenergie and VRG Wind) also have an ISO 14001-45001 certified Integrated Environment and Safety Management System.
- We have specific procedures to take care of the health and safety of everyone, with a defined system of roles and responsibilities for identifying risks and intervening when necessary.

Protecting the health and safety of people is part of our corporate culture. This is why we encourage responsible behaviour among employees and contractors, promoting greater attention to and awareness of risks and working towards continuous improvement of health and safety standards.

Safety at work, training and professional development, internal climate and corporate welfare have been areas of great commitment, especially in these difficult years characterised by a socio-economic context that is certainly not reassuring. We have procedures and models in place to ensure employee safety and health, in full compliance with current legislation, adopting universally shared international standards based on industry best practices and often going even further to ensure the lowest possible risk levels and safest working conditions.

The different company departments are responsible for supervising the implementation of safety measures, whose updating is ensured by dedicated training programmes. In accordance with the law, the risk assessment is carried out by the Employers with the support of the Health and Safety Officer (RSPP), the Prevention and Protection Service and department heads through inspections and consultations with employees and their Safety Representatives (RLS). As described in the Group's Risk Assessment Document (DVR), there is a special protocol to be applied in the case of accidents at work, depending on the severity of the event. In accordance with legal obligations, company doctors have been appointed to collaborate in the risk assessment and guarantee the confidentiality of information that may emerge from periodic visits with employees, in full compliance with privacy protection regulations.

A key part of our focus on our people is where they spend most of their working days. This is why we continuously strive to improve our working environments, putting safety first and building an efficient but also familiar and aesthetically pleasing environment that helps everyone feel at ease. Our head office in Milan was built pursuing several objectives, including energy saving, the creation of flexible, dynamic, digital and innovative spaces, and the pursuit of beauty and well-being, always guaranteeing a healthy and safe environment. The spaces we work in on a daily basis represent us and make us feel at home.

We have implemented a digital control and management system in the CCGT power plants. Thanks to the creation of specific applications designed by Sorgenia's engineers, it is possible to manage all health and safety processes related to power plants from smartphones and tablets: from procurement to the control of environmental and safety equipment, from the analysis and sharing of accidents and near misses to work permits for contractors, from the complete management of the waste cycle to staff training. The use of these solutions has improved the quality of work, the control of individual processes, the dematerialisation of paper documents, as well as achieving high security standards.

Safety is also at the heart of the project, which has drastically reduced the response time of the emergency team in the event of a worker's injury. Thanks to an app, rugged smartphones for staff (indestructible mobile phones designed for those who need a device that can withstand extraordinary temperatures, shocks, water, dust, scratches and falls), indoor and outdoor georeferencing devices installed in the plant, and an innovative communications management system, the emergency management team is able to rescue the worker in distress in the shortest possible time, knowing their exact location.

These interventions further increase the efficiency, reliability, safety and environmental compatibility of the systems, and also make it possible to use working methods that were once unthinkable for a plant technician, i.e., remote intervention for any type of need. We want our plants to be a model of excellence and a source of pride for the host territories as well.

In order to increase the quality of our photovoltaic plants and customer satisfaction, at the end of 2022 we carried out an in-depth analysis in the field of health and safety at construction sites, after which a major overhaul of the safety management process was undertaken. We therefore equalised the safety levels of retail sites with that of business sites in 2023 to ensure the highest level of safety at all times in both larger and smaller facilities. We also strengthened site monitoring inspections, which are useful not only to supervise the work of subcontractors but also to collect quantifiable and objective evaluations necessary for a correct assessment of installers.

We also adopt best practices and safety management systems at our active construction sites for the new biogas plants in the municipality of Marcallo and photovoltaic plants in Grosseto, which have contributed to the absence of negative occupational health and safety events.





OUR NEXT CHALLENGES

In 2022

- We were certified as "Best Workplace for Women," "Best Workplaces Diversity, Equity and Inclusion" and "Best Workplaces for Millennials".
- We ensured the highest level of safety in our offices and production facilities, with an injury frequency index of 0.6.

In 2023

- We were certified as "Best Workplace for Women" and "Best Workplaces in Europe".
- We continued to invest in excellent safety levels: injury frequency index of 0.6.
- We approved a DE&I Policy that follows the path already marked out by the Code of Ethics, putting people at the centre and promoting inclusiveness with respect for everyone's differences and identities.

ESG Plan Targets:

In 2024 we plan to:

- confirm certification as "Great Place To Work" in the "big companies" category.
- implement the actions in our Diversity, Equity and Inclusion Roadmap, as an implementation of our DE&I Policy.
- ensure workers' safety with a view to continuous improvement.

4.7 SOCIAL REPORTING

General disclosure | GRI 2-7, 2-8: Information on employees and other workers

Number of employees by employment contract and gender

Type of employment contract*	Gender	2021	2022	2023
Permanent	Women	165	187	209
	Men	355	393	420
	Total	520	580	629
Fixed-term	Women	7	8	8
	Men	17	10	6
	Total	24	18	14
Total		544	598	643

* There are no non-guaranteed hourly workers present

Number of employees by type of employment and gender

Type of employment	Gender	2021	2022	2023
Full-time	Women	160	183	207
	Men	372	403	426
	Total	532	586	633
Part-time	Women	12	12	10
	Men	0	0	0
	Total	12	12	10
Total		544	598	643

Number of employees by employment contract and geographical area

Type of employment contract	Geographical area	2021	2022	2023
Permanent	Northern Italy	436	489	535
	Central Italy	19	50	45
	South and Islands	65	41	49
	Total	520	580	629
Fixed-term	Northern Italy	20	18	12
	Central Italy	1	0	0
	South and Islands	3	0	2
	Total	24	18	14
Total		544	598	643

Non-employed workers	UoM	2021	2022	2023
Trainees/interns	no.	20	21	15
Temporary workers	no.	12	4	5
Self-employed workers	no.	1	2	1
Staff in FTE	UoM	2021	2022	2023
Permanent employees in FTE	FTE	509	550	585
Fixed-term employees in FTE	FTE	24	11	12
Total Employees in FTE	FTE	533	561	597

General disclosure | GRI 2-30: Collective bargaining agreements

	UoM	2021	2022	2023
Percentage of employees covered by collective bargaining agreements	%	100%	100%	96%

Employment | GRI 401-1: New hires and turnover

Number of new hires by gender and age

Gender	Age	2021	2022	2023
Women	< 30 years	20	28	23
	Between 30 and 50 years	8	13	19
	> 50 years	3	0	2
	Total no. of new hires - women	31	41	44
Men	< 30 years	20	26	21
	Between 30 and 50 years	36	27	27
	> 50 years	7	5	2
	Total no. of new hires - men	63	58	50
Total number of new hires		94	99	94

Number of new hires by geographical area

Geographical area	2021	2022	2023
Northern Italy	85	95	92
Central Italy	1	1	0
South and Islands	8	3	2
Total number of new hires	94	99	94

Number of terminations by gender and age

Gender	Age	2021	2022	2023
Women	< 30 years	1	6	9
	Between 30 and 50 years	7	12	11
	> 50 years	3	0	2
	Total no. of terminations - women	11	18	22
Men	< 30 years	6	6	5
	Between 30 and 50 years	18	13	15
	> 50 years	7	8	7
	Total no. of terminations - men	31	27	27
Total number of terminations		42	45	49

Number of terminations by geographical area

Geographical area	2021	2022	2023
Northern Italy	35	45	47
Central Italy	1	0	1
South and Islands	6	0	1
Total number of terminations	42	45	49

Occupational Health and Safety | GRI 403-9: Work-related injuries

Employees	UoM	2021	2022	2023
Hours worked	Hours	876,805	997,248	1,041,799
Total number of recordable work-related injuries, including fatalities	no.	2	3	3
<i>of which commuting accidents (only if the transport was organised by the company and the commute took place within working hours)</i>	no.	0	1	0*
<i>of which work-related injuries with serious consequences (>6 months' absence), excluding fatalities</i>	no.	1	0	0
<i>of which fatalities</i>	no.	0	0	0
Rate of recordable work-related injuries	-	0.5	0.6	0.6
Rate of work-related injuries with serious consequences	-	0.2	0.0	0.0
Fatality rate	-	0.0	0.0	0.0

* According to the GRI Standards, only those incidents occurring on journeys organised by Sorgenia are considered commuting accidents.

Non-employed workers	UoM	2021	2022	2023
Hours worked	Hours	368	238,926	259,812
Total number of recordable work-related injuries, including fatalities	no.	0	5	1
<i>of which commuting accidents (only if the transport was organised by the company and the commute took place within working hours)</i>	no.	0	0	0
<i>of which work-related injuries with serious consequences (>6 months' absence), excluding fatalities</i>	no.	0	0	0
<i>of which fatalities</i>	no.	0	0	0
Rate of recordable work-related injuries	-	0	4.2	0.77
Rate of work-related injuries with serious consequences	-	0	0	0
Death rate	-	0.0	0.0	0.0

Training and education | GRI 404-1: Average hours of training per year per employee

Training hours by employment category	UoM	2021	2022	2023
Average hours of training provided to executives	Hours	40.3	48	20.6
Average hours of training provided to Managers	Hours	28.3	41.3	18.8
Average hours of training provided to White collars	Hours	31.5	36.7	28.6
Average hours of training provided to Blue collars	Hours	43	28.1	92.5
Total average hours of training provided to employees	Hours	33	37.5	29.5

Average hours of training by gender	UoM	2021	2022	2023
Average hours of training provided to women	Hours	30.1	36.8	22.2
Average hours of training provided to men	Hours	32.2	36.0	33.4
Total average hours of training provided to employees	Hours	31.5	36.3	29.5
Hours of compulsory training (excluding anti-corruption/231) by professional category	UoM	2021	2022	2023
Total Executives	Hours	n.a.	n.a.	34
Total Managers	Hours	n.a.	n.a.	487
Total White collars	Hours	n.a.	n.a.	3,731
Total Blue collars	Hours	n.a.	n.a.	259
Total	Hours	n.a.	n.a.	4,511
Hours of voluntary training by professional category*	UoM	2021	2022	2023
Total Executives	Hours	1,289	1,488	708
Total Managers	Hours	2,946	4,419	1,600
Total White collars	Hours	10,722	14,439	9,148
Total Blue collars	Hours	2,206	1,349	2,610
Total	Hours	17,163	21,695	14,066

* The training hours in 2021 and 2022 also include compulsory training.

Total training hours (compulsory and voluntary)	UoM	2021	2022	2023
Total Executives	Hours	1,289	1,488	742
Total Managers	Hours	2,946	4,419	2,087
Total White collars	Hours	10,722	14,439	12,879
Total Blue collars	Hours	2,206	1,349	2,869
Total	Hours	17,163	21,695	18,577

Number of employees involved in training (compulsory and voluntary) - Professional category*	UoM	2021	2022	2023
Total Executives	Hours	32	31	36
Total Managers	Hours	104	107	111
Total White collars	Hours	340	393	451
Total Blue collars	Hours	51	48	31
Total	Hours	527	579	629

Diversity and equal opportunity | GRI 405-1: Diversity of governing bodies* and among employees

Professional category and gender	2021		2022		2023	
	no.	%	no.	%	no.	%
Executives	32	5.9	32	5.4	33	5.1
<i>Women</i>	4	2.3	4	0.7	6	0.9
<i>Men</i>	28	7.5	28	4.7	27	4.2
Managers	102	18.7	109	18.2	113	17.6
<i>Women</i>	36	20.9	37	6.2	36	5.6
<i>Men</i>	66	17.7	72	12.0	77	12.0
White collars	342	62.9	410	68.4	450	70.0
<i>Women</i>	131	76.2	153	25.6	174	27.1
<i>Men</i>	211	56.7	257	42.8	276	42.9
Blue collars	68	12.5	47	8.0	47	7.3
<i>Women</i>	1	0.6	1	0.2%	1	0.2
<i>Men</i>	67	18.0	46	7.9%	46	7.2

* Please refer to Chapter 1 for the diversity of the governing bodies (Board of Directors).

Age group and gender	2021		2022		2023	
	no.	%	no.	%	no.	%
< 30 years	91	16.7	112	18.7	121	18.8
<i>Executives</i>	0	0.0	0	0.0	0	0
<i>Managers</i>	0	0.0	0	0.0	0	0
<i>White collars</i>	75	21.9	101	16.9	110	17.1
<i>Blue collars</i>	16	23.5	11	1.8	11	1.7
Between 30 and 50 years	349	64.2	370	61.9	398	61.9
<i>Executives</i>	12	37.5	12	2.0	12	1.9
<i>Managers</i>	79	77.5	81	13.5	79	12.3
<i>White collars</i>	217	63.5	252	42.0	279	43.4
<i>Blue collars</i>	41	60.3	25	4.3	28	4.4
> 50 years	104	19.1	116	19.4	124	19.3
<i>Executives</i>	20	62.5	20	3.3	21	3.3
<i>Managers</i>	23	22.5	28	4.7	34	5.3
<i>White collars</i>	50	14.6	57	9.5	61	9.5
<i>Blue collars</i>	11	16.2	11	1.8	8	1.2

Gender pay gap*	UoM	2021	2022	2023
Executives **	%	-20%	-5%	-22%
<i>Number of women</i>	no.	4	4	6
<i>Number of men</i>	no.	28	28	27
<i>Average age women</i>	no.	48	49	48
<i>Average age men</i>	no.	53	52	53
Managers	%	-4%	-2%	-2%
<i>Number of women</i>	no.	36	37	36
<i>Number of men</i>	no.	66	72	77
<i>Average age women</i>	no.	46	47	47
<i>Average age men</i>	no.	45	46	46
White collars	%	-2%	-5%	-6%
<i>Number of women</i>	no.	131	153	174
<i>Number of men</i>	no.	211	257	276
<i>Average age women</i>	no.	37	36	36
<i>Average age men</i>	no.	39	38	39
Blue collars	%	***	***	***
<i>Number of women</i>	no.	1	1	1
<i>Number of men</i>	no.	67	46	46

* Difference in % between the remuneration (fixed + variable) received by women and that received by men.

** Given the small number of female cluster members, the figure is of relative significance.

*** Not stated, as the female population is not significant.

Supplier social assessment | GRI 414-1: New suppliers assessed using social criteria

Type	UoM	2021	2022	2023
Percentage of new suppliers assessed using social criteria	%	11%	6%	5%

Customer privacy | GRI 418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data

Complaints	UoM	2021	2022	2023
Total number of documented complaints received for breaches of customer privacy	no.	238	223	275
of which received from external parties	no.	238	223	275
of which from control bodies	no.	0	0	0
Theft or loss	UoM	2021	2022	2023
Total number of identified customer data thefts or losses	no.	1	0	1

Socioeconomic compliance | GRI 2-27: Compliance with laws and regulations

Fines and non-monetary sanctions for non-compliance with laws and/or regulations	UoM	2021	2022	2023
Total monetary value of significant fines in the social and economic area	€	170,000	0	676,956*
Total number of non-monetary sanctions in the social and economic area	no.	0	0	0
Number of cases in the social and economic area introduced through dispute resolution mechanisms	no.	0	0	0

* Following the failure to respond to two requests to exercise rights and seven unlawful promotional phone calls, Sorgenia received a measure with a related administrative sanction, to which it responded within 30 days with the aim of building a fruitful cooperation with the Data Protection Authority for the benefit of consumers. It should be noted that only significant monetary penalties (> € 10,000) were considered.

**WE ARE
THE OTHERS**

5.1 SUSTAINABILITY FOR PEOPLE

~€ 750,000

invested in initiatives with social and environmental impact

~€ 125,000

invested in redevelopment in the framework of territorial agreements

Many projects

focused on inclusion and engagement

Part of our energy is sustainable and produced from renewable sources, striving to protect the environment as much as possible and reduce the environmental impact of our behaviour, guiding customers, and more generally society, towards conscious and sustainable choices.

Attention to people is one of the values that most unites all of us at Sorgenia and which we try to apply in the daily practice of our work - whether it be in relations with various stakeholders, external communication or industrial choices.

This approach is also reflected in our relationship with the community.

We contribute to the following SDGs...

SIGNIFICANT IMPACT



POSITIVE IMPACT



5.2 DIALOGUE WITH LOCAL COMMUNITIES

The people who live in the areas where our production plants are or will be located are key stakeholders: they have points of view and expectations that must be discussed and considered.

Our growth plan envisages an intense development of new plants from renewable sources, for which our guiding criteria are: the search for the most environmentally and socially compatible technologies, the protection of the local area and, indeed, dialogue with local communities, right from the authorisation stages.

The commitment to the sustainable development of "our" territories continues even when the plants have been in operation for years, strengthened by the knowledge of local needs and the direct participation of those who work with us in the life of the territory. The most significant example is the Energy Communities of Turano Lodigiano and Bertonico, both places hosting one of our CCGT plants.

Collaborations with the communities living near our power plants have been expressed on many occasions in recent years, going far beyond compensatory measures with various activities to support people.

STEP 1

IDENTIFY THE MOST RELEVANT STAKEHOLDERS, such as local administrations, companies, farmers, environmental and cultural associations.

STEP 2

EXPLAIN THE CHARACTERISTICS OF OUR PLANTS IN A TRANSPARENT MANNER

STEP 3

EXPLORE TOGETHER HOW SORGENIA CAN CONCRETELY CONTRIBUTE TO LOCAL GROWTH, for example through energy efficiency measures in public facilities, the creation of infrastructure, the development of youth and female entrepreneurship or initiatives focused on social inclusion.

CONTRIBUTING TO THE GROWTH OF THE LODI PLANT'S LOCAL COMMUNITY

FORESTATION

We have carried out reforestation work on more than 22 hectares in the area of the power plant, and are working to complete a further 10 hectares. Further work covering more than 18 hectares will begin in 2024, bringing our commitment to create a real forest of trees and plants of around 50 hectares to fruition. The commitment will continue with the maintenance of our works for the next ten years after their completion.

BIKE PATHS

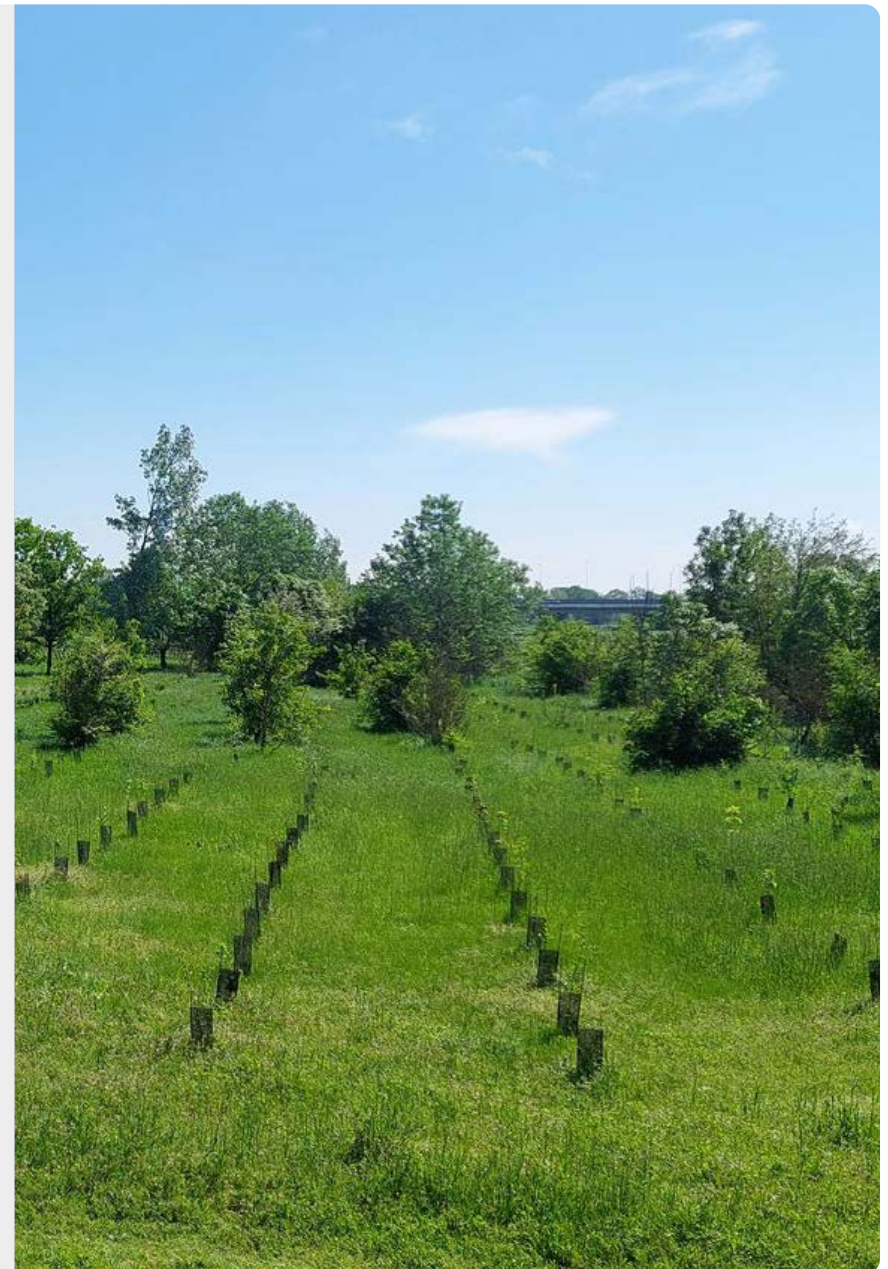
We have created a bike path in the municipality of Bertonico (in 2014) and one in the municipality of Casalpusterlengo (in 2022). The construction site for the Turano Lodigiano bike path will also be opened in 2024.

PHOTOVOLTAIC SYSTEMS

Photovoltaic systems on the roofs of public buildings in Turano Lodigiano and Bertonico were completed in 2020, for a total of 91.33 kWp.

FINANCIAL CONTRIBUTIONS FOR ENERGY-SAVING AND SUSTAINABLE MOBILITY INITIATIVES

In 2022, grants were awarded for the purchase of two school buses to serve the municipalities of Turano Lodigiano and Bertonico.



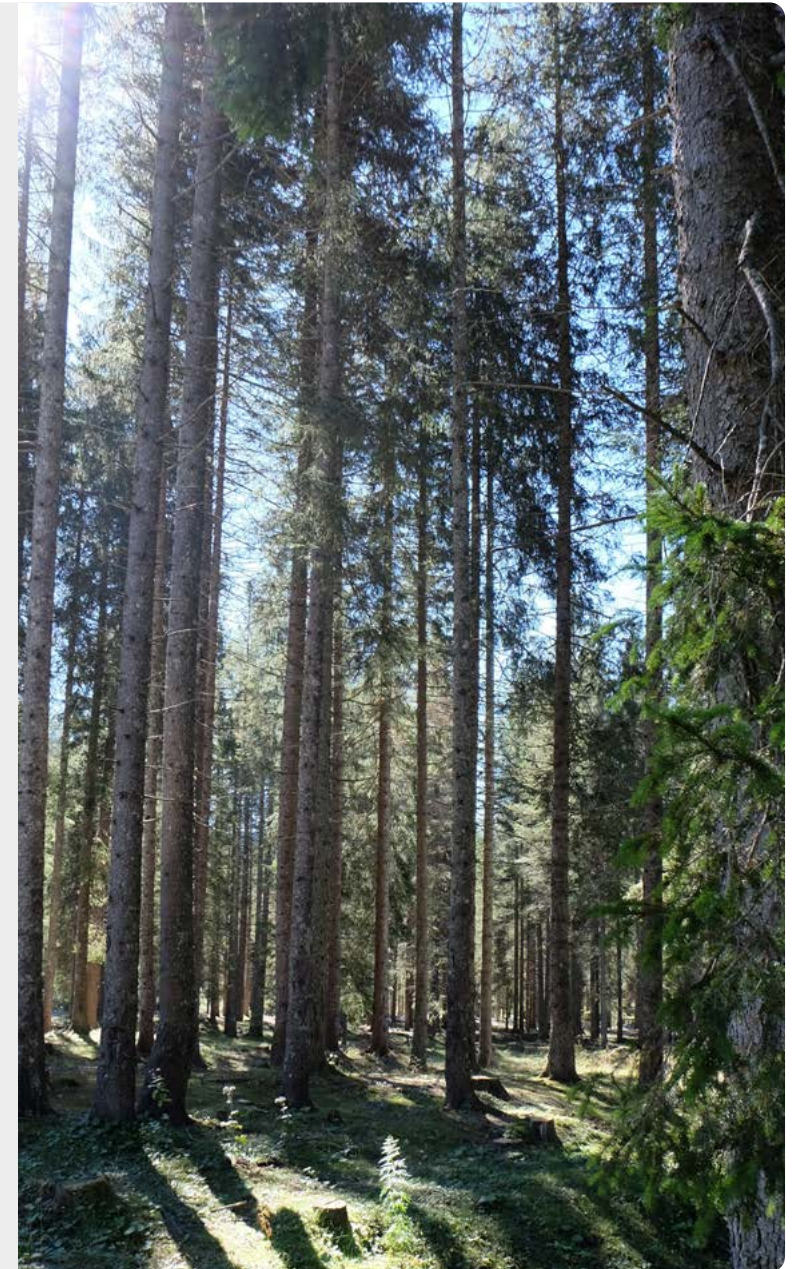
OLTREBOSCO PROJECT

OltreBosco was established in 2023 with the goal of creating a new entity that addresses forest management in Italy organically. The company is formed by CAI - Consorzi Agrari d'Italia, B.F. S.p.A., Sorgenia Biomasse and Federforeste. The new organisation is responsible for the maintenance of vast areas of Italy's forest heritage and for the cultivation work needed to enhance and renew Italy's forest areas.

This action is increasingly crucial to the prevention of hydrogeological risk and fires, phenomena which have intensified in recent years due to the effects of climate change. At the same time, the new company also enhances the entire forest-wood chain, starting with the furniture sector, which today imports a substantial percentage of noble wood from abroad for its own activities, and ending with the production of renewable energy.

OltreBosco was thus born from the desire to enhance the forest heritage which, if managed harmoniously, can become an element for relaunching inland areas and their local economies, also in terms of employment.

The first phase of the OltreBosco project involved clearing brushwood from the forest areas identified with Federforeste. In cooperation with local universities, the most suitable species were selected for planting according to the conditions imposed by climate change. In the first few years, selective felling, first replanting and the recreation of a forest with noble essence species will be carried out. With a view to environmental sustainability and compliance with European standards, the forests will be catalogued and certified by internationally accredited bodies.



5.3 COMMITMENT TO A MORE INCLUSIVE WORLD

We elected Bebe Vio as our representative in 2017; she is a Paralympic fencing champion and a natural emblem of "positive energy." In sport and in life, Bebe embodies will power and the desire for redemption that has guided Sorgenia's rebirth after years of crisis, but above all her confidence in the future, her openness to ever-new challenges, and her use of technology as a tool at the service of people. A symbol of inclusion for all forms of identity, Bebe has made the environmental cause her own, directly participating in the many awareness-raising initiatives launched by Sorgenia. In April 2023, together with Greeners customers and many colleagues, we contributed to planting 500 trees in the area of the Aguzzano Regional Park in Rome: a day of celebration directly linked to the compensation that - with the support of our partner Rete Clima - we offered at the WEmbrace Games 2022 event, also held in Rome and organised by Art4sport.

The relationship with Art4sport, the association created by the Vio family to help children and young people with amputations gain self-awareness through sport, is a bond born from the collaboration with Bebe and has become so strong that it involves an ever-growing number of colleagues, customers and, more generally, stakeholders in its events.

During 2023, the usual WEmbrace Games (at Stadio dei Marmi in Rome, with teams consisting of children and adults, with and without disabilities, famous and not, competing in fun-filled competitions) and WEmbrace Sport (at the Allianz Cloud in Milan with Olympic and Paralympic athletes, competing in fencing, football, volleyball and basketball matches) were joined by WEmbrace Awards, a charity evening which awarded personalities and stories that have contributed to promoting a more inclusive world.

Sorgenia supported all three events not only financially, but also with the direct involvement of its own people, who contributed both to their organisation as volunteers and to the neutralisation of greenhouse gas emissions, thanks to special agreements with Rete Clima.

Also in 2023, we then confirmed another identity partnership with Parole Ostili, a project to raise awareness against word violence that was created in 2017 and has been at our side in numerous projects, such as telling the stories of women who have emerged from situations of violence as part of the #sempre25novembre programme and sustainability training at schools. This year we took part in the annual Festival of Non-Hostile Communication held in Trieste at the end of May organising a debate on the environment and sustainability between representatives of different generations, thus crossing the environmental theme with intergenerational dialogue.

We embarked on a path that involved us as a brand and as people with Bebe.

Sorgenia's entire content system is constantly focused on disseminating and narrating our values:

- environmental activism
- the inclusion of each individual identity
- technology at the service of people



5.4 WE GO FURTHER TOGETHER

The synergy and coming together of the values we believe in and the partners we have chosen to collaborate with is an added value for us, the practical demonstration of how "doing things together" and acting as a community enables us to achieve results which would be unthinkable if approached individually.

We are convinced that only bonds based on human relations and similar values make it possible to build credible projects that last over time and are considered by the public.

OUR INITIATIVES

- > #SEMPRE25NOVEMBRE
- > SPESA SOSPESA
- > DONO SOSPESO
- > GENERATION CARBON
- > WOMEN MENTORING
- > M.A.R.E. PROJECT
- > BEEKEEPING IN OUR CCGT PLANTS



#SEMPRE25NOVEMBRE

IT IS AN AWARENESS-RAISING ACTION AGAINST VIOLENCE AGAINST WOMEN

After the social call-to-action in the first year and a series of milestones that led us to deepen our expertise on this dramatic issue, in order to forge new alliances and extend the scope of our commitment, in 2023 the campaign aimed to raise awareness among a wider public and encourage knowledge of 1522, the anti-violence and stalking hotline of the Department of Equal Opportunities, a first aid tool to support women who suffer violence.

Once the call-to-action was sent to key stakeholders, the first to join were Farmacie Italiane and the F2i Group airports. Thanks to the availability of the hubs of Milan Linate and Malpensa, Naples, Turin, Alghero, Olbia and Trieste, information posters on 1522 were displayed in outdoor areas and in women's toilets.

Sorgenia has also brought the campaign to the men's areas so that through the active involvement of everyone, the phenomenon can be combated effectively. Additionally, airports affixed large posters to make as many travellers as possible aware of the issue. A similar message was conveyed in the 45 pharmacies and nine parapharmacies that make up the Farmacie Italiane network: informative posters and targeted communication through newsletters and customised messages dedicated to customers. Awareness-raising formats were accompanied by a functional QR code to access a web page with testimonials, useful information and an interactive questionnaire to recognise potentially dangerous situations. More than 50,000 actions were taken on the website www.sempre25novembre.it in the first month of dissemination: these were people who downloaded the poster to contribute to the dissemination of the 1522 hotline and users who tried the two tests available, to get useful indications on how to deal with possible situations of violence in their own relationship or that of people close to them.

The project is complemented by a social campaign that aims to help create culture and awareness of potential signs of violence, and which in its first month of publication reached more than 12 million impressions, with a total of more than 1.3 million unique users. It is a year-long campaign involving all Sorgenia channels and several influencers who have made themselves available, with their personal stories, to help amplify the message.

Initiatives like this one prove to be fundamental for all Sorgenia's people, with full and transversal support extending to partners and suppliers and customers who show particular sensitivity, every year.

Also thanks to the credibility of our commitment, we have been included in the Diversity Brand Index since 2019 (TOP 20 in 2022) and were the first service company in Italy to receive the Diversity Media Award.



SPEA SOSPESA

SET UP IN APRIL 2020 AT THE HEIGHT OF THE PANDEMIC, IN LESS THAN THREE YEARS IT HAS GENERATED GREAT INTERNAL COHESION AND GARNERED SIGNIFICANT SUPPORT FROM OUR CUSTOMERS.

It is a solidarity project that arose from the Covid-19 emergency, but which, having overcome the emergency crisis, continues to help the current socio-economic context by combating the issue of poverty together with food waste. By joining forces with our community of customers, colleagues and partners, we support the many families in situations of economic fragility and at the same time help to reduce waste. We have set up several fundraising campaigns since 2020, turning the energy consumed into a donation for meals. The project uses blockchain technology to ensure transparency in the management of food and commodity flows, destination tracking and donation traceability. These are entrusted to a network of non-profit partners in the area, with the patronage of 26 Italian municipalities.

We support the project in several ways: we engage the community of "Greeners" through our app, but also give our business customers the opportunity to donate or sell goods on the platform or to become sponsors of the initiative. The initiative also involves our colleagues, who have contributed donations of basic necessities over time.

Participants 2020-2023

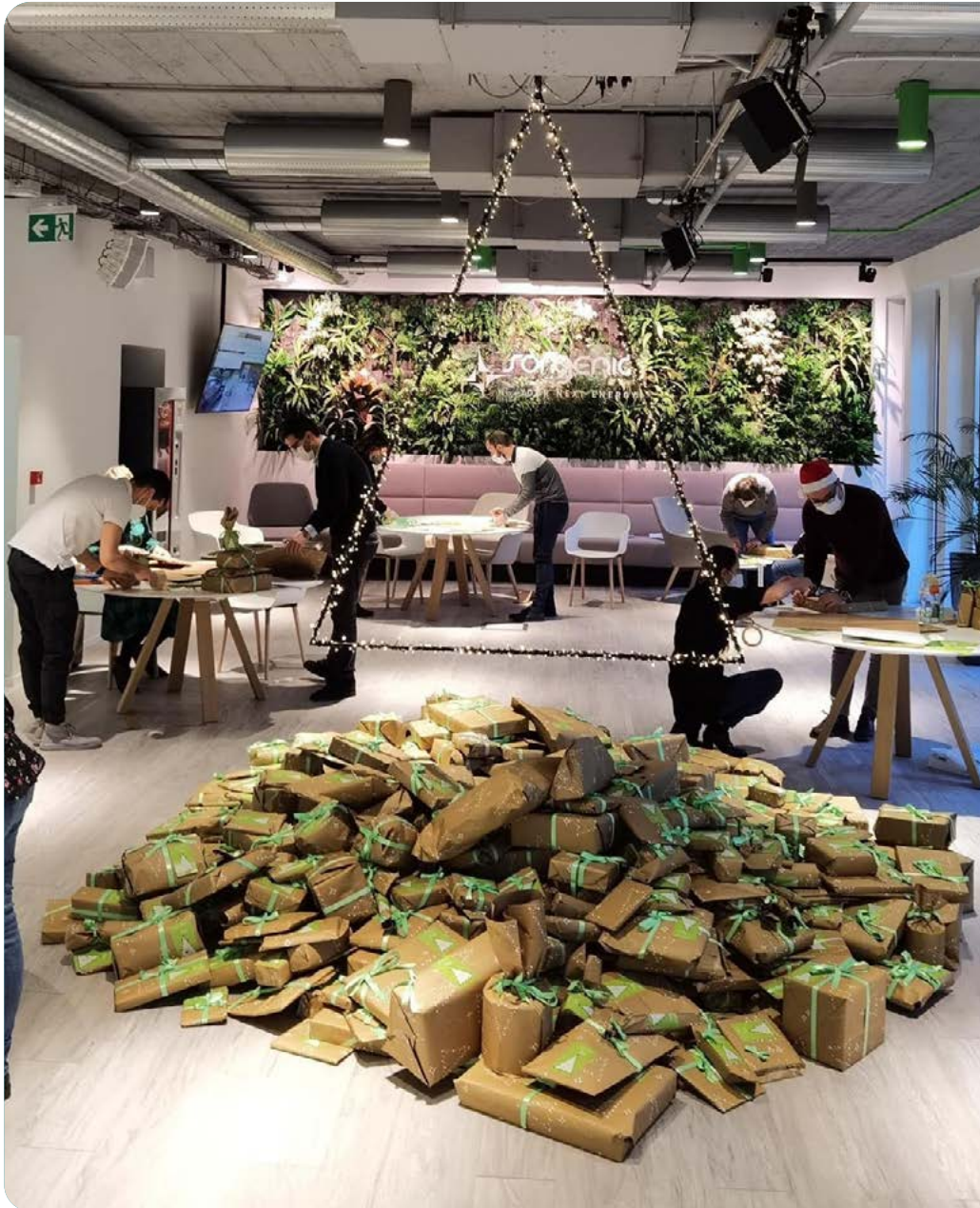
73,000
customers

Contributions collected

+€ 200,000

in 2023 and over € 1.3 million donated
in total between 2020 and 2023.





DONO SOSPESO

DESIGNED TO HELP THOSE IN FRAGILE SITUATIONS, THE INITIATIVE GAVE THE LITTLE ONES AND THEIR FAMILIES SOME SERENITY

Also for Christmas 2023, the solidarity initiative "Dono Sospeso" was promoted, allowing all Sorgenia people to donate educational games and their time to children and young people in situations of psychological and/or socio-economic fragility. This year, the projects supported through this initiative were:

- "TempoSospeso" project carried out in cooperation with Welcomed Milan;
- ilsentiero.org with the Kirikù project in Cavenago and Arsenale dell'Accoglienza in Borghetto Lodigiano, which offer reception and support services to young mothers and their children, active in the province of Lodi;
- the Orsa Minore educational community, in collaboration with Cidas-Cooperativa Sociale: a residential facility for minors temporarily in need of a home, prescribed by the judicial authorities, operating in the province of Ferrara.

GENERATION CARBON

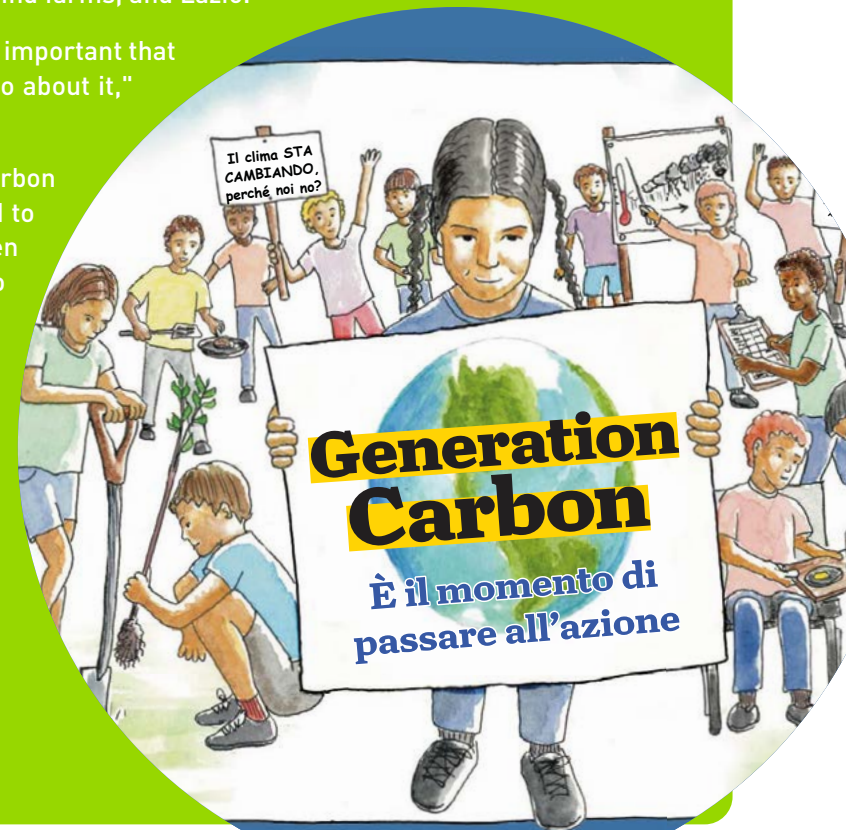
During the 2023-2024 school year, we launched a pilot project in cooperation with The Carbon Almanac Network to bring the educational campaign "Generation Carbon, a guide to climate change" into classrooms, in line with the UN 2030 Agenda Goals. Involving 1,000 classrooms and 25,000 students between the ages of seven and ten in primary schools throughout Italy, the project broadly disseminated awareness of respect for the environment.

Generation Carbon was carried out on a national scale, and it was also thanks to this that it received the institutional patronage of the Ministry for the Environment and Energy Security. We had participating schools in all regions, especially in the areas where we have a higher concentration of employees or our production facilities, also thanks to word of mouth from colleagues. The regions with the most schools joining were Campania, Lombardy, where most staff are concentrated, Sicily, where there has been positive word of mouth due to the presence of wind farms, and Lazio.

"Just as they are digital natives, today's boys and girls are climate change natives and it is therefore important that they are given all the tools they need to understand what is happening around them and what to do about it," comments Barbara Orsi, President of Generation Carbon.

This is why topics such as the greenhouse effect, the consequences of the use of fossil fuels, the carbon cycle and the effects it can have on our daily lives have been addressed with an approach designed to engage the children as much as possible: a digital teaching kit and an illustrative document have been made available to teachers to guide them through the topics. The climate game was proposed to stimulate the children to become familiar with the notions; it helps to give a proactive interpretation of the climate emergency, while also providing practical examples of virtuous behaviours to protect the environment. Lastly, a contest was organised in which schools and teachers were encouraged to create an entry - be it a work of art, a comic strip, a poster - to be photographed and shared in order to participate in the competition awarding prizes to the best 30 entries.

The result of this first pilot project in schools is certainly positive: having reached the number of participants we had set ourselves is reassuring and confirms that the climate emergency is a subject that is well received by teachers and students.



WOMEN MENTORING

The Women Mentoring programme, born from the collaboration between Sorgenia and the Career Service of the Milan Polytechnic Institute (Polimi), was aimed at female students in the Milan University's Master of Science in Engineering degree courses. The initiative was designed to allow 25 girls from different countries to meet with company managers to discuss a number of key topics, including possible career paths, female leadership, soft skills, innovative leadership and work-life balance.

Divided into small groups each led by a Sorgenia mentor, the students began the coaching process in February 2023, with a calendar of five meetings and a closing event on 28 March at our Milan headquarters. The first meeting focused on career paths, to help the women understand how to address their potential and skills in order to advance in their work. The second focused on women's leadership, to seize all the opportunities open to female managers in the world of work. Next, an in-depth discussion was held on skills, with particular reference to soft skills, followed by a meeting on the skills needed to be recognised as innovative leaders. The last meeting focused on how to find the right work-life balance.



M.A.R.E. PROJECT

AWARENESS-RAISING AND ENVIRONMENTAL EDUCATION TO CONTRIBUTE TO THE CONSERVATION OF MARINE BIODIVERSITY

Conceived by Centro Velico Caprera Foundation in collaboration with One Ocean Foundation and now in its second year in 2023, the M.A.R.E., (Marine Adventure for Research & Education) project was created with the aim of monitoring the health of the Mediterranean Sea. Sorgenia again supported the CVC Foundation in this mission, which, after studying the quality of the water of the Tyrrhenian Sea, moved along the Ionian and Adriatic Seas to complete the mapping of the Italian coastline, in a 1,400-mile journey from Taranto to Corfu, along the entire Adriatic basin.

The voyage began at the end of April in Taranto and involved researchers from Italian and foreign universities, who climbed aboard on some legs of the journey to develop specific research projects. In the 2023 edition, Catamaran One opened its doors to the international scientific community, becoming a data collection platform available to researchers around the world.

In addition to taking part in the on-board monitoring activities, we organised four plugging activities in as many locations touched by the catamaran (Bari, Manfredonia, San Benedetto del Tronto and Vasto) with the aim of raising awareness among colleagues, students, citizens, environmental associations and on the need to take care of the territories in which we live through good environmental practices.

The commitments we have made include four qualifying points:

- support the project with both financial resources and the expertise available within our company;
- disseminate the project's founding values within the company and to the general public through targeted communication activities and through our communication channels;
- support, with our staff and ambassadors, the scientific team in activities related to the pursuit of the project objectives, and undertake to disseminate the results;
- collaborate with organisations and institutions that share the same values of preserving marine ecosystems.



BEEKEEPING IN OUR CCGT PLANTS

Protecting biodiversity and the environment by hosting honeybee colonies in the company's premises, as valuable natural sensors capable of providing valuable indicators of air, soil and water quality within a three-kilometre radius of the hives: this is the aim behind the collaboration with Apicoltura Urbana, the company that has brought eight hives to our CCGT plants since April. In addition to being of value in terms of protecting biodiversity in the areas surrounding our plants, the activity allowed us to produce zero-km honey, providing additional air monitoring in the areas of the plants.

Thanks to the work of the bees, which cover 3,000 hectares of space around the hive, we were able to monitor the health of the environment around the plant. Once the apiary was installed, an image or video monitoring service allowed us to keep an eye on the bees' activity at all times. We placed two hives at each of the four stations, thanks to which we were able to carry out extensive micro-sampling: a single bee visits thousands of flowers every day, and comes into contact with air, water droplets, soil and pollen. Bees therefore act as bio-indicators of their surroundings. Finally, we involved colleagues from the four plants and their families in training workshops during which they discovered the world of bees up close.



METHODOLOGICAL NOTE

METHODOLOGICAL NOTE

This document is the Sorgenia Group's third Sustainability Report and covers the year 2023 (1 January to 31 December). The reporting scope was defined according to a materiality principle relating to the sites considered and the sustainability impacts generated during the course of operations.

The reporting therefore concerns the parent company Sorgenia SpA and all companies consolidated on a line-by-line basis. Tirreno Power SpA, Fin Gas Srl and LNG Med Gas Terminal Srl are therefore excluded. Any other exceptions are clearly identifiable in the text.

The document highlights both strengths and weaknesses, as well as potential areas for improvement. The data collection and reporting process is structured to ensure the correct interpretation of information by the main stakeholders involved in the Group's performance.

The document contains performance data for the three-year period 2021-2023, where available, in order to provide a comparison with previous years.

The Sustainability Report is published annually and prepared in accordance with the **GRI - Global Reporting Initiative Sustainability Reporting Standards 2021**, as defined by the Global Reporting Initiative (GRI), using the in accordance option. The principles used for defining the content and quality assurance of this Report are the Reporting Principles defined by GRI Standard 1: Foundation (completeness, sustainability context, accuracy, verifiability, clarity, comparability, balance, timeliness).

This document was audited by an independent third party.

As of the date of this Report's publication, there are no known significant events that occurred in 2023 relevant to sustainability reporting.

MATERIAL TOPICS

In accordance with the GRI Standards 2021, the contents of Sorgenia's Sustainability Report are derived from the material topics identified after a materiality analysis, conducted as described below.

The first phase of the process was geared towards understanding the context in which the company operates and was carried out through:

- a benchmark analysis of Sorgenia's main competitors and peers, as well as a selection of possible inspirers;
- a mapping of the main sustainability trends at global level and with specific reference to the sector within which Sorgenia operates;
- an analysis of a selection of online articles relating to Sorgenia, aimed at intercepting pressures related to the most recurring sustainability issues from public opinion and the media;
- an analysis of the main sustainability issues arising from the non-financial reporting of the Group's two main shareholders.

The analyses described identified the actual and potential, positive and negative impacts that Sorgenia has on the economy, the environment and people, including those on human rights, throughout its value chain. Following an assessment of their significance, all the impacts were prioritised and those considered most relevant guided the identification of the material topics. These were brought to the attention of the company's front lines during a training workshop on ESG issues, asking them to express, for each topic, a judgement on the relevance in terms of environmental, economic and social impacts generated by the Group's activities.

After defining the material topics, the corresponding GRI indicators were lastly identified, to be reported within the document.

It should be noted that the assessment and classification of impacts took into account two parameters, severity and probability. The severity of an impact is determined by its scale (how severe the impact is), scope (how widespread it is) and irreparable characteristics (for a negative impact, how difficult it is to mitigate or repair the resulting damage).

STAKEHOLDER ENGAGEMENT

Sorgenia has always involved its stakeholders through different communication channels and different modes of engagement. The main ones are shown below:

Stakeholder	Engagement methods
Workers	Continuous dialogue through HR and employees, specific initiatives, surveys
Local communities and area	Meetings, events and support for local initiatives, Conventions with administrations, Greeners, social networks
Shareholders and financiers	Formal periodic meetings and management reports
Suppliers and partners	Continuous dialogue and regular meetings
Regulator, Institutions and Public Administration	Formal meetings and regular interactions
Electricity grid operator	Formal meetings and regular interactions
Media	Press releases and meetings
Future generations	Social networks, schools
Other sector operators	-
Present and future customers	Website, APP, social networks, Greeners, customer satisfaction surveys, events, customer care

REPORTING PROCESS AND CALCULATION METHODOLOGIES

The contents of this Sustainability Report were defined based on the results of the materiality analysis performed. Qualitative and quantitative data of a social, environmental and economic-financial nature were collected on an annual basis through special data collection forms and interviews with the active involvement of both the departments of the parent company Sorgenia S.p.A. and the individual subsidiaries within the reporting scope.

Below are the main calculation methodologies and performance indicators given in the document, in addition to what is already indicated in the text:

- The conversion to Net Calorific Value (NCV) of the energy sources used by the Group (natural gas, diesel fuel and gasoline) was carried out using the ISPRA conversion factors contained in the Table of National Standard Parameters published annually.
- Greenhouse gas emissions are reported according to the guidelines defined by the main internationally recognised standards; in particular, reference is made to the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). The calculation was made by multiplying the activity data (m³ of natural gas, litres of diesel, litres of petrol, kWh of purchased electricity) by the respective emission factor. In particular:
 - Indirect Scope 2 emissions - Location-based emissions were calculated by multiplying the electricity purchased from the national grid by the "energy mix" emission factor taken from Terna International Comparisons on Enerdata data;
 - Indirect Scope 2 emissions - Market-based emissions were calculated by multiplying the electricity purchased from the national electricity grid by the "residual mix" emission factor taken from European Residual Mixes, Association of Issuing Bodies (AIB).
- The GWPs (Global Warming Potential) for the refrigerant gases (R-32, R-417A, R-410A, R407-C, R-134, HCFC-227) are taken from the tables prepared by the UK government's Department for Environment, Food and Rural Affairs (DEFRA) in the document "Greenhouse gas reporting: conversion factors" and based on the latest available Assessment Report prepared by the Intergovernmental Panel on Climate Change (IPCC, AR5).

The emission factors used to calculate GHG emissions are as follows:

Scope 1 emissions					
Activity data	Emission factor			Unit of measurement	Source
	2021	2022	2023		
Natural gas	1.983	1.991	2.004	tCO ₂ /1000Stdm ³	ISPRA
Diesel	3.169	3.169	3.169	tCO ₂ /t	
Petrol	3.152	3.152	3.152	tCO ₂ /t	
Electricity production from biomass	57.1527	39.7883	40.58	kgCO _{2e} /t	Department for Environment, Food and Rural Affairs (DEFRA)

Scope 2 emissions - Location-Based					
Activity data	Emission factor			Unit of measurement	Source
	2021	2022	2023		
Electricity purchased from the national grid	315	315	315	gCO _{2e} /kWh	Terna

Scope 2 emissions - Market-Based					
Activity data	Emission factor			Unit of measurement	Source
	2021	2022	2023		
Electricity purchased from the national grid	458.57	456.57	457.15	gCO _{2e} /kWh	Association of Issuing Bodies (AIB)

The additional main methodologies used in the calculations are given below:

- the avoided emissions were calculated by multiplying the kWh of electricity produced from renewable sources by the Italian residual mix published by the Association of Issuing Bodies (AIB);
- the injury rate is calculated as the ratio between the total number of recordable work-related injuries (including commuting accidents - only if transport was organised by the company) and the total number of hours worked, multiplied by 200,000;
- the work-related injury rate with serious consequences (excluding fatalities) is calculated as the ratio of the number of injuries involving absences of more than six months to the total number of hours worked, multiplied by 200,000;
- the fatal injury rate is calculated as the ratio of the total number of fatal work-related injuries to the total number of hours worked, multiplied by 200,000.

GRI CONTENT INDEX

GRI CONTENT INDEX

The material in this Sustainability Report refers to the following GRI Disclosures. Unless otherwise specified, the above-mentioned Disclosures have been used in their entirety.

Declaration of use	Sorgenia S.p.A. submitted a report in accordance with GRI Standards for the period 1 January 2023 – 31 December 2023.
Used GRI 1	GRI 1 - Fundamental Principles - Version 2021
Relevant GRI sector standards	Not applicable

Disclosure	Description	Reference	Omissions-Notes	Page
GRI 2 - General Disclosures - Version 2021				
2-1	Organisational details	Presenting Sorgenia - Our Corporate Structure Energy produced respecting the environment	Via Algardi 4, Milan	
2-2	Entities included in the organisation's sustainability reporting	Methodological Note		
2-3	Reporting period, frequency and contact point	Methodological Note	Annual periodicity	
2-4	Restatements of information	Methodological Note		
2-5	External assurance	Methodological Note		
2-6	Activities, value chain and other business relationships	Presenting Sorgenia - Our Business Model - Our Economic Performance - Value to our people - Energy produced respecting the environment - Energy for the transition - Content Index		
2-7	Employees	Presenting Sorgenia - Our Economic Performance - Value to our people		

Disclosure	Description	Reference	Omissions-Notes	Page
GRI 2 - General Disclosures - Version 2021				
2-8	Workers who are not employees	Presenting Sorgenia - Our Economic Performance - Value to our people		
2-9	Governance structure and composition	Presenting Sorgenia - Corporate Governance and Compliance		
2-10	Nomination and selection of the highest governance body	Presenting Sorgenia - Corporate Governance and Compliance Annual Report 2023		
2-11	Chair of the highest governance body	Presenting Sorgenia - Corporate Governance and Compliance	It should be noted that the Chairman of the Board is not also a senior executive of the organisation.	
2-12	Role of the highest governance body in overseeing the management of impacts	Presenting Sorgenia - Corporate Governance and Compliance - Methodological Note		
2-13	Delegation of responsibility for managing impacts	Presenting Sorgenia - Corporate Governance and Compliance - Methodological Note		
2-14	Role of the highest governance body in sustainability reporting	Methodological Note	The Sustainability Report is approved by the Board of Directors	
2-15	Conflicts of interest			
2-16	Communication of critical concerns	Presenting Sorgenia - Corporate Governance and Compliance		
2-17	Collective knowledge of the highest governance body	Value to our people		
2-18	Evaluation of the performance of the highest governance body	Annual Report 2023		
2-19	Remuneration policies	Annual Report 2023		

Disclosure	Description	Reference	Omissions-Notes	Page
2-20	Process to determine remuneration	Annual Report 2023		
2-21	Total annual remuneration ratio			
2-22	Statement on sustainable development strategy	Letter to stakeholders		
2-23	Policy commitments	Presenting Sorgenia - Energy Born from Values - Corporate Governance and Compliance - Methodological Note		
2-24	Embedding policy commitments	Presenting Sorgenia - Energy Born from Values - Corporate Governance and Compliance - Methodological Note		
2-25	Processes to remediate negative impacts	Presenting Sorgenia - Our Economic Performance - Methodological Note		
2-26	Mechanisms for seeking advice and raising concerns	Presenting Sorgenia - Corporate Governance and Compliance		
2-27	Compliance with laws and regulations			
2-28	Membership associations	We are the others		
2-29	Approach to stakeholder engagement	Presenting Sorgenia - Our Stakeholders - Methodological Note		
2-30	Collective bargaining agreements			
Material Topics				
GRI 3 - Material Topics - version 2021				
3-1	Process to determine material topics	Our material topics - Methodological Note		
3-2	List of material topics	Our material topics - Methodological Note		

Disclosure	Description	Reference	Omissions-Notes	Page
Circular Economy				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Energy produced respecting the environment - Methodological Note		
GRI 306 – Waste 2020				
306-1	Waste generation and significant waste-related impacts	Energy produced respecting the environment		
306-2	Management of significant waste-related impacts	Producing Energy while Protecting the Environment		
306-3	Waste generated	Energy produced respecting the environment - Appendix		
306-4	Waste diverted from disposal	Energy produced respecting the environment - Appendix		
306-5	Waste directed to disposal	Energy produced respecting the environment - Appendix		
GRI 204 - Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Presenting Sorgenia		
Energy Transition and Decarbonisation				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Energy produced respecting the environment - Conscious and increasingly efficient customers - Methodological Note		
GRI 302 - Energy 2016				
302-1	Energy consumed within the organisation	Energy produced respecting the environment - Conscious and increasingly efficient customers		
GRI 305 - Emissions 2016				
305-1	Direct GHG emissions (Scope 1)	Energy produced respecting the environment - Conscious and increasingly efficient customers		
305-2	Indirect GHG emissions from energy consumption (Scope 2)	Energy produced respecting the environment - Conscious and increasingly efficient customers		

Disclosure	Description	Reference	Omissions-Notes	Page
Supply Chain Engagement				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Energy produced respecting the environment - Conscious and increasingly efficient customers - Methodological Note		
GRI 308 - Supplier Environmental Assessment 2016				
308-1	New suppliers assessed using environmental criteria	Energy produced respecting the environment		
GRI 414 - Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Value to our people		
Employee self-fulfilment				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Value to our people - Methodological Note		
GRI 401 - Employment 2016				
401-1	New hires and turnover	Value to our people		
GRI 402 - Labour/Management Relations 2016				
402-1	Minimum notice periods regarding operational changes		The Sorgenia Group complies with national legislation and the applicable national collective bargaining agreements	
GRI 404 - Training and Education 2016				
404-1	Average hours of training per year per employee	Value to our people - Training as a Competitive Advantage		

Disclosure	Description	Reference	Omissions-Notes	Page
Customer Intimacy and Digital Transformation				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Conscious and increasingly efficient customers - Transparency and Protection of Privacy - Methodological Note		
GRI 416 – Customer health and safety 2016				
416-2	Cases of health and safety non-compliance of customers		No cases of health and safety non-compliance reported in 2023	
GRI 418 – Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Value to our people		
Diversity and Equal Opportunities				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Presenting Sorgenia - Corporate Governance and Compliance - Value to our People - Diversity and Inclusion - Methodological Note		
GRI 405- Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Presenting Sorgenia - Corporate Governance and Compliance - Value to our People - Diversity and Inclusion - Appendix		

Disclosure	Description	Reference	Omissions-Notes	Page
Occupational health and safety				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Value to our people - Safe at Work - Methodological Note		
GRI 403 - Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Value to our people - Safe at Work		
403-2	Hazard identification, risk assessment and incident investigation	Value to our people - Safe at Work		
403-3	Occupational health services	Value to our people - Safe at Work		
403-4	Worker participation, and consultation and communication on occupational health and safety	Value to our people - Safe at Work		
403-5	Worker training on occupational health and safety	Value to our people - Safe at Work		
403-6	Promotion of worker health	Value to our people - Safe at Work		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Value to our people - Safe at Work		
403-9	Work-related injuries	Value to our people - Safe at Work		
403-10	Work-related ill health	Value to our people - Safe at Work	There were no instances of work-related ill health during the three-year reporting period	

Disclosure	Description	Reference	Omissions-Notes	Page
Water Resource Management				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Energy produced respecting the environment		
GRI 303 - Water withdrawn by source				
303-1	Interactions with water as a shared resource	Energy produced respecting the environment		
303-2	Management of water discharge-related impacts	Energy produced respecting the environment		
303-3	Withdrawals by source	Energy produced respecting the environment		
Growth Strategy and Business Ethics				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Presenting Sorgenia - Corporate Governance and Compliance - Value at our people - Diversity and Inclusion - Methodological Note		
GRI 201 - Economic Performance 2016				
201-1	Direct economic value generated and distributed	Presenting Sorgenia - Our Economic Performance		
GRI 205 - Anti-Corruption 2016				
205-3	Confirmed incidents of corruption and actions taken	Presenting Sorgenia - Corporate Governance and Compliance		
GRI 406 - Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken		There were no cases of discrimination during the three-year reporting period (2021-2023)	

Disclosure	Description	Reference	Omissions-Notes	Page
Polluting Emissions				
GRI 3 - Material Topics - version 2021				
3-3	Management of material topics	Energy produced respecting the environment		
GRI 305 - Emissions				
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant emissions	Energy produced respecting the environment		
Other non-GRI topics				
Closeness to the local area				
3-3	Management of material topics	Conscious and increasingly efficient customers - We are the others - Methodological Note		
Materials				
3-3	Management of material topics	Energy produced respecting the environment - Bioenergy Plants		
Protecting Biodiversity				
3-3	Management of material topics	Energy produced respecting the environment		



Independent Accountant's Assurance Report on the 2023 Sustainability Report

(Translation from the original Italian text)

To the Board of Directors of
Sorgenia S.p.A.

We have been appointed to perform a limited assurance engagement on the Sustainability Report of Sorgenia Group (hereinafter "the Group") for the year ended on December 31, 2023.

Directors' responsibility on the Sustainability Report

The Directors of Sorgenia S.p.A. are responsible for the preparation of the Sustainability Report in accordance with the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative ("GRI Standards"), as described in the paragraph "Methodological note" of the Sustainability Report.

The Directors are also responsible for that part of internal control that they consider necessary to allow the preparation of a Sustainability Report that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for defining the commitments of Sorgenia Group regarding the sustainability performance, as well as for the identification of the stakeholders and of the significant matters to report.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality, and professional behavior.

Our audit firm applies the *International Standard on Quality Control 1 (ISQC Italia 1)* and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, based on the procedures performed, a conclusion about the compliance of the Sustainability Report with the requirements of the GRI Standards. Our work has been performed in

accordance with the criteria established by the principle "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. This principle requires the planning and execution of procedures to obtain a limited assurance that the Sustainability Report is free from material misstatements.

Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the *ISAE 3000 Revised ("reasonable assurance engagement")* and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the Sustainability Report were based on our professional judgment and included inquiries, primarily with Company's personnel responsible for the preparation of the information included in the Sustainability Report, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. Analysis of the process relating to the definition of material aspects included in the Sustainability Report, in order to assess the reasonableness of the selection process followed having in mind the reporting standard used;
2. Understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the Sustainability Report. In particular, we have conducted interviews and discussions with the management of Sorgenia S.p.A. and with the personnel of Sorgenia Group and we have performed limited documentary evidence procedures, in order to collect information about the processes and procedures that support the collection, aggregation, processing and transmission of data and information to the department responsible for the preparation of the Sustainability Report. Furthermore, for significant information, considering the Group's activities and characteristics:
 - at Group level
 - a) with reference to the qualitative information included in the Sustainability Report, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidences;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
 - for Lodi plant of Sorgenia Power S.p.A., that we have selected based on its activity, relevance to the consolidated performance indicators and location, we have carried out a site visit during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Sustainability Report of the Sorgenia Group for the year ended on December 31, 2023 has not been prepared, in all material aspects, in accordance with the requirements of the GRI Standards, reference to the GRI Standards selection as described in the paragraph "Methodological note" of the Sustainability Report.

Milan, 9 April 2024

EY S.p.A

Massimiliano Vercellotti
(Auditor)

This report has been translated into the English language solely for the convenience of international readers.

