

2

RELATIONS
WITH THE
STAKEHOLDERS

Acea Photo Contest
Federica Pacassoni (Acea Ato 2)
Employee Children's Award,
"Our People" Section





CUSTOMERS AND THE COMMUNITY

SCOPE

Data pertaining to the volume of customers, apart from the Companies Acea Energia, Areti, and, in the water segment, to the Companies Acea Ato 2, Acea Ato 5, Gesesa, Gori and AdF also includes data related to Umbria Energy and other water companies (Acque, Publiacqua, Umbra Acque) – that are not included in the NFS scope – highlighting

the single contribution for the sole purpose of providing a “global” dimension. Data pertaining to perceived quality, delivered quality, tariffs, customer care and communication activities relates to the operating Companies – Acea Energia, Areti, Acea Ato 2, Acea Ato 5, Gesesa, Gori and AdF – and the Parent Company – as recalled in the text.

ACEA GROUP CUSTOMERS: ELECTRICITY AND WATER SERVICES



Over **1.5 million** customers for energy and gas



Over **1.6 million** withdrawal points for electricity distribution



Over **2.7 million** water user accounts in Italy (of which more than 961,400 in Lazio), equal to around **8.8 million** inhabitants served (4.4 million in Lazio)



There are more than **23,100** (+28%) active prosumers on the energy distribution network managed by **Areti**



Social bonuses for **electricity, gas and water** (national and local) have respectively generated savings of **71** and **22.2 million euro** for the entitled customers/users

According to the latest data from the Regulatory Authority for Energy, Networks and Environment (ARERA)⁶¹, **Acea Energia** is **Italy's seventh largest operator** in terms of volumes of electricity sold on the final market, with a market share of 2.9%, and **fifth**, with a 3.3% market share, for **energy sold to households** (“domestic customers”). The company is also **Italy's second largest operator** in terms of volumes sold to customers of the **greater protection service**, with a market share of 6.1%, in **tenth** place in terms of volumes sold to the **free market**, with a share of 2.6%, continuing to be placed in the “major sellers” category (sales between 5 and 10 TWh).

Contracts managed by the Group for electricity and gas (free market and greater protection service⁶²), totalled **1,543,778** at 31 December 2023, an **increase of around 9% with respect to 2022**, in particular involving the free market gas segment and the electricity free market segment (mass market); the latter was positively impacted by the approximately 95,000 “gradual protection” customers

(in the “micro-enterprise” category) acquired by Acea Energia following the awarding of a lot through the auctions which are part of the progressive liberalising of the electricity sales market, which were held in 2022 (see table no. 21).

Areti, holder of the ministerial concession for the **distribution of electricity** in the territory of Rome and Formello, is **Italy's third largest operator** in terms of **total volumes of energy distributed**, with 3.5% of the market share (the second largest “domestic” operator, with a 4.6% share, and third “non-domestic”, with a 3.2% share) and is also **Italy's second largest operator** in terms of **withdrawal points**⁶³. As at 31 December 2023, it manages **1,659,276 withdrawal points**. The growth of the customer base, which generally shows slight increases or decreases (+0.6% in 2023), is due both to urban expansion and disposals resulting, for example, from discontinued operations (see Table no. 21).

⁶¹ See the *Annual report on the status of services and activities carried out, 2023 edition* (on 2022 data), *Structure, pricing and quality in the electricity sector*, available online on the website of the Authority (ARERA).

⁶² The relevant national Authority accurately defines the energy market segments. See the ARERA website.

⁶³ See the *Annual report on the status of services and activities carried out, 2023 edition* (on 2022 data), *Structure, pricing and quality in the electricity sector*, available online on the ARERA website.

CONSTANT INCREASE IN “PROSUMERS” CONNECTED TO THE ACEA NETWORKS: +28% IN 2023

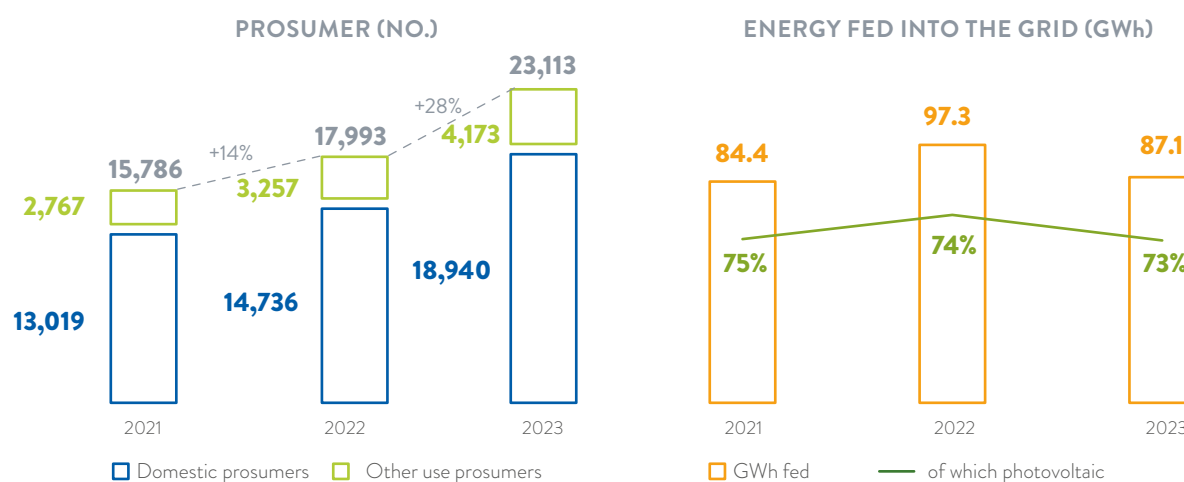
A **prosumer** is at the same time a **producer and consumer of energy**; it partially or totally ensures its own energy supply and transfers any surplus produced to the grid. These entities play an **increasingly important and widespread role**, interacting with both the distributor and the entity in charge of selling/collecting energy. **Acea responds adequately to the evolution of the energy model**, by developing the capacity of connection, transmission and distribution systems.

At 31.12.2023, there were **23,113 prosumers** active on the energy distribution network managed by Areti: this figure, compared to the 17,993 prosumers recorded in 2022, **shows annual growth of 28%**, greater than the percentage increase recorded between 2022

and 2021. This trend indicates **the evolution**, now under way, **in the energy production/consumption model**, which could support the development of “Energy Communities”.

The **largest number of prosumers (18,940)** are qualified as “**domestic prosumers**”, i.e. customers with residential user contracts who are also small-scale energy producers, and **4,173** are qualified as “**other uses**”, i.e. non-domestic users (businesses, professional firms and artisans). **About 13,000** of the prosumers on the Acea network **are fed Acea Energia customers**. The energy fed into the grid by these entities in 2023 is **87.13 GWh**, of which **about 73% is from photovoltaic sources**.

Chart no. 20 – Prosumer trend (no.) and energy fed into the grid (GWh) – 2021-2023



ELECTRICITY AND GAS SOCIAL BONUS: SAVINGS OF AROUND € 71 MILLION FOR ELIGIBLE ACEA ENERGIA CUSTOMERS

The **electricity and gas social bonus** is envisaged for customers with **economic difficulties** and customers who, due to their **health status**, require energy-intensive medical equipment. This mechanism **underwent regulatory changes in recent years**⁶⁴, which introduced, among other things, automatic application to **citizens/households who are eligible** for electricity and gas social bonuses due to economic difficulties⁶⁵ (while the bonus for physical problems continues to be managed by municipalities and/or CAF). These changes led, in 2023, to another **significant increase in the number of users of the bonus (electricity and gas) and to the amounts recognised**. In particular, in 2023, **151,196 Acea Energia customers benefited from the electricity bonus** (greater protection service and free

market), ⁶⁶ (around 39% more than the 108,909 customers in 2022), with **economic savings generated for eligible customers** of around **€ 53.8 million**. In detail, 150,029 bonuses were paid for economic hardship (99% of the total) and 1,462 for physical hardship (state of health), making a total of 151,491, which is higher than the number of beneficiary customers as one customer may benefit from both subsidies.

Similarly to the electricity bonus, ARERA provides for the “**GAS bonus**”, with similar procedures. **The number of customers eligible for this bonus in 2023 was 54,523** (29,752 in 2022), representing economic savings equal to about **€ 16.8 million**.

⁶⁴ As of Decree Law no. 124 of 26 October 2019, converted with amendments by Law no. 157 of 19 December 2019, which introduced the automatic recognition of the social bonus for financial hardship. For 2023, implementing Law no. 197 of 29 December 2022, the ISEE threshold was raised to € 15,000 for the purposes of accessing the electricity and gas bonus and the contribution value was redetermined in consideration of the ISEE figure. Additionally, as a consequence of Decree Law no. 34 of 30 March 2023, from April to 31 December 2023, the ISEE threshold for large families with four or more dependent children was increased from € 20,000 to € 30,000. Relative to the bonus for physical hardship, implementing the provisions of the Prime Ministerial Decree of 15 March 2023, a special one time contribution was provided to those already receiving the bonus as at 31 December 2022.

⁶⁵ In order to obtain the bonus for economic hardship, it is sufficient to present the DSU each year (Dichiarazione Sostitutiva Unica - Single Substitute Declaration) and obtain an ISEE certificate; if the household meets the conditions that entitle it to the bonus, INPS, in compliance with privacy regulations, sends the necessary data to the Integrated Information System (IIS), managed by Acquirente Unico company, which cross-checks the data received with those relating to electricity supplies, enabling the automatic payment of the bonus to those entitled.

⁶⁶ For customers with financial hardship and health problems reference is made to the number of customers who benefited from the bonus at least once during the year.

Overall, during the year, **the bonus system (both electricity and gas) resulted in savings of over € 70.6 million for Acea Energia customers who benefited from it** (this figure in 2022 was € 60.6 million). In the territory served by the **distribution network** managed by **Areti**, which refers to customers served by both Acea Energia and other sellers, in 2023 there was **a total of 157,157 customers eligible for the electricity bonus** (155,333 for financial hardship, 1,824

for physical hardship), recording an increase of around 24% in the number of those eligible (126,584 eligible for the bonus in 2022). The major changes recorded in the year should be considered mainly in relation to the legislative amendment of the ISEE threshold value for accessing the benefits (from € 12,000 for 2022 to € 15,000 for 2023) and the expansion of the subsidies to those receiving national income.

Acea is also **Italy's leading integrated water service operator** (catchment, supply, purification, wastewater collection and treatment) in terms of population covered, with around **2.8 million connected users** and **8.8 million inhabitants served** (see Table 21). Within the area of Rome and province alone, managed by Acea Ato 2, there are more than **759,000 users** and a served population equal to nearly **4 million people**. Starting from this area – OTA 2-Central Lazio – over

time the Group has expanded its activities, becoming the reference operator also in the province of Frosinone (Lazio), in the provinces of Pisa, Florence, Siena, Grosseto, Arezzo and Lucca (Tuscany), in the areas from the Sorrento peninsula to the areas around Vesuvius in the provinces of Naples and Salerno and the province of Benevento (Campania) and Perugia and Terni (Umbria). Moreover, the Group operates in a number of South American countries.

NATIONAL WATER AND SUPPLEMENTAL SOCIAL BONUS FOR ACEA GROUP COMPANIES: TOTAL SAVINGS OF OVER € 22.2 MILLION FOR BENEFICIARIES

The **social water bonus**, implemented by ARERA, provides for a **discount for the supply of water to domestic users under ascertained socio-economic hardship**, based on specific thresholds of the ISEE indicator and calculated according to family numbers (per capita basis), applying the discounted tariff to the quantity of water required to satisfy the protected amount (about 50 litres/inhabitant/day). **Area Governing Bodies may introduce or confirm further measures of protection** for users in financially vulnerable conditions, granting a local “**supplementary water bonus**”. From 1 January 2021 the national water social bonuses for financial hardship were **automatically recognised for eligible citizens/households**, without requiring submission of an application⁶⁷. Over the last three years, the Authority has established regulations for application methods, quantification criteria and payment of the bonus to those eligible, as well as the activities and roles played by various actors. The automatic recognition of the bonus involves an exchange of information flows between the Water Operator, Acquirente Unico SpA (the manager of the Integrated Information System) and INPS, assigning to the Operators the **responsibility of processing the personal data**⁶⁸ required to identify the users and pay the bonuses. Verification of the adequacy of privacy safeguards is carried out progressively, allowing for information to be sent to individual Managers once completed; the regulations became fully operational in 2023. At the end of December, with its resolution 622, the Authority amended certain methods used to update and quantify

the social bonuses, which will take effect in 2024.

In 2023 **Acea Ato 2**, already fully operational as from 2022, paid **national water bonuses to 239,259 users**, for a **value of around € 10.6 million** and **supplementary water bonuses (local) to 3,047 users** for a **value of € 647,941**.

Acea Ato 5, already fully operational as from 2022, paid **national water bonuses to 16,207 users** during the year in question, generating total economic savings for its beneficiaries of around **€ 2.2 million**.

AdF, with reference to the national water bonus, began to receive information from Acquirente Unico in May 2023 (for bonuses relative to 2021, 2022 and 2023). Therefore, at 31 December 2023 it had paid this type of bonus to **20,377 users**, for a value of around **€ 4.1 million** and continued to pay the **supplementary water bonus to 4,549 users**, for a total of **€ 560,378**.

Gori, fully operational as from 2022, paid the national water bonus to **102,054 users**, for a value of **around € 3.3 million**.

Gesesa began receiving information from Acquirente Unico to pay the national water bonus in May 2023 (for bonuses relative to 2021, 2022 and 2023) and, at 31 December 2023, had paid national water bonuses to **19,939 users**, for a value of **829,377**.

Considering all the figures for national and supplementary water bonuses, when applied, for the water companies in the scope of consolidation, **the system generated total economic savings for beneficiaries of over € 22.2 million**.

67 Pursuant to Decree Law no. 124 of 26 October 2019, converted with amendments by Law no. 157 of 19 December 2019.

68 Resolution 366/2021/R/com.

Table no. 21 – Acea Group customers (energy and water sectors) (2021-2023)

	u. m.	2021	2022	2023
ENERGY AND GAS SALES (Acea Energia and Umbria Energy)				
standard market service	no. of withdrawal points	690,806	637,724	502,719
free market EE - mass market (*)	no. of withdrawal points	393,182	426,963	638,007
free market EE - large customers	no. of withdrawal points	94,698	108,246	96,736
free market gas	no. of redelivery points	228,148	247,785	306,289
total	no. of supply contracts	1,406,834	1,420,718	1,543,778
ENERGY DISTRIBUTION				
domestic customers, low voltage	no. of withdrawal points	1,338,868	1,348,757	1,358,347
non-domestic customers, low voltage	no. of withdrawal points	298,736	298,399	298,026
customers at medium voltage	no. of withdrawal points	2,851	2,862	2,897
customers at high voltage	no. of withdrawal points	6	6	6
total	no. of withdrawal points	1,640,461	1,650,024	1,659,276
WATER SALE AND DISTRIBUTION (main water Companies of Acea Group)				
Acea Ato 2 (*)	no. of users	705,607	753,407	759,268
Acea Ato 5	no. of users	201,878	202,209	202,195
Gori	no. of users	533,662	534,263	536,937
Gesesa	no. of users	57,404	57,470	56,343
AdF (***)	no. of users	233,440	234,089	235,057
Acque	no. of users	329,973	342,259	344,208
Publiacqua (****)	no. of users	402,363	404,757	408,095
Umbra Acque	no. of users	234,850	235,946	237,075
total	no. of users	2,699,177	2,764,400	2,779,178
Acea Ato 2	population served	3,705,995	3,791,167	3,993,230
Acea Ato 5	population served	455,164	450,434	450,991
Gori	population served	1,395,841	1,392,279	1,395,695
Gesesa	population served	110,316	110,093	109,310
AdF (****)	population served	380,463	377,648	378,331
Acque	population served	734,898	735,059	761,481
Publiacqua (****)	population served	1,234,292	1,230,993	1,230,993
Umbra Acque	population served	493,960	490,272	489,264
total	population served	8,510,929	8,577,945	8,809,295

(*) The 2023 figure for withdrawal points in the free market electricity mass market includes 95,069 gradual protection withdrawal points (micro-enterprise category).

(**) The 2022 figure was adjusted following consolidation; this also led to the recalculation of the total no. of users; the 2023 figure includes an estimated portion relative to newly acquired municipalities.

(***) The 2023 figures for aqueduct, sewers and purification, as in previous years, were calculated using the criteria established in determination ARERA 5/2016, nonetheless also including the number of aqueduct exempt users.

(****) The 2022 figures were adjusted following consolidation; this also led to the recalculation of the total no. of users.

(*****) Figures for 2023 refer to the latest ISTAT population update in October 2023.

PERCEIVED QUALITY



Surveys of customer and public satisfaction with services delivered: **more than**

39,747 people interviewed



Overall opinion in 2023

on the services provided (score 1-10):

- electricity service “sales”(MV and LV): **7.4** and “distribution”: **7.4**
- public lighting service: **6.5**
- water service in Rome, Fiumicino and province: **7.6** and **7.2** in Frosinone and province: **6.2**
- in Sarnese Vesuviano: **6.6**
- in Benevento and province: **6.6**
- in Grosseto, Siena and province: **7.5**

The **Stakeholder and Perceived Quality Unit** of the Parent Company coordinates the process of measuring customer and citizen satisfaction for the services provided in the electricity, water⁶⁹ and public lighting sectors. In 2023, quality surveys were also carried out with reference to the district heating service. The Unit works in concert with the operating companies that manage the services and support top management in analysing the data collected.

The **customer satisfaction surveys** (“quality perceived”) are carried out with support from a market research company, selected through tender procedures. Most of the surveys are **distributed evenly throughout the year** so as to generate frequent results that allow the Group companies to intervene promptly, where necessary, on the provision of the services and communication. Additionally, the new continuous survey method for customers who contact Acea (call back)⁷⁰ makes it possible to minimise the impact of any seasonal peaks on the results.

Reports on the results of surveys for **the total sample surveyed** are produced at the end of the half, therefore in this report **annual figures are presented as the average of the 2023 half-yearly surveys**.

As in past years, surveys on the perceived quality of the service are mainly carried out using **CATI methodology**⁷¹ and, to a lesser extent, **CAWI methodology** (online surveys), above all in relation to the perception of the general aspects of the services and digital channels.

For the first time, **the data reported integrates the information coming from the two collection methods** (CATI and CAWI⁷²); for this reason, to ensure comparability between the two years, the results for 2022 were modified using the same criteria, illustrating **the following main indicators**:

- the overall **judgement** on the general quality of the service (**scale of 1 to 10**), where 1 means very bad and 10 means very good, which expresses an **instinctive evaluation** by customers;
- **overall opinions on individual aspects of the service** (**scale of 1-10**);
- the **percentages of satisfaction with the items**, or quality factors, selected within each aspect of the service, according to the importance attached to them by the respondents.

In 2023, a total of **39,747 people were interviewed** about the quality of the services provided by Acea Energia, Areti – both for the distribution and public lighting service – Acea Ato 2 (Rome and Fiumicino and province), Acea Ato 5, Gori, Gesesa and AdF. The **overall opinions** expressed on each service, as an average of the two six-monthly surveys, fall **within 6.2 and 7.6** (see the charts below and the tables at the end of this paragraph).

⁶⁹ As regards water services, the main results of the customer satisfaction surveys carried out by Acea SpA and reported here concern the customers of the companies Acea Ato 2 (Rome and Fiumicino and province) and Acea Ato 5 (Frosinone and province) operating in the Lazio area, Gesesa and Gori, both operating in Campania, and AdF, operating in Tuscany.

⁷⁰ Interviews on “contact channels” are aimed at selected customers, using the “call back” method, from among those who have used the services (toll-free numbers for commercial information or fault reporting, website, branch, technical intervention, chat channels and digital service points) immediately before the first entry and consented to be contacted again.

⁷¹ *Computer Assisted Telephone Interviewing* of a stratified sample based on variables and representative of the universe of reference, following a structured questionnaire. Depending on the sample, the statistical error varies between +/- 2.5% and a maximum of +/- 4.2% and the level of significance is 95%.

⁷² Online interviews (CAWI) generally obtain more critical evaluations with respect to those collected via telephone; possible reasons include the absence of the common tendency towards social acceptability which (positively) influences interviews managed by an operator.

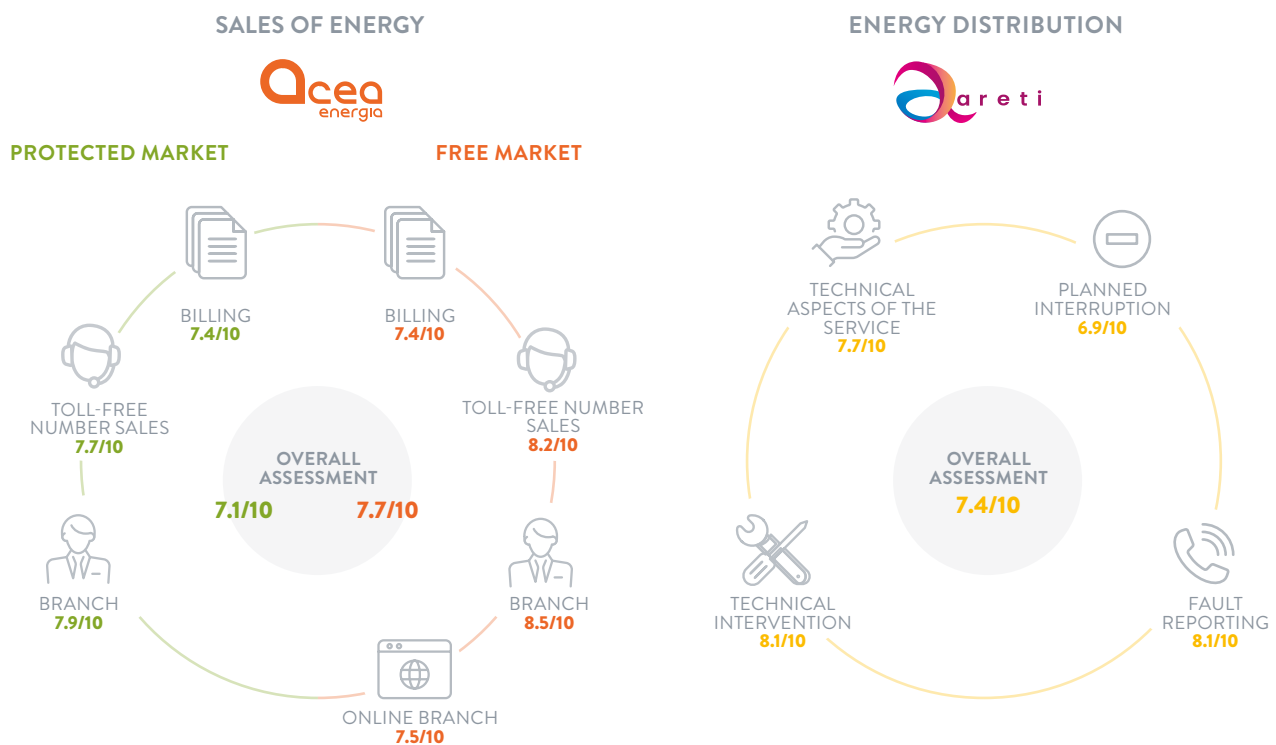
The **overall opinions** expressed on the **electricity service and the main aspects** into which it is divided indicate, for **Acea Energia sales**, positive evaluations and above average satisfaction (rating >7/10), both for the service in general (7.1/10 for standard market customers and 7.7/10 for free market customers) for “billing” for both segments, on the toll-free sales number for greater protection and the reserved area on the website (online branch) for the free market; the other aspects all fall within the range of complete satisfaction (ratings >8/10). For **distribution**, managed by **Areti**, the overall rating was 7.4/10, with service aspects receiving ratings ranging from 6.9/10 for scheduled interruptions to 8.1/10 for fault reporting and technical intervention. Residents of Rome were interviewed about the **Public Lighting service** for all areas. The overall opinions on the service and its aspects are confirmed to be of average satisfaction (rating of 6-7/10), with ‘fault reporting’ receiving the highest ratings (8.2/10), an improvement with respect to 2022.

As regards the **water service** (sale and distribution of water), the satisfaction of **customers of Acea Ato 2** (Rome and Fiumicino and province) and **Acea Ato 5** (Frosinone and province), in the Lazio area, **customers of Gori** and **Gesesa**, operating in Campania, and customers of **AdF**, operating in Tuscany, was measured. The **overall opinion** on the service provided by **Acea Ato 2 in Roma and Fiumicino** was 7.6/10; all aspects of the service monitored were in the range of complete satisfaction, close to or greater than 8/10.

For **Acea Ato 5**, which operates in the city and province of Frosinone, the **overall rating** of the service is 6.2/10; the opinions on “billing” and “technical aspects” are on the average level of satisfaction, “branch” receives a rating over 7/10, while all other aspects receive overall ratings of complete satisfaction, over 8/10. For **Gori**, which manages the service in the Sarnese Vesuviano District, the **overall rating** is 6.6/10. “Technical intervention” and “fault reporting” fall in the complete satisfaction range (respectively 8.4/10 and 8.6/10) while all other aspects showed rating in excess of 7/10. With regard to **AdF**, which operates in Tuscany, in the provinces of Grosseto and Siena, the **overall opinion** on the service was 7.5/10; the overall rating of the service aspects were equal to or significantly in excess of 8/10 (complete satisfaction), with the sole exception of “billing” which reached 7.8/10. For **Gesesa**, lastly, which operates in Benevento and its province, the **overall opinion** of the service was 6.6/10; an overall rating of around 7/10 was received for both “technical aspects of the service” and “billing”.

The charts below show, for each service, the **2023 overall opinion (scale of 1-10)**, as the **average of the two half-yearly surveys**, and Tables 22 and 23 also show **the percentages of satisfied customers** insofar as the most important **quality factors** for the electricity sales and distribution services, the public lighting service and the water service, and the **comparison with the previous year**, with indication of the most significant deviations.

Chart no. 21 – Overall opinion and on electricity service aspects – sale and distribution of energy - 2023 (scale of 1-10)



Note: the overall opinions and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

Chart no. 22 – Overall opinion and on aspects of the public lighting service in Rome and Formello - 2023 (scale of 1-10)

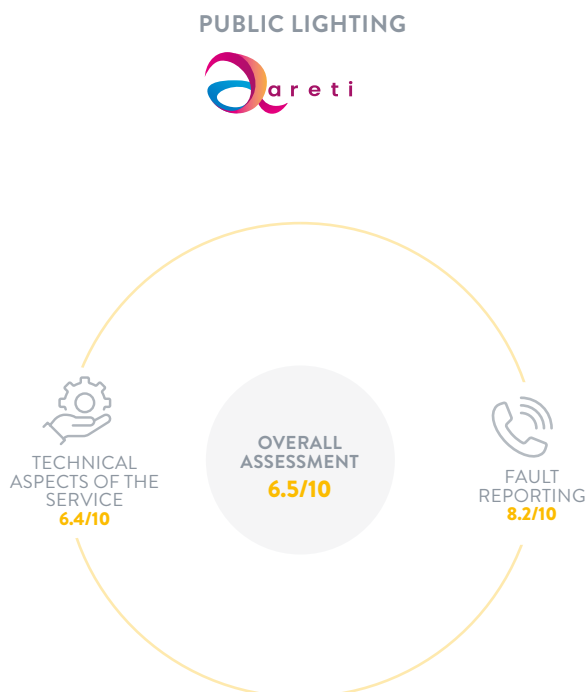
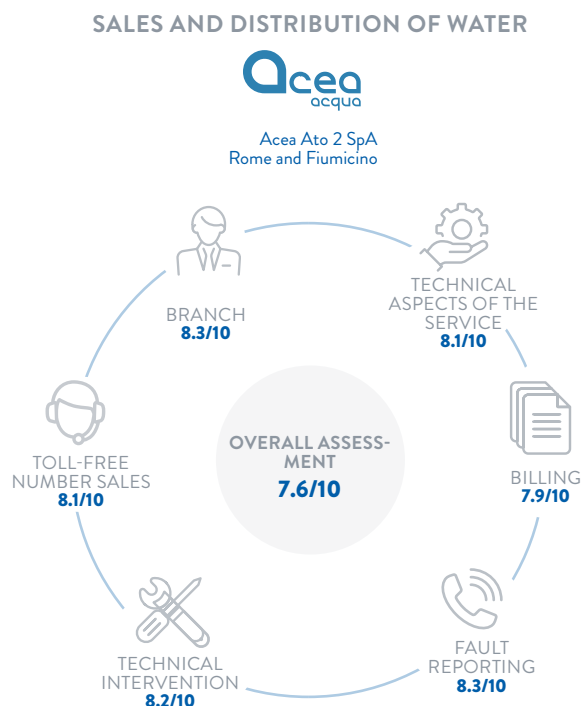


Chart no. 23 – Overall opinion and on aspects of the water service – sale and distribution of water in Rome and Fiumicino - 2023 (scale of 1-10)



Note: the overall opinions and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

SURVEYS ON SATISFACTION WITH WATER SERVICE IN OTHER AREAS IN OTA 2 – CENTRAL LAZIO

Customer satisfaction surveys were also conducted **in the province of Rome**. In particular, **in 2023**, the two six-monthly surveys involved a sample of around **2,800 customers** with direct users, representative of three territorial areas – **North Lazio, East Lazio and South Lazio** – falling within Optimal Territorial Area 2 – Central Lazio, managed by Acea Ato 2.

Call back surveys were carried out with reference to the “toll free sales number”, the “toll free fault reporting number” and “technical intervention”, while “branch” contact was evaluated, as in past years, through the general survey.

The **overall opinion on the water service**, surveyed using CATI and CAWI methodologies, was **7.2/10**, substantially stable compared to 2022 (7.4/10); ratings for **individual aspects** of the service were **7.6/10** for “**technical aspects**” (including continuity of service and water pressure level), **7.7/10** for “**billing**”, **8.3/10** for “**fault reporting**”, **8.6/10** for “**technical intervention**”, **7.7/10** for “**sales toll-free number**”, whereas the low numbers of those who used the “branch” did not allow for a statistic of the figure. The ratings expressed are therefore in the ranges of **average and high satisfaction**.

Chart no. 24 – Overall opinion and on aspects of the water service – sale and distribution of water in Frosinone and its province - 2023 (scale of 1-10)

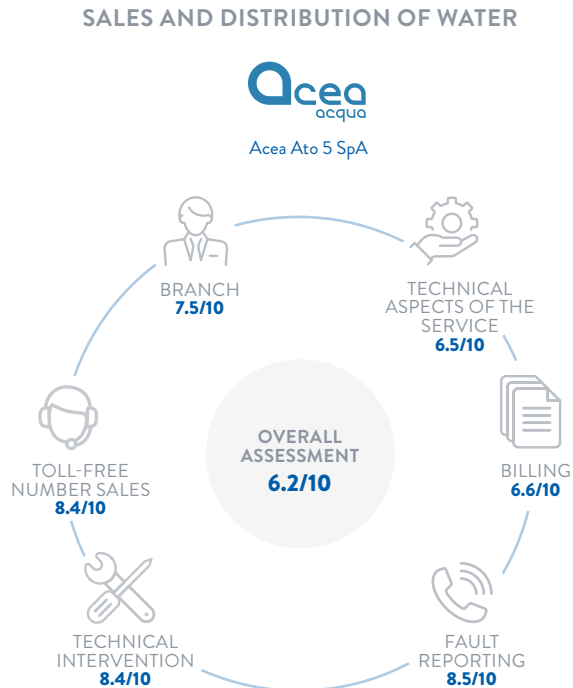
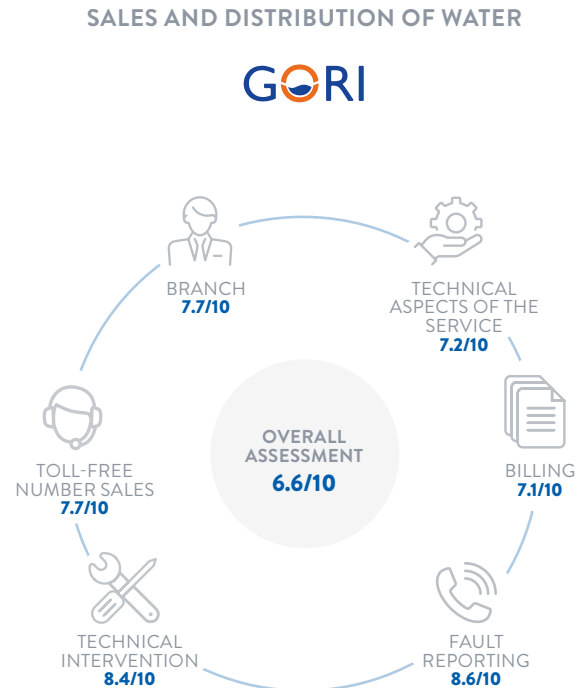


Chart no. 25 – Overall opinion and on aspects of the water service – sale and distribution of water in Sarnese Vesuviano - 2023 (scale of 1-10)



Note: the overall opinions and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

Chart no. 26 – Overall opinion and on aspects of the water service – sale and distribution of water in Territorial Conference No. 6 “Ombrone” - 2023 (scale of 1-10)

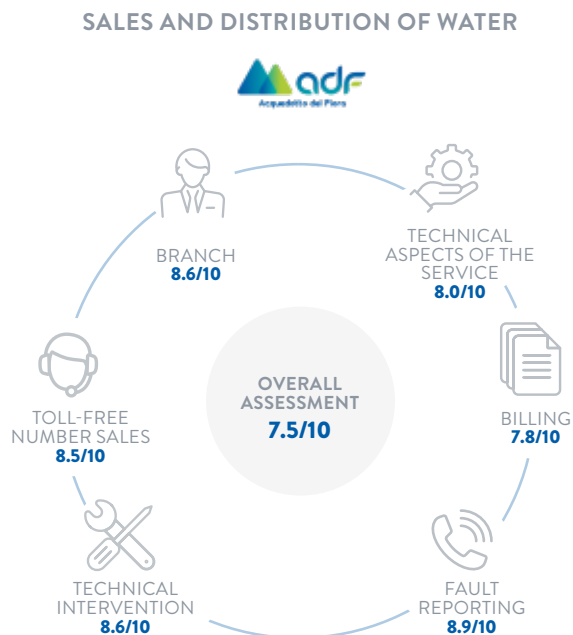
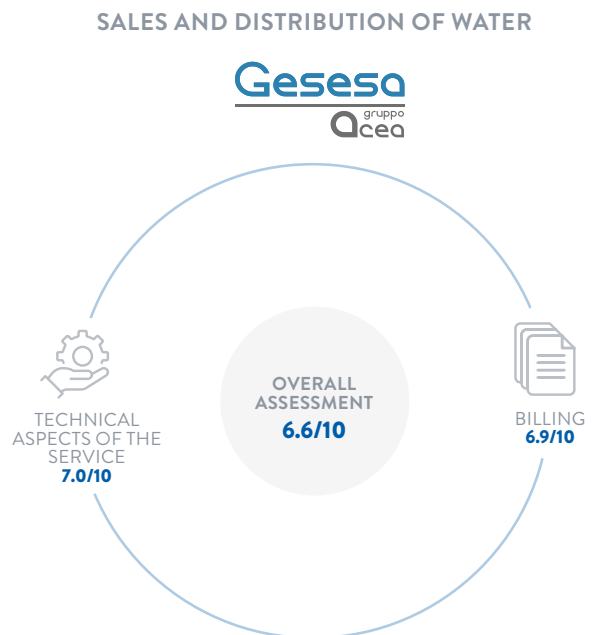


Chart no. 27 – Overall opinion and on aspects of the water service – sale and distribution of water in Benevento and its province - 2023 (scale of 1-10)



Note: the overall opinions and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

THE PERCEIVED QUALITY OF THE RESERVED AREAS OF THE WATER WEB PORTAL, RESULTS OF THE 2023 SATISFACTION SURVEYS

Relative to the reserved areas of the water segment websites, which are growing in importance, the companies Acea Ato 2 (Rome), Acea Ato 5, AdF and Gori obtained overall ratings equal to or **greater than 7.5/10** and the areas deemed most important by customers,

although with varying weights for the different companies, were for the most part “the possibility to communicate meter readings” which, on average, saw 95% satisfied, the “ability to manage the contract” and “possibility to pay bills”.

Table no. 22 – Results of customer satisfactions surveys: sales and distribution of energy, public lighting service (2022-2023)

average of the two interim reports			
	u. m.	2022	2023
ELECTRICAL SERVICE – SALE OF ENERGY – ACEA ENERGIA			
STANDARD MARKET SERVICE CUSTOMERS			
sales activity (overall opinion)	1-10	7.4	7.1
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
billing	1-10	7.3	7.4
correctness of the amounts (*)	%	85.8	89.9
bill clear and easy to read	%	83.1	85.9
sales toll free number	1-10	7.9	7.7
operator's competence	%	93.4	94.5
operator's courtesy and availability	%	94.4	95.0
branch	1-10	7.8	7.9
operator's competence	%	95.8	96.9
clarity of the information provided by the operator	%	95.6	96.9
FREE MARKET CUSTOMERS			
sales activity (overall opinion)	1-10	7.6	7.7
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
billing	1-10	7.4	7.4
correctness of the amounts (*)	%	87.3	88.7
bill clear and easy to read	%	84.8	88.8
sales toll free number	1-10	8.2	8.2
operator's competence	%	92.6	95.0
clarity of answers provided	%	91.3	94.2
branch	1-10	8.1	8.5
operator's competence	%	90.3	95.2
clarity of the information provided	%	90.6	94.0
on-line branch/reserved area on the website	1-10	7.7	7.5
ease of browsing	%	87.4	87.2
clarity of the information found	%	87.8	85.9
ELECTRICAL SERVICE – ENERGY DISTRIBUTION – ARETI (Rome and Formello)			
distribution activity (overall opinion)	1-10	7.3	7.4
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
technical aspects of the service	1-10	7.7	7.7
service continuity	%	91.7	88.1
planned interruption	1-10	7.3	6.9
prior notice of suspended supply	%	83.6	74.5
clarity of information on notices regarding recovery times	%	84.9	74.2
fault reporting	1-10	8.0	8.1
clarity of the information provided	%	89.3	93.5
operator's courtesy and availability	%	93.1	94.3
technical intervention	1-10	7.8	8.1
intervention speed following the request	%	79.8	88.3
technicians' competence	%	86.8	93.5
PUBLIC LIGHTING SERVICE – ARETI (Rome)			
lighting service (overall opinion)	1-10	6.9	6.5
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
technical aspects of the service	1-10	6.8	6.4
service continuity	%	87.1	76.8
replacement times of posts knocked down	%	78.2	75.6
fault reporting	1-10	7.6	8.2
clarity of the information provided	%	89.5	96.3
waiting time to speak with an operator	%	89.5	96.5

(*) The figure refers to the correctness of the amounts of the electricity supply on the bill.

Note: the 2022 results were modified, adding the data obtained through CAWI to improve comparison with 2023; the table includes **only quality factors indicated as most important by the sample of interviewees in 2023**; this may lead to consequent changes in the 2022 column. The right-hand column also shows the **most significant deviations**, of about 5 percentage points, for the individual items surveyed.

Table no. 23 – Results of customer satisfactions surveys: water service (2022-2023)

average of the two interim reports			
	u. m.	2022	2023
WATER SERVICE – SALE AND DISTRIBUTION OF WATER – ACEA ATO 2 (Rome and Fiumicino)			
water service (overall opinion)	1-10	7.9	7.6
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
technical aspects of the service	1-10	8.2	8.1
<i>service continuity</i>	%	97.0	96.6
billing	1-10	7.8	7.9
<i>correctness of invoiced consumption</i>	%	91.4	91.8
<i>bill clear and easy to read</i>	%	91.2	91.3
fault reporting	1-10	8.1	8.3
<i>clarity of the information provided</i>	%	94.5	95
<i>operator's courtesy and availability</i>	%	94.0	96.8
technical intervention	1-10	7.8	8.2
<i>technicians' competence</i>	%	93.3	94.3
<i>intervention speed following the request</i>	%	83.8	91.3
sales toll free number	1-10	8.2	8.1
<i>operator's competence</i>	%	92.6	92.7
<i>clarity of the information provided</i>	%	92.7	92.1
branch	1-10	8.5	8.3
<i>operator's competence</i>	%	92.3	94.4
<i>clarity of the information provided</i>	%	92.2	94.1
WATER SERVICE – SALE AND DISTRIBUTION OF WATER – ACEA ATO 5 (municipalities within OTA 5 – Frosinone)			
water service (overall opinion)	1-10	6.3	6.2
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
technical aspects of the service	1-10	6.7	6.5
<i>service continuity</i>	%	80.6	72.1
billing	1-10	6.5	6.6
<i>correctness of invoiced consumption</i>	%	77.6	80.3
<i>bill clear and easy to read</i>	%	75.4	81
fault reporting	1-10	8.2	8.5
<i>clarity of the information provided</i>	%	93.8	91.3
<i>operator's courtesy and availability</i>	%	94.3	95.5
technical intervention	1-10	8.5	8.4
<i>technicians' competence</i>	%	92.8	94.8
<i>intervention speed following the request</i>	%	92.8	93.5
sales toll free number	1-10	8.0	8.4
<i>operator's competence</i>	%	92.3	94.8
<i>operator's courtesy and availability</i>	%	93.8	95.5
branch	1-10	7.8	7.5
<i>operator's competence</i>	%	95.0	93.3
<i>clarity of the information provided</i>	%	94.0	92.5
WATER SERVICE – SALE AND DISTRIBUTION OF WATER – GORI (municipalities within the Sarnese-Vesuviano District Area)			
water service (overall opinion)	1-10	6.5	6.6
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
technical aspects of the service	1-10	6.8	7.2
<i>service continuity</i>	%	78.6	83.6
billing	1-10	6.7	7.1
<i>correctness of invoiced consumption</i>	%	78.3	82.0
<i>bills sent regularly</i>	%	80.7	83.2
fault reporting	1-10	7.9	8.6
<i>clarity of the information provided</i>	%	90.8	96.8
<i>operator's courtesy and availability</i>	%	91.0	96.8

technical intervention	1-10	8.4	8.4	
technicians' courtesy and availability	%	92.8	95.3	
intervention speed following the request	%	90.8	92.3	
sales toll free number	1-10	7.3	7.7	
clarity of the information provided	%	91.8	90.3	
waiting times	%	86.5	85.8	
branch	1-10	7.5	7.7	
operator's competence	%	92.0	98.0	▲
clarity of the information provided	%	93.0	98.5	▲
WATER SERVICE – SALE AND DISTRIBUTION OF WATER – AdF (municipalities falling within Territorial Optimal Conference no. 6 Ombrone)				
water service (overall opinion)	1-10	7.6	7.5	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
technical aspects of the service	1-10	8.0	8.0	
service continuity	%	94.0	95.6	
billing	1-10	7.7	7.8	
correctness of invoiced consumption	%	91.1	93.5	
bill clear and easy to read	%	89.8	93.9	
fault reporting	1-10	8.4	8.9	
clarity of the information provided	%	93.8	97.5	
operator's courtesy and availability	%	95.8	98.0	
technical intervention	1-10	8.7	8.6	
technicians' courtesy and availability	%	97.0	97.3	
intervention speed following the request	%	95.5	94.4	
sales toll free number	1-10	8.3	8.5	
operator's competence	%	95.5	96.5	
operator's courtesy and availability	%	95.0	97.3	
branch	1-10	8.6	8.6	
operator's competence	%	94.8	97.8	
clarity of the information provided by the operator	%	95.3	97.5	
WATER SERVICE – SALE AND DISTRIBUTION OF WATER – GESESA (*) (municipalities in the Sannita District Area)				
water service (overall opinion)	1-10	7.0	6.6	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
technical aspects of the service	1-10	7.2	7.0	
service continuity	%	86.7	86.6	
billing	1-10	7.1	6.9	
correctness of invoiced consumption	%	87.8	84.8	
bill clear and easy to read	%	84.6	89.0	

(*) For Gesesa, a smaller company, the service aspects investigated and represented herein are “technical aspects” and “billing”.

Note: the 2022 results were modified, adding the data obtained through CAWI to improve comparison with 2023; the table includes **only quality factors indicated as most important by the sample of interviewees in 2023**; this may lead to consequent changes in the 2022 column. The right-hand column also shows the **most significant deviations, of about 5 percentage points**, for the individual items surveyed.

QUALITY DELIVERED

Acea oversees the **quality of the services provided** with interventions aimed at its constant improvement. To this end it trains people and ensure that they attend seminars, applies innovative technology to the management of processes, renews and expands the infrastructure (networks and plants), increasing its resilience, also aimed at the reduction of failures and timely recovery, increases the offer of digital contact channels, complementing the traditional ones and takes care of communication with customers.

The “**quality delivered**” is **also measured via benchmarks defined by the sector authority** or indicated in the **service contracts and management agreements** with local authorities, in particular:

- for the **Public Lighting** service, the contract between Acea and Roma Capitale regulates the qualitative parameters (performance standards);

- the **technical and commercial quality standards in the energy sector** (for both distribution and sales) and the **contractual and technical quality standards in the integrated water service** are defined and updated by the **Energy, Networks and Environment Authority (ARERA)** and, for the water sector, also by the local authorities.

The **main regulatory interventions by ARERA** in 2023 for the electricity and water sectors are summarised in the *Group profile*, in the paragraph “*Context analysis and business model*”, to which reference should be made. In addition to complying with the quality standards laid down by the regulation, Group companies operate in accordance with **UNI EN ISO certified management systems** based on a **rationale of continuous improvement** (see also *Corporate identity*, in the paragraph *Management systems*).

QUALITY IN THE ENERGY SEGMENT

This section illustrates the quality aspects relating to **electricity distribution services** in the municipalities of Rome and Formello, and **public lighting** in the municipality of Rome, both managed by Areti⁷³, while for electricity and gas sales, managed by Acea Ener-

gia, see the section on *Customer Care*.

The Company operates in compliance with the **QESE (Quality, Environment, Safety and Energy) Management System** for both the construction and management of distribution infrastructure and Public Lighting.

THE DISTRIBUTION OF ELECTRICITY



En masse replacement of second generation meters: **installed** an additional **333,664 2G meters** in 2023, around **1.7 million meters** (1G and 2G) with remote management



In the **Resilience Plan**, **critical factor “heat waves”**: **31 km** MV cable modernised and **52 substations** rebuilt
critical factor “flooding”: **21 substations** rebuilt



in 2023: **8,890 MV nodes** remotely controlled



Carried out **mass drone inspections**, for a section of the overhead MV and HV network equal to **160 km**

Areti plans and carries out the modernisation and expansion works on **the electricity distribution network**, consisting of high (HV), medium (MV) and low (LV) voltage power lines, primary and secondary substations, and systems for the remote control and measurement of energy drawn from and fed into the grid. **The interventions** take into account the objectives established by the national authority (ARERA), the progressive evolution of electricity applications, the increase in “prosumers”⁷⁴, new connections, etc., and **aim to make the infrastructures increasingly resilient**, with an adequate and **enabling network configuration for future scenarios**, such as **widespread electric mobility** and progressive **electrification of consumptions**.

The **integrated development of the electricity grids** is defined in the **Master Plans** for the HV, MV and LV networks, which Areti implements through construction - and also decommissioning or demolition, and consequent containment of environmental impacts, in specific areas-, transformation, modernisation, maintenance, etc. (see Table 24). The interventions carried out each year are aimed at **rationalising and upgrading the networks**, increasing transport capacity and margins for further use, **increasing their adaptability**

and **reducing network losses and voltage drops**, improving **service continuity**.

In 2023, as part of the implementation of the periodically updated **Resilience Plan**⁷⁵, **31 km** of medium voltage (MV) cable at 20 kV **were upgraded** and **52 secondary substation renovations** were carried out to increase their **resilience to the critical factor of “heat waves”**, and **21 secondary substation renovations** were carried out to increase **resilience to the critical factor “flooding”**. For the LV grids, **88 km of cable** began use, as part of the **overall network modernisation programme**, preparatory for the subsequent voltage change from 230 V to 400 V. Additionally, during the year **mass drone inspections were performed** covering an overhead network totalling **160 km** (130 km MV and 30 km HV), to **identify specific needed maintenance to perform**; these inspections, which are now possible because the needed sensors can be lifted by a small drone, **have replaced the ones previously performed with helicopters**, with evident environmental benefits.

During the year, **remote control** was expanded to additional **secondary substations** and **reclosers**, for a **total of 8,890 remotely controlled MV nodes** at 31 December 2023 (8,507 in 2022).

⁷³ Areti holds the ministerial concession for the distribution of electricity in the areas indicated and manages public lighting under the *Service Contract* stipulated between Acea SpA and Roma Capitale.

⁷⁴ Prosumers are both consumers and producers of energy, which they use for their own consumption or sell to the grid (see the box on prosumers connected to Acea's networks, which are constantly increasing, in the section on *Acea Group customers: electricity and water services*).

⁷⁵ Areti's Resilience Plan was submitted to ARERA in June 2019. See the Development Plan 2023, available on line at www.aret.it, Learn About Areti Section - Activities.

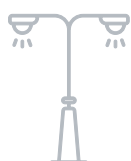
Table no. 24 – Main interventions for the management and development of electricity grids and substations (2023)

type of work	HV lines and primary substations (PSs)
demolition of grid and supports	work continued to dismantle HV lines which are no longer operating, with a total of 39 pylons removed from 60 kV lines; after the new 150 kV underground XLPE (cross linked polyethylene) power line began operating, Cinecittà/O – Capannelle, 2.7 km of HV O.F. cables were decommissioned (with fluid oil insulation)
construction of grid and supports	upgrading work was completed on the 150 kV HV Capannelle – Cinecittà/O line from the terminal area “Osteria del Curato” to CP Cinecittà/O, with the commissioning of the new 1.6 km XLPE cable section; authorisation is awaited for work to create the new underground 150 kV section Roma Nord – San Basilio (3.4 km long)
station upgrading, expansion, renovation	interventions were carried out in 48 primary substations ; work continues at CP Ostiense to replace the 150 kV HV switchgear with the commissioning of the first HV hybrid section (bays: LAT Laurentina-TR3-sez.SB3) and connection with existing equipment through an interface system (provisional 150 kV busbar trunking); additionally, an additional HV hybrid section has been set up (bay TR2-sect.SB2) to implement the following stages of the project; at CP San Paolo a project was completed to improve the HV 220kV system, installing a new HV busbar switch and replacing the existing busbar and switch holder portals (phase 1)
ordinary and extraordinary maintenance on PS station equipment	interventions were carried out on 96 HV circuit breakers as well as maintenance on 654 MV circuit breakers ; 13 on-load tap changers of power transformers were maintained; additionally, 36 HV transformers were replaced ; the TR 2 150/8.4 kV were replaced at the primary Belsito substation and the ATR 3 150/60 kV at the primary Flaminia/O substation
	HV and MV protection and measures
remote management	the following were prepared, calibrated and put into operation 48 new MV line bays ; checked 371 posts (55 HV posts and 316 MV posts) and 22 transformers (between HV/MV and MV/MV)
measures	earth resistance measurements were carried out on 2,582 secondary substations ; step and contact voltages and total earth resistance measurements were conducted on 10 substations (5 primary and 5 secondary)
	MV and LV lines
modernisation and upgrading of MV networks (transformation from 8.4 kV to 20 kV) and LV networks (transformation from 230 V to 400 V)	130 km of 20 kV MV cable (28 km for expansion and 102 km for upgrading), including 31 km to increase resilience to heat waves , and 171 km of LV cable (84 km for expansion and 87 km for upgrading in preparation for voltage changeover) were installed
ordinary and extraordinary maintenance	Massive drone inspections were carried out over an area of the overhead grid equal to 130 km MV and 30 km HV , in order to carry out specific interventions to replace equipment, supports, conductors, etc. necessary for the preservation and maintenance of the functionality of the systems
	secondary substations (SSs) and remote control
construction, extension, reconstruction SS	832 secondary substations were built/upgraded/rebuilt (203 for new connections or power increases, 629 for upgrading to 20 kV, renewing equipment, setting up remote control), of which 73 substations rebuilt to increase resilience to heat waves (52 substations) and “flooding” (21 substations)
ordinary and extraordinary maintenance on SS	4,982 extraordinary maintenance operations and 1,385 inspections on secondary substations were carried out
remote control	remote control was extended to 383 secondary substations and 438 reclosers (8,890 MT nodes were remote controlled at 31 December 2023) and 3602 maintenance operations were carried on TLCs and reclosers

As part of the plan for the **mass replacement of first generation (1G) meters with second generation (2G) meters**, which improve customer awareness of consumption and reduce estimated billing, during the year Areti installed **another 333,664**. The total number of **remote-controlled meters** (1G and 2G) installed on low-voltage active users at 31 December 2023 is **1,667,138**.

For the innovative projects developed by the company, for example the **PlatOne project**, financed by the European Horizon 2020 programme, and the **RomeFlex project**, launched in 2023 intended to develop a flexibility market for the electricity grid in Rome, please see the *Institutions and Business* chapter, specifically the paragraph on *The Commitment to Research and Innovation*.

PUBLIC LIGHTING



205,697
light points and
232,334
bulbs managed in Rome:
92% of the park
LED lamps



1,193 lamp
posts reinstalled and
10,556
maintenance
interventions on
LED lamps/fixtures



Lighting projects:

Domus Tiberiana, Chiesa Valdese, the twin buildings in Piazza della Repubblica, Bolognola and Kennedy parks and the linear park on via L. M. Perpetuo

Areti manages, by virtue of the *Service Agreement* between Acea SpA and Roma Capitale, works on the **functional** and **artistic-monumental public lighting** infrastructures, for **over 205,697 lighting points** located on a territory covering about 1,300 km².

The company handles the **design, construction, operation, maintenance and renovation of lighting networks and installations**, and plans interventions **in accordance with the instructions of the local government departments and supervisory departments**, which are responsible for new urban developments, redevelopment projects and cultural heritage.

In addition to the service provided to Roma Capitale, Areti also makes public and artistic lighting services available to other stakeholders (e.g. ecclesiastical bodies, hotels, etc.).

Energy consumption for public lighting, which in past years saw a downward trend thanks to modernisation of systems with the installation of LED lamps, has stabilised and fell only slightly in 2023 (-2.4%); at 31 December 2023, **the 213,995 LED lights installed cover 92% of the total number of lamps** (see *Relations with the environment; The Use of Materials, Energy and Water* and the *Environmental Report*).

In 2023 activities continued for the development of an innovative technological solution intended for the creation of a “smart pole”, in a “smart city” perspective. In particular, device prototypes were manufactured and delivered, in the various versions, followed by **testing** and certification for the needed assessments preparatory to mass use.

Lighting projects in 2023 include the installation of various lighting systems to serve certain **streets and green areas that lacked them and the updating of existing systems**, to benefit **light quality** and consequent perceived safety. Additionally, during the year **systems for major public works were installed** (see boxes for more details).

Table no. 25 – Public lighting in Rome in figures (2023)

lighting points (no.)	205,697
monumental artistic lighting points (no.)	10,194
bulbs (no.)	232,334
MV and LV network (km)	8,228

Note: the table shows the data in GIS (geo-referenced information system) as at 31 December 2023.

NEW FUNCTIONAL AND MAJOR LIGHTING PROJECTS

During 2023 Areti implemented various public lighting systems using LED technology in **streets and parks which previously had been unlit**. In particular, in **Via di Passo Lombardo**, thanks to municipal funds, **45 LED lights** were installed along a roughly 1.2 km stretch, with installed power of 2.9 kW. The new kilometre on the **Torraccia bike lane** was lit using **60 new lights**, with installed power of 2.3 kW. With reference to parks, within **Parco Bolognola**, in Municipio III, **19 street lights** were installed, for a total of around 0.7 kW, serving the **pedestrian paths** and the **sports field**. In the same Municipio, new lighting was installed in **Parco Kennedy**, in **pedestrian areas** and in

the **play area**, with **11 lights** for a total power of around 0.4 kW. Also note the **linear park on Via Lucio Mario Perpetuo**, in Municipio VII, which is now lit by **45 new street lights**, for a total of 1.8 kW of power, serving the **play** and **parking areas** and the **sports field**. As part of the **major public works** affecting the streetscape and the public lighting systems, Areti is carrying out interventions for the creation of new systems as works progress for:

- demolition of the **Tangenziale Est** overpass, completed in 2023;
- widening of the road surface on **Via Tiburtina**.

PROJECTS TO UPDATE SYSTEMS

With reference to projects to adapt or modernise existing systems, worthy of note was the **improvement of the system** serving **Via Marsala**, through installation of **10 new candle holders**, replacing the existing ones, as well as **25 new lamps**, for a total change of 2.5 kW. In **Piazza Monte di Tai** an obsolete light tower was removed, followed by the installation of **13 light points** (2 kW removed, 1.2 kW installed) improving the distribution of light; this project was also **an experiment** agreed on with Roma Capitale regarding the use of passive aluminium safety poles and **lamps with an innovative control system**.

In **Piazza dei Caduti del 19 luglio '43**, on the occasion of the 80th anniversary of the bombing of S. Lorenzo, the **lighting system was**

modernised, integrated in the monument to the fallen designed by Luca Zevi, which was also restored for the occasion, with **50 LED projectors**, for a total of 1.8 kW installed and 3.5 kW removed. In **via della Stazione di Cesano**, following the installation of a bike path by Municipio XV, the public lighting system was improved, with the **replacement of 115 existing supports**, while the lamps remained unchanged, avoiding increased consumption. In **Piazza Bologna**, during maintenance work on Municipio II, the **existing lighting system was improved** with the **installation of 13 street lights and 19 in-ground projectors**, for a total of 830 W.

All the interventions mentioned were carried out using LED light sources.

Every year, Areti carries out **efficiency and safety upgrades** at lighting points, as well as **scheduled and extraordinary maintenance** on

the installations (see Table 26).

Table no. 26 – Main efficiency, safety, repair and maintenance projects (2023)

type of work	(no.)
actions to improve energy efficiency/technological innovation (fixture replacement)	1,000 light points replaced (not including new LED installations)
safety measures	3,828 lighting points made safe
checking corrosion on lamp posts	29,995 supports verified (functional and artistic)
LED lamp reinforcement/maintenance	10,556 maintenance jobs
reinstalling lamp posts that were corroded or knocked down due to accidents	1,193 lamp posts reinstalled

Note: the table includes operations carried out for the Municipality of Rome and third parties.

Acea monitors the **quality parameters of the public lighting service** with regard to the **repair time of faults**, calculated from the time the citizen's report⁷⁶ is received. The **performance standards** are **expressed by an average allowable restoration time (TMRA)**, within which repairs should be carried out, and a **maximum time**

(TMAX), beyond which a **penalty mechanism is triggered**⁷⁷. **Performance in 2023** relative to **average recovery time (TMR) for plant functionality**, for the various types of failure, is shown in table no. 27; all performance results are **below the average recovery time limits established** in the contractual standards.

Table no. 27 – Public lighting recovery: Acea penalties, standards and performance (2022-2023)

type of fault	daily penalty for delays	standard contractual service (*)		Acea service	
		TMRA (average permitted recovery time) (working days)	TMAX (maximum recovery time) (working days)	TMR (average recovery time) (working days)	
				2022	2023
blackout neighbourhood – MV grid failure	70	1 working day	1 working day	< 1 working day	< 1 working day
blackout street – MV or LV grid failure	50	5 working days	8 working days	1.6 working days	1.5 working days
blackout stretch (2-4 consecutive lights out)	50	10 working days	15 working days	8.9 working days	9.3 working days
lighting points out: single lamps, posts, supports and armour	25	15 working days	20 working days	14.7 working days	13.9 working days

(*) Consistent with previous years, data were monitored in compliance with provisions under Annex D/2 to the 2005-2015 Municipality of Rome – Acea SpA Service Agreement.

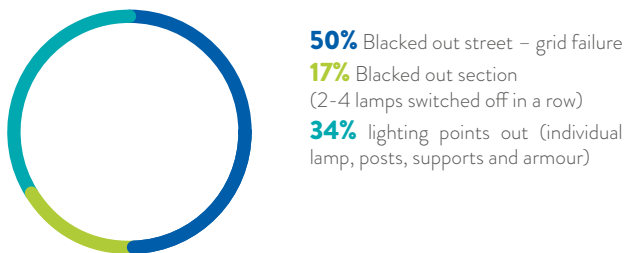
⁷⁶ For the purpose of calculating service levels, reports pertaining to damages caused by third parties are not be considered.

⁷⁷ Fines are calculated using the following criteria: if the average repair time (TMR) is higher than the average allowable repair time (TMRA), for each type of report daily fines are applied to each notice for which the lead time (LT) exceeds the value of the TMRA. If the TMR is lower than or equal to the TMRA, for each type of report daily fines are applied to each notice for which the LT exceeds the value of the maximum allowable recovery time (TMAX).

Control systems, such as remote management, detect the fault situation, which **can also be reported** via contact channels (call centre, app, web, fax or letter)⁷⁸. In 2023, **15,487 fault reports were received**⁷⁹, an increase of 25% compared to the previous year (12,385 reports), and **87%** were followed up within the year.

The **percentage distribution of the total number of reports received by type of fault** is shown in Chart 28. The category with the biggest impact continued to be “blacked out street” (50%), followed by “lighting point out” (34%), which also includes work on posts, fittings and supports, and by “blacked out stretch” (17%).

Chart no. 28 – Types of public lighting faults out of total reports received (2023)



On the subject of **artistic and monumental lighting**, in 2023 maintenance work and new lighting projects were carried out, including at **Domus Tiberiana, which reopened to the public** during the year, and in piazza Cavour, for the **Chiesa Valdese**, as well as projects on the façades of the large twin buildings in **Piazza della Repubblica** (see the dedicated box). Maintenance projects worthy of note include the replacement of the underwater projectors in the **Fontana del Bottino** in Via San Sebastianello, the **Fontana del Prigione**, in Via Goffredo Mameli, the **Fontana di Piazza Clemente XI**, the **Fontana del Cântaro** in Piazza Santa Cecilia and the **Fontana della Dea Roma** in Piazza del Campidoglio.

Maintenance work was also done at the archaeological sites of **Mercati di Traiano, le Terme di Caracalla, le Terme di Diocleziano, il Teatro di Marcello, il Faro del Gianicolo and the Colosseum**; finally, work was done at **Castel Sant’Angelo**, the EUR buildings and the monumental parks in Municipios I and II.

Also during the year **special lighting and switching off projects were handled for symbolic sites** including those on the façade of the Senate Building, the Lazio Region Building and the Colosseum, with the aim of raising citizens’ awareness of particular anniversaries.

ARTISTIC LIGHTING AT THE DOMUS TIBERIANA, CHIESA VALDESE AND THE TWIN BUILDINGS IN PIAZZA DELLA REPUBBLICA

In 2023, lighting of the **Domus Tiberiana** was implemented, within the Archeological Park of the Colosseum, on the occasion of the reopening of the imperial palace to the public, after 40 years. The lighting project, designed and implemented by Areti, is the **first project in Rome using dynamic light** (tunable white) **in an archaeological area**. The façade of the Domus Tiberiana, facing the Roman Forum, is brought to life through dynamic light, to obtain a soft light effect using warm tones. At the same time, the changes in colour and brightness offer visitors never before seen scenes: light becomes a tool to tell the story of the place. The selection of next generation LED technology made it possible to **adjust the brightness and colour temperature of the light for each individual projector**, minimising the aesthetic impact of the same while obtaining excellent chromatic performance and limiting energy consumption. A total of **101 projectors** were installed, for a total of 4.4 kW (considering the system when fully utilised). Acea sponsored the entire project.

In Piazza Cavour the project involved the main façade of **Chiesa Valdese** which was recently restored. Areti was responsible for the

design and installation of the artistic lighting, with the aim of achieving soft and uniform light, through the use of elliptical optics for the side wings and towers and roto-symmetrical optics for the central section. **17 projectors** were installed for a total of around 0.7 kW.

The project in Piazza della Repubblica, financed by the CSIMU department of Roma Capitale, included the entire artistic lighting system for the façades of the twin buildings (**Palazzo Feltrinelli e Palazzo Naiadi**). Areti was responsible for both the design and execution of the work. The project, utilising both projected and grazing lighting was intended to **take full advantage of the views of the two buildings** and reconstruct the urban backdrop at night. The choice of high range LED technology made it possible to reduce the aesthetic impact of the projectors, while offering excellent chromatic performance and minimising energy consumption. Additionally, through the flexible control and management system installed, different lighting set-ups can be achieved. The new system, replacing the previous obsolete one, consists of **386 projectors**, for installed power of 12.6 kW. Modernisation of this system led to 70% energy savings.

THE QUALITY LEVELS REGULATED BY ARERA IN THE ELECTRICITY SECTOR

The **Regulatory Authority for Energy, Networks and the Environment (ARERA)** defines, at a national level, the **commercial quality standards** (timing of the technical-commercial services requested

by customers, such as estimates, work on connections, activation/deactivation of the supply, response to complaints) and **technical quality standards** (continuity of supply) **of the electricity service and it periodically reviews them**, directing operators to constantly improve performance.

⁷⁸ More detailed information on call centre performance and written complaints is provided in the *Customer Care* section.

⁷⁹ The data excludes reminders and repeated reporting of the same fault.

Commercial quality is divided into “specific” and “general” levels,⁸⁰ for the **distributor** (differentiated for low and medium voltage supplies) and for those of the **seller** (see Tables 28, 29 and 30).

Every year **Acea communicates to ARERA the results achieved and includes them in the bill it sends to its customers.**

The **2023 commercial and technical quality results**⁸¹, relative to electricity **distribution** and metering, with respect to **commercial quality**, relative to **electricity sales**, as indicated in this report, represent **the best possible estimate**⁸² as of the date this document was prepared, and may not perfectly match that sent to ARERA as part of the annual reports. For the electricity **distribution service**, with respect to the “specific” levels of commercial quality average times were good and performance stable, compared to 2022, with the standards for the most widespread services met, including activations, terminations and reactivations. On the other hand, estimate time for works on the LV network worsened with respect to 2022, both in terms of average days to prepare the estimate and the percentage of compliance with the standard. In general, performance on the MV network also declined. For “general” levels in terms of responses to written complaints/requests for information, performance for LV domestic customers was essentially stable compared to 2022, with a slight decline in average days to process, more significant for non-domestic and MV customers (see table no. 28). Automatic compensation to customers⁸³ to be paid in case of non-compliance with “specific” quality levels, start from a basic amount⁸⁴, which can be doubled (if the timing of the activities ex-

ceeds the standard between two and three times) or tripled (if the timing exceeds the standard by three times).

For quality aspects in terms of **sales**, managed by **Acea Energia**, based on estimated figures for 2023, a decline was seen in the “specific levels” of commercial quality for all the compliance percentages linked to the standards established by ARERA, while the compliance percentages for standards in the “general levels” of commercial quality improved or remained stable (see table no. 29). With reference to Areti’s performance related to the incentivised regulation of the **duration** and **number of interruptions without prior notice** for **low-voltage users**, the figures for 2023, summarised in table no. 30, indicate that in urban areas with the highest concentration of users (high and medium concentration territorial areas), **continuity of service** worsened with respect to the previous year. Nonetheless, positive results were seen in the periphery and rural areas in terms of duration, despite an increase in the number of interruptions.

In addition to the indicators described above, the electricity distributor is also required to comply with specific levels of service continuity with reference to **medium voltage users** for which automatic compensation will be paid⁸⁵ in cases where the number of interruptions during the year exceeds a defined standard.

Finally, separately for **medium and low voltage users** in the event of failure to comply with the maximum power restoration times, there is an additional reimbursement to be paid by the distribution company to each user that is disconnected for more than 4 or 8 hours respectively.

Table no. 28 – Main specific and general levels of commercial quality – energy distribution (2022-2023)
(ARERA parameters and Areti performance – 2022: data submitted to ARERA; 2023: estimated data)

ENERGY DISTRIBUTION

SPECIFIC LEVELS OF COMMERCIAL QUALITY					
SERVICES	ARERA PARAMETERS – maximum time by which the service must be performed	average actual	percentage of services	average actual	percentage of services
		completion time for services	carried out within time limit	completion time for services	carried out within time limit
			2022	2023	
LOW VOLTAGE (LV) SUPPLIES					
DOMESTIC CUSTOMERS		ARETI'S PERFORMANCE			
estimates for work on LV networks (ordinary connections)	15 working days	14.59	72.51%	18.06	60.60%
completion of simple work (ordinary connections)	10 working days	10.25	81.76%	11.00	79.36%
completion of complex works	50 working days	20.88	89.94%	34.30	80.22%
supply activation	5 working days	1.50	97.17%	1.00	95.81%
deactivation of supply on customers request	5 working days	1.10	98.54%	0.70	98.50%

80 Specific quality standards” are defined as the deadline within which the service provider must provide a given service and, in the event of non-compliance, they require that automatic compensation is granted to customers; the general quality standards” are defined as the minimum percentage of services to be provided within a given deadline.

81 Integrated Test on the output-based regulation of electricity distribution and measurement services – Annex A to ARERA resolution 646/2015/R/eel as subsequently amended and supplemented.

82 This is due to the misalignment between the delivery times of reports to the Authority and those required by law for the publication of this document.

83 Where due, automatic compensation is paid to the customer by deduction from the amount charged in the first subsequent bill and if needed in following bills, or paid by direct remittance. In any case, such automatic compensation must always be paid to the customer within 6 months from the date of receipt of the written complaint or the request for reimbursement of double billing, with the exception of customers who are billed quarterly, for which the term is set at 8 months. For distribution activities, automatic compensation is paid by the distributor to the service recipient within 7 months from the date on which the required service is provided.

84 The amount set by the Authority for compensation for non-compliance with the specific quality standards for the distribution service starts from a basic amount of € 35 for domestic low voltage customers; € 70 for non-domestic low voltage customers and € 140 for medium voltage customers. In the event of non-compliance with the specific quality standards of the sale, the seller shall pay the final customer an automatic compensation of € 25. Compensation grows in relation to the delay in the provision of the service.

85 In order to be entitled to compensation, medium voltage customers must prove that they have installed protection devices at their plants that can prevent any interruption caused by faults in their utility plants from having repercussions on the Areti network, damaging other customers connected nearby. Furthermore, they must send their own plant adequacy statement, issued by parties with specific technical and professional expertise. Where customers fail to meet the requirements whereby compensation may be sought, that amount is paid by Areti as a fine to the Energy and Environmental Services Fund.

reactivation of supply following disconnection for late payment	1 working day	0.11	99.05%	0.15	98.85%
resumption of the supply following faults of the metering equipment (requests sent during business days from 08:00 to 18:00)	3 hours	3.23	62.52%	3.88	57.51%
resumption of the supply following faults of the metering equipment (requests sent during non-business days or from 18:00 to 08:00)	4 hours	2.66	81.84%	3.09	78.87%
maximum punctuality band for appointments with customers	2 hours	N.A.	90.60%	N.A.	88.24%

NON-DOMESTIC CUSTOMERS

ARETI'S PERFORMANCE

estimates for work on LV networks (ordinary connections)	15 working days	14.65	70.58%	19.55	57.76%
completion of simple work (ordinary connections)	10 working days	10.58	79.77%	11.89	77.45%
completion of complex works	50 working days	28.48	86.72%	36.36	85.86%
supply activation	5 working days	2.30	93.16%	2.32	94.47%
deactivation of supply on customers request	5 working days	2.61	94.99%	2.94	96.20%
reactivation of supply following disconnection for late payment	1 working day	0.12	98.84%	0.16	98.20%
resumption of the supply following faults of the metering equipment (requests sent during business days from 08:00 to 18:00)	3 hours	3.00	65.47%	3.46	60.56%
resumption of the supply following faults of the metering equipment (requests sent during non-business days or from 18:00 to 08:00)	4 hours	3.00	83.68%	2.92	80.30%
maximum punctuality band for appointments with customers	2 hours	N.A.	87.98%	N.A.	83.24%

MEDIUM VOLTAGE SUPPLIES (MV)

END CUSTOMERS

ARETI'S PERFORMANCE

estimates for work on MV networks	30 working days	17.04	94.29%	25.98	74.73%
completion of simple work	20 working days	12.00	100%	13.28	85.72%
completion of complex works	50 working days	14.60	97.14%	49.08	56.75%
supply activation	5 working days	9.60	21.43%	14.22	39.29%
deactivation of supply on customers request	7 working days	37.13	13.04%	54.84	19.23%
reactivation of supply following disconnection for late payment	1 working day	0.38	100%	1.00	66.67%
maximum punctuality band for appointments with customers	2 hours	N.A.	92.36%	N.A.	79.53%

GENERAL LEVELS OF COMMERCIAL QUALITY

SERVICES

**ARERA
PARAMETERS -
minimum percentage of
services to be performed
within a maximum time**

**average
actual
completion
time for
services**

**percentage
of services
performed
within the
maximum
time**

**average
actual
completion
time for
services**

**percentage
of services
performed
within the
maximum
time**

2022

2023

LOW VOLTAGE (LV) SUPPLIES

DOMESTIC CUSTOMERS

ARETI'S PERFORMANCE

reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	29.88	72.65%	31.00	74.00%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	44.57	61.42%	50.00	61.00%

NON-DOMESTIC CUSTOMERS

ARETI'S PERFORMANCE

reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	27.13	73.73%	35.00	74.00%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	60.41	53.83%	74.00	59.00%

MEDIUM VOLTAGE SUPPLIES (MV)

END CUSTOMERS

ARETI'S PERFORMANCE

reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	21.60	80.96%	35.00	73.00%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	38.28	66.67%	64.00	65.00%

Table no. 29 – Main specific and general levels of commercial quality – energy sales (2022-2023)
(ARERA parameters and Acea Energia performance – 2022 data submitted to ARERA, 2023 data not consolidated)

ENERGY SALES			
SPECIFIC LEVELS OF COMMERCIAL QUALITY (*)			
SERVICES	ARERA PARAMETERS maximum time by which the service must be performed	percentage of services carried out within time limit	percentage of services carried out within time limit
		2022	2023
MORE PROTECTED SERVICE		ACEA ENERGIA PERFORMANCE	
billing adjustments	60 calendar days	85.71%	/
double billing adjustments	20 calendar days	100%	/
reasoned reply to written complaints	30 calendar days	80.11%	79.77%
FREE MARKET		ACEA ENERGIA PERFORMANCE	
billing adjustments	60 calendar days	85.71%	55.39%
double billing adjustments	20 calendar days	/	/
reasoned reply to written complaints	30 calendar days	89.72%	78.81%
GENERAL LEVELS OF COMMERCIAL QUALITY			
SERVICES	ARERA PARAMETERS minimum percentage of services to be performed within a maximum time	percentage of services performed within the maximum time	percentage of services performed within the maximum time
MORE PROTECTED SERVICE		ACEA ENERGIA PERFORMANCE	
reply to written enquiries	95% within 30 calendar days	97.39%	98.91%
FREE MARKET		ACEA ENERGIA PERFORMANCE	
reply to written enquiries	95% within 30 calendar days	99.23%	97.44%

(*) Free market and more protected service customers with low and medium voltage supplies, and end customers of low-pressure natural gas (predominantly domestic customers and small businesses) receive an automatic compensation calculated on a base value of € 25 if standards are not met.
The symbol “/” is used when services were not requested during the year, N.A. means the data are not applicable.

Table no. 30 – Service continuity data – energy distribution (2021-2023)
(ARERA parameters and Areti performance – 2021-2022: data certified by ARERA; 2023: provisional data)

ENERGY DISTRIBUTION – CONTINUITY INDICATORS – LV CUSTOMERS					
DURATION OF DISRUPTIONS AND PERCENTAGE CHANGES					
SERVICES	average cumulative duration of long disruptions without prior notice under the operator's responsibility per LV customer per year (minutes)			percentage changes	
	2021	2022	2023	2023 vs. 2021	2023 vs. 2022
high concentration	30.4	29.9	39.1	29%	31%
medium concentration	45.5	37.3	46.4	2%	24%
low concentration	47.3	44.6	34.9	-26%	-22%
AVERAGE NO. OF DISRUPTIONS AND PERCENTAGE CHANGES (*)					
SERVICES	average no. of disruptions without prior notice under the operator's responsibility per LV customer per year			percentage changes	
high concentration	1.603	1.389	1.869	17%	35%
medium concentration	2.461	1.909	2.192	-11%	15%
low concentration	3.247	2.504	3.408	5%	36%

(*) The yearly average number of disruptions per low voltage customer considers both lasting disruptions (> 3 minutes) as well as short disruptions (≤ 3 minutes but longer than 1 second).

Note: the three territorial areas are defined on the basis of the degree of concentration of the resident population: more than 50,000 inhabitants is defined as “high concentration”; between 5,000 and 50,000 inhabitants is defined as “medium concentration”; less than 5,000 inhabitants is defined as “low concentration”.

QUALITY IN THE WATER AREA



199 Water Kiosks active in the areas managed by Acea Ato 2, Gori and AdF: over **47 million** litres of water disbursed, equal to **944 t** of plastic/year saved and over **2,500** tonnes of **CO₂** not released in the atmosphere.



Strategic infrastructure: completed the design and authorisation stages for 4 sub-projects (hydraulic works) linked to the **Peschiera Aqueduct** works



Acea Ato 2: a pilot project for sewer network districting to identify and reduce the amount of parasites

The Acea Group manages the integrated water service (IWS) in several Optimal Areas of Operations (OTA) or District Areas of Lazio, Tuscany, Campania and Umbria through subsidiaries and investee companies. Below, in line with the scope of reporting (see *Communicating sustainability: methodological note*) we described the activities carried out in Lazio, Campania and in Tuscany by the following companies⁸⁶:

- **Acea Ato 2**, in OTA 2 - Central Lazio (Rome and 112 other municipalities⁸⁷, of which 90 are managed⁸⁸ by Acea Ato 2, equal to about 98% of the population in the area), the Group's "historical" area of operation⁸⁹, with a pool of around 4 million inhabitants served;
- **Acea Ato 5**, in OTA 5 - southern Lazio - Frosinone (86 municipalities managed⁹⁰ in the area of Frosinone and vicinity, equal to about 93% of the population), for about 451,000 residents served;
- **Gori** operates in the Sarnese-Vesuviano district (in 76 municipalities - 59 in the province of Naples and 17 in the province of Salerno - of which 74 are managed), with approximately 1.4 million residents served;
- **Gesesa** operates in the Sannita District Area⁹¹ (21 municipalities managed, in the area of Benevento and province), with more than 109,000 residents served;
- **AdF** operates in the Optimal Territorial Conference 6 Ombrone, which includes 55 municipalities (28 in the province of Grosseto and 27 in the province of Siena) with a population of more than 390,000 (for over 378,300 residents served).

The integrated water service (IWS) involves **the entire cycle of drinking water and wastewater**, from the collection of water from the springs until its return to the environment, and is regulated by a **management agreement** signed **between the Company that takes charge of the service and the Area Authority** (AGB - Area Governing Body).

The Regulatory Authority for Energy, Networks and the Environment (ARERA), which also regulates the water sector at a national level, has defined the minimum essential contents of the **"Standard Agreement" between the entrusting bodies and the service operators**. For the main regulatory interventions in the water sector undertaken during the year by ARERA, see paragraph *Context analysis and business model* (Group Profile chapter), and for more details see the Authority's website.

The **Integrated Water Service Charter**, annexed to the Agreement, defines the **general and specific quality standards** that the operator must respect in relation to the users, in compliance with the ARERA Resolutions on **contractual quality and technical quality aspects**. The **User Regulations**, also annexed to the Agreement, govern the **relationship with customers**, establishing the technical, contractual and economic conditions that are binding for the operator in the provision of services. For the **contractual quality performance** of water companies, see below the sub-section *Levels of quality regulated by ARERA in the water segment*.

The **management activities** of the integrated water service, though **closely related** and therefore allowing an **optimal definition of the processes**, must relate to **situations that are very diversified** from the standpoints of **sale, demographics, geomorphology and hydrology** of the regions served, which also have an impact on the infrastructure to be implemented.

The Companies operate in compliance with the procedures of the **certified management systems**, in particular, for Acea Ato 2, Acea Ato 5 and Gesesa in the areas of Quality, Environment, Safety and Energy, for Gori in the areas of Quality, Environment and Safety and for AdF in the areas of Quality and Safety (see, for further details, *The corporate identity, The management systems*).

⁸⁶ Also note that Acea Ato 2, Acea Ato 5 and Gori voluntarily prepare a Sustainability Report each year, to which readers are referred for more data and information.

⁸⁷ In July 2021, with Regional Council Resolution No. 10, the Optimal Territorial Area 2 - Central Lazio-Rome was modified to include the Municipality of Campagnano di Roma, which previously belonged to OTA 1 - North Lazio-Viterbo.

⁸⁸ In 90 municipalities, Acea Ato 2 managed the entire IWS (aqueduct, sewerage and waste water treatment), and the IWS was partially managed in another 16 municipalities.

⁸⁹ Acea was entrusted with the running of the capital's aqueduct service since 1937, the water treatment system since 1985 and the entire sewerage system since 2002, effective 1 January 2003.

⁹⁰ Including the management of two municipalities outside the area (Conca Casale and Rocca d'Evandro).

⁹¹ Previously known as OTA Calore Irpino. DGR 434 of 3 August 2022, amending Regional Law 15/2015.

CONSISTENCY, INTERVENTIONS AND REMOTE CONTROL

The Companies that manage the IIS are committed to progressively **digitalising the networks**, achieved through surveys, on site checks and the **entry of data in geo-referenced information systems** (GIS)

making it possible to optimise control over and planning of projects, with percentages in excess of 90% achieved for geo-referenced networks. See the amounts found in table no. 31.

Table no. 31 – Water network areas (2023)

company	drinking water network (km)	sewerage network (km)
Acea Ato 2	13,873 (730.3 km of aqueduct, 1,246 km of supply network and 11,896.7 km of distribution)	7,594
Acea Ato 5	6,212 (1,235 km of supply network and 4,977 km of distribution network)	1,887
Gori	5,274 (869 km of supply network and 4,405 km of distribution network)	2,746
Gesesa	1,969.9 (173.3 km of supply network and 1,796.6 km of distribution network)	513.2 (among outfalls, main and secondary collectors)
AdF	8,395.8 (1,994.3 km of supply network and 6,401.5 km of distribution network)	1,825 (among outfalls, main and secondary collectors)

The networks are connected to a complex system of equipment and plants necessary for the operations of the aqueduct, treatment and sewerage services.

Each year, the Companies carry out:

- **infrastructure interventions** such as **modernisation** or **strengthening of the plants**, the **remote control** of infrastructures, the **completion, extension** or the **drainage of pipelines and networks**, to contain the losses and improve the efficiency and quality of the service provided;
- **interventions and activities to improve utility management** (such as installation and replacement of meters), in addition to everything concerning the relationship with customers, for which reference is made to the paragraph *Customer care*;
- **interventions and activities to protect people and territory**, aimed at ensuring the **quality of the drinking water** distributed and the water returned to the environment, such as the Water Safety Plans (WSPs) and laboratory controls; see the section *Relations with the environment*, paragraph *Water segment*).

For a quantification of the main interventions carried out by the companies during the year and the analytical checks on drinking water and waste water carried out independently or by Acea Infrastructure, see Table 32.

In 2023, **Acea Ato 2** continued the development of all interventions in collaboration with Acea Infrastructure, intended to secure and modernise the **Peschiera aqueduct system, essential strategic infrastructure**: to ensure greater resilience of the procurement and supply system managed. The design/authorisation stage was completed for the **4 sub-projects**⁹² relating to hydraulic works, identified in 2021, which will also be carried out using financing obtained

through the NRRP⁹³. As regards the **main intervention**, the “New Upper Section of the Peschiera Aqueduct”, which will also be carried out thanks to financing of € 700 million established by the 2023 Budget Law (Italian Law no. 197/22), **the authorisation procedure continued in 2023**⁹⁴.

Among the projects implemented during the year, Acea Ato 2 **installed 154 hydro valves** to optimise operating pressure in distribution networks and **reclaimed around 68 km of water network**; it **completed the installation of important major supply systems** able to increase the resilience of complex municipal systems, particularly with reference to the **Acquedotto Marcio – Acquedotto Simbrivio** interconnections of **Albano Laziale** and **Serbatoio Galilei – Serbatoio Montanucci** in **Civitavecchia**; to increase the water available in municipalities managed, it completed new drinking water plants or improved/expanded existing ones, in the municipalities of Ariccia, Allumiere, Rignano Flaminio, Manziana and Velletri. Finally, the programme to install flow-limiting devices on rural utilities to limit non-drinking consumption is still in place.

In 2023, under the NRRP, Acea Ato 5 received financing for its **investments in purification and sewers**⁹⁵ for projects that will be completed by 2026. The Company also participated in the tender for Development and Cohesion (CIS) funds for projects to **reduce water leaks**, including digitalisation and monitoring of networks utilising NRRP resources. It was classified as eligible but not financed due to a lack of funds. Nonetheless, when additional resources were obtained, in December 2023, following a proposal submitted by Acea Ato 5, the Technical Operational Secretariat confirmed the need to finance the proposed projects and sent the relevant Ministry the update to the procedural schedule.

92 These are the “New Marcio Aqueduct - Lot I”, the “Raddoppio VIII Syphon - Casa Valeria Section - Ripoli Tunnel Exit - Phase I”, the “Ottavia - Trionfale Supply System” and the “Monte Castellone - Colle S. Angelo (Valmontone) Pipeline”.

93 According to Ministerial Decree 517/21 and the Decree of the State General Accounting Office no. 160/22 (provision for launch of works that cannot be postponed).

94 On the basis of the opinion of the authority responsible for overseeing public works expressed at the meeting on 14/10/2020 (no. 46/2020) and pursuant to art. 44, paragraph 1-bis of Law 108/21.

95 This refers to financing for “NRRP- M4C2 - I4.4 Investments in purification and sewers”, approved with MASE Decree R.262 of 9 August 2023.

Table no. 32 – Main interventions on the drinking water and sewerage networks and controls on drinking water and wastewater (2023)

INTERVENTIONS ON DRINKING WATER NETWORKS, METERS AND WATER TESTS	
type of work	
ACEA ATO 2	
interventions due to network failure/leak detection	37,676 interventions (37,314 due to faults, 362 leak detection)
planned interventions	12,771 interventions
Meter installations (new installations and replacements)	16,979 installations (12,854 new installations and 4,125 replacements) and 21,097 mass replacements under contract
network extension	6.3 km of expanded network
network reclamation	68 km of reclaimed network
drinking water quality control	14,412 samples collected and 419,940 tests performed
ACEA ATO 5	
interventions due to network failure/leak detection	10,708 interventions
planned interventions	4 interventions
Meter installations (new installations and replacements)	9,734 installations (3,165 new installations and 6,569 replacements)
network extension	1.6 km of expanded network
network reclamation	45.1 km of reclaimed network
drinking water quality control	3,268 samples collected and 119,229 tests performed
GORI	
interventions due to network failure/leak detection	14,310 interventions
planned interventions	9,069 interventions
Meter installations (new installations and replacements)	14,500 installations (11,984 new installations and 2,516 replacements, due to wear or malfunction) and 11,703 installations (on financed resources)
network extension	1.04 km of expanded network
network reclamation	81.8 km of reclaimed network
drinking water quality control	5,367 samples collected and 144,731 tests performed
GESESA	
interventions due to network failure/leak detection	4,269 interventions (4,177 due to faults, 92 leak detection)
planned interventions	290 interventions
Meter installations (new installations and replacements)	342 installations (120 new installations and 222 replacements)
network extension	0 km of expanded network
network reclamation	10 km of reclaimed network
drinking water quality control	906 samples collected and 11,639 tests performed
AdF	
interventions due to network failure/leak detection	8,900 interventions (8,308 due to faults, 592 leak detection)
planned interventions	64 interventions
Meter installations (new installations and replacements)	31,996 installations (3,291 new installations and 28,705 replacements)
network extension	0 km of expanded network
network reclamation	28 km of reclaimed network
drinking water quality control	3,841 samples collected and 73,218 tests performed
INTERVENTIONS ON SEWERAGE NETWORKS AND TESTS	
type of work	
ACEA ATO 2	
interventions due to network failure	2,447 interventions
planned interventions	500 interventions
network extension	5.3 km of expanded network
network reclamation	13.7 km of reclaimed network
wastewater quality control	7,619 samples collected and 145,889 tests performed

ACEA ATO 5

interventions due to network failure	264 interventions
planned interventions	-
network extension	0.2 km of expanded network
network reclamation	3.5 km of reclaimed network
wastewater quality control	3,074 samples collected and 88,803 tests performed

GORI

interventions due to network failure	414 interventions
planned interventions	7,677 interventions
network extension	7.7 km of expanded network
network reclamation	7.4 km of reclaimed network
wastewater quality control	1,897 samples collected and 48,871 tests performed

GESESA

interventions due to network failure	141 interventions
planned interventions	16 interventions
network extension	0 km of expanded network
network reclamation	0.10 km of reclaimed network
wastewater quality control	445 samples collected and 11,345 tests performed

AdF

interventions due to network failure	309 interventions
planned interventions	20 interventions
network extension	0 km of expanded network
network reclamation	3 km of reclaimed network
wastewater quality control	8,570 samples collected and 43,062 tests performed

Acea Ato 2's aqueducts and supply network are equipped with **remote-control systems: meters and sensors** connected to the field equipment provide the **central system** with useful information on the condition of the network and its operation (system set-up, pump and valve status, hydraulic, chemical, physical and energy measurements), **highlighting any alarms** and offering the possibility of **remote operation**, such as turning pumps on or off, opening, closing or adjusting valves. Rome's particularly complex distribution network is fed by water centres, where **remote control has been implemented extensively**. The **water centres** and **points on the network** which are partially or fully **remote controlled** saw a **further increase**: at the end of 2023 the following were remote controlled: **1,291 systems** on the collection and distribution network (in springs, wells, aqueducts, major supply systems, water centres, drinking water plants) and additional **2,327** remote controls along the distribution network (1,547 districting points, 148 water kiosks and 632 network pressure sensor points). Of these, **541** are equipped with **water quality** measurement systems (turbidity, residual chlorine, etc.) **For the** the sewage system the progressive remote control of the entire sector is very advanced **which intervenes on both central systems and plants** (large and small treatment plants and sewage lifting plants): **the main treatment plants are already remotely controlled through on-site rooms** and further work to upgrade the technology and connect them to the central room is in progress. Additionally, during **2023**, Acea Ato 2 developed a **pilot sewer districting project** in the Municipality of Fiano Romano, making it possible to implement a procedure **to identify and reduce the amount of parasites in the sewer network**.

This method was be applied to municipalities along Bracciano Lake starting in September 2023, which have sewer networks connected to the **collector skirting the lake** and, through this, the **CoBIS TREATMENT PLANT**. Monitoring of sewage networks through the creation of districts and management of these using the WMS platform makes it possible to **increase understanding** of how the networks function and, consequently, **optimise them**, with the aim **of identifying and reducing the impact of parasites in the sewage network**.

The water sites managed by **Acea Ato 5** - including supply sources, distribution plants, sewage lifting stations and purification plants - are partly **equipped with remote control**, which makes telemetry, remote command and control possible, as well as the detection of hydraulic (water flow rate, network pressure, tank level, operating status of electric pumps), electrical and qualitative (turbidity and residual chlorine) parameters. At the end of 2023, **there were 457 systems with a remote control system installed** (equipped with flow rates, pressure and levels hydraulic measurements, with 16 systems also equipped with water quality control and 153 network points with continuous pressure or flow monitoring systems).

The plants managed by **Gori**, relating to the drinking water, sewage and purification systems, **are all already equipped with remote-control systems**; there are a total of **677 plants** (269 water sites and 203 water network nodes, 195 sewage sites and 10 purification sites), at which telemetry, remote command and control activities, as well as the detection of hydraulic parameters, are carried out. A local control system provides automated management⁹⁶ of electric pumps and valves, according to a logic of energy efficiency and

96 With human intervention only in emergencies.

saving of water resources; in the largest reservoirs, outflow control valves are installed and remotely controlled, for dynamic adjustment of the quantity of resource supplied, based on different water availability scenarios. The application of **IoT technologies** in nodes of the water and sewerage networks **where electricity is absent** also allows essential network parameters (pressures and flows) to be monitored.

Gesesa has moved forward in recent years with the installation of the remote control system in the sites it manages; in 2023, this was suspended⁹⁷ and extraordinary maintenance was carried out on the sites. **AdF** extended remote control **to another 118 sites** in 2023, mainly in water network control rooms and sewage pumping stations; constant monitoring of the networks (district flow measurements and control valves) and of the small reservoirs makes it possible to reduce inefficiency while also optimising management. The automatic instruments installed on the pumping systems of the sewage lifts also facilitate predictive maintenance, frequency analysis of alarms, and the status of priority process meters for management and budgetary purposes. Work continued in 2023 year to implement **automatic regulation of the network**, depending on pressure conditions, and tests on battery-powered pressure and flow rate sensors with NB-IoT technology. As at 31 December 2023, there were a **total of 1,164 remote-control** sites managed by **AdF**, relating to the drinking water, sewage and purification systems, including plants and manholes (of which 519 aqueduct sites and 254 water network nodes, 276 sewage sites and 115 purification sites).

The issue of **limiting losses on distribution networks** is carefully monitored by all Group companies, which are committed to the **sustainable management of the water cycle**; to this end, **organisational structures dedicated to protecting the resource** have been set up. The companies carry out districtisation, inspection and reclamation of the networks, installation of automatic valves and other pressure control instruments, verification and calibration of meters, identification of abnormal consumption and implement interventions to counter illicit connections and improper use of the resource. The specific activities undertaken in 2023 by each company are illustrated in the dedicated chapter *Water Segment* in the section *Relations with the environment*, to which reference should be made.

UTILITY MANAGEMENT AND SERVICE CONTINUITY

The companies continued in 2023 with the **installation of new meters and the replacement of old ones** (see figures in Table 32).

Acea Ato 2, as part of its **mass replacement of meters**, continued activities to support **progressive remote reading** of water meters, thanks to the installation of specific devices; in 2023, it installed **around 4,600 devices**, reaching a total of **around 38,400 remote reading devices**. The Company also plans to introduce **specific solutions** according to different requirements, with the installation of “Add-On” devices mainly on the large sizes, whereas for lower sizes (for example pipes with diameter DN15), it is implementing **the design and development of an “integrated smart meter” remote reading device with innovative and advanced Note-IoT technology for the water service**, which is expected to provide benefits in terms of remote management and optimisation of quality, quantity and security of data.

AdF continued to implement **remote meter reading** in its territory, also installing meters with **Note-IoT** transmission technology, making it possible to increase reading and data collection frequency;

in 2023 it installed **around 29,000 meters** for remote reading, achieving **70% coverage of the entire fleet of meters**. **AdF** also has a **platform for analysing, checking and monitoring** data from remote reading, which, by also integrating data collected from fixed and mobile concentrators, allows greater control of the flows supplied and network balance.

The **continuity of the water supply** is a fundamental service parameter for customer satisfaction, which is subject to regulation by the ARERA. Table no. 33 shows the data of the last three years relating to **disruptions and water reductions, urgent** (due to accidental breakdowns of pipelines or plants, energy interruption, etc.) **or planned**, for the Companies in question.

Table no. 33 – Number, type and duration of disruptions in the supply of water (2021-2023)

type of disruption	2021	2022	2023
ACEA ATO 2 (*)			
urgent disruptions (no.)	911	882	1,126
planned disruptions (no.)	336	262	202
total disruptions (no.) (**)	1,247	1,144	1,328
suspensions lasting > 24hrs (no.)	167	179	311
ACEA ATO 5			
urgent disruptions (no.)	691	686	686
planned disruptions (no.)	397	457	367
total disruptions (no.) (**)	1,088	1,143	1,053
suspensions lasting > 24hrs (no.)	0	0	38
GORI			
urgent disruptions (no.)	2,629	2,610	2,850
planned disruptions (no.)	59	141	341
total disruptions (no.) (**)	2,688	2,751	3,191
suspensions lasting > 24hrs (no.)	0	0	0
GESESA			
urgent disruptions (no.)	17	36	6
planned disruptions (no.)	19	46	74
total disruptions (no.) (**)	36	82	80
suspensions lasting > 24hrs (no.)	8	0	0
AdF (*)			
urgent disruptions (no.)	2,158	2,041	2,177
planned disruptions (no.)	342	423	435
total disruptions (no.) (**)	2,500	2,464	2,612
suspensions lasting > 24hrs (no.)	44	44	36

(*) The 2021 figures for Acea Ato 2 have been consolidated; the figures for the 2020-2021 two-year period for AdF, net of the item suspensions lasting > 24hrs, have been adjusted excluding the disruptions lasting over one hour, in line with what was reported to ARERA. The 2022 figures for AdF were adjusted following validation by the Tuscan Water Authority. Finally, the 2023 figures for Acea Ato 2 and AdF are preliminary and being consolidated. Any adjustments, after data consolidation, will be reported in the next reporting cycle.

(**) As envisaged by ARERA, total disruptions include shutdowns (due to damage to pipes/pipelines and network changes) and interruptions due to disruptions and system anomalies. The number of total out of service cases is therefore used for the calculation.

97 Due to the block on investments imposed by the Campania Water Authority.

WATER DISTRIBUTED AND RETURNED TO THE ENVIRONMENT

The quality of the drinking water distributed safeguards aspects related to the health and safety of the community and the resource returned to the receiving water bodies has impacts on safeguarding ecosystems. Consequently, all the Companies independently carry out controls on drinking and wastewater using internal laboratories or with the support of Acea Infrastructure (see Table 32).

In particular, tests on water intended for consumption are carried out on samples collected from springs and wells, supply plants, reservoirs and along distribution networks, as well as samples collected for extraordinary testing and specific parameters. Test frequency and sampling points are defined taking into consideration the volumes of water distributed, population served, network and infrastructure conditions and specific characteristics of local springs (see also *Environmental relations*).

All the Water Operations Companies in the Group have started preparations or begun to implement Water Safety Plans (WSPs), aimed at preventing and reducing the risks inherent to the drinking water service; the activities in question, conducted in 2023, are illustrated in the Water Area chapter in the "Relations with the Environment" section, to which reference should be made.

As regards the territory managed by Acea Ato 2, the spring water collected to supply the Rome and Fiumicino area presents levels of excellent quality at the source, while in the Castelli Romani area and other areas of upper Lazio, the volcanic nature of the terrain adds mineral elements to the aquifer such as fluorine, arsenic and vanadium, in concentrations exceeding those envisaged by the law. Every year, Acea Ato 2 implements projects to overcome these issues, such as by decommissioning some local sources of supply and replacing them with higher quality springs. In particular, in 2023, Acea Ato 2 built new drinking water plants or upgraded/expanded existing plants in the municipalities of Ariccia, Allumiere, Rignano Flaminio and Manziana, in which these activities had begun the previous year, and in Velletri. It also began projects to create aqueduct connections between the two Simbrivio aqueducts and research for extraordinary maintenance projects to extend infrastructure life and improve the service provided.

Thanks to the water supply source quality monitoring project using on-line tools, begun in 2021, AdF controls around 75% of water taken from the environment. The project involved the installation of the instruments, the acquisition of the remote-control signals and the preparation of the relative control/reporting dashboards, through which it is possible to integrate the qualitative data collected with quantitative information and with the meteorological and hydrogeological information made available online by the related regional services, updated on a daily basis. The installation of online measurement systems and the uptake of remote control makes it possible to continuously monitor the quality of the water and activate early warning systems as provided for in the guidelines of new regulations on the

safety of drinking water.

Gori distributes quality water, collected from deep wells. The qualitative characteristics of the water are verified by the internal "Francesco Scognamiglio" laboratory, located in Pomigliano d'Arco, which uses cutting-edge instruments, including a spectrometer capable of determining all the metals indicated by the regulations in force on drinking water.

Gesesa participates in the technical round table, together with relevant institutions, dedicated to the monitoring and characterisation of the groundwater resource that, through the Campo Mazzoni and Pezzapiana wells, supplies the city of Benevento. The Company moved forward with the project to achieve an activated carbon filtering system to treat drinking water serving the Benevento water plant; during the year, two wells were decommissioned, located in the municipalities of Forchia and Ponte, in which a significant increase in the concentration of tetrachloroethylene had been detected.

In 2023, 199 water kiosks were active (148 for Acea Ato 2, of which 43 in Rome and 105 in the province, 20 for Gori and 31 for AdF), 34 more than in 2022. These dispense chilled natural or sparkling water, free or for a minimal cost, and are installed throughout the territory, available to citizens and tourists. The water distributed is the same as the aqueducts and the quality is certified by regular checks conducted by the companies and the relevant local health authorities. The initiative has been positively received and in 2023 the water kiosks disbursed a total of around 47.2 million litres of water (around 40.5 million litres for Acea Ato 2 water kiosks, around 4.0 million litres for Gori and around 2.7 million litres for AdF), 22% more than in 2022, with sparkling water accounting for around 57%. Litres disbursed during the year are equivalent to 944 tonnes of plastic saved (equivalent to around 31.5 million 1.5 litre bottles) and over 2,500 tonnes of CO₂ not emitted into the atmosphere (around 25% more than the 2022 figure, equal to 2,000 t of CO₂ avoided), due to non-production of bottles⁹⁸ and net of emissions due to the energy consumed by the kiosks⁹⁹ and the additional CO₂ utilised to make sparkling water.

Acea Ato 2 is also responsible for water up to the "point of supply" for the drinking water fountains in Rome (so-called . The Waidy Wow app, designed by a team in the Acea Group, makes it possible to identify the water supply points located throughout the territory, not only in the areas served by the Group companies, but across Italy, with over 50,000 water points mapped. The application is designed and developed to create a community, to improve the lifestyle of the people who use it, and to promote values and habits formed with respect for the environment. It led to communication initiatives that disseminate the culture of water and the beauty of the territory: indeed, one feature makes it possible to identify personalised routes by following the "water ways" (drinking fountains, fountains, water kiosks) or to access pre-set thematic routes and related multimedia content.

⁹⁸ The figure, although significant, is certainly underestimated because it does not take into account the emission savings induced by not transporting the bottles by road/rail.

⁹⁹ Consumption data of the AdF water kiosks managed by the municipalities are not available.

THE PERCEIVED QUALITY OF DRINKING WATER, RESULTS OF THE 2023 SATISFACTION SURVEYS

Acea measures customer habits and perceptions regarding the quality of the drinking water supplied. The customer satisfaction surveys not only include an overall opinion on water quality, but also an in-depth analysis of the subject. The results presented below are the average of the two half-yearly surveys, carried out using CATI and CAWI methodology.

For Rome and Fiumicino, where the service is managed by Acea Ato 2, the overall rating for the taste, smell and clarity of drinking water, expressed by the sample of respondent remained stable and high (7.5/10); 49.8% of those surveyed state they always or frequently drink¹⁰⁰ tap water while 24.8% (30.7% in 2022) state they never drink it.

In other areas served by Acea Ato 2 in the province of Rome, the overall satisfaction rating for water quality was 6.9/10, stable with respect to 2022; in terms of consumer habits, 41% of the sample stated they always or frequently drink tap water and 39% (41% in 2022) that they never drink it.

For Acea Ato 5 customers in Frosinone and in the province, in 2023 the overall opinion expressed on drinking water came to 6.2/10, in line with 2022. The percentage of respondents who state they

habitually drink tap water remained low at 17.8%, while the percentage who state they never drink it (58%) was stable and high.

In the Sarnese Vesuviano district, the overall opinion on drinking water expressed by Gori customers in 2023 remains stable at 6.4/10 (6.2/10 in 2021), with the percentage of respondents who say they never drink tap water falling significantly to 45.7% (58.7% in 2022). For Gesesa customers in Benevento and province, the overall rating indicated for drinking water quality was 6.6/10 (6.7/10 in 2022); 19.4% of customers state they always or frequently drink tap water, while 58.3% state they never drink it, down from the 62% recorded in 2022.

For customers of AdF, operating in the province of Grosseto and Siena, the overall opinion expressed on drinking water remains stable at 7.4/10. The percentage of respondents stating that they habitually drink tap water was 45.8%, while the percentage of those stating that they never drink it fell to 32.4% (37.7% in 2022). Among the reasons given by those stating they never drink tap water the habit of drinking mineral water, health aspects and the issue of "taste" continue to prevail in the responses coming from the customers of all the companies.

The collection of wastewater and its treatment prior to being returned to the environment takes place through a complex system and a configuration organised by "areas" comprising wastewater treatment plants, sewerage networks connected thereto and the associated pumping stations. Acea Ato 2 manages and/or operates 765 sewage lifting plants, 171 purification plants and more than 7,500 km of sewerage networks; in 2023, the company continued with its plan to centralise the purification plants, for the work carried out, see the box in the Water Area chapter of the section Relations with the environment.

The Acea Ato 2 Environmental Operations Centre constantly monitors data recorded remotely using cutting-edge technology relating to hydrometric and rainfall information for the Rome area, shared with the Rome Hydrographic and Tide Gauge Operations Office, as well as data on the quality of water of the water bodies: in 2023, 410 samples were taken at 9 sampling points on the Tiber and Aniene rivers and at 24 sampling points on Lake Bracciano.

In the territory of the municipality of Rome, Acea Ato 2 also manages the lifting plants and tanks for the watering network and the non-drinking water network supplying the water features of the most important artistic fountains. In particular 9 of the main artistic and monumental fountains of the capital: the Triton Fountain, the three fountains in Piazza Navona – the Fountain of the Four Rivers, the Moor Fountain and the Fountain of Neptune – the Trevi Fountain, the Fountain of Turtles, the Fountain of Moses, the Fountain of the Naiads.

The infrastructure of the water treatment and sewerage service managed by Acea Ato 5 includes, as at 31 December 2023, 236 sewage lifting plants, 124 purification plants and approximately 1,887 km of dedicated networks. Gori manages 2,746 km of network serving the water treatment and sewerage system and

13 treatment plants some serving individual municipalities and others serving inter-municipal areas of Sarnese-Vesuvius agriculture. The Company has moved forward with the project begun in 2021 to complete sewer and purification works in the Sarno River hydrographic basin, which will have significant positive environmental impacts, both by restoring the river ecosystem, thanks to the removal of polluting discharges, and improving the quality of agricultural and other products in the Gulf of Naples area.

As at 31/12/2023 the infrastructure of the water treatment and sewerage service managed by AdF included 356 sewage lifting plants, 152 treatment plants (and 152 Imhoff tanks) and over 1,825 km of sewerage networks. Gesesa, in the territory served, manages 20 sewerage pumping stations, 30 treatment plants and 513 km of dedicated networks.

QUALITY LEVELS REGULATED BY ARERA IN THE WATER SECTOR

The Regulatory Authority for Energy Networks and Environment (ARERA) defines the specific and general levels of contractual quality for the water sector¹⁰¹. In 2019, the Authority outlined¹⁰² an incentive system made up of bonuses and penalties to assign, starting in 2022, based on operator performance and the two-year period from 2020-2021 was the first considered when applying the incentive mechanism for the contractual quality of the integrated water service; the Authority ended the proceedings¹⁰³ in October 2023, publishing the results (see the box: Interventions by Sector Authorities with respect to Acea: reviews, bonuses and penalties in the chapter on Institutions and the company). Additionally, with resolution 639/2021, in order to support the improvement process already begun in the sector and mitigate the effects of possible interruptions due to the

¹⁰⁰In 2023, to improve analysis, the response options were adjusted (from regularly/sometimes/never to always/frequently/sometimes/never); therefore, the comparison with 2022 is limited to those responding "sometimes" and "never".

¹⁰¹For most of the services the regulation of contractual quality aspects is in force from July 2016 according to resolution 655/2015/R/Idr or RQSII (Regulation of the contractual quality of the integrated water service).

¹⁰²With resolution 547/2019/R/IDR.

¹⁰³In particular, with resolution 476/2023/R/Idr of 17 October 2023, as amended by resolution 500/2023/R/IDR of 31 October 2023, ARERA completed the proceedings for application of the incentive mechanisms for the integrated water service contractual quality regulation (RQSII), for 2020-2021.

end of the Covid-19 state of emergency, ARERA **extended the flexible elements** of the performance assessment mechanisms already established, including **cumulative evaluation on a biennial basis** (2022 – 2023) for quality objectives.

While the introduction of the new incentive system for contractual quality did not include the possibility, initially applied¹⁰⁴, to access bonuses in the case quality standards were achieved exceeding those defined at the national level, certain companies, including Acea Ato 2, **nonetheless maintained the improvement levels¹⁰⁵ for contractual quality standards**. In particular, for Acea Ato 2, the improvement standards involve **39 indicators out of 47 established in the resolution**. **For some services** envisaged in the Service Charters attached to their respective concession agreements, **Acea Ato 5 and AdF also pursue and have maintained standards that are better than those imposed by the Authority**.

The timing of the delivery of data on specific and general contractual quality levels to the Authority shall be subsequent to the publication of this document. Therefore, **unconsolidated data for all companies are presented here**, based on the best estimates available at the time of publication, and are intended as **indicative of performance trends**; consolidated data will be published in the next reporting cycle (see Tables 34-38).

There is a mechanism for **automatic compensation of customers** in the event of non-standard performance on "specific" indicators, the value of which varies according to the delay in performance (see also the box describing investigations, rewards and penalties in the chapter *Institutions and the Company*).

The water companies, as required by the Authority, **communicate commercial performance data to users in their bills once a year**: Acea Ato 2, Acea Ato 5, AdF and Gori also publish them online, and all publish **information on the quality of the drinking water distributed** on their websites.

Finally, note that in **resolution 637**, issued at the **end of December 2023**, the Authority **updated data collection and the application of the incentive mechanism for water service quality** (both technical and contractual). Among the expected changes, as from 2024 quality objectives will be evaluated in a stable manner, and bonus and penalty factors will be applied cumulatively on a biennial basis based on the level achieved (at the end of odd years). Additionally, a ceiling will be established for bonuses, equal to 15% operator's guaranteed revenue constraint (GRC). The same resolution also amended, in compliance with the new regulations on drinking water (Italian Legislative Decree 18/2023), the information to be made available to users on the operators' websites, with direct access on the homepage and from the link found on the bill.



¹⁰⁴ Contractual quality premiums related to the achievement of improved quality standards with respect to those defined in Resolution 655/2015/R/IDR were introduced by Resolution 664/2015/R/Idr on the Integrated Water Service Tariff Method for the second regulatory period (2016-2019).

¹⁰⁵ The improvement levels were defined through the application submitted in 2016 by the Area Governing Body (Conference of Mayors of ATO 2 Central Lazio) and accepted by ARERA, and with the amendments subsequently made by resolution 4/20 of the Conference of Mayors relating to the updating of the Service Charter.

Table no. 34 – The main specific and general levels of contractual quality in the water sector (2022-2023) – Acea Ato 2
(ARERA parameters, improvement standards and Acea Ato 2 performance – 2022 data are consolidated, 2023 data are not consolidated)

ACEA ATO 2 - CONTRACTUAL WATER QUALITY SEGMENT						
SPECIFIC LEVELS OF QUALITY						
SERVICES	ARERA STANDARDS	ACEA ATO 2 IMPROVEMENT STANDARD	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
ACEA ATO 2 PERFORMANCE						
			2022	2023		
estimate for water connection with inspection	20 working days	15 working days	4.0	99.2%	3.6	98.8%
estimate for sewage connection with inspection	20 working days	15 working days	3.6	100%	4.6	98.1%
execution of the water connection with simple work	15 working days	10 working days	4.3	100%	4.5	99.1%
execution of the sewage connection simple work	20 working days	15 working days	/	/	5.0	100%
supply activation	5 working days	3 working days	3.2	97.6%	3.2	97.7%
reactivation or takeover of the supply without changing the meter rate	5 working days	3 working days	1.5	98.7%	1.4	98.7%
reactivation or takeover supply with changes to the meter rate	10 working days	6 working days	1.0	100%	1.0	100%
reactivation of supply following disconnection for late payment	2 working days	1 weekday	0.6	99.5%	0.7	98.9%
deactivation of supply	7 working days	3 working days	2.1	99.4%	1.7	99.5%
transfer of registration	5 working days	3 working days	0.3	99.2%	0.2	99.8%
estimates for works with inspection	20 working days	15 working days	4.0	99.8%	3.2	99.8%
completion of simple work	10 working days	6 working days	3.2	100%	6.9	93.8%
punctuality band for appointments	180 minutes	120 minutes	0.9 h	99.2%	3.8 h	99.1%
reply to complaints	30 working days	20 working days	5.7	100%	6.0	100%
reply to written enquiries	30 working days	20 working days	4.8	100%	4.9	100%
billing adjustment	60 working days	55 working days	6.4	100%	5.8	100%
GENERAL LEVELS OF QUALITY						
ACEA ATO 2 PERFORMANCE						
			2022	2023		
completion of complex water connection	90% of the services within 30 working days	90% of the services within 20 working days	8.1	98.0%	9.1	97.1%
completion of complex sewage connection	90% of the services within 30 working days	90% of the services within 25 working days	36.6	71.4%	23.5	89.6%
completion of complex works	90% of the services within 30 working days	90% of the services within 20 working days	12.7	95.0%	13.0	92.8%
maximum time for the agreed appointment	90% of the services within 7 working days	90% of the services within 5 working days	2.2	99.5%	2.4	99.3%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	90% of the services within 2 minutes from the telephone conversation with the operator	4.6	97.5%	2.5	98.1%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	95% of the services within 20 working days from receipt of the request	5.7	100%	5.9	100%
reply to the emergency call (CPI)	90% of the services within 120 seconds	90% of the services within 110 seconds	14	98.7%	16	98.8%

Note: 2023 figures are estimated and not consolidated; the symbol “/” is used when there were no services during the year.

Table no. 35 – The main specific and general levels of contractual quality in the water sector (2022-2023) – Acea Ato 5
(ARERA parameters, improvement standards from the Service Charter, and Acea Ato 5 performance – 2022 data are consolidated, 2023 data are not consolidated)

ACEA ATO 5 - CONTRACTUAL WATER QUALITY SEGMENT						
SPECIFIC LEVELS OF QUALITY						
SERVICES	ARERA STANDARDS	ACEA ATO 5 IMPROVEMENT STANDARD (from SC)	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
ACEA ATO 5 PERFORMANCE						
			2022	2023		
estimate for water connection with inspection	20 working days	10 working days	3.4	98.9%	3.0	99.2%
estimate for sewage connection with inspection	20 working days	10 working days	5.7	90.6%	4.7	97.2%
execution of the water connection with simple work	15 working days		2.3	100%	2.6	100%
execution of the sewage connection simple work	20 working days		/	/	32.0	0%
supply activation	5 working days		2.5	97.5%	1.6	98.1%
reactivation or takeover of the supply without changing the meter rate	5 working days		1.8	98.5%	1.6	99.4%
reactivation or takeover supply with changes to the meter rate (*)	10 working days		/	/	0.0	100%
reactivation of supply following disconnection for late payment	2 working days		0.9	98.4%	0.6	99.3%
deactivation of supply	7 working days	5 working days	2.2	99.4%	1.7	99.4%
transfer of registration	5 working days		0.6	99.7%	0.8	99.8%
estimates for works with inspection	20 working days		3.2	100%	3.7	99.8%
completion of simple work	10 working days		6.0	100%	8.0	100%
punctuality band for appointments	180 minutes		1.6 h	99.4%	2.2 h	99.6%
reply to complaints	30 working days	20 working days	8.7	98.8%	10.9	99.9%
reply to written enquiries	30 working days	10 working days	6.9	99.2%	9.3	100%
billing adjustment	60 working days		6.0	100%	8.7	100%
GENERAL LEVELS OF QUALITY						
ACEA ATO 5 PERFORMANCE						
			2022	2023		
completion of complex water connection	90% of the services within 30 working days	90% of the services within 20 working days	20.5	85.0%	12.9	98.0%
completion of complex sewage connection	90% of the services within 30 working days	90% of the services within 20 working days	38.3	60.9%	15.5	94.3%
completion of complex works	90% of the services within 30 working days		31.1	84.5%	18.0	97.3%
maximum time for the agreed appointment	90% of the services within 7 working days		2.5	99.9%	2.6	99.6%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	95% of the services within 10 working days from receipt of the request	8.0	98.5%	8.9	100%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	90% of the services within 70 minutes from the telephone conversation with the operator	106.3	89.3%	28.0	96.5%

Note: 2023 figures are estimated and not consolidated; the symbol “/” is used when there were no services during the year.

Table no. 36 – The main specific and general levels of contractual quality in the water sector (2022-2023) – Gori
(ARERA parameters and Gori performance - 2022 data are consolidated, 2023 data are not consolidated)

CONTRACTUAL QUALITY WATER SECTOR- GORI					
SPECIFIC LEVELS OF QUALITY					
SERVICES	ARERA STANDARDS	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
GORI PERFORMANCE					
		2022		2023	
estimate for water connection with inspection	20 working days	4.1	98.9%	3.5	98.6%
estimate for sewage connection with inspection	20 working days	6.3	98.6%	8.5	99.8%
execution of the water connection with simple work	15 working days	15.1	61.5%	8.7	100%
execution of the sewage connection with simple work	20 working days	23.0	66.7%	15.7	80.0%
supply activation	5 working days	4.6	91.8%	3.6	96.3%
reactivation or takeover of the supply without changing the meter rate	5 working days	1.8	97.9%	1.7	99.4%
reactivation or takeover of the supply with changes to the meter rate	10 working days	/	/	/	/
reactivation of supply following disconnection for late payment	2 working days	0.7	96.2%	1.2	95.5%
deactivation of supply	7 working days	3.0	98.5%	1.8	99.7%
transfer of registration	5 working days	0.5	98.7%	0.3	99.4%
estimates for works with inspection	20 working days	4.8	99.1%	6.0	99.3%
completion of simple work	10 working days	14.4	69.4%	9.0	79.5%
punctuality band for appointments	180 minutes	1.3 h	99.1%	4.0 h	98.1%
reply to complaints	30 working days	11.0	98.8%	14.6	97.2%
reply to written enquiries	30 working days	6.5	99.1%	11.7	98.5%
billing adjustment	60 working days	16.6	100%	12.5	100%
GENERAL LEVELS OF QUALITY					
GORI PERFORMANCE					
		2022		2023	
completion of complex water connection	90% of the services within 30 working days	31.1	68.9%	35.5	68.5%
completion of complex sewage connection	90% of the services within 30 working days	29.3	70.3%	33.8	70.8%
completion of complex works	90% of the services within 30 working days	30.6	69.4%	35.4	66.7%
maximum time for the agreed appointment	90% of the services within 7 working days	3.1	97.6%	2.5	99.4%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	4.7	97.3%	1.3	97.6%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	14.3	99.0%	11.1	98.9%
reply to the emergency call (CPI)	90% of the services within 120 seconds	47.8	97.2%	54.0	94.8%

Note: 2023 figures are estimated and not consolidated; the symbol “/” is used when there were no services during the year.

Table no. 37 – Main specific and general levels of contractual quality in the water sector (2022-2023) – Gesesa
(ARERA parameters and Gesesa performance – 2022 data are consolidated, 2023 data are not consolidated)

CONTRACTUAL QUALITY WATER SECTOR - GESESA					
SPECIFIC LEVELS OF QUALITY					
SERVICES	ARERA STANDARDS	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
GESESA PERFORMANCE					
		2022		2023	
estimate for water connection with inspection	20 working days	20.3	81.4%	6.2	95.9%
estimate for sewage connection with inspection	20 working days	/	/	/	/
execution of the water connection with simple work	15 working days	2.2	100%	1.8	100%
execution of the sewage connection with simple work	20 working days	/	/	/	/
supply activation	5 working days	13.9	68.9%	8.9	78.7%
reactivation or takeover of the supply without changing the meter rate	5 working days	5.4	89.3%	1.8	95.3%
reactivation or takeover of the supply with changes to the meter rate	10 working days	/	/	/	/
reactivation of supply following disconnection for late payment	2 working days	1.2	93.3%	0.6	99.6%
deactivation of supply	7 working days	3.8	87.7%	2.7	90.0%
transfer of registration	5 working days	0.9	96.9%	1.2	92.3%
estimates for works with inspection	20 working days	12.6	91.1%	4.2	99.2%
completion of simple work	10 working days	6.0	86.2%	1.5	96.1%
punctuality band for appointments	180 minutes	1.6 h	97.0%	3.2 h	96.9%
reply to complaints	30 working days	19.4	99.3%	16.3	99.9%
reply to written enquiries	30 working days	15.8	100%	15.8	100%
billing adjustment	60 working days	9.9	100%	16.1	100%
GENERAL LEVELS OF QUALITY					
GESESA PERFORMANCE					
		2022		2023	
completion of complex water connection	90% of the services within 30 working days	7.1	92.9%	10.9	92.9%
completion of complex sewage connection	90% of the services within 30 working days	/	/	/	/
completion of complex works	90% of the services within 30 working days	4.1	99.1%	6.5	96.9%
maximum time for the agreed appointment	90% of the services within 7 working days	3.48	94.6%	3.1	90.6%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	9.7	83.7%	8.6	61.1%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	14.7	100%	16.1	100%
reply to the emergency call (CPI)	90% of the services within 120 seconds	115.0	83.7%	88.0	98.4%

Note: 2023 figures are estimated and not consolidated; the symbol “/” is used when there were no services during the year.

Table no. 38 – The main specific and general levels of contractual quality in the water sector (2022-2023) – AdF
(ARERA parameters, improvement standards from the Service Charter, and AdF performance – 2022 data are consolidated, 2023 data are not consolidated)

CONTRACTUAL QUALITY WATER SECTOR- AdF						
SPECIFIC LEVELS OF QUALITY						
SERVICES	ARERA STANDARDS	AdF IMPROVEMENT STANDARD (from SC)	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
AdF PERFORMANCE						
			2022	2023		
estimate for water connection with inspection	20 working days		7.4	99.6%	10.1	99.9%
estimate for sewage connection with inspection	20 working days		5.4	99.3%	10.3	100%
execution of the water connection with simple work	15 working days		7.1	97.9%	5.0	97.1%
execution of the sewage connection simple work	20 working days		N.A.	N.A.	N.A.	N.A.
supply activation	5 working days		4.6	92.3%	3.9	94.0%
reactivation or takeover of the supply without changing the meter rate	5 working days		1.9	98.3%	1.8	98.2%
reactivation or takeover supply with changes to the meter rate	10 working days		/	/	2.1	100%
reactivation of supply following disconnection for late payment	2 working days		0.6	98.7%	0.6	99.0%
deactivation of supply	7 working days	5 working days	2.3	96.9%	1.9	97.9%
transfer of registration	5 working days		0.2	99.9%	0.2	99.9%
estimates for works with inspection	20 working days		7.0	99.3%	9.3	100%
completion of simple work	10 working days		4.6	94.7%	5.0	100%
punctuality band for appointments	180 minutes		1.5 h	99.3%	1.6 h	99.6%
reply to complaints	30 working days	25 working days	14.6	100%	11.9	100%
reply to written enquiries	30 working days	25 working days	12.7	100%	9.2	100%
billing adjustment	60 working days		25.4	100%	18.0	100%
GENERAL LEVELS OF QUALITY						
AdF PERFORMANCE						
			2022	2023		
completion of complex water connection	90% of the services within 30 working days		12.3	95.1%	11.3	94.2%
completion of complex sewage connection	90% of the services within 30 working days		18.9	93.2%	17.5	92.3%
completion of complex works	90% of the services within 30 working days		11.7	95.9%	14.1	92.4%
maximum time for the agreed appointment	90% of the services within 7 working days		3.1	98.3%	3.9	98.9%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator		1.5 h	94.9%	1.2 h	97.0%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request		19.7	99.5%	9.6	100%
reply to the emergency call (CPI)	90% of the services within 120 seconds		33.4	98.70%	43.0	98.6%

Note: 2023 figures are estimated and not consolidated; the symbol “/” is used when there were no services during the year.

PRICING

ELECTRICITY SERVICE PRICING

In 2023 there continued to be two main types of electricity markets in Italy: the greater protection service and the free market¹⁰⁶. In the standard market service, the operator of reference of the territory, which operates in a monopoly regime, offers the supply service to the customer at economic and contractual conditions regulated by ARERA. On the free market the services offered and related prices are the result of competition among all operators. In this context, customers choose their supplier and the offer that best meets their requirements. As is known, the **final deadline for the end of the greater protection service has been set as from January 2024**.

The costs of supplying electricity are made up of **four items of expenditure**: “**energy**” (supply and retail sales), “**transport and meter management**” (costs for delivery to customers and meter reading),

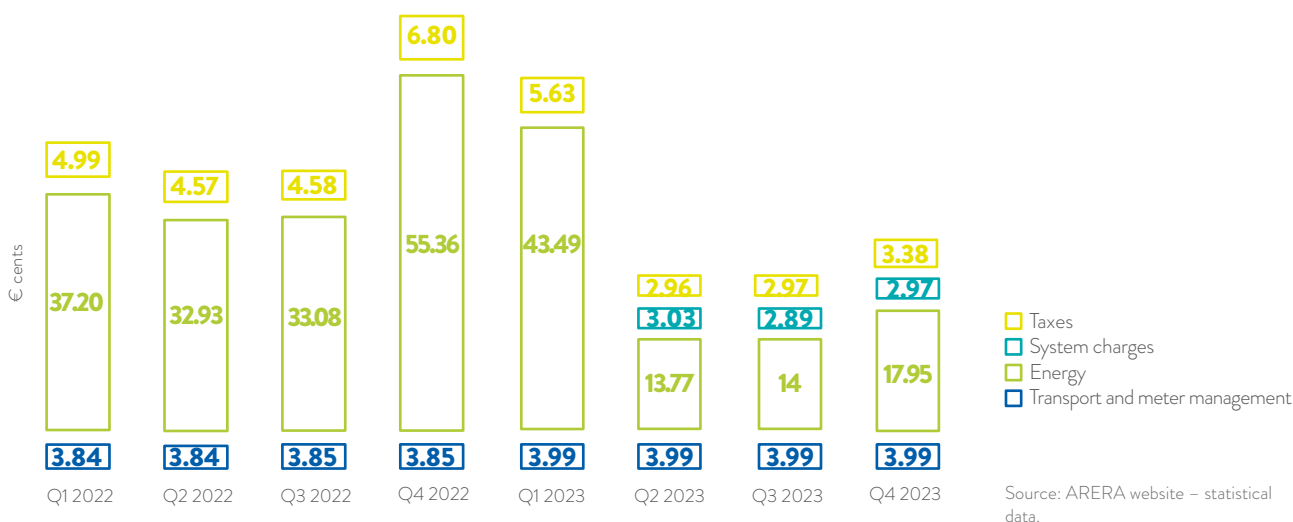
“**taxes**” (consumption tax and VAT) and “**system charges**” (costs for activities in the general interest of the electricity system, borne by all end customers).

Based on the most recently available ARERA figures, customers utilising the **greater protection** service, in terms of **withdrawal points**, represent around **32% of the Italian end market** (38% in 2021).

The significance of the **free market** is clear when observing volumes of electricity sold: free market customers consume **88% of total energy** going to the end market¹⁰⁷ (86% in 2021).

For “**standard**” consumption on the protected market, equal to **2,700 kWh/year**, at a power of 3 kW, estimated **total spending** between **1 January** and 31 December 2023 is around € 890, a decrease of around 33% with respect to the equivalent 12 months in 2022.

Chart no. 29 – Electricity price trend for a standard domestic customer (€ cent/kWh) (2022-2023)



WATER SERVICE PRICING

By Resolution no. 580/2019/R/IDR of 27 December, the Energy, Networks and Environment Regulatory Authority (ARERA) approved the **Water Tariff Method (WTM-3) for the period 2020-2023**, the guiding principles of which are to overcome the *Water Service Divide*, making operating and management costs more efficient, promoting environmental sustainability and increasing the public's awareness of their water consumption habits. Moreover, the added tools and checks envisaged ensure that any **tariff increases are only possible as a result of investments actually made or certified improvements in management**.

Table no. 39 – Average water prices applied (2023)

Company	€/mc
Acea Ato 2	2.06
Acea Ato 5	2.96
Gesesa	1.65
Gori	2.53
AdF	4.10

¹⁰⁶For more information, including about other market segments and the progressive liberalisation process, please see the ARERA website.

¹⁰⁷Based on the number of served collection points and the volumes sold in 2022 (ARERA, 2023 annual report).

CUSTOMER CARE



Around **3,000** GWh of “green” energy sold by **Acea Energia** to customers of the free market (+18% compared to the consolidated figure for 2022)



258.6 tonnes of paper/year saved, +24% compared to the 2022 figure, thanks to customers of the electricity and water services who have chosen electronic billing



452 Acea Energia Points active throughout Italy (+139% with respect to 2022)

CUSTOMER CARE POLICY

Looking after customer relations is fundamental for Acea, which is committed to improving the experience associated with the Group, known as the “customer journey”. The operating companies pursue this objective in their daily management of interactions with customers, while at the Parent Company the Stakeholder and Perceived Quality Unit ensures the monitoring and measurement of customer satisfaction with services provided, to support the companies with finding possible improvement actions.

The Stakeholder and Perceived Quality Unit, in concert with the Group’s operating companies and through an external market research company, also carry out mystery client research to monitor the quality of customer contact channels. In fact, Mystery Client surveys are used to constantly assess contact channels, including call centers for sales and to report faults, physical branches, digital branches and live chats, as well as any new channels that may be activated, in order to identify strengths and areas which require improvement. Compliance with service standards is verified (compliant/non-compliant) and process managers are provided with a tool for the process of continuously improving the quality of touch points.

In the context of the parent company’s Public Affairs & Business Development Department, the Association Relations Unit also monitors responses to issues raised by consumer associations. To that end, the Unit works with the main associations to provide a space for requests coming from local areas and works to increase awareness with respect to using digital and telephone channels reserved for them, which are managed by the companies.

The Consumer Associations recognised by the National Consumer and User Council (CNCU) also support and represent custom-

ers who intend to resort to a joint settlement procedure, for the out-of-court settlement of commercial disputes, used by Acea. According to the Memorandum of Understanding for ADR (Alternative Dispute Resolution) conciliation signed by 19 consumer associations and the main Group companies¹⁰⁸, the ADR body¹⁰⁹ was set up, which allows customers of Acea Energia, Areti, Acea Ato 2, Acea Ato 5 and Gesesa to access out-of-court dispute resolution through the ADR procedure. In 2023, the Body received a total of 288 requests for procedures – 134 for the water sector and 154 for the energy sector – a decrease of 19% compared to the previous year (356 requests in 2022). Of these, in accordance with the law and the Regulation, 195 were assessed as proceeding and 93 as not proceeding.

Gori, which has long signed a Memorandum of Understanding for the conciliation of disputes with local consumer associations, also handled 68 conciliation procedures in 2023 and concluded 124 ARERA conciliation requests.

AdF has a relationship of constant collaboration and comparison with the Consumer Associations active in the territory; in 2023 it ensured direct channels of contact with the representatives of the local associations, in order to limit disputes and facilitate their settlement. Additionally, in June a meeting was organised with representatives from the provincial associations, during which aspects were shared including the payment of bonuses to support resident households, progress on the next generation meter installation project and the expanded digital services available to customers.

The judicial disputes that took place during the year between Acea and the customers is explained in the dedicated box.

¹⁰⁸ The Protocol was signed in 2016 between the Associations and the companies Acea Energia, Areti, Acea Ato 2 and Acea Ato 5; since December 2020, Gesesa has also joined the ADR body. Three other Group companies active in the water sector, not included in the scope of the NFS, are signatories of the Protocol, and have received a total of 11 requests for ADR procedures, 2 of which are considered not eligible.

¹⁰⁹ Since February 2017 the ADR Body has been included by resolution in the list maintained by the Authority.

DISPUTES WITH CUSTOMERS 2023

Legal proceedings **brought by customers** against companies of the Acea Group mainly concerned disputes relating to **charges for service supply, adjustments, pricing structures and service activation delays**. There were **356** such disputes in **2023**, significantly **less** than the **2022** figure (391 disputes started in the year).

Acea Energia has defined and applies **specific procedures**, depending on the channel used, to combat “**disputed activations/contracts**” and “**unsolicited supplies**”¹¹⁰.

For **customers of the free market**, in the event of a contract proposal signed using **door-to-door sales or by telephone**, the Company carries out procedures to **verify the correct behaviour of the sales operator**, the clear presentation of the content of the contract signed, and, above all, the customer’s **awareness of having made a choice** by means of an email sent to the valid email address supplied, or a confirmation call aimed at limiting the risk of misunderstanding and belated exercise of the right of withdrawal. Acea Energia **checks the completeness and absence of tampering in all printed contracts** and **listens to all the telephone records produced by the sales reps**. If issues are identified, the CRM Salesforce system impedes moving forward with activation of the offer.

For the **digital sales channel**, utilised at the **physical channel Shop in Shop**, in **2023 the digital acceptance process was fully implemented**. This is done by directly preparing the contract on the Acea Energia CRM Salesforce system, sending the customer all contractual and precontractual elements at the valid email address they provide, to be digitally signed utilising a **one time password (OTP)** sent directly to the customer’s cellphone.

For the **telemarketing channel**, the **digital sales “Adobe Sign”** process entirely replaced traditional telemarketing in 2023. This process has a single **vocal order**, strengthened with reference to privacy and quality checks in terms of the technical identification data to be included in the offer, with digital signing also based on a **one time password (OTP)**. With the digital process, the customer contacted, who has expressed interest in receiving a contract proposal, **can receive in advance**, at his/her e-mail address, **all the precontractual and contractual material in digital format** and proceed only later, if desired, with the digital signature of the contract, by entering the OTP received via SMS on the mobile phone number indicated. Again with reference to telemarketing, in 2023 the sub-channel of comparison sites was kicked off, which envisages an outbound call-back from business partners to customers who have preventively given consent to the same on the “lead generation” platforms, previously authorised by Acea Energia. **The same Adobe Sign digital sales process is utilised** without using any **vocal order**, as the preventive granting of consent to a call back by the customer is deemed sufficient.

For the **Door to Door channel**, in the second half of 2023 the **digital sub-channel was launched**, which utilises the same digital acceptance process as the **Shop in Shop** channel, implementing a process on the

As at 31 December 2023, the total number of **disputes pending with customers** (including disputes initiated in previous years) amounted to **1,115, significantly less** compared to the previous year (1,741). This type of litigation is the one that can be resolved most quickly and normally with a less costly procedure.

CRM Salesforce system to carry out **automatic anti-fraud checks**, verifying the email addresses, cellphone numbers and IP addresses, and/or geo-localisation data used by the customer and/or agent when the contract is proposed and subsequently signed by the end customer.

With the new **agency mandates** that govern relations with the network of sales agents, **introduced in the second half of 2023**, Acea Energia simplified one specific annex (“Penalties”) which **governs the sanctioning process** with respect to Agencies, homogenising them for the various sales channels while maintaining scalability for violations and the amounts to be paid in line with criteria of gravity, reiteration and proportion. In this context, in 2023 **Acea Energia analysed 624 contract proposals** (subject to “unfair commercial practice”), identified through customer complaints or reports or through quality controls carried out internally by the Company, for cases of “disputed activations/contracts”, “unsolicited supplies”, “malpractice” or other violations provided for in the “Penalties” annex. **As a result of the verification activities**, Acea Energia **reported** to the Agencies **722 cases of “unfair commercial practices”**, of which 124 relative to cases analysed in 2022 and reported in 2023. As is customary, in 2023 the Company again carried out a **mandatory training programme for sales representatives** (see the Suppliers chapter) and maintained, in the aforementioned agreements, **bonus/malus mechanisms related to the quality of the contracts acquired**.

With the aim of improving communication with its customers, Acea Energia is continuing with the digitalisation and simplification process, to offer innovative services that better meet customer needs. In this context, the **updating and implementing of new functions on the MyAcea Energia App** began, which will be completed in 2024. Additionally, during 2023 a **full restyling of the Acea.it website** was launched, optimising the processes available to customers and improving user experience.

The Company’s goal was to develop a **sales and communication strategy built around sustainability**, with offers, added value services and tools that help protect the environment and, in 2023, it carried out **digital and social campaigns focussed on education** around the theme of **reduced consumption**, to raise customer awareness on the efficient and knowledgeable use of electricity and gas, **digital services, sustainability and electric mobility**.

This sales strategy can also be seen in the partnership with WINDTRE, based on a collaborative model that takes advantage of the commercial potential offered by the WINDTRE brand and the solidity of Acea Energia in managing electricity and gas services. In fact, the brand **WINDTRE Luce&Gas Powered by Acea Energia** offers a range of sustainable offers.

¹¹⁰ In compliance with ARERA resolution 228/17 and Article 66 quinquies of the Consumer Code.

THE ACEA E-MOBILITY APP BY ACEA ENERGIA: WORKING TOGETHER WITH PLENITUDE

In 2023 Acea Energia further strengthened its presence on the market for **electric vehicle charging services** and, thanks to the expansion of charging stations through the area, was able **to significantly increase charging points which can be found through the App**.

The **Acea e-mobility** app allows customers to locate the nearest charging station, reserve it and charge their car (through a Card or App), offering 24/7 assistance to use the app and to offer information on prices, payment methods, billing and any problems with the recharging service or the charging stations. The offer is based on two different tariffs, depending on the type of charging station, for quick or fast recharges.

In 2023 Acea Energia and Acea Innovation signed an **interoperability agreement with Plenitude** - through the Be Charge company dedicated to electric mobility - which it possible to access, through the Acea e-mobility and Be Charge apps, charging services for electric vehicles offered by both the companies throughout Italy, increasing the offerings available to their customers. This agreement strengthens Acea Energia's strategy which aims to support the development of sustainable mobility to provide high-tech services at the national level, increasingly accessible to citizens and businesses, while also contributing to Italy's energy transition.

In 2023 the **constant increase in "green" energy sold¹¹¹** by Acea to customers on the free market continued, **estimated at 3,000 GWh, an increase of over 18%** compared to consolidated volumes in 2022 (2,536 GWh). The **share** of this item **out of the total energy**

sold in the year to free market customers (around 5,369 GWh, see also *Environmental Accounts*) **reached 56%** (42% on the 2022 consolidated figures).

ACEA ENERGIA'S 100% ECO OFFERINGS

Acea Energia's **sustainable offers** include **100% Green Light and 0% CO₂ Gas**, in line with the Acea Group's objectives of environmental protection and commitment to the territory.

The electricity supplied is **certified with a "Guarantee of Origin"**, a digital certificate that demonstrates the renewable sources used to produce electricity and contractual communication with customers is carried out in full compliance with the transparency criteria established in ARERA resolution ARG/elt/104/11, as amended. Gas sold includes **CO₂ emission offsetting** obtained by acquiring

certified carbon credits (VER - Verified Emission Reduction). The carbon credits purchased for 2023 contributed to funding mitigation projects in Peru and Vietnam with tangible benefits for the local communities.

Finally, in compliance with the provisions of ARERA, in its product catalogue Acea Energia has prepared the differentiated **PLACET** offers - Free Price at Equivalent Protected Conditions - for families (domestic use) or small businesses (non-domestic use).

ACEA ENERGIA POINTS IN ITALY MORE THAN DOUBLED IN 2023.

During 2023, Acea Energia further strengthened its commitment to optimising its physical network, opening **new Acea Energia Points**, using the *Shop in Shop* formula, within pre-existing multi brand shops.

The Acea Energia Points, a point of reference for customers who want to activate an electricity and gas account on the free market,

ensures, thanks to digitalised procedures, **reduced waiting times, quality of service and an improved customer experience**. Overall, Acea Energia Points active as at 31 December 2023 **totalled 452** (+ 139% compared to 189 in 2022), distributed throughout Italy, in particular in the Regions of Lazio, Tuscany, Campania, Puglia, Lombardy, Piedmont and Sicily.

Water companies have also stepped up **communication initiatives aimed at customers**. In particular, the Communications & Media Relations department prepared the **Every Drop of Water** campaign for Acea Ato 2, focussed on responsible water use, which was broadcast as from March 2023 (see the dedicated box in the *Communications, events and solidarity* paragraph). Further, in line with previous years, **Acea Ato 2** continued to promote the supplemental water bonus, to inform eligible customers of the possibility of utilising subsidies in their utility bills at the local level, which can be combined with the national social bonus, with a campaign carried out through print and digital media and outdoors, in particular in the Provinces, where there is a larger concentration of direct users.

Each year, **Acea Ato 5** proposes communication initiatives to make

customers aware of specific issues, such as communicating meter readings and mitigating the risk of meters freezing, and informing them about the planned replacement of the meters. The Water Identity Card was also promoted, allowing users to provide their residential address in order to have access to data and information on the quality of the water supplied, including an indication of the values of the main analytes that characterise the water in the area of interest.

AdF continued to give visibility to the possibility of accessing the **national water bonus** and the **supplementary bonus** through the *flora.it* website and by notices posted at "AdF Points". Additionally, the Company prepared an integrated communication plan, with "customised" *touch points* taking into account the specific needs of customers.

¹¹¹ As in previous years, the figure for G.O. certified green energy sold in 2023 by Acea Energia and AEMA also includes the main Group companies' internal consumption (estimated at around 316 GWh). The final calculation is expected in March 2024, and the consolidated data will be updated in the next reporting cycle.

In 2023 the **loyalty bonus** was maintained, an one time *incentive* for customers who, in the previous two years, have opted to use web billing and bank or post office direct debit, maintaining this choice for at least twelve months. Through this initiative, at 31 December 2023 AdF paid a total of **€ 26,840** to **5,368 users** and another 1,158 customers will receive a sum in 2024, having become eligible in 2023. In March 2023, the “**AdF at home, a new service to stay informed**” initiative was further enhanced: the company asked customers to provide their contact information through online forms, to stay informed in real time, via email or text message, **not only with respect to possible planned water shutoffs but also extraordinary ones**, urgent work needed to resolve unexpected problems. AdF decided to carry out this project to offer its community increasingly rapid and precise information. During 2023 the **Singularizzare conviene** [Singularising is worth it] information campaign continued, (approved with ARERA resolution 313/2023/R/ldr) to promote separation of users who use a single centralised meter in a shared apartment complex. The main benefits for customers who choose to “singularise” their water account are more awareness around water use, measurement and precise billing of consumption and incentives.

Each year, **Gori** informs customers and raises their awareness of the correct protection of meters and systems from frost and on the quality of water distributed, transmitting the communication initiatives on various channels and using videos and other media for the web and the press. During 2023 **Gesesa** also implemented communication campaigns on various issues, including proper water use to avoid waste and how to protect meters from freezing temperatures. After having prepared its 2023 communication plan, Gesesa carried out communication campaigns on the various methods available to customers to send their meter readings. Additionally, through the “**Gesesa safe water**” campaign, the company provides monthly updates to users on the quality of the water supplied.

CONTACT CHANNELS AND PERFORMANCE

In all customer relations, Acea Group is committed to **guaranteeing the respect of privacy in the management of personal data**. In particular, Acea keeps updated safeguards on the issue of privacy to better respond to the evolution of the relevant legislation, in line with the European regulations (General Data Protection Regulation – **GDPR**)¹¹² on the protection of personal data (see in-depth analysis in *Corporate Identity, The Internal Control and Risk Management System*).

Acea makes available to customers **traditional contact channels** (call centre and branch) and **digital contact channels** that are more advanced every year. After an initial push, supported by the health emergency which occurred in recent years, **the widespread use of remote channels has become increasingly established**, and the companies are working to continuously improve them. In 2023, therefore, all Group companies managing customer relations implemented initiatives aimed at improving remote contact channels and increasing the digitalisation of commercial processes. This strategy led to the separation of dedicated apps for different services, supporting the development of more targeted and distinctive communication methods.

The **MyAcea Energia reserved area**, live since March 2022, is **also available in the form of an app** for mobile devices (Android and iOS), which allows customers to **manage their electricity and gas accounts**, with a new user experience plus an expanded range of available operations. The **MySER app** on the other hand, is dedicated to the **greater protection service**, and was **improved and redesigned in 2023**, with a **new home page**.

At 31 December 2023, registered users on the **MyAcea Energia** app totalled **129,408**. The **web area** for the free market recorded **449,682 total unique log ins** during the year. In 2023 Acea Energia developed and **made available new functions, based on analysis of the most requested services**, including, for example, a personalised instalment plan, the acceptance and payment of estimates via App, management of multi-point domicile requests and web billing, as well as “cart” management (bill, work and instalment payments). For the **desktop version of the reserved area**, in 2023 **the new visual design was completed**, intended to **improve the digital experience for customers**, also including new customer segments (small business and large customers).

The new app (for Android and iOS) for the **water service** (Acea Ato 2 and Acea Ato 5) has been active since March 2022, known as **MyAcea Acqua**. As at 31 December 2023, there were **392,242 users registered** in the online customer area pertaining to **Acea Ato 2**, an **increase of around 8%** (362,918 in 2022). This figure corresponds to 51.7% of the customers with active water supplies at the end of the year (759,268).

Through an external supplier, Acea Ato 2 manages **the chat service** to help customers browse the website and, after registration, use the services available in the customer area MyAcea. The Company has improved:

- the **digital branch**, the service that can be used, upon reservation, via computer equipped with a webcam or via smartphone;
- the “**Waidy Point**”, an additional service and contact channel, which provides the same services as the physical channel digitally. The service was designed, using innovative solutions, to reduce the “digital divide”, with the aim of supporting customers with less familiarity with computer tools or with no access to them. Municipalities that request one and provide a digital facilitator can activate agreements with Acea Ato 2 for the opening of additional territorial hubs, in premises within the municipality itself, with hardware provided by the company.
- an **integrated platform** for customer relation management, **Salesforce**, with an omnichannel perspective to streamline procedures;
- digitisation of transfer and takeover processes, making it possible to finalise the contract by accepting a link received in an email;
- the **transition to the new telephone platform**, CTI Genesys, and the consequent transfer of the contact centre service, with a view to simplifying operations and improving the customer experience.

Acea Ato 5 continued to improve management of customers and contact channels (digital branch, toll free sales number, My Acea Acqua app, email, web portal), increasing the number of digital services available to encourage customers to utilise *smart technology*.

¹¹² Regulation EU 679/2016 (GDPR).

In 2023 the company launched the “**Switch to digital billing and win**” competition to promote use of the interactive bill. **Subscriptions to the relevant web area** increased reaching a total of **65,973 users, 7% more** than the 2022 figure (61,820 users), accounting for around **33% of total active contracts in the year**. Furthermore, through an external supplier, Acea Ato 5 also manages **the chat service** to help customers use the services on the MyAcea customer area.

AdF, in February 2023 **launched the Flùvia chatbot** (see the dedicated box); additionally, continuing to promote digitalisation, in **October it released the new version of the MyFiora app**, for Android and iOS, with a revised registration/access process and new editorial content useful for managing the contractual relationship. Additionally, AdF continued the **myfiora transfer bonus** to reward customers who decide to request transfer using the self-service feature, accessing the portal. The one-off bonus is paid in the first bill. As at 31 December 2023, **764** customers had chosen this method (equal to a total amount paid by the company of around € 25,900). Overall,

in 2023 **over 2 million** pages were viewed in the **MyFiora** customer area. Finally, **social media** continued to be one of the most popular communication channels utilised by customers to interact with AdF, which in 2023 invested in growing and developing the **social community**, with an increase in likes and **followers** on Facebook, reaching a total of **14,301**. AdF is also present on X and LinkedIn, with 907 and 6,346 followers, respectively, confirming growing user interest in utilising social media to interact with the company.

Gori continued to promote participation in digital services (MyGori, web bill and interactive bill), recording an **increase of around 8%** in registered users in the **MyGori** reserved area and, as at 31 December 2023, totalling **199,560 users** (186,180 in 2022). **Gesesa** carried out communication initiatives in 2023 to increase those registered in the MyGesesa area and increase awareness of the toll free numbers and various commercial processes which can be carried out on the dedicated website. Those registered in the reserved **My-Gesesa** area **increased by around 13%** with respect to the previous year, arriving at **12,385** at 31 December 2023 (10,200 in 2022).

ADF LAUNCHES FLÙ, THE CHATBOT THAT INTERACTS WITH CUSTOMERS

On 14 February 2023 AdF launched **Flùvia** (Flù, for short), a chatbot that, through **artificial intelligence conversational models** helps those consulting www.fiora.it to find information and answers. Available 24/7, it was able to provide **correct answers 87% of the time** for questions received.

To increase the level of customer *engagement*, in December 2023, thanks to advanced **augmented reality (AR)** and **gamification**

technology, new digital content was developed, which can be accessed on www.fiora.it and at AdF digital touch points, including the MyFiora app, in which the **Flù avatar** is proposed as a “guide”, **to help customers discover the world of AdF, with information on services offered, as well as on water quality and networks managed**. An immersive experience intended to involve and entertain the community in a fascinating never before seen virtual dimension.

On the **website www.acea.it** dedicated to the **free market** and on the **website www.servizioelettricoroma.it** dedicated to the **protected market of Acea Energia** there are **guides to reading the bill**. These guides are also available for customers of the **water service** found in the **Water section** of the Acea Group website www.gruppo.acea.it. As mentioned, all companies, in the water service as well as energy sales, **have encouraged the activation of the web bill** and digital payments by promoting the **increase of the significant related environmental benefits**¹¹³. For example, Acea Energia has optimised the web billing service, updating the graphics and introducing news and education about the world of energy, as well as sections dedicated to improving understanding smart billing.

In particular, as at 31 December 2023, the number of **Acea Ato 2** users with digital billing was **447,124**, around **16% more** than in 2022 (385,353 users with web billing), with an **annual paper saving of 84.3 tonnes**.

At the end of 2023, there was a total of **98,760 AdF** users with active web billing, around 41% of the total users, with a **13% increase** compared to the previous year (87,631 users with web billing in 2022) and a paper saving of **11.3 tonnes per year**.

Subscriptions to the web bill service, for **Gori** users, reached **249,664** as at 31 December 2023, around **13% higher** than the previous year (221,408 users with web billing in 2022), with a saving of **33 tonnes of paper per year**.

At the end of 2023, **Acea Ato 5** recorded **58,670** users with active web billing, **9% more** than the figure for 2022 (53,869 users), with a saving of **7.1 tonnes of paper per year**.

As at 31 December 2023, **Gesesa** had **10,400** users with active web billing, over **11% more** than in 2022 (9,344 users), **with a saving of 1.7 tonnes of paper per year**.

Lastly, as at 31 December 2023, **Acea Energia** recorded **687,120 active supplies with web billing** (specifically, 548,004 for the free market and 139,116 for the standard market service), with an **increase of over 40%** compared to the figure for 2022 (489,146 supplies with web billing), for a paper saving in the year of **121.2 tonnes**.

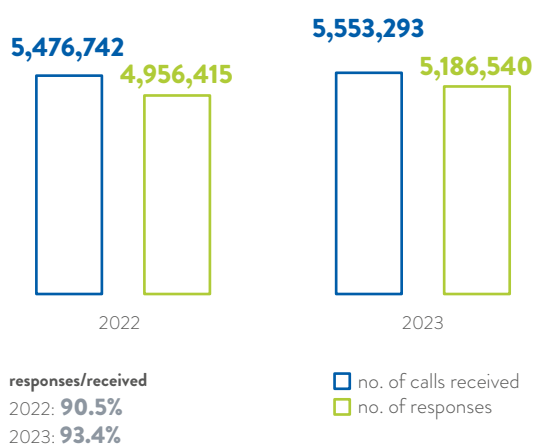
Overall, therefore, thanks to the **web billing service offered by Group companies and the customers who activated it**, **258.6 tonnes of paper were saved in the year, 24% more than the 2022 figure** (208.5 tonnes of paper).

The contact centre service for Acea Ato 2 and Acea Ato 5 is managed by an external supplier, selected by each company through a tender process. The service is carried out according to the One Call Solution (OCS) approach, in order to meet the needs expressed by customers through a single contact; the quality of the service is monitored and the **staff are trained and attend refreshers** on procedure and how to interact with the customer.

¹¹³ It is important to consider that the paper savings shown for each company are calculated on the basis of sheets/envelopes effectively saved, with variables, from company to company, that depend on the billing frequency and the type of communications sent to customers.

Acea Energia internally manages the **social media channel** (Facebook) for free market customers and the dedicated **chat channel**, while for the standard market service (Rome Electricity Service) the chat channel is managed by an external supplier; it also manages the toll-free numbers for the free market and the standard market service, outbound campaigns, *back office customer care* activities, the toll-free number for making appointments at the branch, the Padius toll-free number and the Premium toll-free number. The **Padius App**, which is available for all devices, allows **people with a hearing impairment** to contact the call centre – on a telephone line

Chart no. 30 – Total telephone traffic of Acea toll-free numbers (2022-2023)



Note: 2022 figures were adjusted slightly to include AdF data.

The openings of **physical branches** are organised to **welcome customers on an appointment only basis** and **all the companies** offer their customers **a number of channels to schedule the appointments**. On one hand, appointment-based branch access has made it possible to achieve excellent service levels while, on the other, the significant development of remote channels has continued to see much higher use despite the end of the health emergency, although slightly more contained in recent years.

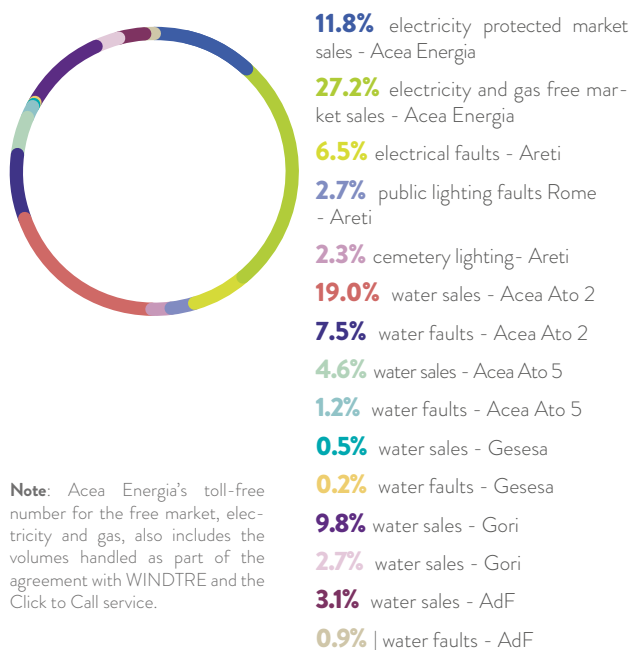
The **branches at Acea's headquarters in Rome**, in Piazzale Ostiense, for the electricity, gas and water services managed by **Acea Energia** and **Acea Ato 2**, allowed **entry to a total of 35,603 customers** in 2023. down approximately 25% with respect to the previous year (the figure for 2022 was 47,232 customers, in 2021 50,254 customers, in 2020 88,723 customers and in 2019, prior to the pandemic, 204,542 customers), **with service levels close to 100%**.

If the total figures for **all companies in the scope** are considered, **132,606** customers were received at the branches (126,918 in 2022, 121,674 in 2021; 163,527 in 2020 and 555,496 in 2019); the 4.5% increase with respect to 2022 is due to higher numbers of visitors than in the previous year, recorded by Gori, AdF and Gesesa.

with a dedicated priority queue – by writing text messages in chat, which are read to the operator by a computerised voice, while the operator's answers are returned to users in written form.

In 2023, the **Group's toll-free numbers received**, overall, **around 5.6 million calls, with a slight increase (+1.3%)** compared to 2022 (around 5.5 million calls). The **overall service level**, despite the increase in the number of calls received in the year under review, improved to 93.4% (Chart 30 and Tables 40 and 41 for the performance of individual companies, at the end of this section).

Chart no. 31 – Percentage distribution of telephone traffic received by Acea toll-free numbers (2023)



See Tables 40 and 41 for the performance over the last two years of the individual Companies.

For Acea Ato 2 the **digital branch** service is in place, managed internally. As at 31 December 2023, the Company had **20 active Waidy Points** (14 managed by Acea Ato 2 and 6 by the municipality). Note that physical branches **outside of Rome** have been replaced by Waidy Points throughout the province which, overall, saw 1,637 customers with a 100% service level (customers/tickets issued), with a waiting time of 2'00" and an average service time of 21'47".

AdF also strengthened the **digital branch** service, which increased its operations, now covering **22% of total contacts** through the branch.

Acea Energia has, in addition to the physical branch, a **digital consulting service**, which in 2023 saw **around 14,000 appointments** both for greater protection customers (2,896) and free market customers (11,067).

The operating companies handle **written complaints, following the processing of cases using information systems: from reporting to resolution**.

For the **energy service**, the “replies to written complaints/enquiries” both by the sales Company and the distribution Company, are services included among the **levels of commercial quality** subject to regulation by the national Authority (see sub-paragraph *Quality levels regulated by ARERA in the electricity sector*). Likewise, for the **water service, the contractual quality levels**, specific and general, introduced by the Authority, also provide for management pro-

cedures and response times to enquiries, written complaints and requests for billing corrections (see sub-paragraph *Quality levels regulated by ARERA in the water sector*).

For the **public lighting service**, responses to **written complaints/requests** are handled directly by Areti. In 2023, a total of **3,795 complaints/enquiries** were received and the Company **responded to around 90%** of these by 31 December 2023.

Table no. 40 – Energy: performance of toll-free numbers and branches (2022-2023) (*)

TOLL-FREE NUMBERS			
	u. m.	2022	2023
COMMERCIAL TOLL-FREE NUMBER (Acea Energia) - STANDARD MARKET SERVICE			
total calls received	no.	934,318	656,498
total answers	no.	875,662	621,568
service level (% of answers to calls received)	%	93.7%	94.7%
average waiting time	min. sec.	2'32"	2'11"
average conversation time	min. sec.	5'43"	5'29"
COMMERCIAL TOLL-FREE NUMBER (Acea Energia) - FREE MARKET (energy and gas) (**)			
total calls received	no.	1,269,188	1,508,375
total answers	no.	1,135,789	1,411,573
service level (% of answers to calls received)	%	89.5%	93.6%
average waiting time	min. sec.	2'48"	2'04"
average conversation time	min. sec.	6'56"	6'53"
FAULT TOLL-FREE NUMBER (Areti)			
total calls received	no.	236,028	362,146
total answers	no.	229,120	351,544
service level (% of answers to calls received)	%	97.1%	97.07%
average waiting time	min. sec.	1'24"	01'20"
average conversation time	min. sec.	3'06"	03'03"
PUBLIC LIGHTING - FAULT TOLL-FREE NUMBER (Areti)			
total calls received	no.	126,103	151,499
total answers	no.	121,189	148,703
service level (% of answers to calls received)	%	96.1%	98.15%
average waiting time	min. sec.	1'16"	0'49"
average conversation time	min. sec.	2'57"	2'47"
CEMETERY LIGHTING - COMMERCIAL TOLL-FREE NUMBER/FAULTS (Areti)			
total calls received	no.	98,081	127,356
total answers	no.	85,665	94,380
service level (% of answers to calls received)	%	87.3%	74.11%
average waiting time	min. sec.	3'04"	6'34"
average conversation time	min. sec.	4'04"	4'37"
BRANCHES			
ACEA ENERGIA - STANDARD MARKET SERVICE BRANCH			
tickets issued	no.	15,648	10,596
customers served	no.	15,547	10,596
service level (% customers served/tickets issued)	%	99.4%	100%
average waiting time	min. sec.	5'58"	1'00"
average service time (***)	min. sec.	n/a	20'00"
ACEA ENERGIA - FREE MARKET BRANCH (ENERGY, GAS AND OFFERS)			
tickets issued	no.	17,683	16,008
customers served	no.	17,645	16,008
service level (% customers served/tickets issued)	%	99.8%	100%
average waiting time	min. sec.	4'00"	1'00"
average service time (***)	min. sec.	n/a	20'00"

(*) The volumes of channels subject to sector regulation are consistent with the calculation methods envisaged for reporting to ARERA. For example, for the toll-free numbers of Acea Energia and Areti, the average waiting time is the time that elapses between answering, even if it is made through an automatic answering machine, and the beginning of the conversation with the operator or the end of the call if the caller hangs up before the beginning of the conversation with the operator.

(**) Includes data from the “WindTre Luce and Gas powered by Acea Energia” partnership service, active from 12 July 2021. Number dedicated to the service are +39 800-713-676 and the third branch of WindTre’s +39 159. Starting in July 2023, a new number was also added, with the new “Click to Call” service for the free market, with a new telephone number that customers can access by clicking a link published online.

(***) The average management time (TMG) of the branches is not present in the system since the current queue manager does not manage this method. For 2023, the average time expected for each appointment was added.

Table no. 41 – Water: performance of toll-free numbers and branches (2022-2023) (*)

TOLL-FREE NUMBERS			
	u. m.	2022	2023
COMMERCIAL TOLL-FREE NUMBER (Acea Ato 2 - city and province of Rome) (**)			
total calls received	no.	977,149	1,055,311
total answers	no.	888,961	996,338
service level (% of answers to calls received)	%	91.0%	94.4%
average waiting time before answer	min. sec.	2'29"	2'03"
average conversation time	min. sec.	4'35"	4'40"
FAULT TOLL-FREE NUMBER (ACEA ATO 2 - city and province of Rome) (**)			
total calls received	no.	428,607	417,285
total answers	no.	406,634	410,390
service level (% of answers to calls received)	%	94.9%	96.3%
average waiting time before answer	min. sec.	0'12"	0'16"
average conversation time	min. sec.	2'57"	2'49"
COMMERCIAL TOLL-FREE NUMBER (ACEA ATO 5 – Frosinone and province)			
total calls received	no.	252,139	255,218
total answers	no.	224,531	229,067
service level (% of answers to calls received)	%	89.1%	89.75%
average waiting time before answer	min. sec.	2'49"	3'08"
average conversation time	min. sec.	4'48"	4'40"
FAULT TOLL-FREE NUMBER (Acea Ato 5 - city and province of Frosinone) (***)			
total calls received	no.	76,502	64,700
total answers	no.	73,267	62,879
service level (% of answers to calls received)	%	95.8%	97.19%
average waiting time before answer	min. sec.	0'29"	0'30"
average conversation time	min. sec.	3'21"	2'30"
COMMERCIAL TOLL-FREE NUMBER (GESESA - city and province of Benevento)			
total calls received	no.	35,246	26,878
total answers	no.	30,968	24,277
service level (% of answers to calls received)	%	87.9%	90.3%
average waiting time before answer	min. sec.	2'59"	2'33"
average conversation time	min. sec.	4'57"	4'00"
FAULT TOLL-FREE NUMBER (GESESA - city and province of Benevento)			
total calls received	no.	16,086	11,587
total answers	no.	14,168	11,345
service level (% of answers to calls received)	%	88.1%	97.9%
average waiting time before answer	min. sec.	1'32"	1'28"
average conversation time	min. sec.	2'33"	2'34"
COMMERCIAL TOLL-FREE NUMBER (GORI - Naples and Salerno provinces)			
total calls received	no.	648,444	543,031
total answers	no.	508,066	463,616
service level (% of answers to calls received)	%	78.4%	85%
average waiting time before answer	min. sec.	4'53"	3'25"
average conversation time	min. sec.	5'05"	4'15"
FAULT TOLL-FREE NUMBER (GORI - Naples and Salerno provinces)			
total calls received	no.	134,442	152,659
total answers	no.	131,308	149,549
service level (% of answers to calls received)	%	97.7%	98%
average waiting time before answer	min. sec.	0'48"	0'55"
average conversation time	min. sec.	3'27"	3'18"

COMMERCIAL TOLL-FREE NUMBER (AdF - provinces of Grosseto and Siena) (****)			
total calls received	no.	188,750	169,747
total answers	no.	176,149	160,996
service level (% of answers to calls received)	%	93.3%	94.8%
average waiting time before answer	min. sec.	1'53"	1'43"
average conversation time	min. sec.	6'31"	5'56"
FAULT TOLL-FREE NUMBER (AdF - provinces of Grosseto and Siena) (****)			
total calls received	no.	55,659	51,003
total answers	no.	54,938	50,315
service level (% of answers to calls received)	%	98.7%	98.7%
average waiting time before answer	min. sec.	0'33"	0'43"
average conversation time	min. sec.	3'47"	3'48"
BRANCHES			
ACEA ATO 2 (Rome - head office branch) (**)			
tickets issued	no.	13,901	8,999
customers served	no.	13,817	8,898
service level (% customers served/tickets issued)	%	99.4%	98.9%
average waiting time	min. sec.	1'00"	1'00"
average service time	min. sec.	21'43"	24'03"
ACEA ATO 5 (2 branches city and province of Frosinone)			
tickets issued	no.	13,872	14,202
customers served	no.	13,872	14,202
service level (% customers served/tickets issued)	%	100%	100%
average waiting time	min. sec.	1'05"	1'00"
average service time	min. sec.	17'20"	15'57"
GESESA (1 branch Benevento and province)			
tickets issued	no.	9,939	10,210
customers served	no.	9,891	10,204
service level (% customers served/tickets issued)	%	99.5%	99.94%
average waiting time	min. sec.	4'01"	11'35"
average service time	min. sec.	8'45"	10'09"
GORI (6 branches in provinces of Naples and Salerno)			
tickets issued	no.	47,637	62,934
customers served	no.	43,705	58,607
service level (% customers served/tickets issued)	%	91.7%	93%
average waiting time	min. sec.	7'07"	4'53"
average service time	min. sec.	16'43"	16'08"
AdF (7 branches in provinces of Grosseto and Siena) (****)			
tickets issued	no.	8,255	9,657
customers served	no.	8,255	9,657
service level (% customers served/tickets issued)	%	100%	100%
average waiting time	min. sec.	1'00"	1'00"
average service time	min. sec.	15'07"	13'52"

(*) The volumes of channels subject to sector regulation are consistent with the calculation methods envisaged for reporting to ARERA. For example, for the fault toll-free number, 'total answers' means, in line with the Authority's guidelines, 'total answers within TMA' and 'service level' means the % of calls with TMA within the standard.

(**) the 2023 figures of Acea Ato 2 for both toll-free numbers and the branch are being consolidated and have not yet been communicated to the Authority.

(***) Calls handled by the automatic system or terminated by the customer during navigation within the interactive voice responder are also considered as answers.

(****) 2022 figures were updated based on the official report sent to ARERA. With reference to 2023, when the document was prepared AdF data, both for toll-free numbers and the branch, were still being finalised and had not yet been sent to the Authority.

COMMUNICATIONS, EVENTS AND SOLIDARITY



Every Drop of Water: the campaign to save water received the **20th Press, Outdoor & Promotion Key Award**



Acea Scuola 2022/2023 **ProteggiAmo l'Ambiente** in digital format on the Acea EcoVillage platform



Acea promotes sports for young people: **Acea Camp and Volley School - Acea Trophy**



Acea strengthens its presence on the main social channels: **+98%** in 2023 for **Facebook followers**

COMMUNICATION

The **Communication & Media Relations department** of the parent company guides and coordinates **communication strategies and initiatives and institutional journalistic and sales information** for Acea SpA and its investees, defining **the policy and Communication Plan** which establish guidelines and **development of the Group's image**. With reference to **financial reporting**, the department is responsible for preparing the relative publications and supporting materials.

Communication & Media Relations also oversees **information coverage by journalists**, managing **relations with the media** and drafting and disseminating press releases, press reviews and organising press conferences for the various business areas. Additionally, it handles publication of all **legal, financial and service notices** in national and local papers.

It coordinates **brand development, corporate identity management**, the execution of **institutional, advertising and sales campaigns**, and organises **public and institutional events**, developing and managing **environmental and solidarity education projects**, as well as special and external events intended to **strengthen the bond between Acea and local areas**.

The Department also organises **internal events, internal dissemination of documents, new editorial content** and all other types of internal communications, in line with the Group's corporate identity, guaranteeing consistency in communications for all Group companies. **Audiovisual activities and photography and video services** are also produced in-house, and the **Group's modern and historic archives** of documents and photographs are managed.

The Department also guarantees the dissemination of a **stakeholder engagement** culture within the Group while ensuring the **quality**

perceived by customers and provided by the Group's contact channels is measured.

The Communication & Media Relations Function also defines the **digital strategy and digital identity**, in line with the strategic guidelines decided by Top Management, the positioning of the Group in the digital ecosystem, through the design, development and management of the **institutional website** and the websites of the companies aligned with the corporate identity. It is responsible for the operational management of **social media channels to disseminate and enhance, in addition to news and information about the Group, brand awareness, the Group's values and mission** and the initiatives it carries out during the year.

In 2023, the Group's **advertising communications** emphasised and supported, as its basic guideline, the issues of **sustainability and the energy transition**, with a dedicated campaign. Additionally, campaigns were carried out on **water and energy savings**. More specifically, the **Every Drop of Water** campaign was carried out internally, focussed on responsible use of water, on air as from March 2023 and further reinforced in August through a radio spot broadcast on the most important stations in Rome (see the dedicated box). Finally, the **territory** was the focus of a campaign to increase awareness of the **Acea OTA2 water bonus** (in print and digital in June and July 2023). Also worthy of note was the development of a new **institutional advertising topic**, intended to **raise awareness of the Acea Group's leading role in Italy in the water sector** and its commitment to sustainable growth in Italy. This initiative, which involved a **press and digital campaign starting in October 2023**, will also continue in 2024.

THE WATER-SAVING CAMPAIGN EVERY DROP OF WATER

Acea Ato 2's **Every Drop of Water** campaign, implemented in 2023, was intended to raise awareness of **intentional use of water**, while also providing information on **best practices to save water**. The multi-topic creative project, using direct and immediate communication, called attention to daily habits to adopt to preserve this precious resource. The theme of **sustainability** was the focus of a campaign that fell within the wheelhouse of the **UN Agenda 2030 goals**, including **goal 6** relative to water, helping to contrib-

ute to a growing respect for the environment and natural resources, increasing awareness in the younger generations.

The campaign went **on air as from 22 March 2023**, on **World Water Day**, continuing through September, found in the main daily newspapers and on the web with over **30 million impressions**, **accompanied by large format outdoor publicity** with over **3,800 signs**. In July 2023 the campaign was recognised in the **20th Press, Outdoor & Promotion Key Award – Transport and Energy Category**.



The Group's commitment to **sustainability** and the **environment** was also demonstrated by the implementation of a campaign dedicated to **energy saving**, in print and utilising digital channels on 18 February 2023, on **World Energy Efficiency Day**. Additionally, in July 2023 the **Areti campaign on responsible energy use** went live, in print and using digital channels. Additionally, also during the summer, radio spots were broadcast on the main stations. Finally, in 2023, in relation to the **programme to replace Areti meters with new SM2G meters**, four **targeted campaigns for Rome municipalities** were carried out to inform citizens and help them understand the new techniques used by the new meters. Additionally, to

support **Acea Energia's activities**, a communication campaign continued during the year to increase awareness of the Company, with targeted **digital strategy** actions.

Also in 2023, the Group's commitment to **students** continued with **Acea School – ProteggiAmo l'ambiente** [Let's Protect the Environment], a training course that allowed young people to discover the best practices, projects and technologies implemented by the Group to manage the activities sustainably, learning about certain aspects such as alternative energy sources (see the dedicated box).

2022/2023 DIGITAL EDITION OF ACEA SCHOOL – PROTEGGIAMO L'AMBIENTE [LET'S PROTECT THE ENVIRONMENT]

Acea Scuola **Let's Protect the Environment was the title of the 2022-2023 edition of the educational programme**, created by Acea to teach students about sustainability, found in the Acea EcoVillage, a **digital platform** with animated content by Biagio Venditti and Francesca La Cava, two young actors from the Netflix series "Di-4ri". A multimedia voyage aimed at young people, with videos and quizzes focussed on sustainability and protecting our planet. The Acea Scuola contest is an educational course, in place for over 20 years, with the goal of promoting environmental training and raising young people's awareness of the innovative actions, projects and technologies implemented by the Acea Group to preserve the

natural environment for future generations.

This education event was offered to students in Rome and the surrounding area in November 2022 and **February 2023**, and again in **April 2023**, in open mode available to everyone across Italy for two weeks.

The project ended with the **Award Ceremony**, held on 31 May 2023 at the Acea headquarters in Piazzale Ostiense, with schools from Roma Capitale. The three schools, which were awarded vouchers to purchase didactic materials, were represented by students, teachers and principals.

In April 2023, Acea partnered with the European Centre for Tourism and Culture in Rome and the National Roman Museum to de-

velop the exhibit **Water in Art and the Art of Water - the Fountains and Noses of Rome**.

ACEA AND THE EXHIBIT WATER IN ART AND THE ART OF WATER - THE FOUNTAINS AND NOSEPIPES OF ROME

From 6 April to 31 May 2023 at the Museum of the Baths of Diocletian the **Water in Art and the Art of Water - the Fountains and Nosepipes of Rome** exhibit was presented, designed and implemented in cooperation with the European Centre for Tourism and Culture in Rome and the National Roman Museum to celebrate the city of Rome through the most noble of the four elements and,

simultaneously, inform the greater public about the many Acea initiatives to manage the water system.

Works of arts, archaeological items, projects and photographs were chosen from the materials held by national and municipal museums to demonstrate the essential nature of the work that Acea has done in the capital city for more than 110 years.

The Function manages Acea's attendance at important events each year. For example, in 2023 the Group participated in the **40th Annual Assembly of Italian Municipalities (ANCI)**, held in Genoa in October (see the box for more information). In November, Acea

also renewed its active presence at **Ecomondo**, confirming its "green" calling and presenting several particularly innovative and sustainable projects (see the dedicated box in *Relations with the Environment, Environmental Sustainability and the Main Challenges*).

ACEA AT ANCI 2023

Acea participated in the 40th Annual Assembly of Italian Municipalities, held in Genoa from 24-26 October 2023, with a **stand** that highlighted the activities managed and the Group companies that provide services to local areas and the community. Within the stand were thematic areas with a strategic focus on the Group's

main business areas - water, environment, energy infrastructure, electricity - showing visitors (institutions, journalists, workers and local administrations) the most important projects carried out and demonstrating its expertise and know-how.

Every year Acea **opens its plants** to visitors interested in technical/scientific impacts and to students, thanks to the willingness of employees who show them around: in 2023 **150 people were welcomed**, in 6 visits.

Communication on the digital channels, web and social media, is handled by the **Digital Media Unit**, in the context of the Department, in line with the Group's digital strategy and digital identity and reflecting its **values, mission and industrial positioning**.

The institutional website (www.gruppo.acea.it) tells Acea's story, **highlighting how it operates**. The site is constantly updated and has a **clear organisation of information** with corporate content as well as the services and initiatives of Acea, and allows for a **fluid and intuitive navigation**, with distinctive graphics, consistent with the Group's brand identity, and a particular focus on **visual communication**. In 2023, in line with Acea's **rebranding**, the updating and publication of the **new logo** and new visual guidelines for the corporate site took place, as well as **reorganisation of press releases**, thanks to a new system of categories and tags, to make it easier and clearer for users to consult them. Additionally, during the year **technical implementation** related to site accessibility continued, in particular in the water section, with the aim of making it increasingly **simple to consult the site, including by users with disabilities**.

Acea's commitment to effective communication, in terms of the transparency and quality of the content available on its institutional website, has also been recognised in its placement in sector rankings. The company has been found on the **.trust** list since the first edition in 2019 and was classified among the **Narrators**: companies that are effectively able to present their role and communicate the same, both internally and externally, serving as a reference point for stakeholders. In the 2023 edition, **Acea improved its placement**, going from Silver to **Gold**, the highest level.

On the **Acea website** during the year **initiatives undertaken** to ensure continuity of service and connect with the community were highlighted.

Information was given about the **main events in 2023** organised by the Group or in which it took part, highlighting the events with which **Acea associates its brand**, through sponsorships (see the dedicated paragraph below), such as the **Rome Marathon** and the **Film Festival**. As well as being dealt with in the **"Stories"** and **"Our Commitment"** sections, **sustainability** is highlighted on all pages of the website as a key element for the Group's growth and value creation, with **references to dedicated initiatives and projects in each area**. In particular, in 2023 issues of **social sustainability** were highlighted, with the creation of a **new section** dedicated to **"Diversity, Equality and Inclusion"**, to help establish these issues as distinctive elements in the Group's mission.

Also with reference to sustainability and the commitment to the **circular economy**, during the year the content found in the **Environment** section was reorganised, to take advantage of the Group's position and its significant engineering and industrial know-how, also in the waste treatment sector. Again in 2023, a section was created on the website dedicated to **Acea projects financed through the NRRP**, focussing on the local areas affected by each initiative. Furthermore, the website highlighted the main **lighting of monuments or institutional sites** by Acea, in coordination with the Public Administration, on particular anniversaries, for example to **raise awareness among citizens** for the prevention of diseases such as breast cancer or other events with a high social impact.

Every year, on the occasion of the **Shareholders' Meeting**, the Acea Group's "Navigable Financial Statements" are published on the website, making the **Consolidated Financial Statements** and **Sustainability Report** available for viewing in interactive mode, with open data and multimedia content. The online reports present Acea's results, values and projects and allow visitors to **grasp**

the multiple connections that link the two annual reports on one screen. As in the previous year, in 2023 a navigable version of Acea Ato 2's Sustainability Report was created.

The website also performs a **service function**, with the **timely publication of notices** about any water stoppages affecting the areas where the Company operates. For several years, it has provided data about **emissions**, monitored in real time, from the Group's two **waste-to-energy** facilities and the **Tor di Valle power plant**, and the **main parameters of the quality of the water** supplied by companies that operate in the industry can be consulted online.

During the year, the **Areti website was updated** (www.aret.it), which offers informational content to electricity distribution users, developing interactive components to improve navigation. The **Acea Innovation mini-website** (www.aceainnovation.it), hosted within the Group's website, is also a **contact channel** for customers interested in the various services available: **sustainable mobility, widespread composting and energy upgrading**; during 2023, the section on electric mobility ICT services was updated.

The Group's site, found at www.gruppo.acea.it, saw a total of around **4 million page views** in 2023, equal to around **2.5 million visits**. The vast majority of visits in terms of **connection method** were made through a **desktop**, representing **89.6%** of visits (2,240,815), followed by **mobile telephones**, representing **10.2%** (254,162) and, residually, representing **0.2%**, connections using **tablets** (4,520), with just one visit coming via smart tv.

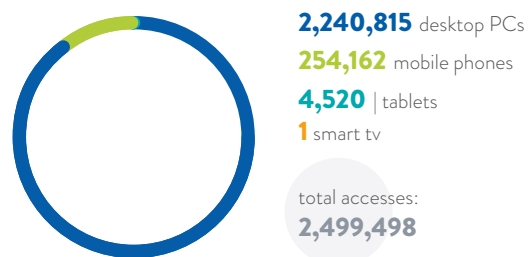
The **Acea Energia website** (www.acea.it), dedicated to **free market electricity and gas sales**, over **1.5 million visits** were registered in 2023. **Desktops**, representing **60%** of views, continued to be the most used device, followed by **mobile telephones** at **38%**, while views coming from **tablets** remained stable, at **2%**. Additionally, for the first time a few visits were made through **smart tvs**. The website has user-friendly navigation to help customers, in addition to

sections devoted to “**guides**” and “**stories**”, where insights are provided on topics such as innovation in the energy sector, wind energy, e-mobility, energy saving, etc., which **account for around 24%** of total visits to the site from Google.

On the website www.servizioelettricoroma.it, **dedicated to Acea Energia customers on the greater protection service**, **768,086 visits** were registered in 2023, with **83.7%** made through **desktops**, **16%** through **mobile telephones** and **0.3%** through **tablets**.

Lastly, on **Areti's website** (aret.it), around **740,000 page views** were recorded in 2023, equal to more than **197,000 visits**; again in this case the connection method via **desktop** prevailed – around **62%** of accesses (122,805) – followed by **mobile telephone** – around **37%** of accesses (72,988) – and by **tablet** – for around 1% (1,576 accesses).

Chart no. 32 – Acea corporate website 2023: access methods



Acea continues to **strengthen its social media presence, increasing the number of followers** (see the dedicated box) thanks to an effective storytelling strategy and specific content for each channel, with the aim of highlighting the elements that characterise the Group's commitment, in line with the communication tone of the institutional website. In 2023, in line with Acea's rebranding, the new logo and new visual guidelines were established for all the Group's social communications.

ACEA NUMBERS ON SOCIAL MEDIA – 2023

Acea has consolidated its presence on the **main social channels** during 2023. Here are the **key figures**:

- the Acea Group's **Facebook** account saw significant growth, achieving a fan base of **15,249 followers**, around **98% more** than in 2022, generating **200,927 interactions**. The increase in the follower base further strengthened the company's presence, focussed on corporate content and on the cultural events it supports;
- the **Instagram** account also saw growth, reaching **6,516 followers** (around **14% more** than in 2022), generating **10,263 interactions**. The direct and informal communication strategy helped to tell the story of Acea's commitment to the local area in an engaging way, helping to strengthen relations with the community;
- the **X** profile (formerly Twitter) remained stable with **5,343 followers** (+0.8% compared to 2022), generating 2,137 interactions. This channel continues to serve as a reference point for interaction with institutional stakeholders and to provide updates on corporate content and the Group's results;

- the **LinkedIn** profile saw **18.5% growth** with respect to 2022, with **88,999 followers** in 2023, confirming the upward trend;
- the **YouTube** profile, which offers the videos created by Acea, has **1,410 subscribers** (+10% with respect to 2022).

The Group is also present on Facebook and Instagram with **Acea Energia**. Both channels were used for the promotion of **electricity and gas offers** and for the **dissemination of commercial initiatives on the free market**. Facebook and Instagram respectively reached 16,638 (+3.5% compared to 2022) and 2,410 followers (+32% compared to 2022) and both have become important touchpoints for **managing customer requests**, also by inviting customers to use online services available in the MyAcea customer area of the website www.acea.it.

Areti strengthened its presence on LinkedIn, reaching 3,309 followers (+42.7% with respect to 2022) and consistently representing its values and mission.

The **Media Relations Unit** monitors **relations with national and local media**, in a spirit of mutual respect for roles and cooperation, with the aim of conveying the correct corporate image and position of the Group through the media.

Press releases and press conferences in 2023 disclosed **the economic results achieved, the initiatives carried out** by the Group and **information of public interest** relating to the provision of services. Media Relations, together with the Digital Media Unit and in coordination with other competent Functions/Departments of the Holding Company, handles **the dissemination of press releases relating to major corporate events**, such as the Shareholders' Meeting and **the approval of the financial statement figures**. Through press articles, television, radio and web reports, the Unit ensured media coverage of the main events and initiatives carried out by the Group, with particular focus on improving **corporate communication content**.

The constant interaction **with the operating companies** allows the Unit to **provide feedback on reports of inefficiencies** coming from the media, interacting with press editors to have the company's replies published. Media Relations manages the national and local **press review** on a daily basis. This activity is complemented by the transmission of additional and timely information about the Group or relevant to the business managed, thanks to the regular **monitoring of press agencies** and the **web** (web news, social media and blogs).

Among the **communications that accompanied the initiatives of particular importance during 2023** are, by way of example:

- communication about the **water sector**, with actions associated with financing received from the EIB to improve the quality and resilience of the water service, ARERA bonuses received due to Acea Ato 2 performance, the publication of water projects financed by the NRRP on the website, press releases on recognition received for the innovative Acea Waidy Management System platform, on partnerships and agreements signed with important companies and entities, including the *Memo- randum of Understanding (MoU)* with Acquedotto Pugliese, BF, ANBI and Coldiretti. Also note the communication about the demerger project to spin off activities in the integrated water service management business unit; communication projects for World Water Day, in particular to publicise participation in the Waters: the Earth Is Thirsty for Concrete Action event;
- communication about the **Rome waste-to-energy plant** project, in particular the press release issued when the indication of interest was presented;
- with reference to initiatives regarding **electricity infrastructure**, communication regarding the approval of the settlement proposal with Roma Capitale for **public lighting**, the communication on the presentation of a project financing proposal to Roma Capitale to assign the public lighting service and network and innovative smart city services, communications regarding progress on the **RomeFlex** project to improve the flexibility of the electricity network;
- **corporate communications** on the completion of the Simam and Deco acquisitions and the business combination between Acea and ASM Terni; communications on the issuing and placement of a green bond, and communication regarding the Moody's rating;
- communications regarding **sustainability**, including those on the improvement pursued in the Bloomberg Gender-Equality Index, validation by the Science Based Targets initiative (SBTi) of the climate altering emission reduction goals, communication on participation in the "I will use less light" and the World

Energy Saving Day, communications regarding the Sustainable Development Festival for special lighting of the Cestia Pyramid, communications on the Group's presence at the international COP28 and the Ecomondo fair in Rimini;

- communications regarding the **HR sector**, such as that following *Top Employer* certification, initiatives following the signing of the "Charter of the Person and Participation" with trade unions, for example, the signing of the Code for Responsible Companies to Support Natality, promoted by the Ministry of Family, Natality and Equal Opportunity;
- communications issued during the year on **cultural initiatives**, including the discovery during excavation work of an important statue of an individual from the imperial age, support for the "Water in Art and the Art of Water" exhibition and the lighting of the Domus Tiberiana;
- communications relating to **Acea programmes aimed at young people**, such as the launch and completion of the school-to-work programme called *GenerAzione 2030* and the launch of the second phase (2023) of the 2022-2023 edition of Acea Scuola.

The Media Relations unit also guaranteed, through print articles, television, radio and web items, media coverage of the **main events and initiatives which Acea carried out or participated in** through *value liberality* and *sponsorships*, including the Christmas luminaries in Via del Corso, participation in the Roma Film Festival and support for the Rome Marathon.

EVENTS AND SOLIDARITY

The **economic value distributed to the community** (in terms of sponsorships, trade fairs, conferences, etc.) in 2023 is approximately **€ 4.7 million**¹¹⁴ (€ 6.3 million in 2022). Of this amount, some € 545,000 have been earmarked for sponsoring cultural, social and sporting events. Allocations by way of **donations** for major initiatives amounted to approximately **€ 1.4 million** (€ 1.8 million in 2022).

Acea offers its services, such as **electricity and water supplies** or **switching public lighting on/off**, on the occasion of events and **special circumstances of a symbolic or community nature**, for example, **special lighting/switching off events at the Colosseum**, carried out on the National Day Against Eating Disorders, on Global Multiple Sclerosis Day, during breast cancer prevention month, on Cities for Life/Cities Against the Death Penalty Day; **at the Senate Building**, including for the *I Will Use Less Light* event, for the International Day for the Elimination of Violence Against Women and for Global Multiple Sclerosis Day, to show solidarity with the Region of Emilia Romagna and the Maghrebi people; **at the Lazio Region Building**, for special occasions, including the Pink October Campaign, International Day for the Elimination of Violence Against Women, for International Blood Donor Day, for the National Day for Patient Safety, for International Autism Awareness Day, for Global Alzheimers Awareness Day, for Chronic Intestinal Disease Day, **special lighting at the Cestia Pyramid** for the Sustainable Development Festival and of the **Triton Fountain** for AISLA Onlus, 16th National SLA Day. These services, referred to as **'technical sponsorships'**, had a **total economic value of around €223,000 in 2023**.

¹¹⁴ This item also includes expenses incurred for "trade fairs and conference" but not "technical" sponsorships.

The company participates in the main events related to its business activities and supports, every year, **including with sponsorships**, initiatives considered of high cultural and social value for the **development of the areas it operates in and for the benefit of the community** (see also the summary boxes at the end of the section). The **Sponsorship and Value Liberality Function advises on and manages requests** from the entire region and from the Group's corporate structures, **to submit them for the assessment of the Committee for the Region**, a corporate body that consults, assesses and issues opinions, as well as monitoring the sponsorship and donation pro-

cesses, in order to guarantee sound and virtuous development of relations with the territories in which the Acea Group operates. The applications **approved by the Committee for the Region** are subject to Integrity Due Diligence, for an ethical and reputational assessment of the applicants, according to best practices.

In 2023, Acea continued to support certain **hospitals** allocating a portion of the funds set aside for sponsorships, in particular Policlinico Umberto I, which since 2022 has been constructing a new cancer centre, which should be completed in 2024.

ACEA FOR THE COMMUNITY

Again in 2023, Acea carried out the **Acea for the Community social project, dedicated to senior citizens** and promoted together with the Rome Department of Social Policy, the Heads of the Roma Capitale Municipalities and the relevant municipalities in the wider Rome area.

The project, sponsored by the Municipality of Rome, involves 1.5 hour **training sessions** at senior centres in the Municipality of Rome and the communities in the wider Rome area on issues such as: **the water cycle, protecting water, the supplemental water bonus and how to request it, energy saving, sustainability and conscientious**

consumption.

In 2023, Acea improved the project thanks to **cooperation with the Carabinieri**, who sent a representative to various meetings on the delicate subject of **fraud and misleading information provided to senior citizens for water and electricity services**. On the occasion of these meetings, Acea donated a tablet to the senior centre **to allow those interested to communicate with the Acea virtual branch through videocalls**. Additionally, small gifts were distributed to incentivise water/energy saving, such as insulating water bottles and low consumption light bulbs.

The Group also sought to contribute to **cultural events and events of social interest**, for the relaunch of the territory and the well-being of citizens. Among the main events supported in 2023, note the **Atlante women's photography exhibit** (Terres des hommes) at Museo Maxxi. To promote theatre, musical and cinema activities, Acea once again joined the Fondazione **Teatro dell'Opera di Roma** as a private member and sponsored shows by that theatre and by Caracalla. It also sponsored the 2023 editions of the **Film Festival** at Auditorium Parco della Musica in Rome, as well as other similar local initiatives, such as the Festival dello Stupore and the International Jewish Culture Festival.

Among the main sporting events during the year, as usual Acea linked its brand to the most important running competition in the

capital: the Rome Marathon - **Acea Run Rome The Marathon**, held on 19 March 2023. The Group also sponsored numerous other sporting events and teams, including Rugby Perugia, A.S.D. Pink Basket Terni, Volley Group Roma, ASD Circolo Pattinatori Grosseto 1951, and, as every year, initiatives aimed at young people, such as **Volley Scuola -Acea Trophy** (see the dedicated box) and **Acea Camp**. This last project, which began in 2015 thanks to an idea of Carlton Myers and with support from Acea, offers thousands of children aged 6 to 16, in the summer after the school year ends, the opportunity **to play individual and team sports**, at a sustainable cost for families and accepts, first of all, those with greater economic needs. The 2023 edition of Acea Camp was held between 19 June and 21 July.

THE VOLLEY SCUOLA TOURNAMENT – ACEA TROPHY 2023

With a focus on the promotion of the values conveyed by sports, every year Acea supports events that concern children, combining them with awareness of sustainability issues. In particular, the Volley School Tournament-Acea Trophy saw its **thirtieth edition in 2023** and, organised by FIPAV Lazio, saw **the participation of around 120 secondary schools in Rome and the province**. The tournament has always been inspired by strong ethical values and has transformed, over time, into a workshop of ideas with an educational purpose, **adding an educational element to the sport**, through seminars on civic education, in-person or remote events with figures and experts from different sectors, and the creation of publications. The celebration of World Water Day and World Food Day, topics such as bullying, cyberbullying and the values of sport have become part of education guidance and also constituted an excellent catalyst for students during the pandemic.

For the 2023 edition of the Volley School Tournament, six **seminars**

were held for the students, all in person, which were all recorded and then sent to around 100 schools. The first was held on 22 March, on World Water and Food Day, the second on 5 April, on World Sport Day, the third on 21 April, on Earth Day, the seminar on 28 April was on the topic of bullying, while on 5 May the focus was on Road Safety Day, and the final seminar was on 16 October on World Food Day. On 11 May the finals were held for the 2023 edition of the **Beach Volley School - Acea Trophy** at "La Spiaggia" in Ostia, with around 300 athletes from the male and female *juniores* category, while the **indoor finals** were held on 24 and 25 May at Palafonte in Rome. Following the event, on 30 May the students who participated in Volley School-Acea Trophy met in Rome, at the headquarters of Corriere dello Sport, where the awards were presented for the winners of the five Volley School competitions ("Tell Us Volley School", "Click and Volley", "Comics on the Net", "Conscientious Water Use Slogan" and "WFO and Nutrition").

The following boxes describe some of the **main events supported by the Acea Group in 2023**, through sponsorships or donations.

2023: ACEA FOR CULTURE AND SUSTAINABILITY

- contribution as private partner and sponsor of the 2022/2023 theatre season of the **Rome Opera Theatre** (Rome Opera Theatre Foundation)
- partner and sponsor of the 18th **Rome Film Festival**, held from 18 to 29 October 2023, which saw the organisation of showings, exhibitions, meetings and events, welcoming directors and international stars (Fondazione Cinema di Roma)
- representation costs for the **Atlante women's photography show**, 2023/2024 season (Fondazione Terres des Hommes Italia)
- sponsor of the **International Jewish Culture Festival**, held from 25 - 28 June 2023 at various locations in the Jewish neighbourhood of Rome (ARTIX cooperative)
- representation costs for the **Festival dello Stupore** on "Magic Water: the wonder of the vital element", held in the Tor Bella Monaca neighbourhood of Rome from 28 - 30 September 2023 (Comunità di Sant'Egidio)
- sponsor of the 53rd edition of the **Giffoni Film Festival**, an important project at the international level, dedicated to young people and families, involving thousands of young people every year and in 2023 held from 20 - 29 July 2023 in Giffoni Valle Piana (Salerno)
- sponsor, also through Group companies, of various cultural

initiatives and events outside of Rome, including the **Reate Festival 2023**, with theatre events held in various locations in Rieti and Rome from 28 September to 13 December 2023 (Fondazione Flavio Vespasiano); the event **ECOMED-Progetto Comfort - Green Expo for the Mediterranean**, dedicated to the presentation of innovative solutions for sustainable development and the circular economy, held from 19 - 21 April 2023 in Catania (Amazing Events); the **Orvieto Cinema Fest**, (Orvieto Cinema Fest ODV) and **Orvieto Summer Nights** (Associazione Cantiere Orvieto), **FLA - Festival di Libri e Altre cose**, held from 19 - 21 April 2023 in Pescara (Associazione Culturale Mente Locale); the **1st Colleferro International Opera Competition "Young People City 2023"**, held from 26 - 27 October 2023, to identify new young musical talent (APS L'Araba Fenice libero pensiero per il bene comune).

- technical sponsorship of the initiative **"I will use less light (M'illumino di meno) 2023"**, with the switching off of the Senate Palace to raise awareness of energy saving
- technical sponsorship for the **2023 Sustainable Development Festival**, involving the projection of the **UN SDG logo on the Pyramid of Cestius**.

2023: ACEA FOR SOLIDARITY

- **solidarity contributions to improve or equip healthcare infrastructure** for **Policlinico Umberto I** (cancer centre)
- contribution to the **2023 Fiaba Day** event (XXI edition), organised in Rome on 1 October 2023, to promote discussion and awareness of issues relating to the removal of architectural, psychological and sensory barriers, to ensure equal opportunities, accessibility and usability for everyone (Fiaba Non-profit)
- contribution to tablets donated to senior centres involved in the **Acea for the Community** initiative, in various municipalities of Rome.

- participation in, through technical sponsorships, the **International Day for the Elimination of Violence Against Women**, **World Autism Awareness Day**, **National Day Against Eating Disorders**, the campaign to raise awareness **against the death penalty**, the **Pink October 2023** initiatives and numerous other events through **technical sponsorship**, including special lighting at the Senate Building, the Colosseum and the headquarters of the Lazio Region.

2023: ACEA FOR SPORT AND YOUNG PEOPLE

- sponsor of **Acea Run Rome The Marathon 2023**, the 42 km competitive road race, held in the capital on 19 March 2023, is the one with the most spectators (Infront Italy) and the most Italian and foreign athletes participating.
- support for **sports activities and events** in operating areas outside of Rome: **basketball** (ASD Pink Basket Terni, Pallacanestro Senigallia), **football** (USD Monterotondo Marittimo, ASD Real Monterotondo scalo, ASD La Boracifera), **running** (ASD Filippide, Amatori Podistica Terni, Corri i Castelli), **paraolympic fencing** (world championship), **rugby** (Rugby Perugia), and **volleyball** (Volley Group Roma)
- title sponsor of the 2023 edition of the **Volley Scuola Tournament - Acea Trophy**, dedicated to **secondary schools in Rome and the province**, organised by FIPAV Lazio; again in 2023 the sporting aspect of the event was accompanied by **educational elements**, with seminars on civil education and meetings with personalities and experts from various sectors (FIPAV Lazio)

- sponsor of **Acea Camp 2023**, the event aimed at students, in June and July, with the aim of introducing and disseminating the practice of sports and raising awareness of social and environmental issues (Never Give Up)
- sponsor of **Run For Autism 2023**, the 10 km competitive race and 5 km open to all, held in Rome on 2 April 2023 and promoted by Progetto Filippide, to raise awareness of autism and give hundreds of young people from all over Italy a special day (A.S.D. Sport and Society Association - Filippide Project Rome)
- sponsor of the National Serie A Wheelchair Basketball Championship 2023, to promote the sport among young people with physical disabilities, organising games (ASD Amicacci Abruzzo)
- sponsor of the 2023 **"I'm Separating Wastes Too" project for schools**, which combines sports activities with educational activities on circular economy issues (ASD Virtus Basket Aprilia).

SUPPLIERS



Stable at around

€ 1.9 billion

= total value of the **2023 Orders** for goods, services and works:

processed over **7,100**

orders/contracts with over

3,500 suppliers involved



Acea and the Trade Unions signed a **Protocol on Tenders: legality, efficiency and safety**



640

suppliers (+89% over 2022)

evaluated using the **Ecovadis model for 21 CSR criteria**: average score of 61.9/100



The Work Safety Unit

carried out **14,252**

safety inspections at work sites: the impact of “serious” non-conformities out of total non-conformities identified continues to fall

CONSOLIDATED EXTERNAL COSTS

In 2023, the Group's **consolidated external costs** totalled about **€ 2.94 billion** (-17.4% compared to 2022). The change was due to a decrease in costs associated with obtaining electricity and gas on the free market and protected market, offset by the increase in costs for services and tenders, substantially for *energy efficiency* and *smart services* projects.

Procurement of goods, services and works relative to Group companies subject to reporting is managed at a central level¹¹⁵ by the parent company's **Procurement & Material Management** function, with the exceptions of Gori, AdF, Gesesa and Deco, which independently manage this aspect. The **total value of ordered goods, services and works** recorded in 2023, including the amounts of the aforesaid non-centrally managed companies¹¹⁶, was stable at **around € 1.9 billion**, with a slight decrease of 0.6% with respect to the 2022 figure. Regarding the centrally managed companies, the value of 2023 procurement was approximately € 1.5 billion, also in line with the 2022 figure.

PROCUREMENT POLICIES

The parent company's **Procurement & Material Management** function defines **policies and guidelines** and manages, as a service, the procurement of goods, services and works requested by the departments of the Holding Company and the Group's main companies. To perform its duties, it **values the technical skills of the buyers**, handles the **requests of “internal customers”** (Functions/Companies in the Group) and develops a **transparent relationship with suppliers**.

DEALINGS WITH SUPPLIERS AND PROCUREMENT MANAGEMENT

The Code of Ethics, updated at the end of 2022, recalls the reference principles¹¹⁷ that should guide **relations between Acea**, as a contracting authority, **and its suppliers** (contractors and subcontractors), “on the basis of the principle of mutual benefit and cooperation that underlies such relations”:

- **equal opportunities** for each supplier;
- conduct based on **mutual loyalty, transparency and collaboration**;
- compliance with **rules and procedures**, including verification processes to identify potential **risks to reputation and/or corruption**;
- protection, by the supplier or sub-supplier, of the **human rights** of their employees (decent working conditions, protection of health and safety) and **safeguarding of the environment** (protection of ecosystems and biodiversity, rational use of natural resources, minimisation of waste, energy saving, etc.), respect for **privacy**, and guarantee of the **quality** of goods, services, and performance.

Suppliers issue a **declaration of acceptance and commitment to comply with the provisions contained in the Code of Ethics**, which constitutes an **element of the contractual relationship**. Any violation of the principles and criteria of conduct envisaged by the Code of Ethics, revealed by audits, will authorise Acea to take appropriate measures.

Additionally, in **December 2023**, following approval of the **Human Rights Policy** by the Board of Directors, Acea emphasised the care it takes with respect to its supply chain, dedicating one of its 20 reference principles to “*Responsible management of supplier relations*” (see the dedicated box).

¹¹⁵ For the NFS scope, see *Disclosing sustainability: methodological note*. With reference to this scope, the water companies Gori, AdF and Gesesa, the environment companies Berg, Demap, Deco and Ecologica Sangro (the latter in the NFS scope from 2023) and the companies operating in PV (with the exception of Acea Solar) are not centrally managed.

¹¹⁶ The data of the three companies operating in the water sector that manage procurement activities independently and of Deco are aggregated here with those managed centrally in order to represent overall relations with suppliers in the year under review. The figures for Berg, Demap and Ecologica Sangro and the photovoltaic companies (with the exception of Acea Solar) have not been included, as these companies recorded very low costs for materials and services during the year, equal to 1.6% of those incurred by the companies in the NFS scope and 1.2% of those incurred by the companies consolidated on a line by line basis.

¹¹⁷ The *Code of Ethics* dedicates a specific section to *Relations with Suppliers*, as well as making many other references to the same therein. The Code is shared on the company's intranet and is available online on the website. Special attention is paid to social safeguards in higher-risk settings: “In supply contracts with suppliers located in at-risk countries, defined as such by recognised organizations, contractual clauses have been introduced that involve compliance of the supplier with specific social obligations (e.g. measures that guarantee employees respect for their fundamental rights, the principles of equal treatment and non-discrimination, protection against child labour, the fight against forced labour, guaranteed minimum wage, limited work hours, etc.).”

RELATIONS WITH SUPPLIERS IN THE ACEA GROUP'S HUMAN RIGHTS POLICY

Principle 2.2.8 of the Human Rights Policy of the Acea Group, called Responsible management of supplier relations, states: *"The Acea Group considers suppliers as priority stakeholders, who play a decisive role in the value chain; therefore, it is committed to sharing and promoting the principles contained in this Policy, consistent with the values, rules of conduct and appropriate control measures already provided for and expressed in the Code of Ethics, in the Anti-Corruption Guidelines, in the Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 and in other internal regulatory instruments. Relations with suppliers, including financial and consultancy contracts, are regulated not only by law, but also by appropriate internal procedures that include verification processes aimed at identifying*

potential reputational and/or corruption risks. In fact, behaviours aimed at protecting the human rights of staff are expected from the supplier and sub-supplier, with particular attention to dignified working conditions (equal treatment and non-discrimination, fight against child labour and forced labour, guarantee of minimum wages, wages in line with the relevant national labour contracts and in any case proportionate to the quantity and quality of the work performed, compliance with the limits linked to the duration of working hours, etc.) and to the protection of health and safety at work, to safeguard the environment (protection of ecosystems and biodiversity, rational use of natural resources, waste minimisation, energy saving, etc.), to guarantee the quality of goods, services and performances and to respect privacy".

For several years now, Acea has shared a **Water Contracts Protocol** with the trade unions involved in water tenders and with contractors, which includes aspects such as **employment protection** (proper application of the social clause with reference to contract changes), combating irregular work or work not in compliance

with the relevant national labour contracts, **workplace health and safety** and **compliance with contractual regulations**. Additionally, in **October 2023**, Acea signed an innovative **Protocol on tenders** with the trade unions (see the dedicated box).

THE PROTOCOL ON TENDERS SIGNED BY ACEA AND THE TRADE UNIONS: LEGALITY, EFFICIENCY AND SAFETY

On 20 October 2023, Acea and the trade unions signed a Protocol on Tenders which, referencing the provisions of the New Public Contracts Code, Italian Legislative Decree 36/2023, is intended to guarantee the highest levels of **legality and efficiency in managing tenders, strengthening health and safety protections** in the workplace and supporting **stable and quality employment**.

Among the basic elements of the Protocol, are the centrality of **training**, cooperation with the local area in educational campaigns and those to increase **awareness to develop a new safety culture**, and attention to issues of **social inclusion and organisational well-being**.

The Protocol also defines **rewarding criteria for the assignment of tenders**, to continue the objective of quality work throughout the cycle, including: lowest total number of sub-contractors; the

commitment to ensuring, for new hires, **minimum percentages of women and young people**, the use a majority of workers employed under **permanent employment contracts**, the application of **policies to achieve gender parity, the application of the social clause**, to promote stable employment, with a commitment by the incoming contractor to prioritise the hiring of personnel leaving the outgoing contractor within their own staff.

The Protocol references the principles and aims of the **National Framework Protocol to support legality, signed in July by Acea and the Ministry of the Interior**, with the aim of strengthening the joint commitment to combat the potential for corruption and the risks of organised crime infiltrating sectors of national strategic importance (see also the *Corporate Identity* section of the *Strategy and Sustainability* chapter).

Acea mainly uses tenders¹¹⁸ to select suppliers. In 2023, **70% of procurement, managed at a centralised level, was awarded through a tender procedure.**

For centrally-managed Group companies, the Procurement & Material Management function has **published on the website¹¹⁹**, in the "Supplier" Area, **the documentation relating to purchases** governed by the Public Procurement Code¹²⁰. **Operators who are interested in participating in tenders can freely access the portal of the Qualification Systems** and the portal for **participation in online calls for tenders**. The **web portal** is based on the same operational procedure as traditional tenders: it checks the adequacy of the supporting

document, acknowledges possession of the eligibility requirements, discloses the bids and displays the ranking. The companies operating in the water segment, which manage their own procurement process, also carry out tenders electronically, while Deco does not use tenders, rather it follows a procedure that involves the qualification of suppliers, market surveys accompanied by several offers from qualified suppliers on the company's *vendor list* and the issue of purchase orders.

The Administration, Finance and Control Function **monitors supplier payment times**: in 2023, for the companies in the scope¹²¹,

¹¹⁸ Acea issues tender procedures for the procurement of works, goods and services in compliance with current legislation (Legislative Decree no. 50/2016), with reference to the ordinary and special water and energy sectors. In particular, for tenders in special areas involving amounts below the EU threshold, Acea applies Internal Regulations consistent with the principles of the EU Treaty for the protection of competition. Finally, for tenders that do not fall within the scope of application of the *Code on public contracts* (so-called "extraneous or private law"), selection procedures are used which comply with the principles of free competition, equal treatment, non-discrimination, transparency and proportionality.

¹¹⁹ In compliance with the requirements of the National Anti-Corruption Authority (ANAC) and the so-called "Anti-Corruption Law" (Law 190/2012).

¹²⁰ Legislative Decree no. 50 of 18 April 2016 and subsequent amendments and additions. *Public Contracts Code*.

¹²¹ The 2023 analysis produced by Administration, Finance and Control also included the companies Gori, AdF and Gesesa, which have provided data even though they are not managed at the centralised level. It was not possible to include Deco in that it lacks ERP SAP. Additionally, Berg, Demap, Ecologica Sangro and four photovoltaic companies were also left out of the analysis due to the low share of the costs incurred.

the **average payment delay** was **28.8 days**¹²² (a slight increase compared to the 34.4 days recorded in 2022); **the same figure, when weighted in light of the amounts, falls to 15.7 days**¹²³ (compared to

26 days in 2022). This was the case for 55% of the value of payments made in the year (compared to 34% in 2022), while **the percentage of amounts paid on time was 45%** (66% in 2022).

DISPUTES WITH SUPPLIERS IN 2023

The disputes¹²⁴ between the company and its suppliers mainly concern non-payment of invoices and judgements on procurement matters.

With regard to **non-payment of invoices** for supplies of goods, services and works, there has been an increase in the number of disputes that have arisen: **9** in 2023 (4 in 2022). These are generally injunctions concerning invoices that were not paid for formal reasons and are quickly resolved by settlement proceedings.

As for the civil litigation in the field of **procurement contracts**, mainly concerning the registration of reservations by contractors, contract terminations, considerations and damages, **17** cases were filed in **2023**, an increase compared to the previous year (8 cases).

Moreover, **21 administrative disputes** began in 2023 (12 the previous year) concerning **tenders**.

As at 31 December 2023, the total number of **disputes pending with suppliers** (including disputes initiated in previous years) amounted to **116**, slightly up compared to the figure for 2022 (102 disputes).

At the end of the year, there were also **9 pending disputes started by employees of contractors**, who are **appealing against the latter and against the contracting authority** – as jointly and severally liable – for work credits accrued as an employee of the contractor during the duration of the contract. The figure is in line with the previous year.

SUSTAINABILITY CRITERIA IN TENDERS

In 2023, for the Group Companies under analysis, **about 7,100 orders/contracts** were processed, for a total of **more than 3,500 suppliers** involved (please see the *Order Analysis* below).

Within the **centralised management** of tenders, which covers 81.5% of the total value of procurement within the 2023 scope of consolidation, amounting to 2,565 orders/contracts managed and 1,299 suppliers involved, as a **requirement for participation**, for **100% of tenders for the award of works contracts** and for numerous contracts for the purchase of goods and services, Acea requires UNI EN ISO 9001 **quality management system** and the UNI EN ISO 45001:2018 **occupational health and safety certifications**. Furthermore, **for the product categories subject to tender** and relating to the purchase of goods, services or works, **evaluation criteria of the technical offer based on the following systems** are included during the tender process, when applicable: **UNI EN ISO 14001 – UNI CEI EN ISO 50001 – UNI ISO 37001 – FSC Chain of Custody**. These requirements were **added to potentially eligible calls for tenders**, awarded on the basis of the most economically advantageous offer: in 2023 **75% of tenders, out of a total of 125 effectively eligible**¹²⁵ were **awarded using criteria that reward sustainability**.

Additionally, when relevant, Acea adds to tender specifications regulatory references to the **Minimum Environmental Criteria (CAM)** adopted by Decree of the Ministry for the Environment, Land and Sea¹²⁶, as binding parameters or bonuses. In particular, the reference to CAMS is applied in tenders related to the rental services for generators, ordinary and extraordinary maintenance contracts for lifting systems, the purchase of computers and printer cartridges, in addition to categories such as paper, office furnishings, public

lighting – supply and design of LED lighting fixtures – work clothes, cleaning of buildings, maintenance of green areas and vehicles.

ANALYSIS OF PROCUREMENTS AND THE SUPPLY CHAIN

SCOPE

The information and data presented in the paragraph in an aggregated manner concern all companies included in the scope – please see *Disclosing Sustainability: Methodological note* – including the companies Gesesa, Gori and AdF, operating in the water sector, and Deco, in the environment sector, which are not managed centrally, and excluding Berg, Demap, Ecologica Sangro and four FTV companies, which together account for 1.6% of the costs of materials and services of the companies in the consolidation area.

The value in **2023** of that ordered to procure **goods**, for the provision of **services** and the execution of **works**, as noted, was equal to **around € 1.9 billion**¹²⁷, stable with respect to 2022; when examining the distribution of value among the three components, compared to the figures from the previous year, the items “goods” and “works” increased (respectively by +35% and +15%) while “services” fell (-28%) (see table no. 42).

¹²² The calculation of the figure is a simple average of the difference between the due date of the invoice in the system and the date of actual payment.

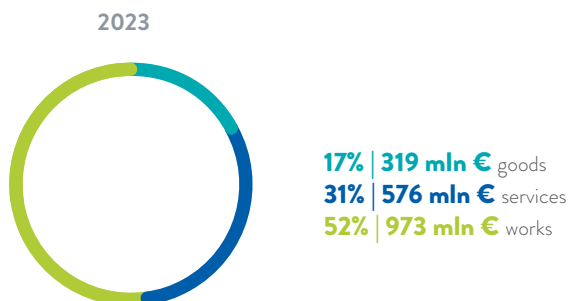
¹²³ The calculation of the figure is the result of the average of the difference between the expiry date of the bill in the system and the date of actual payment weighted according to the amount of the bills.

¹²⁴ The figures for the 2023 dispute refer to all the Companies within the NFS scope (see *Disclosing Sustainability: Methodological Note*).

¹²⁵ Consultancy activities are excluded from this calculation.

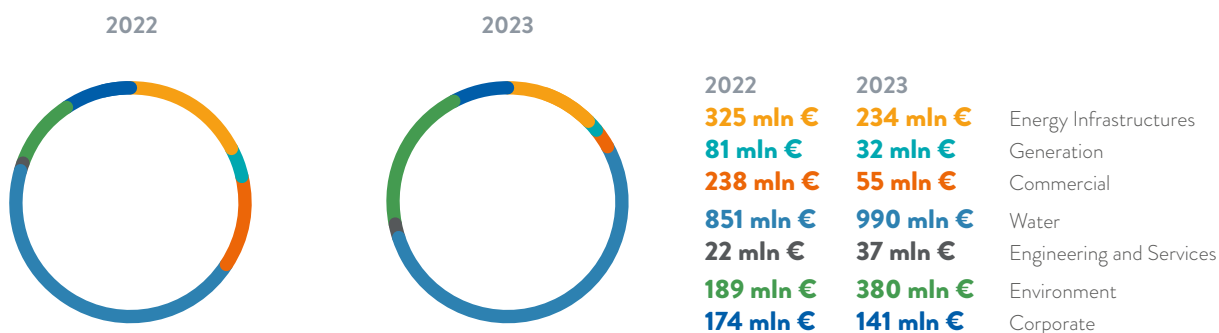
¹²⁶ From www.mite.gov.it: “Minimum Environmental Criteria (CAM) are the environmental requirements defined for the various phases of the purchasing process, aimed at identifying the best design solution, product or service from an environmental point of view throughout the life cycle, taking into account market availability. [...] Their systematic and uniform application makes it possible to spread environmental technologies and environmentally preferable products”.

¹²⁷ The amount of purchases managed at the centralised level refers to tenders awarded during the year, without any distinction between investments and operating cost, annual and multi-annual contracts. Purchases of commodities, regularisation orders and intercompany orders are excluded. The figures for the companies that are not centrally managed, for a total of € 346 million, do include all purchase types.

Chart no. 33 – Value of ordered goods, services and works and percentage on total (2023)

Note: Figures are rounded off to the nearest unit.

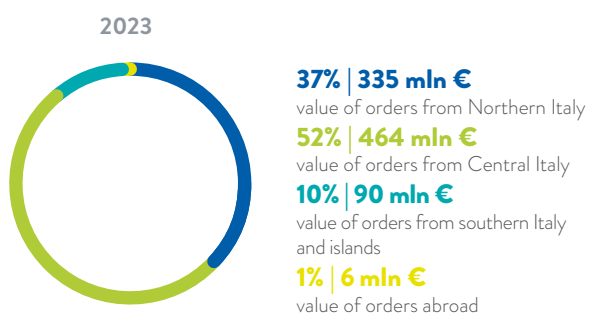
Examining the distribution of procurement amounts by **business** – Energy Infrastructure, Production, Commercial, Water, Environment, Engineering and Services – and for Corporate (Acea SpA), in terms of percentage changes with respect to the 2022 figures, the largest decreases can be seen in Commercial and Production, while significant increases were seen in Environment and Engineering and Services; the Water component continues to be the largest (see chart no. 34 and table no. 42).

Chart no. 34 – Orders (goods, services, works) by business area (2022-2023)

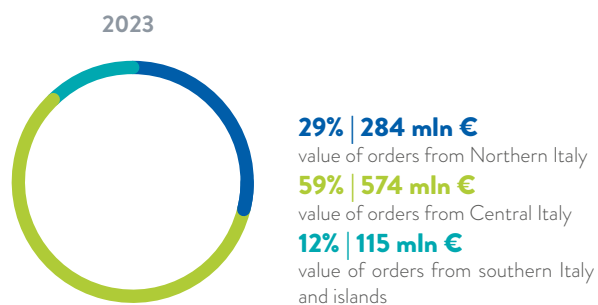
Note: Figures are rounded off to the nearest unit. The **Energy Infrastructure** business includes Areti, **Production** includes Acea Produzione, Ecogena and Acea Solar. **Commercial** includes Acea Energia and Acea Innovation. **Water** includes the companies: Acea Ato 2, Acea Ato 5, Gori, Gesesa, AdF. **Engineering and Services** includes Acea Infrastructure. **Environment** includes: Acea Ambiente, Aquaser, Acque Industriali and Deco. Present in the **Corporate** segment is only Acea SpA.

As mentioned, the procurement needs of the Group's companies included in the scope in the year totalled **7,095 orders/contracts** and **involved 3,508 suppliers** (slightly down with respect to the 3,780 in 2022). The **geographic distribution of the suppliers** in 2023 continued to see the largest portion coming from central Italy (48%), of which 23% in Lazio, followed by northern Italy (30%), southern Italy and the islands (20%) and only a residual 2% foreign. The **geographical distribution of the value of that procured**, in terms of percentage weight on the total amounts (€ 895 million for

goods and services and € 973 million for works), is more concentrated in central Italy, with 52% of the item "goods and services" and 59% of the item "works", followed by northern Italy, which absorbs 37% of the item "goods and services" and 29% of the item "works" and by southern Italy and Islands (with 10% of the item "goods and services" and around 12% of the item "works"). During the year, around **33% of the value of "goods and services"** and over **55% of the value of "works"** were concentrated in **Lazio** (charts 35 and 36, and Table 43).

Chart no. 35 – Geographical distribution of the amounts for goods and services in Italy and abroad (2023)

Note: Figures are rounded off to the nearest unit.

Chart no. 36 – Geographical distribution of the amounts of works awarded in Italy (2023)

Note: Figures are rounded off to the nearest unit. In 2023, for the companies in the scope, the value of foreign procurement was minimal, with a percentage impact of zero.

Table no. 42 – Procurement data (2022-2023)

	u. m.	2022	2023	Δ% 2023/2022
VALUE OF PROCUREMENT THROUGH TENDERS				
goods	million €	236	319	35%
services	million €	800	576	-28%
works	million €	844	973	15%
total	million €	1,880	1,869	-1%
GOODS, SERVICES AND WORKS AS A PERCENTAGE OF TOTAL ORDERS				
goods	%	13%	17%	31%
services	%	42%	31%	-26%
works	%	45%	52%	16%
VALUE OF ORDERS BY BUSINESS AREA				
Networks (Energy Infrastructure)	million €	325	234	-28%
Generation	million €	81	32	-60%
Commercial	million €	238	55	-77%
Water	million €	851	990	16%
Engineering and services	million €	22	37	70%
Environment	million €	189	380	101%
Corporate	million €	174	141	-19%
NUMBER OF PURCHASE ORDERS MANAGED				
POs for goods, services and works	no.	7,837	7,095	-9%

Note: all the figures in the table are rounded off to the nearest unit.

Table no. 43 – Procurement nationwide (2022-2023)

	u. m.	2022	as % of total/year	2023	as % of total/year
NUMBER OF SUPPLIERS OF GOODS, SERVICES AND WORKS NATIONWIDE					
suppliers north Italy	no.	1,136	30%	1,037	30%
suppliers central Italy	no.	1,956	52%	1,698	48%
suppliers Lazio	no.	969	26%	811	23%
suppliers south Italy and islands	no.	617	16%	713	20%
foreign suppliers	no.	71	2%	60	2%
total suppliers	no.	3,780	100%	3,508	100%
GEOGRAPHICAL BREAKDOWN OF AMOUNTS FOR GOODS AND SERVICES					
value of orders from Northern Italy	million €	327	32%	335	37%
value of orders from Central Italy	million €	566	55%	464	52%
value of orders from Lazio	million €	419	40%	297	33%
value of orders from southern Italy and islands	million €	103	10%	90	10%
value of orders abroad	million €	40	4%	6	1%
total value of orders for goods and services	million €	1,036	100%	895	100%
GEOGRAPHICAL BREAKDOWN OF AMOUNTS FOR WORKS					
value of orders from Northern Italy	million €	103	12%	284	29%
value of orders from Central Italy	million €	613	73%	574	59%
value of orders from Lazio	million €	505	60%	541	56%
value of orders from southern Italy and islands	million €	128	15%	115	12%
value of orders abroad	million €	0	0%	0	0%
total ordered for works	million €	844	100%	973	100%

Note: all the figures in the table are rounded off to the nearest unit. The “northern Italy” geographical area includes Valle d’Aosta, Piedmont, Lombardy, Veneto, Trentino-Alto Adige, Friuli-Venezia Giulia, Emilia-Romagna and Liguria; “central Italy” includes Tuscany, Umbria, Marche, Lazio, Abruzzo and Molise; “southern Italy and islands” includes Campania, Basilicata, Apulia, Calabria, Sicily and Sardinia. The geographical area “abroad” includes suppliers that are mainly European.

SUSTAINABILITY IN THE SELECTION AND ASSESSMENT OF SUPPLIERS: FROM QUALIFICATION TO ONGOING CONTRACTS

Various **systems for qualifying suppliers of works, goods and services** are active in Acea in observance of principles of competition and equal treatment.

The **Supplier Qualification Unit**:

- coordinates working groups to identify the **qualification requirements**;
- draws up the **Qualification Regulations**;
- establishes **Qualification systems** of European significance¹²⁸ and **Supplier Lists** for so-called “below threshold” or private contracts.

During 2023, the product tree shared between the Group companies whose procurement is managed centrally included **573 product groups** and the Unit in charge managed, as of 31.12.2023, **165 Supplier lists**.

To register with the **Lists/qualification systems**, companies must visit the Acea institutional website (www.gruppo.acea.it Suppliers section) which is a **dedicated portal**, which works with the suppliers database; the requests are processed, including **verification that the requirements are actually met** with the relative communications to the supplier. During 2023, a **total of 2,390 registration applications** for the **Qualification Systems/Lists** were processed (+54% compared to the 1,554 applications in 2022), amounting to **741 successful applications** in total. Specifically:

- **212** qualification applications processed for “works” Qualification systems”;
- **529** qualification applications processed for Qualification Systems/Suppliers’ Lists for “goods and services”.

The **requirements** suppliers must meet to enrol in the qualification systems are “**general**” – including **ethical requirements established in sector regulations, including acceptance of the Acea Group’s Code of Ethics and Organisation, Management and Control Model** (pursuant to Italian Legislative Decree 231/2001, as amended. – and “**specific**”, relative to the group or group of goods/services associated with individual Supplier Lists.

Among the specific requirements, in some cases **Acea requires its potential suppliers** to have **certain Authorisations and/or certifications**:

- **UNI EN ISO 9001 certification** (binding requirement for all the “works” product groups and for almost all the “goods and services” suppliers);
- **UNI EN ISO 14001 certification** (for inclusion in the lists of suppliers for special non-hazardous waste, cleaning services, armed surveillance service and concierge/reception);
- **Registration with the National Environmental Operators’ Register** or authorisation to manage a plant for the recovery/disposal of waste (for inclusion in suppliers’ lists for Waste Management Systems);
- **UNI EN ISO 45001 certification** (for inclusion in the suppliers’ list for the electro-mechanical maintenance of industrial plants and cleaning services);
- **UNI EN 15838:2010 certification** (for inclusion in the suppliers’ list for “Call Centre and Back Office”);

- **SA 8000 certification** (for inclusion in the suppliers’ list for “Cleaning services”);
- **UNI 10891 certification** (for inclusion in the suppliers’ list in the “Armed surveillance service and concierge/reception”).

For admission to the Qualification Systems of Community-wide significance, **companies wishing to qualify must declare their availability to undergo an audit at the administrative head office**, aimed at assessing the truthfulness and adequacy of the documentation provided, **and at the operating plants** or product warehouses, in order to assess the implementation and application of the active management systems.

The **supplier portal is constantly updated**, indicating any changes which have occurred; in particular, **in December 2023** the European Single Regulations for Qualification Systems were updated for both works, goods and services, with the relative Annexes, with the **introduction**, among specific requirements that suppliers wishing to qualify must supply (for the Lists expressly indicated, in Annex A to the Regulations), of a **cyber risk self-assessment questionnaire**. This is a cyber-risk self-assessment questionnaire developed by Acea, known as the “*ACEA - Third Party Cyber Security Assessment Tool*”, which makes it possible to assess the supplier with reference to the requirements of fungibility, diversification and evaluation of technical reliability with the aim of identifying cyber risks linked to the supply chain. Suppliers must also comply with **anti-trust principles** adopted by the Acea Group in the context of its anti-trust compliance programme.

The **assessment of suppliers** involves different types of controls that are implemented **depending on the List/qualification system and the different statuses that the supplier acquires** with respect to Acea:

- **during the qualification phase**;
- **qualified**;
- **qualified with contract in progress**.

In order to be able to register on the **suppliers’ list** relating to the **Single Regulations for Goods and Services and Works** which, for 2023, concerned **116 out of 165 total Suppliers’ Lists** (“qualification phase”), suppliers must complete a **self-assessment questionnaire on the Quality, Environment, Safety, Energy and Social Responsibility management systems (QASER)**, found on the Vendor Management platform. In 2023, this questionnaire on QASER systems was completed by **315 suppliers** (233 for goods and services and 82 for works), representing 100% of the qualified suppliers on the supplier lists for the aforementioned Single Regulations and **85% of total suppliers qualified during the year** (equal to 371)¹²⁹.

Furthermore, in continuity with a practice that has been consolidated for several years, the **Procurement & Material Management Function**, in synergy with the Sustainability Planning & Reporting Unit, sent a panel of **100 Group suppliers an in-depth questionnaire** to assess their commitment on **environmental issues**, with a particular focus on energy consumption. **51 companies responded to the questionnaire in full** and the results of the survey are **shown in the Relations with the environment section**, in the chapter on **The Use of Materials, Energy and Water** (Energy Consumption paragraph), to which reference is made.

¹²⁸ Pursuant to Article 134 of Legislative Decree no. 50/2016 as amended.

¹²⁹ The number of qualified suppliers does not coincide with the 741 successfully processed applications for registration in qualification systems, as suppliers can register in more than one qualification system.

Of the companies that manage their own procurement, it should be noted that **Deco**, which requires suppliers that intend to register in the company's vendor list to complete a questionnaire, signed by their legal representative, centred around **topics of socio-environmental importance**, such as the adoption of a 231 Organisational Model, any presence of current legal proceedings for the offences envisaged by Italian Legislative Decree no. 231/01 or by environmental or occupational safety regulations, as well as any possession of certifications on QASER management systems or EMAS registrations. Furthermore, Deco requires suppliers during registration to sign a **commitment to corporate social responsibility** on the aspects envisaged by international standard SA 8000, which allows for a **higher score to be achieved during qualification**. As at 31 December 2023, Deco had **566 letters of commitment signed by the legal representatives of the suppliers** on the vendor list, 25 of which received during the year in question. The company carries out **analysis** to identify its **"key" suppliers**, namely those that, while performing their activities, could have a **greater influence on the corporate activities** and which could have effects on the **quality of the service, the environment and certain aspects of health and safety at work**. All key suppliers are periodically evaluated to confirm qualification and must, before a contract is signed, fill out the aforementioned questionnaire and undergo a second-audit.

AdF also applies, where relevant, **preferential sustainability criteria** during **registration on the Suppliers' List**, and for **qualification** in the product categories, for example by requiring operators who intend to qualify in the product category **"hazardous and non-hazardous special waste disposal services"** to certify that they have ISO 14001:2015 certification.

Additionally, since 2020 **AdF** has applied the **Circular Economy Protocol**, prepared with the direct involvement of interested parties (institutions, sector authorities, credit institutions, universities, trade unions, etc.) to **protect local suppliers and ensure quality and social/environmental sustainability in the supply chain are valued**. The Protocol makes it possible to reserve a portion of the goods, services and works procedure for local economic operators, in cases not subject to the Public Contracts Code, which apply to a dedicated register to qualify for categories linked to the circular economy. The initiative is able to **create shared advantages**: local suppliers benefit from **contracts, sometimes long-term**, while also undertaking, so as to remain on the Register, to **fully comply with the established sustainability criteria**. Social and environmental responsibility is also taken into account when assessing qualification requests, and incentive criteria that are linked to further commitments are envisaged, such as, for example, hiring staff belonging to protected categories, good practices in terms of health and safety in the workplace, use of vehicles with low environmental impact, etc. (see the Circular Economy Regulation available in the "Suppliers Area"

of the institutional website www.fiora.it). As at 31 December 2023, **qualified suppliers in the area governed by the Protocol** numbered **around 130**; AdF monitors qualifications in the categories falling under the Register, **periodically verifying the results achieved and the quality of the actions taking** also sharing the information with local stakeholders.

Once qualified, the supplier may be subjected to a **second-party Audit on Quality, Environment, Safety, Energy and Social Responsibility (QASER) Management Systems** to verify the application of active and certified Management Systems and the management methods used for other areas linked to sustainability. In 2023 **12 of the main suppliers were selected and subjected to verifications**, operating in the most critical areas with respect to "environment" and "safety" (waste management and works); the **audits** were carried out **with the Teams platform**, with documentary evidence shared remotely. Each supplier **was sent feedback** indicating the degree of compliance per scheme and overall, as well as a **report with recommendations for improvement**. Overall, it was found that 100% of the audited suppliers are certified for Quality (ISO 9001), 97% for Environment (ISO 14001), 83% for Safety (ISO 45001), 50% for Social Responsibility (SA 8000), and 25% for Energy (ISO 50001). An overall average overall **average compliance, compared to the requirements of the audited schemes (QASER), of about 74%** (77% for Quality, 73% for Environment, 78% for Safety, 55% for Energy and 75% for Social Responsibility).

During the year, **Deco** also prepared its annual audit plan for its "key suppliers" and **investigated 2 companies** on aspects envisaged by the standard SA 8000 such as the use of child labour or forced or compulsory labour, discrimination, worker safety, compliance with national collective bargaining agreements and labour law, and freedom of association, **which found no non-conformities**. Should non-conformities be detected, based on their severity, Deco also calls for the establishment of a recovery plan which allows the supplier to raise awareness and improve its performance, with the exception of particularly serious findings that could lead to the interruption of the contractual relationship.

The **Group's Vendor Rating** system is in place on the single purchasing portal, utilised to monitor **certain supplier performance indicators** (punctuality, quality, safety) and generate a **"vendor rating index"**, which was **calculated for 900 suppliers** in 2023; this works with a **sustainability rating**, based on the **Ecovadis model, calculated during the year for 640 suppliers**, a figure which **increased by around 89%** with respect to the previous year (sustainability rating calculated for 339 suppliers in 2022); also see the box on the subject and chart no. 37.

THE VENDOR RATING SYSTEM AND ECOVADIS MODEL

The Group Vendor Rating System is used to **analyse, assess and monitor supplier performance** using objective (non-discretionary) criteria and, where possible, automatic criteria. The **Vendor Rating index** is calculated using a weighted combination of detailed indicators that monitor the main aspects relative to the execution phases of the contract: **punctuality, quality and safety**. The model was defined for goods, services and works for the combined product supplier/group; as at 31 December 2023, the index was **calculated for 900 suppliers**, with the generation of scorecards that, for each product supplier/group of reference, show the summary indicator and the detailed indicators.

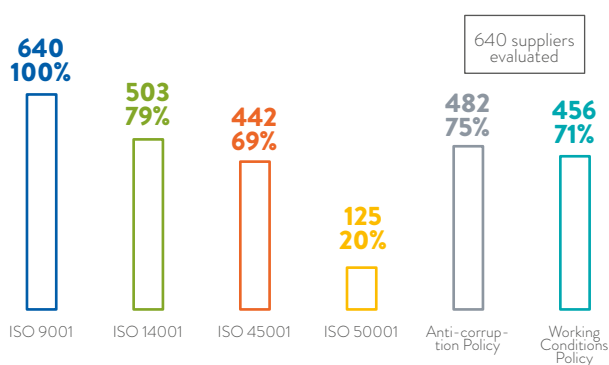
To **assess the sustainability performance of its partners**, Acea also adopted the **EcoVadis model**. EcoVadis is a global CSR (Corporate Social Responsibility) rating agency that uses international standards. The EcoVadis model calculates the **sustainability rating** according to **21 CSR criteria** related to the environment, work and

human rights, ethics and sustainability in purchases, which was integrated into the vendor rating model. Accurate analyses are dedicated to the suppliers through: a **customised evaluation questionnaire**; data collection and analysis done by CSR experts; the **establishment of corrective plans and relative monitoring**, and the sharing of the evaluation with the EcoVadis network.

In 2023 **640 suppliers were evaluated** (+89% compared to 339 in 2022) with an **average score of 61.9/100**, compared to the Italian average of 45/100 and a utilities sector average of 56.5/100. Another 216 suppliers are currently being evaluated.

The **CSR evaluation** was included as a **bonus criteria in tenders with the most competitive bid**, offering different scores based on the rating obtained from the EcoVadis assessment, in order to reward the most virtuous companies in terms of environmental protection and Corporate Social Responsibility.

Chart no. 37 – Presence of certified management systems and policies with suppliers evaluated by EcoVadis (2023)



Note: suppliers may have several management systems/policies; percentages are rounded.

HEALTH AND SAFETY ALONG THE SUPPLY CHAIN: AWARENESS RAISING AND AUDITS

Acea takes great care with **workplace safety, throughout the supply chain**. In particular, organisational structures, both within the holding company and the operating companies, carry out activities to **monitor and control** safety management by suppliers. The **Work Safety Unit**¹³⁰, in **Acea Infrastructure**, is the **Group structure of reference**, for the management of the **safety of works**

and services contracted out by Group companies (mainly Acea Ato 2, Acea Ato 5, Areti and Acea Ambiente¹³¹), **ensuring compliance with the highest standards** and with regulations¹³². To this end:

- **support and assistance to the Works Manager** and general Safety Coordination;
- **coordination of safety in the design phase and during execution** at specific sites;
- **safety inspections** for works and services that do not require coordination during execution;
- **services ancillary** to safety inspection activities.

Site safety inspections are related to the **main works** that are the subject of **maintenance contracts for networks and services in the water and electricity sectors**, but also concern minor contracts¹³³. Supported by the use of computer systems, the activities are distinguished into works requiring **Safety Coordination during the execution phase** (Coordinators appointed as needed by the Works Director) **or during the design phase** and works with **random or on-demand safety inspections**.

For the interventions carried out during the year the following people were involved:

- **18 Safety coordinators** in the execution and design phase, assigned to specific worksites as needed;
- **17 Safety inspectors**, who assessed and verified the safety standard through random inspections;
- **4 Planners**, who followed the planning and dispatching of the safety inspections to the sites of the contractors;
- **10 Technical Support resources**, who managed the technical and professional audits of the companies engaged in the contracts.

In particular, in **2023**, the Work Safety Unit:

- carried out the activities in **support of the technical and professional audits of 1,051 companies** (45% of contractors and 55% of subcontractors and operated equipment rentals¹³⁴), in line with 2022 (1,045 companies);

¹³⁰ The Unit (previously the "Site Safety" Unit) changed its name in December 2023.

¹³¹ For Acea Ambiente, the Work Safety Unit mainly carried out Safety Coordination during execution (CSE) activities on a smaller number of sites.

¹³² Legislative Decree no. 81/08 "Consolidated Act on Safety", as amended.

¹³³ Such as electrical or electromechanical maintenance work carried out on plants, meter changes, road repairs, video-inspections and sewerage pumping, etc.

¹³⁴ Operated equipment rental is a contract that involves the rental of work equipment and the performance of a specialized operator, essential for the operation/use of the equipment itself.

- activated **Safety Coordination in the Execution phase for 435 tasks** and carried out **Safety Coordination in the Design phase for 67 tasks**;
- carried out **14,252 on-site safety¹³⁵ inspections**.

During the **audit of the staff of contractor and subcontractor companies**, the Work Safety Unit also ascertains that the Employer has provided **basic health and safety training** and, where applicable, **specific training**.

Workplace health and safety audits carried out as part of inspections in 2023, allowed for the identification of a total of **1,432 non-conformities¹³⁶**, of which **959, or 67%, of “minor importance”**, 370 of “medium importance” and 103 of “major importance”, confirming the trend already seen in recent years of a **constant decrease in the percentage represented by “major importance” non-conformities** (7% in 2023) **out of all non-conformities identified during the year¹³⁷**.

Additionally, for Engineering, Procurement and Construction (EPC) sites for which it acts as the contractor, and based on the service contract signed with Acea Ato 2, **Acea Infrastructure carries out high vigilance audits and inspections** to ensure:

- safety conditions for the work assigned and application of the provisions and instructions found in the safety and coordination plans (SCP);
- the professional and technical suitability of companies performing the work, pursuant to annex XVII of the Consolidated Law on Workplace Safety;
- the effective implementation of health and safety provisions with reference to work site logistics;
- access control, work site fencing and storage of materials;
- the worksite is maintained in an orderly fashion.

To that end, Acea Infrastructure has created the role of **High Vigilance Monitoring Manager (REMAV)**, who ensures compliance with the prevention and protection measures by contractors and companies carrying out work, and has designed and implemented a High Vigilance System using **general check-lists** for work site activities and **specific check-lists** to ensure application of the various safety and coordination plans.

To support these activities an **app has been adopted for digital safety checks (Vigilance 4.0)**, based on specific check-lists in line with the instructions found in the safety and coordination plans (SCP) for each work site. In 2023, 16 High Vigilance monitoring actions were carried out, as well as 134 operational vigilance actions, by the workers assigned to monitor the work of contractor companies and by the Worksite Coordination Managers, using digitalised check-lists specific to each work site. Use of the app has made it possible to **ensure controls are uniform and precise**, even if carried out by various entities, as well as ensuring **inspection results can be traced**, to allow for **a review of overall safety management and continuous improvement of work site activities**. During 2023, among other activities, the High Vigilance Monitoring Manager organised **training**

on the use of the Vigilance 4.0 app for work site personnel and on proper use of the check-lists, received operational monitoring notes from assigned workers and quarterly reports from the delegated safety executives, in turn preparing reports with feedback on the results of the monitoring, which did not identify any critical issues.

The Acea Infrastructure Work Safety Unit and the other Group Companies that independently manage site audits¹³⁸, either in whole or in part, also contribute to **protecting the safety of contractors working on the construction sites**, also by meeting the employers of the companies before the start of work and **informing them of the standards adopted**. In fact, **all contractors** are informed by the relevant Units in charge of managing the contract, the Works Management and the relevant Safety Coordinators for the Execution of the Works (the latter where provided for by current legislation), **through the DUVRI** (Single Risk Assessment Document, to be attached to the contract), **the SCP** (Safety and Coordination Plan) or **specific coordination meetings**.

As an example, **AdF**, which conducts its own inspections, took steps to carry out **coordination meetings with the contracting companies** on the correct procedures to be followed in terms of health and safety, and in 2023 carried out **1 training/coaching courses** aimed at contractor staff, for a total of **30 hours** of training on the correct use of systems for the recovery in emergencies for staff operating in the workplace, through the preparation of specific anchor lines for each type of plant.

Additionally, for many years the **Training Camp** has been a constant within Acea, a space dedicated to educating and **training personnel**, both internal (see the chapter *Personnel*) and contractor staff to demonstrate **how to safely perform activities such as climbing/descending from MV/LV power line pylons, entering confined spaces** underground, and **ensuring systems are safe** when works are required.

The Companies that carried out site inspections during the year, **above and beyond the work of the Work Safety Unit**, took the Parent Company's guidelines into consideration. In particular, **Acea Ato 2** assigns inspections to its Supervision and Inspection Unit, and **1,926 inspections** were conducted during the year (2,467 in 2022) **at contractors**, with no serious critical issues detected. **Acea Ato 5 has further strengthened its auditing activity** and, in 2023, through its Internal Safety Team (Risk & Compliance and Safety Unit) carried out **745 inspections** (544 in 2022) intended to verify supplier compliance with reference to workplace health and safety, environment and work quality; the results of the inspections are shared with the relative companies, to increase awareness, including through dedicated meetings. During 2023 **Areti** also carried out verification activities, with **2,005 inspection visits** at work sites (2,312 in 2022).

This also applies to non-centrally managed companies: **AdF**, through its Technical Management Systems Unit, **performed 248**

¹³⁵ The number includes visits for all types of contracts, both main ones and “minor ones”.

¹³⁶ For the main contracts, as envisaged in the contract documentation, the results of audits are recorded according to four categories: compliant or non-applicable, minor (generally corrected on the spot), medium and major infractions. The non-conformities are associated with corrective actions and penalties applied by the contracting company on the basis of the provisions of the tender documentation, and, serious infractions may lead to the suspension of works.

¹³⁷ In 2021, over 15,444 inspections, 1,023 non-conformities were recorded (of which 677, or 66%, of minor importance; 251 of medium importance, and 95, or 9%, of major importance). In 2022, over 14,724 inspections, 1,686 non-conformities were recorded (of which 1,178, or 70%, of minor importance; 380 of medium importance, and 139, or 8%, of major importance).

¹³⁸ Note that the company Deco had no site activities in the year in question.

checks during the year (503 in 2022) **to verify safety conditions**, identifying a total of 6 deviations regarding a lack of documentation, with no procedural issues and/or lack of PPE; **Gori and Gesesa** both significantly **increased health and safety inspections at work sites in 2023**: Gori performed **4,934 checks** (2,953 in 2022) and Gesesa performed **58 inspections** (31 in 2022), identifying and resolving 11 anomalies.

With reference to **health and safety along the value chain**, for some years now Acea has prepared and progressively implemented a project known as **Sustainability and Safety, a virtuous pair**, intended to **actively involve contractors**, offering **training sessions** and helping them to **improve**, in particular, **the process of collecting and reporting injury data**. The project was coordinated by the parent company's Risk Management, Compliance & Sustainability Department and the Work Safety Unit, developed in synergy with the units of the holding company and operating companies responsible for monitoring supplier relations in various ways.

To render the process uniform and **expand injury statistic monitoring to a growing number of contractors**, in 2023 **data collection was integrated into quarterly feedback** through which the RSPPs of the Group's operating companies record the safety performance of contractors.

Analysis of the resulting data¹³⁹ indicated that **injuries** during the year in question, with reference to **contractor staff** (14,877 people), excluding those occurring during *commutes*, totalled **27**, specifically **20 occupational incidents** (of which 17 with minor injuries) and **7 non-occupational incidents** (all of which with minor injuries). The **main causes of injuries** were **tripping, bumping, slipping, cuts, crushing, mistakes in manual movement of heavy loads, inappropriate movements and road accidents**.

The **frequency index**¹⁴⁰ of total accidents is **2.36** and the **severity index** is **0.06**.

Additionally, there were **no fatal accidents during the year**, nor were there any occupational diseases involving contractor staff.

INVOLVEMENT OF SUPPLIERS ALSO IN OTHER SENSITIVE ISSUES

Some Group companies carry out activities to improve the **involvement and awareness of suppliers** with respect to other aspects, in particular concerning technological developments implemented as well as the Group's values or operating guidelines, to ensure **constant alignment and adequate training of partners** working on behalf of the Company.

Areti, involved suppliers in 2023 in certain specialised sessions dedicated to "IP and LV connections", in mixed classes combining internal and contractor staff, **training 20 operators from contractors**, with **120 total training hours**. These initiatives occurred in person in the Training Classroom and the "Cabin of the Future" at the Magliana headquarters, with **assistance from four external instructors**.

Every year, Deco engages with suppliers on aspects envisaged by the standard SA 8000 or the **economic, social and environmental impacts of its activities**, using a dedicated questionnaire, which also includes supplier **perception** of the management of those same aspects by Deco, with the aim of gradually raising their awareness of sustainability and social responsibility aspects, associated in particular with the protection of workers' rights.

Finally, **Acea Energia** monitors the **quality of the sales service provided by the door-to-door and/or telemarketing agencies** in the "domestic" and "micro-business" segments of the free market, and in accordance with the Agency Mandate, **it trains those who work in the name and on the behalf of Acea so that they can convey adequate information** to customers (please also see the chapter on Customers). In particular, in 2023 Acea Energia carried out a **training programme** for a total of **683 hours**, of which 534 hours were delivered to **855 door-to-door sellers**, for a total of 153 days, and 149 hours delivered to **50 telemarketing agency workers** (front end, back office and supervisors).

¹³⁹ The figure for hours worked when no precise number is available has been estimated using methods identified by the individual companies.

¹⁴⁰ The frequency index of accidents is calculated using the following formula: [(number of accidents/total hours worked in the period) x 1,000,000] with accident meaning a work-related incident that prevents the employee of the contractor from returning to work during the day on which the accident occurred and/or on the following day/work shift scheduled.

STAFF

ACEA'S EMPLOYEES



people with a
permanent contract:
99%



women on the Acea
Board of Directors:
53.8%



216 new hires
91% with permanent
contracts and
30% with young
people **under 30**

In 2023, the company's **total staff**¹⁴¹ numbered **6,729 people**.

Table no. 44 – Evolution of employees by macro-area (2021-2023)

business	2021 (no. of employees)	2022 (no. of employees)	2023 (no. of employees)
Water	3,353	3,425	3,405
Energy Infrastructure	1,264	1,287	1,246
Generation	89	97	99
Commercial	397	420	411
Environment	362	506	510
Engineering and Services	298	305	296
Corporate	703	723	762
total	6,466	6,763	6,729

(*) The 2021 amounts do not include the workforces of the companies Berg and Demap, for a total of 33 people, and those relating to 2022 and 2023 do not include the workforce of the company Berg, of 18 people.

The **Water** segment recorded the **highest numbers, accounting for 51% of the total**, in line with the number of Companies included and the weight of their business relative to the Group's operations. The **Energy Infrastructures** segment followed, which **represents 19% of the total figures**.

The information and data set out below in the chapter include Eco-logica Sangro and Orvieto Ambiente, which are included in the scope of reporting from this year.

COMPOSITION AND TURNOVER

The Acea SpA **People Culture & Organization Department** handles the **administration of the personnel** employed by the subsidiaries according to defined procedures. To this end, the Department uses computer systems (SAP HCM, SAP SuccessFactors) operating at

the Group level for the management of employee records, salaries, merit plans, etc.

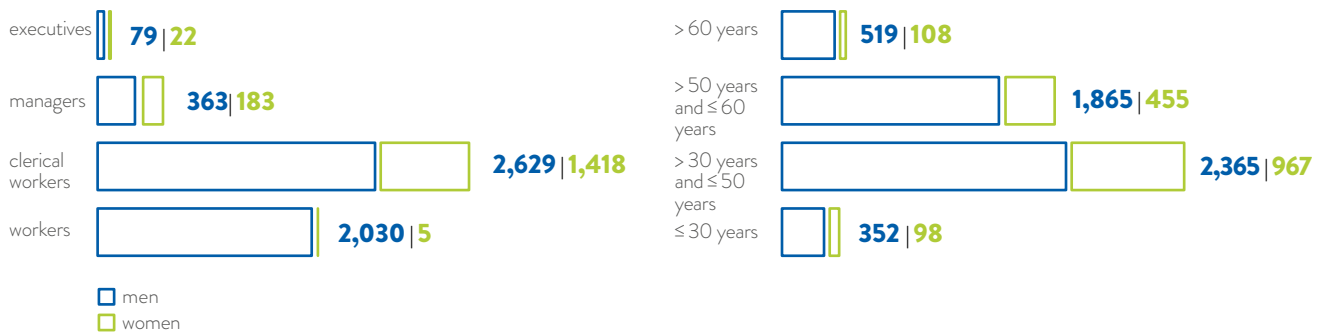
The composition of staff continues to be **prevalently male, representing 76% of the total**.

The **professional structure is stable** and is composed as follows: **60.2% are employees, 30.2% are workers, 8.1% are executives and 1.5% are managers**.

6.7% of the workforce less than 30 years old, 49.5% is between 30 and 50 years old and 43.8% of people are over 50 years old.

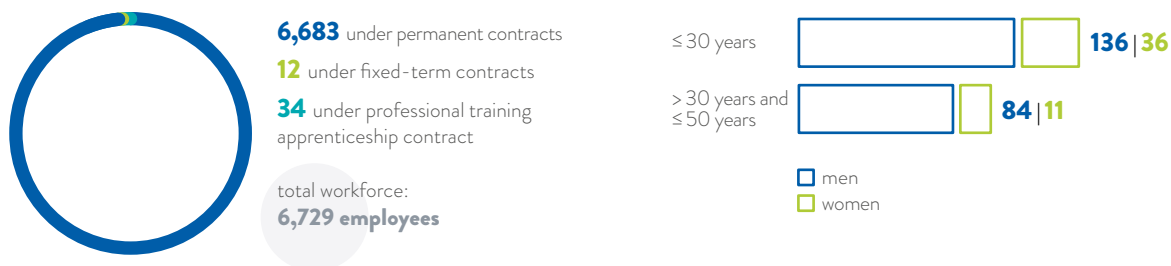
With regard to the **level of education**, we confirm the **three year upward trend in university graduates, wwho increased to 29.1% of the total in 2023 (28.6% in 2022)** as well as an increase during the year in **diploma holders**, rising to 48.8% of the total (48.3% in 2022) (for the above data, please see Chart 38 and Table 45).

¹⁴¹ The chapter illustrates the data relating to employees of the companies within the NFS scope (see *Disclosing Sustainability: Methodological Note*), i.e. staff who have an employment contract with them and whose duties are under their direct control, with the exception of the companies in the PV area which have no staff and Berg, which is not managed centrally and accounts for very little, as indicated in the text. The total workforce, for all the Companies within the consolidation, was 10,220 during the year (10,455 in 2022). For staff not employed by the companies but over which direct control is exercised, please refer to the paragraph *Collaboration with Universities and Schools* and the GRI Content Index: reporting principles, universal standards, specific standards and material disclosures.

Chart no. 38 – Composition of the staff: gender, age and category (2023)

99% of the workforce are employed with a **permanent contract**, which is in line with 2022. The **length of the employment relationship** indicates the **stability of employment**: **35.6%** of the people

who left during the year worked for the Group for **30 to 50 years** and **64.4% up to 30 years** (please see Chart no. 39 and Table nos. 45 and 46).

Chart no. 39 – Contract types and length of the employment relationship (2023)

216 people joined the company in 2023 (159 men and 57 women), **91% of whom on the basis of open-ended contracts** divided into: 107 new hires from the external labour market, 92 individuals

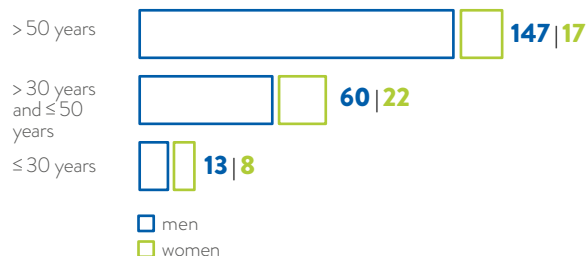
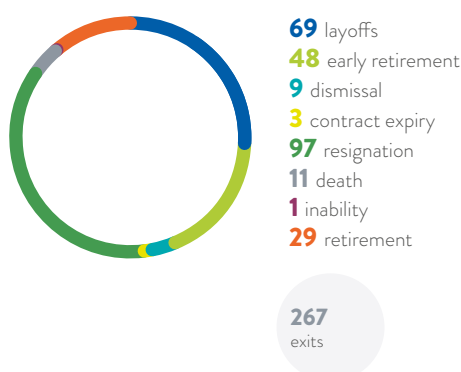
became permanent employees, 14 were hired internally and 3 apprenticeships began (see chart no. 40 and table no. 47). **30% of newly hired staff** during the year were **aged 30 or under**.

Chart no. 40 – Types of entries and age of the staff (2023)

There were 267 people who left the company in 2023 (220 men and 47 women): 69 with a form of voluntary and incentivised early retirement, 48 as part of voluntary redundancy plans, with the agreed and incentivised termination of the employment contract,

29 retired, 97 resigned, 9 were dismissed, 3 contracts expired, 11 passed away and 1 was no longer able to work (see Chart no. 41 and Tables no. 47 and 48). **61% of the outgoing staff** was **over 50 years of age**.

Chart no. 41 – Types of entries and age of the staff (2023)



The **rate of turnover** was **7.2%** (7.4% for men and 6.4% for women), the **incoming rate** was **3.2%** (3.1% for men and 3.5% for women) and the **outgoing rate** was **4%** (4.3% for men and 2.9% for women) (see Table no. 46).

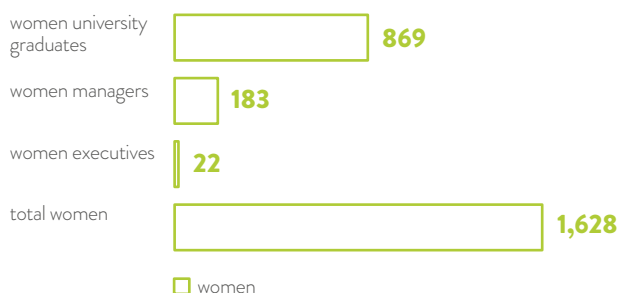
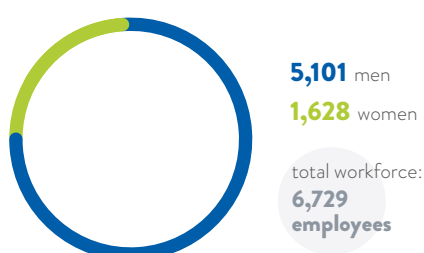
WOMEN IN ACEA

In 2023, Acea had **1,628** female workers (up from 1,616 in 2022), representing **24% of the total workforce**.

Women managers (executives and middle managers) account for 32% of total management (22 women out of 101 executives and 183 women out of 546 middle managers).

Women represent 44% of university graduates within the Group (869/1,961).

Chart no. 42 – The distribution of the staff from a gender perspective (2023)



A total of **66 women** participate in the **corporate governance** of the reporting companies (Boards of Directors and Boards of Statutory Auditors), representing **39.5% of the total members** (in 2022, women in the governance bodies totalled 68, equal to 37.6%).

In the **Parent Company**, women make up for **53.8% of the members sitting on the Board of Directors** (7 women out of 13 members) and **40% of the members of the Board of Auditors** (2 women

out of 5 members, including 1 alternate), thus Acea has exceeded the quotas imposed by legislation (Law 120/2011). We also report that every internal board committee includes one or more women, and that the Chair of the Ethics, Sustainability and Inclusion Committee is held by a female Director (see also *Corporate Identity*, section *Corporate governance in Acea*).

Chart no. 43 – Presence of women in the corporate governance bodies (2021-2023)

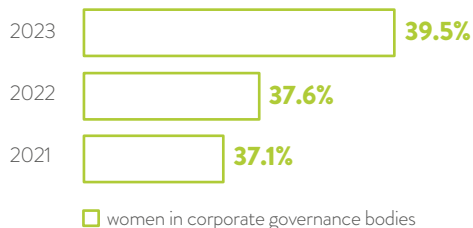
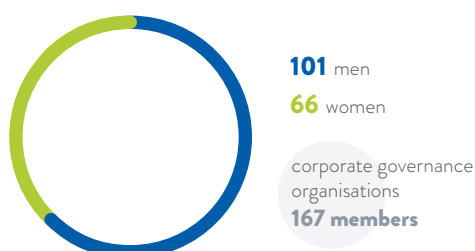


Table no. 45 – General data on personnel (2021-2023)

u.m.	2021			2022			2023		
	men	women	total	men	women	total	men	women	total
COMPOSITION of the staff									
number									
executives	67	15	82	68	16	84	79	22	101
managers	350	169	519	371	185	556	363	183	546
clerical workers	2,552	1,338	3,890	2,646	1,409	4,055	2,629	1,418	4,047
workers	1,969	6	1,975	2,062	6	2,068	2,030	5	2,035
total	4,938	1,528	6,466	5,147	1,616	6,763	5,101	1,628	6,729
WOMEN IN ACEA									
%									
women out of the total workforce			23.6			23.9			24.2
women managers (executives and middle managers) out of total managers			30.6			31.4			31.6
female graduates out of total graduates			43.9			44.3			44.3
EDUCATION LEVEL OF THE PERSONNEL									
number									
university graduates	976	765	1,741	1,073	855	1,928	1,092	869	1,961
high school graduates	2,546	637	3,183	2,626	640	3,266	2,648	639	3,287
other qualifications	999	57	1,056	1,048	54	1,102	1,035	53	1,088
not defined	417	69	486	400	67	467	326	67	393
total	4,938	1,528	6,466	5,147	1,616	6,763	5,101	1,628	6,729
AVERAGE STAFF AGE									
years									
average company age	48	45	47	49	41	45	50	42	46
average age of executives	53	52	53	51	53	52	54	52	53
average age of managers	51	49	50	54	49	52	54	50	52
average age of clerical workers	47	44	46	30	40	35	48	42	45
average age of workers	47	50	47	48	45	46	49	48	48
AVERAGE SENIORITY OF THE STAFF									
years									
average corporate seniority	16	14	16	12	10	11	25	10	17
average seniority of executives	17	17	17	16	18	17	27	12	19
average seniority of managers	19	17	19	13	13	13	14	18	16
average seniority of clerical workers	17	14	16	9	8	9	20	9	15
average seniority of workers	14	19	14	9	13	11	21	16	19
TYPE OF EMPLOYMENT CONTRACT									
number									
staff with permanent contract	4,859	1,501	6,360	5,088	1,580	6,668	5,066	1,617	6,683
(of which) part-time staff	20	81	101	17	82	99	18	89	107
permanent staff	40	11	51	19	19	38	9	3	12
staff under apprenticeship contracts	39	16	55	40	17	57	26	8	34
total	4,938	1,528	6,466	5,147	1,616	6,763	5,101	1,628	6,729

Table no. 46 – Movements of personnel (2021-2023)

u.m.	2021			2022			2023		
	men	women	total	men	women	total	men	women	total
INCOMING STAFF: CONTRACT TYPE									
number									
permanent	201	82	283	244	99	343	147	50	197
fixed-term	32	9	41	30	22	52	10	6	16
professional apprenticeship contracts	5	6	11	26	6	32	2	1	3
total	238	97	335	300	127	427	159	57	216
OUTGOING STAFF: REASONS									
isopension (early retirement)	0	0	0	73	17	90	0	0	0
layoffs	95	25	120	0	0	0	59	10	69
early retirement	41	2	43	28	0	28	45	3	48
retirement	10	0	10	20	3	23	26	3	29
terminations	8	0	8	6	0	6	8	1	9
other reasons (*)	65	16	81	74	32	106	82	30	112
total	219	43	262	201	52	253	220	47	267
TURNOVER RATES, INCOMING AND OUTGOING RATES PER AGE GROUP (**)									
%									
turnover rate	9.2	9.2	9.2	9.7	11.1	10.1	7.4	6.4	7.2
incoming rate	4.8	6.3	5.2	5.8	7.9	6.3	3.1	3.5	3.2
≤ 30 years	1.8	2.6	2.0	2.6	3.5	2.8	0.9	1.1	1.0
> 30 years and ≤ 50 years	2.5	3.6	2.8	2.9	4.1	3.2	1.8	2.0	1.8
> 50 years	0.4	0.1	0.4	0.4	0.2	0.3	0.4	0.4	0.4
outgoing rate	4.4	2.8	4.0	3.9	3.2	3.7	4.3	2.9	4.0
≤ 30 years	0.2	0.4	0.3	0.3	0.5	0.4	0.3	0.5	0.3
> 30 years and ≤ 50 years	0.5	0.5	0.5	0.9	1.4	1	1.2	1.4	1.2
> 50 years	3.7	1.9	3.3	2.7	1.4	2.4	2.9	1.0	2.4

(*) For 2023, the item includes: 11 deaths (not due to accidents at work), 97 resignations, 3 contract expirations and 1 inability

(**) The turnover rate is provided by the sum of hires and terminations of the year relative to the workforce at year end. The Companies to which the data refers are predominantly located in Lazio.

Table no. 47 – Age groups, employment contract length (2021-2023)

u.m.	2021			2022			2023		
	men	women	total	men	women	total	men	women	total
STAFF AGE GROUPS									
number									
≤ 30 years	330	105	435	381	119	500	352	98	450
> 30 years and ≤ 50 years	2,368	929	3,297	2,428	975	3,403	2,365	967	3,332
> 50 years and ≤ 60 years	1,832	426	2,258	1,868	441	2,309	1,865	455	2,320
> 60 years	408	68	476	470	81	551	519	108	627
total	4,938	1,528	6,466	5,147	1,616	6,763	5,101	1,628	6,729
INCOMING STAFF: AGE GROUPS									
≤ 30 years	91	40	131	132	57	189	46	18	64
> 30 years and ≤ 50 years	125	55	180	148	67	215	91	32	123
> 50 years	22	2	24	20	3	23	22	7	29
total	238	97	335	300	127	427	159	57	216
OUTGOING STAFF: AGE GROUPS									
≤ 30 years	12	6	18	17	8	25	13	8	21
> 30 years and ≤ 50 years	25	8	33	44	22	66	60	22	82
> 50 years	182	29	211	140	22	162	147	17	164
total	219	43	262	201	52	253	220	47	267
DURATION OF THE EMPLOYMENT CONTRACT OF THE OUTGOING STAFF									
≤ 30 years	121	17	138	116	34	150	136	36	172
> 30 years and ≤ 50 years	98	26	124	84	18	102	84	11	95
> 50 years and ≤ 60 years	0`	0`	0	1	0	1	0	0	0
total	219	43	262	201	52	253	220	47	267

HOURS WORKED, SALARY AND PENSION FUNDS

HOURS WORKED IN ACEA

Acea works in compliance with labour legislation and in accordance with the National Collective Bargaining Agreements of reference, with a particular focus on cases relating to working hours and the duration of work, minimum guaranteed wages, age categories and restrictions on the use of legal child labour, proper management of disadvantaged categories.

Hours worked in the year, ordinary and overtime, excluding managers, amounted to **11,084,730 hours** of which **77% by male staff** (8,583,141 hours), due to the higher proportion of men in the

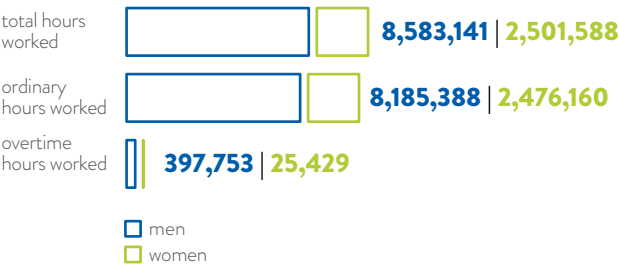
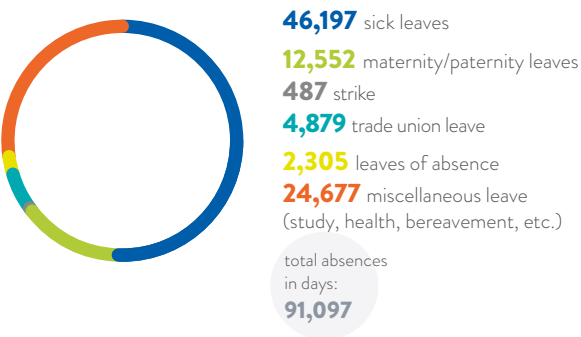
company's workforce (76% of the total).

Analysing the overtime hours, the influence of gender is even more evident: **94% of overtime is in fact attributable to men and only 6% to women** (please also see the sub-paragraph *Remuneration*).

Days of absence totalled 91,097, mainly due to **illness, leave** (for reasons of study, health, etc.), **maternity/paternity leave and trade union reasons** (see Chart 44 and Table 48).

The **absenteeism rate for the year was 2.9%** (3% for men and 2.7% for women), down from 3.6% in 2022.

Chart no. 44 – Hours worked by the staff and absences (2023)



In addition to leave, staff can access reduced working hours, in accordance with the terms defined by the company: in 2023, **part-time** staff amounted to around **1.6% of total staff**.

For **managers and stage-three workers**, **independent scheduling** is permitted, which allows “personalized” management of work schedules, in compliance with contractual provisions, benefiting work/life balance while increasing worker responsibility.

For **employees with a “fixed schedule”**, arrival and departure **flexibility** is permitted, according to established slots, and a **total number of monthly hours of leave** can be used during the times established.

REMUNERATION

The **wages** that Acea pays its employees, excluding executives and top management, are determined by applying the **National Collective Bargaining Agreements (CCNL)** of reference, which ensure the minimum salary levels according to professional categories.

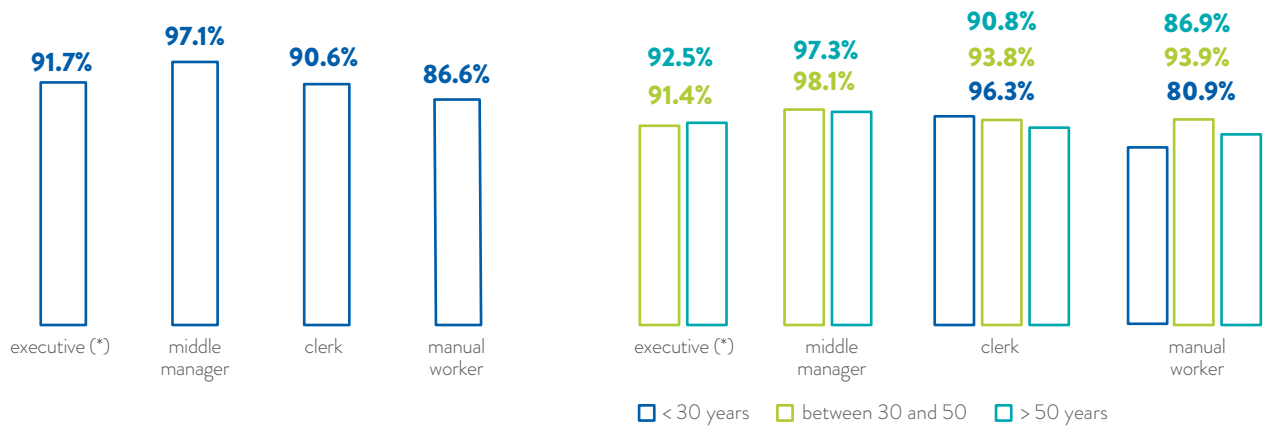
The company also applies a **remuneration policy that includes merit-based principles**, in line with the Performance Management and Leadership Models adopted, with effects on the fixed and variable components of the remuneration, determining remuneration that is above the minimum salaries set by the National Collective

Bargaining Agreements (see also sub-paragraph *Incentive Systems and Staff Evaluation*).

In 2023, average gross pay, including fixed and variable components, **was € 47,672 for women and € 47,712 for men, with a difference of 0.1% in favour of men**.

Analysing **this figure by position** and considering **the impact of effective average gross pay for women with respect to that of men**, note that: for executives the pay difference is 8.3 percentage points in favour of men; for middle managers, male pay is higher by 2.9% with respect to female pay; for office workers and manual workers the pay gap is higher, respectively equal to 9.4% and 13.4%, always in favour of the male component, due to the fact that activities with greater additional pay (overtime, on call, shift work, indemnities, etc.) are mainly covered by men holding administrative and technical positions.

Breaking down the data further **by age group** it can be observed that: the pay gap narrows slightly for executives over 50 and for female middle managers between 30 and 50 and, for office workers under the age of 30 the pay gap narrows, demonstrating that the new jobs offered by the company have more uniform pay, also from a gender perspective (see chart 45 and table 48).

Chart no. 45 – Women's pay as a percentage of men's pay by qualification and age group (2023)

(*) The item does not include senior managers benefiting from the Long Term Incentive Plan (LTIP).

PENSION FUNDS AND DEFINED CONTRIBUTION PLANS

Supplementary pensions are a form of **voluntary contribution** aimed at generating income that is supplementary to the pension, the amounts paid by workers being invested in the financial market by specialized operators.

The pension funds of reference for Acea staff are, mainly: **Previdai**, reserved for executives, and **Pegaso** (managed jointly by Utilitalia and Trade Union Organisations) for non-management staff, to whom the National Collective Bargaining Agreements of the electrical and gas-water segments apply.

The **Pegaso Fund** adopted a Strategic Plan that illustrates the **organisation's management guidelines, including instruments for measuring ESG factors** (environmental, social and governance).

There were **4,278 Pegaso members among the Acea employees** in 2023, of which **78% men** and **22% women** (see Table 48). The company paid about € 8.6 million in severance pay to the fund and € 3.4 million in supplementary contributions; for some years it has been possible to pay part or all of the performance bonus into the fund, benefiting from an additional share paid by the company.

Table no. 48 – Hours worked, absences, remuneration and members of the supplemental pension fund (2021-2023)

u.m.	2021			2022			2023		
	men	women	total	men	women	total	men	women	total
HOURS WORKED BY THE STAFF									
hours									
regular	8,036,229	2,354,212	10,390,441	8,084,277	2,423,641	10,507,918	8,185,388	2,476,160	10,661,548
overtime	399,874	17,616	417,489	407,648	23,862	431,510	397,753	25,429	423,182
total hours worked	8,436,103	2,371,828	10,807,931	8,491,925	2,447,503	10,939,428	8,583,141	2,501,588	11,084,730
TYPE OF ABSENCES									
days									
sick leave	33,518	7,218	40,736	45,737	12,705	58,442	35,575	10,622	46,197
maternity/paternity	1,730	10,640	12,370	1,920	9,320	11,240	3,061	9,491	12,552
strike	1,159	257	1,416	83	17	100	386	101	487
trade union leave	3,996	399	4,395	4,934	437	5,372	4,207	672	4,879
leave of absence	1,617	813	2,430	2,123	569	2,691	1,832	473	2,305
miscellaneous leave (study, health, bereavement and general reasons)	16,157	4,750	20,907	17,192	5,844	23,036	18,086	6,590	24,677
total absent (excluding holidays and accidents)	58,177	24,077	82,254	71,989	28,892	100,882	63,148	27,949	91,097

AVERAGE GROSS FEMALE PAY AS A PERCENTAGE OF MALE PAY BY QUALIFICATION

%

executives	89.7	90.4	91.7
managers	99.6	97.6	97.1
clerical workers	91.2	89.8	90.6
workers	92.5	94.8	86.6

AGE GROUPS AND GENDER OF THE EMPLOYEES ENROLLED IN THE PEGASO FUND

number

≤ 25 years	56	3	59	68	5	73	75	4	79
> 25 years and ≤ 30 years	103	29	132	130	39	169	144	39	183
> 30 years and ≤ 35 years	155	76	231	216	109	325	236	113	349
> 35 years and ≤ 40 years	224	90	314	330	112	442	330	121	451
> 40 years and ≤ 45 years	258	99	357	403	152	555	399	148	547
> 45 years and ≤ 50 years	293	96	389	469	128	597	461	139	600
> 50 years and ≤ 55 years	454	154	608	612	179	791	599	172	771
> 55 years and ≤ 60 years	434	102	536	623	123	746	641	133	774
> 60 years	276	71	347	377	82	459	431	93	524
total	2,253	720	2,973	3,228	929	4,157	3,316	962	4,278

LABOUR-MANAGEMENT RELATIONS


70% of employees
are **union members**



signed the protocol for the
**Charter of the Person and
Participation** strengthening
trade union relations and
promoting **people's engagement**



signed a
**Memorandum of
Understanding**
with the **Trade Unions** to
obtain financing for continuing
education

Acea applies the **Single Contract for the electricity sector** and the **Single Contract for the gas-water sector**. **All the workers** are therefore **covered by national collective bargaining agreements**. In 2023, **unionisation** was around **70%** and **232** employees held **management or trade union representation positions**, of which: **19**, appointed following an agreement, were **Workers' Representatives for Safety and the Environment (RLSAs)** and **6**, appointed following elections, were **Unitary Trade Union Representatives (RSUs)** for the company **Acea Ato 5**.

Within the People Culture & Organization Department of the Parent Company, **the Industrial Relations Unit oversees the company's policies regarding trade union relations**, ensuring consistency with the Group's objectives. The discussions on the specific corporate requirements are conducted within the framework of national collective bargaining (CCNL) at the sector level,

and between companies and internal employee representatives.

Acea has a **worker consultation procedure**, whether direct or through their representatives, with reference to issues such as **workplace safety, respect for the environment and the sustainable development of production activities**. There are also **Bilateral Commissions**, composed of company representatives and employees, who express their opinions on issues such as training, remote working, corporate welfare and occupational health and safety and participatory models, such as **Unitary Trade Unions (RSU)** and **Workers for Safety and the Environment (RLSA)**.

In 2023 the Protocol was signed for the **Charter of the Person and Participation** which establishes an updated industrial relations model (see box for more information).

CHARTER OF THE PERSON AND PARTICIPATION

The Charter of the Person and Participation is intended to **develop and grow professional skills within the company** and **support individual and collective well-being**, investing in the abilities and skills of our people, supporting quality and employment stability, also to create value for the local area and the social/economic structure, improving the quality of the services provided.

There are many initiatives included, including verifying and **developing professional skills within the company**, **internalising activities carried out through contractors**, **developing co-designed training**

courses, projects to **modernise working spaces**, **the introduction of training and parenting measures** that go beyond regulatory requirements as well as finding solutions to optimise working hours.

Additionally, bilateral bodies have been established with the trade unions, including the **Bilateral Inclusion and Equal Opportunity Committee**, the **Bilateral Welfare Committee** and **technical round tables for contracts and optimising working hours**, as well as **the Observatory on Training, Health and Safety** and **the Observatory on professional retraining**.

In April 2023 a **draft agreement was signed with the trade unions** to adhere to the financing envisaged for the National Joint Inter-professional Fund **for continuous training** in the industrial public services, “**Fonservizi**” and a **training plan** known as “**Horizon 2**” was activated for the period from May 2023 - April 2024.

In July 2023, an agreement was reached defining the profit and productivity indicators for the payment of the Performance Bonus for the year, which confirmed the disbursement of **an additional payment above the maximum salary payable, equal to € 200, destined for the Pegaso contractual Complementary Social Security Fund**.

Finally, in October 2023, implementing the commitments made in the Charter of the Person and Participation, **three agreements** were reached:

- the **innovative Protocol on Tenders**, to guarantee the highest levels of legality and efficiency in managing tenders, supporting transparency and competition, strengthening workplace health and safety protections and increasing verifications with reference to the regularity of tenders in terms of reference regulations (see also the *Suppliers chapter*);
- the **Agreement to standardise working hours** for personnel working for the company, calling for the adoption of a 38 hour work week, instead of 38 hours and 30 minutes, with the goal of promoting the qualitative conception of work and improving work/life balance;
- the **Agreement to internalise reception services** at Acea headquarters.

As regards the **information notice to the employees regarding possible organisational changes or corporate reorganisations that effect employment relations**, Acea takes different positions depending on the situations explained below:

- 1. organisational changes:** in the event of establishment of new Units or changes in assignments or responsibilities, the People Culture & Organization Department issues an Organisational Provision and sends a communication to the competent functions, which post it on the bulletin board and the company intranet. In the event of organisational changes that affect the staff, the trade union representatives are informed. If they concern a single employee (change in workplace, schedules, etc.), s/he is informed by the structure responsible for human resources within the relevant company;
- 2. Corporate reorganisations:** in the event of reorganisation, as a result of significant organisational and production changes, with effects on working conditions and employment, the methods of informing the employees and the Trade Union Representatives, are regulated by the CCNL applied in the Group and by the Labour-Management Relations Protocols;
- 3. corporate transformations** (such as alienations, mergers, acquisitions, transfers of company branches): in cases of corporate transformation, the notices to the employees are regulated by the legislation in force¹⁴², which anticipates information obligations towards employees that allows them to verify the business reasons for the transactions, the correct methods of the process and the consequences on the employment relationship.

DISPUTES WITH EMPLOYEES AND TRADE UNIONS

The labour disputes mainly concern **dismissals, classification changes, differences in remuneration, indemnities not received, demotions, and employment relationships**.

In 2023 there were **16 new labour disputes** (24 in 2022). A total of **59 labour disputes were pending** as at 31 December 2023 – including those initiated in previous years. There are no trade union disputes.

¹⁴² Article 2112 of the Italian Civil Code and Article 47 of Law 428/90 as subsequently amended and supplemented.

OCCUPATIONAL HEALTH AND SAFETY



the **accident rates** were essentially stable: **FI 5.61** and **SI 0.26**



provided staff with **91,532** hours of training on workplace health and safety



continued **training** to prevent work-related stress and the **Listening Service**

Acea is committed to a **widespread safety culture** both in Group Companies, through the direct involvement of employees, and along the supply chain (please see the *Suppliers* chapter).

Safety management is precisely structured at the organisational level. **All Group companies** for which the holding company considers certification important due to the size of the workforce and the type of activities carried out have implemented **Certified Management Systems**¹⁴³ (see also *Corporate Identity*, chapter *Corporate Governance and Management Systems*).

The Occupational Safety Unit of the parent company is in charge of the coordination and direction in this area, monitoring the Group companies on the application of legislation, guidelines and company policies.

Each company has **direct responsibility for the operational management of safety** and takes care of **training staff, monitoring accidents** and assessing the **risks to the workers**, preparing the **Risk Assessment Document (RAD)**. Following these activities, the **Occupational Safety Unit prepares a centralised annual accident report** for Group Companies.

The analysis method of the accidents follows the **Guidelines for the classification of accidents**, prepared by Utilitalia and in compliance with the **standard UNI 7249:2007**, with reference to the INAIL measurement criteria and the instructions of ESAW (European Statistics of Accidents at Work).

In accordance with the law, Acea **identifies the dangers present in the company's activities** which may cause injury or illness through inspections carried out jointly in the workplace by the **Head of the Prevention and Protection Service (RSPP)**, the Company Physician, the **Workers' Safety Representatives (RLS)** and the Unit Heads, who are involved from time to time. Then the company **assesses the risks** to workers' health and safety **in relation to the hazards detected** in the workplace, verifies the possibility of **eliminating them**, adopts **preventative and/or protection measures** to implement to keep the risks under control and draws up the **Risk Evaluation Document (RAD)**. In the case of accidents, an investigation is launched to determine the causes of the event and identify appropriate corrective actions to prevent it recurring.

With an eye to **continuously improving operational management of workplace safety**, Acea established the **RSPP Coordination Committee**, which meets every quarter to share best practices and improvement projects, as well as the **Injury Commission** which analyses occupational injuries with initial prognoses of 20 days or more; it has also installed **software to manage HSE issues** (Health, Safety, Environmental) with the relative **Dashboard** to measure and monitor performance and a data tracking system with reference to safety performance at Group companies.

THE HUMAN RIGHTS POLICY: HEALTH AND SAFETY

With the Human Rights Policy, approved in December 2023 by the Board of Directors, Acea intended to strengthen its commitment to respecting all the principles that protect the person, in line with what has already been established in the Code of Ethics. With regards to the topic of health and safety, the *Policy*, in the principle *Health, safety and psycho-physical well-being at work*, at point 2.1.4, states: "The Group protects people's health by guaranteeing healthy and safe working environments, operating in full compliance with the relevant legislation and putting maximum effort into prevention and awareness-raising activities. To this end, the Group promotes the dissemination of the culture of safety at work, at all

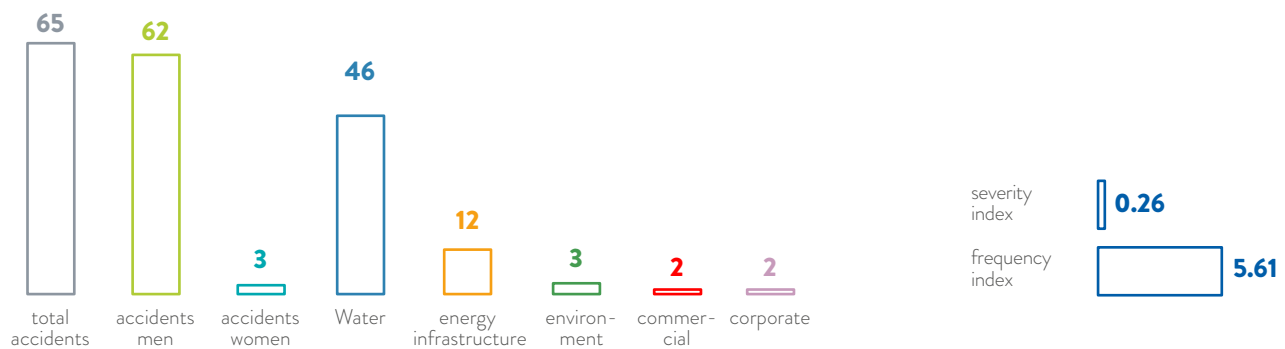
levels of the organisation and also among suppliers, by carrying out information and training activities aimed at making people aware of the professional risks related to the activities performed and responsible for the correct behaviour to be adopted. It adopts certified personnel health and safety management systems and is based on a preventive approach, carrying out analysis, monitoring and control activities aimed at continuous improvement. The Group facilitates the direct participation and consultation of workers or through their representatives (Workers' Safety and Environmental Representatives) in matters of occupational safety".

¹⁴³ Companies with seconded or no staff are therefore excluded.

Despite the attention paid to this subject in 2023 **the number of injuries** increased with respect to the previous year: **65 accidents** (59 in 2022) **occurred in the course of work activity**, none fatal, and 22 of which in transit¹⁴⁴, namely while commuting from home-work (17 in 2022). The accident indices, calculated excluding accidents during commutes, increased slightly: the **frequency index**

is **5.61** and the **severity index** stands at **0.26** (see Chart 46 and Table 49). Accidents are subdivided into: **15 typically occupational** of which **none serious** (with initial prognosis greater than 40 days), **26 for work-related travel** and **24 of another type**. The **main causes of injury** were: tripping, bumping, slipping and crushing.

Chart no. 46 – Accidents and indices by gender and business area (2023)



Note: Male frequency index **5.35** and female frequency index **0.26**; male severity index **0.24** and female severity index **0.02**. The graph shows only those business areas that reported accidents during the year.

Analysing the **breakdown of accidents by gender** (net of accidents occurring during commutes) shows that **62 accidents involved male personnel**, of which 53 were blue collar workers, 8 white collar workers and 1 manager, and **3 accidents occurred to female staff** with an administrative profile.

The companies with the highest number of accidents, not including those occurring during commutes, are: Gori (17 accidents), Acea Ato 2 (13 accidents) and Areti (12 accidents), which naturally have **greater exposure to the risk of accidents** in relation to the type of activity performed.

In 2023 the parent company's Work Safety Unit, to **protect employees and contractor staff**, promoted the inclusion of **heat exposure risks**, associated with heat waves caused by increased temperatures, **in the Risk Assessment Documents (RAD) and Single Risk Assessment Documents (DUVRI)**, establishing actions to prevent and mitigate effects on human health. The **Worklimate portal** was also shared, a prototype platform to create heat alerts to use when scheduling operating activities performed outdoors during the summer. Additionally, with a view to providing staff with appropriate health prevention tools, the company implemented a **flu vaccination campaign** aimed at **employees and family members who live with them**.

In 2023, in addition to providing training on specific risks, the Acea SpA Safety Process Development Unit worked to promote the psycho-physical well-being of employees. It carried out many initiatives, included project aimed at **mitigating the risk of work-related stress**, actions to **increase awareness of ways to assist employees with different abilities** (whether permanent or temporary), the **Everyday training course – Ergonomics and Self-Massage**, which was initially launched in 2022, to prevent joint and muscle pain during daily activity, and the **I-CARE PROFESSIONAL course** to develop knowledge, tools and strategies useful for physical, psychological and relational well-being.

Additionally, training courses were provided for **personnel responsible for emergency tasks**. In particular, using dynamic and experience-based methods, **Emergency Psychology** courses were organised which discussed, in an integrated manner, knowledge of safety regulations, cognitive and emotional responses to emergency situations and assessment of associated risks and the **Emergency Worker Course - Scenarios and Procedures**, which included simulations to apply procedures and operating instructions.

For **training for positions** aimed at operating employees of the parent company's Work Safety Unit, specific training courses were designed, including the **Let's Get Reoriented** project, intended to strengthen the team with respect to **the vision of safety**, developing technical and communication content relative to risk perception and management.

Finally, the Unit managed the **Listening Service**, support and **orienting activities** and support initiatives for **disability management**.

The Group companies train staff and supervisors regarding **occupational health and safety** in compliance with current legislation (please also see the sub-paragraph below *Staff Training and Development*).

Below are some initiatives carried out:

- **Acea Ato 2** continued its **project, Safety Camper**, organising travelling initiatives at workplaces and work sites, to promote a safety culture and the protection of health throughout the local area. Additionally, to monitor and improve "operational well-being" for workers, again in 2023 the Company held **"one on one" meetings** with personnel, to obtain suggestions about procedures and the state of operating structures. Finally, the first year of the "Hydrologistics" system was completed, a project created to optimise the operating logistics for delivering personal protective equipment (PPE) and materials to Acea Ato 2 personnel;

¹⁴⁴ Accidents during commutes relate to travel from home to work and from work to home, using private or company vehicles, which take place outside of working hours, as established by the relevant Federutility note. They are not included in the calculation of accident indices used herein.

- **Acea Ato 5**, launched the **Feed Health project** in 2023, targeted at personnel and intended to promote healthy eating habits, with support from a nutritionist/biologist and the involvement of the company doctor. It also launched the **Near Miss project**, in cooperation with the RLS, to increase personnel awareness of the importance of recognising and reporting near misses. Finally, the **awareness campaign on the use of semi-automatic defibrillators (DAE)** was completed. These have been installed in the offices, sales branches and operating centres, accompanied by training assigned workers;
- **AdF** provided **training** to operating personnel responsible for carrying out **work in confined spaces** to clean residue from drinking water. Furthermore, during 2023 the **Zero Accident Project (ZAP)** was carried out, intended to raise awareness among staff (administrative, technical and operating) of adequate perception of risk and the opportunity of reporting “near misses”;
- **Acea Ambiente**, in 2023, began the **“Safety Ambassadors” programme**, identifying **70 representatives** in the various departments dedicated to promoting this theme in the company and, in cooperation with the LHS Foundation, carrying out an event for all company staff, followed by an awareness campaign that in particular involved operating personnel from the manufacturing plants of companies in the Environment sector;
- **Areti** completed the **remodelling of the external areas of the Training Camp** during the year. This space is dedicated to training staff to safely carry out operating activities (safe ascent/descent on medium and low voltage power lines; safe access to confined underground areas; practice utilising work/safety tools; emergency training for hazardous environments, etc.). The HV pylon and bay were replaced, as were the MV supports, MV and LV substations and a confined space simulator. The Company also organised, in the context of the **“Safety is Life”** initiative, **four days of training on near misses**, using the innovative approach of Lego Serious Play. The event involved **180 Company employees** and, for the first time, **employees of contractors**, to foster exchanging of experiences and cooperation between the various individuals that perform maintenance on the distribution network on a daily basis. Finally, the Company organised **Safety Day** again in 2023, a training day dedicated to work site safety;
- **Acea Infrastructure** organised continuing education courses in 2023 for **emergency workers (ASA)**, on **first aid (APS)**, **assistance in confined spaces** or in cases of suspected pollution, for **work done at height**, on Personal Protective Equipment (PPE), **safe driving** and for **road signage workers**. Training also continued on **chemical and biological risks**, which was begun in 2022, with continuing education courses provided to **safety coordinators for temporary and mobile work sites (CSP – CSE)**, for **Safety Educators** and **Workplace health and safety directors**. Finally, as part of the **High Vigilance project**, **informational meetings on work site health** were held with the Heads of Contract Construction and Work Site Coordination Managers as well as managers from contracting companies;
- **Aquaser** continued the **process of strengthening its culture of behaviour based safety** in the company, begun in 2022, through the **BBS project (Behavior Based Safety)**, providing training to transport workers and, more generally, all company staff, as well as beginning a training course on **preventing and managing fire risk**. With reference to waste, it offered webinars on the subjects of brokering and the new single form for waste transport.

91,352 total hours of training were provided to Group personnel in the field of occupational safety in 2023 (109,979 hours delivered in 2022).

Table no. 49 – Health and safety (2021-2023)

number	2021	2022	2023
ACCIDENT BREAKDOWN BY BUSINESS			
Water	45	38	46
Energy Infrastructure	6	10	12
Generation	0	1	0
Energy (commercial and trading)	0	0	2
Environment	5	8	3
Engineering and Services	0	1	0
Corporate (Acea SpA)	0	1	2
total	56	59	65
fatal accidents	0	0	0
ACCIDENT INDICES			
total days of absence	2,195	2,582	3,015
frequency index (FI) (number of accidents per 1,000,000/ working hours)(*) (**)	5.09	5.22	5.61
severity index (SI) (days of absence per 1,000/working hours) (*)	0.20	0.22	0.26

(*) the hours worked used to calculate the accident indices differ from the hours worked illustrated in the sub-section *Hours worked in Acea*; the two processes meet different operational requirements and specific calculation parameters are applied to each.

(**) accident means a work-related incident that prevents the employee from returning to service during the day on which the accident occurred and/or on the following day/ work shift scheduled.

Note: The Water Operations area includes 6 companies, the Energy Infrastructure area 1, the Generation area 3, the Energy area 3, the Environment area 8, the Engineering and Services area 1 and the Corporate area 1. The data in the table does not include accidents currently being assessed.

HEALTH MONITORING

Health monitoring, regulated by a **company procedure** that defines its **planning and management**, is carried out **in cooperation with external professionals** in compliance with current legislation (art. 41 of Legislative Decree no. 81/08).

Formally appointed **doctors conduct medical examinations prior to employment, in the event of a position change, periodically** according to health protocols, **at the worker's request** and **prior to resumption of work** following absence for health reasons lasting more than 60 continuous days.

Workers **exposed to specific risks** are included in a **targeted check-up programme**.

In collaboration with the employers and the relevant Protection and Prevention Service Managers (RSPPs), **the Competent Doctors define health protocols** according to the workers' exposure to the various risks.

At the headquarters, a **first aid office, available between 08.00 and 20.00**, provides staff and visitors with first aid in the event of illness.

In 2023 **4,126 examinations were provided** to the same number of employees of Group companies which have the occupational medicine service managed centrally by Acea SpA, for a total economic value of around **€ 410,000**.

Health monitoring includes the **prevention of occupational diseases** that workers may contract due to **prolonged exposure to the risk factors** existing in the work environment. In the context of the work performed by the companies of the Group, for which Acea provides the health monitoring service, **there are no risk profiles likely to**

cause occupational diseases. The competent doctor has the task of cooperating with the employer in order to define **preventive measures** and **health protocols** for the risk profiles associated with specific duties, and monitoring any damage to workers' health, issuing suitability assessments, and applying limitations and prescriptions, where necessary, in order to prevent possible occupational diseases. In 2023, in Acea, **there were no reports of suspected occupational diseases**.

HUMAN CAPITAL DEVELOPMENT AND COMMUNICATIONS



Introduced a **survey** to **gather feedback** from candidates about the various stages of the selection process



Strengthened the use of **artificial intelligence** in selection processes



Activated the **On Boarding** platform and organised the process for **incoming new hires**

In 2023, consistent with the principles and values defined in the **Charter of the Person and Participation** (see the section on *Industrial Relations*), Acea implemented actions to promote multidisciplinary and support full integration of people in the working environment. Again in 2023, the Group maintained **remote working**, mainly for staff with administrative profiles.

PERSONNEL SELECTION

The **selection** process is governed by a **Group procedure**, which regulates the methods and actions to implement in selection processes to ensure merit is a focus and inclusivity is supported.

Acea also participates in **professional orientation events** promoted by university bodies, to meet new graduates and soon-to-be graduates to include in their selection processes. In 2023, **Acea met with around 1,500 candidates, participating at 12 career days**: Sapienza Economia, Virtual Job Meeting STEM Girl, Federico II, Università di Cassino, Forum Università Lavoro 2023 Tor Vergata, Bocconi, Luiss, High Flyers Finance & Management, 42Roma Luiss, Campus Leaders & Talents Tor Vergata, Inclusive Job Day.

Participation in **Labor Di** is of particular importance, promoted by the Lazio ACLIs, a career guidance event for recent high school graduates from the area, during which Acea participated, with other companies, in motivational speeches, presenting the Group and carrying out interviews with students.

Additionally, to **recruit needed professional positions**, Acea continued to monitor the main national job hunting channels, including *Indeed*, the largest job search portal in Italy, *LinkedIn*, *Monster*, and to use **social channels**, in particular *Instagram* and *Tik Tok*, on which *recruiting and employer branding campaigns* were launched.

In 2023 a total of **208 staff searches** were carried out, involving around 15,000 candidates, both for **individual positions** and **for multiple candidates in relation to positions open in Group companies**, which led to the selection of **464 people**.

The selection process includes **various stages, depending on the specifics of the search**: CV screening, *online challenges* using *gamification* (technical quizzes and *business games* to assess numerical reasoning, verbal ability, visual-spatial skills, logic), video interviews, assessment of soft skills, motivation and skills through collective tests and individual interviews; additionally, **use of artificial intelligence in the selection process was strengthened**, in particular when establishing the Job Descriptions, through Chat GPT, and during the screening stage, using an artificial intelligence tool to analyse CVs.

Finally, to monitor the effectiveness of the selection process, specific indicators were used, also for *diversity*, with reports and a dashboard prepared; in 2023 a survey was also introduced which is given to candidates who have undergone at least one selection interview, **to obtain feedback on the selection process and the inclusivity** perceived during the various stages.

Once the selection process has been successfully completed, new hires undergo a **process to help them become part of the company**, with two stages: **pre boarding**, during which, prior to starting, tools to present the Group and personalised information on the relevant structure are provided, and **on boarding**, during which new hires receive all the information needed to fully understand company regulations and administrative management of the work relationship, as well as receiving obligatory and specific training for their position. The entire process is digital, thanks to the **On Boarding Platform**, which contains a vast array of training material and tips which, thanks to tests and *games*, allow new hires to come into contact with the culture and dynamics of the company in a direct and informal manner. Additionally, the Platform is intended to create a *virtual community* which the new hires can become a part of, exchanging feedback on their experiences becoming part of the Group and immediately growing their relationship network.

GROUP CULTURE AND STAFF ENGAGEMENT

The **Leadership Model** adopted by Acea, which promotes a flexible organisational culture and guides people's careers and the realisation of Group objectives, is inspired by values such as **performance excellence, teamwork and resilience**.

The model is applied to all processes associated with people management: **selection**, intended to hire talent in line with the Group's values; the **performance management** process, which measures individual contribution to the achievement of the corporate goals in accordance with the values adopted; **training and development** as well as **compensation policies**, which, also considering the results of the performance management system, are intended to help people grow and to reward their efforts.

Among the main **employee engagement and change management** activities carried out in 2023 included: the internal sharing of a **self-development platform**, managed by *Lifed*, **for children of young children, to help them learn and improve soft skills**. Participants in the initiative were obtained through a dedicated survey, followed by evaluation of profiles and personal characteristics, and a training course with coaching tips, webinars and personalised experiences, flexible and able to be enjoyed with full independence. At the end of the course, participants were informed of the results achieved, with feedback on the process and a monitoring tool useful in continuing their self-development plans.

Additionally, in 2023, the **HR Special Projects** Unit designed internal and external initiatives intended to **empower people**, through the active engagement of employees, to contribute to the **improvement of the company climate** and the **promotion of the values of equity, diversity and inclusion**.

The main projects were:

- **Friday breakfasts**, meetings between the Chief Executive Officer and several Group employees, selected on the basis of gender, age, seniority in the company, educational qualification, position and professionalism, intended to share proposals and feedback about specific areas of interest;
- for the third consecutive year, **Acea Talks – Conversazioni diversamente sostenibili** [Differently Sustainable Conversations], produced with contributions from the internal and transversal work team and designed to **raise awareness among the Group's stakeholders of significant topics**, through the creation and dissemination of **video interviews** held with **individuals from aca-**

demia, culture, the arts, sport and the social sector. The 2023 edition was focussed on the issues of **inclusion, gender parity and the conditions of women and young people**;

- **Drive to Acea - Talking freely to understand the professions in our Group**, a project designed to learn about the various professions found in the Group, as voiced directly by employees (one interviewer and one interviewee) while driving hybrid and/or electric vehicles. In 2023 gender parity in the working environment was an area of particular focus;
- **Top Employers Italia** certification was obtained for the third consecutive year, recognising positive management of personnel in terms of working conditions, careers, training, professional growth and well-being, with a higher score with respect to 2022;
- **The Acea Group Manifesto for Equality, updated in 2023** both visually and in terms of contents, with the addition of **four new values: Family, LGBTQIA+ Community, Gender Parity, and Combating Ageism**;
- **Let's team up to stop violence against women. #AceaGruppo together with the Women's Roma Volley Club say enough**, organised on the occasion of the International Day for the Elimination of Violence Against Women;
- **Acea Group Christmas Event**, at **Teatro dell'Opera** in Rome, an opportunity for employees and family members to see the dress rehearsal of "The Nutcracker" ballet, as well as receiving Christmas greetings from company management. The event was also an occasion to link the Acea Group with the value of solidarity through the involvement of a representative from the Calciosociale association in Corviale;
- **Acea Group ED&I Glossary Project**, in collaboration with Feltrinelli Education, to encourage reflecting on words linked to the world of diversity and inclusion and to define **ten terms** that represent **the world of work and its relations of strength, identity and sexual orientation, mistaken social actions associated with prejudice, cognitive bias and discrimination based on age, disability and multiculturalism**.

In 2023 the **HR Special Projects Unit** offered support to the Acea SpA People Culture & Organization Department to carry out, as part of the *Trainer Training* project, **mini training videos** (see the sub-section *Staff training and development*), and initial **training** targeted at certain Units in the People Culture & Organization Department on **gender parity, stereotypes** and **ED&I** issues, with the involvement of the Giacomo Brodolini Foundation and the EDGE association.

STAFF TRAINING AND DEVELOPMENT



226,222 hours
of training delivered
in **traditional**,
experiential and
e-learning formats



GenerAzione Connessa 2030:
400 students from
13 high schools in Lazio,
Umbria, Tuscany and
Campania involved in training
courses on sustainability and
Acea Group businesses



Designed and
implemented the
**"Sustainability
Professionals"**
training course to
certify professionals



Launched, on
Piantacea, the
e-learning course
on **preventing
corruption** for
the entire corporate
population

The **development of professional skills** is essential for the evolution of the Group and the achievement of its industrial objectives. To support this process, in 2023 the activities of the **Acea Business School** continued, to strengthen skills and develop new mindsets in the managerial, digital and technical/specialist areas, as well as ensuring obligatory continuing education is received in terms of regulatory compliance.

A **Group procedure** defines **roles, responsibilities and tasks in the management of training processes** for the development of expertise, knowledge and professional skills necessary to act in company positions. The process is divided into the following macro-activities:

- **identification of the training needs**, consistent with business objectives, centrally managed by the Holding Company, and the **definition of the guidelines and the budget** which orientate the training interventions of the year, taking into account **the specific training needs of each Group Company**;
- **definition of the Operating Companies' Training Plan**, based on the specific needs identified (for example, **operating-technical**) and **Group needs** ("transversal" training);
- **administrative management and provision of training**, by the Parent Company's and the Operating Companies' Training Units.

In 2023, with an eye to innovation and to support digitalisation of processes, **SalesForce was introduced**, a **digital tool that offers constant tracing of each step in the training process**, starting with recognising requirements and obtaining final data on training, followed by evaluation of training effectiveness.

Acea **funds training through its membership in interprofessional bodies** for continuous training - Fonservizi, Fondirigenti and For.Te. which the main Group companies belong to.

In 2023, training courses were held, not only remotely as in previous years, through "synchronous" (live webinars) and "asynchronous" processes (recorded videos and e-learning courses), but also in person, so as to guarantee a **gradual return to classroom based learning dynamics** and socialisation.

With reference to **managerial training**, in 2023 training courses on Communication, Effectiveness, Leadership & Network and Worker Management were carried out.

In particular, the **Motivational Leadership** class was offered, with the objective of helping those with management responsibilities

to develop people management skills, strengthening the potential of their employees, while taking into account the unique characteristics of all. The interactive course **included 51 people** who, in changing and highly complex situations, experimented with various forms of leadership, putting themselves out there and acquiring tools to use to support the development of their workers, including properly assigning goals and activities, the ability to carry out a fair and objective evaluation and giving feedback. 2023 also saw **Board of Directors Training for 48 people** (executives already holding or taking on the role of Director at a Group company) who, thanks to assistance from high level instructors, strengthened their **abilities to manage conflicts of interest and company risks and their economic and financial skills**.

Digitalisation training continued during the year with courses accessible by the entire company population, to strengthen the mindset and improve digital skills and knowledge, to increase innovation in company processes. Digital training included: the **Digital Path**, with courses dedicated to the **Customer Journey**, **Data Analytics**, **Digital Self Empowerment**, **Industry 4.0** and the **IoT**, and **Vocational**, a structured format with courses at a single level open to all Group employees. Meetings dedicated to technological innovation with the greatest impact on working life included: **Cloud Systems**, **Artificial Intelligence**, **Safe Online Behaviour**, **Metaverse**, **Energy and Digital Transition**. The vocation webinars saw **participation by 351 workers** in the Group.

Finally, for **high profile digital** training, 2023 saw the start of a series of meetings focussed on digital products and services, including Google Cloud and Kubernetes.

The publication of the second edition of the New Skills Fund was an occasion for the Group to strengthen its digital and sustainability skills, with courses on: **Microsoft Office**, **IT Security**, **Digital Innovation**, **Environmental Sustainability**, **Data Analysis**, **Communication and Collaboration**. All together over **50 hours** of training were provided to over **800 Group employees**.

Training for the Group's Sustainability Ambassadors continued, with the **Sustainability Professionals** course, organised with the Risk Management, Compliance & Sustainability Department at the parent company, with support from Intertek and Luiss Business School (see the box for more information).

THE SUSTAINABILITY PROFESSIONALS TRAINING COURSE

Acea designed and carried out the Sustainability Professionals course to certify professionals on sustainability matters, through an exam, in line with that required by the relevant practices. This course involved **20 people**, representing the Group's main business areas, and included three stages:

- **online training**, provided by Intertek instructors, focussed on the main aspects of UNI PDR 109:2021, to ensure students possessed the technical knowledge requested for Sustainability Man-

agers, Sustainability Practitioners and SDG Action Managers;

- **in person training**, provided by Luiss Business School instructors, on soft skills to improve performance, strengthening leadership capacities and the ability to promote sustainability in the business model;
- **experiential training**, at the Comunità di S. Egidio, to include the human aspect of sustainability with initiatives offering high levels of social impact.

With support from Elis, the training project **Formazione per formatori** [Training for Trainers] continued, intended to provide the **31 employees involved**, identified on the basis of the type of expertise held, with the main techniques for education and classroom management. Finally, in cooperation with the HR Special Projects Unit, mini training videos were filmed on the issues of corruption prevention and sustainability, made available to Group personnel through the Pianetacea platform.

E-learning offered through the Pianetacea platform, accessible to all employees, was **strengthened**.

In particular, online training was offered with reference to Italian Legislative Decree 231/01, with reference to administrative liability of entities and the Organisation, Management and Control Model implemented by Acea, to privacy, the Code of Ethics, whistleblowing procedures, Italian Legislative Decree 262/05 with reference to the internal control system, financial disclosures, the integrated QASE management system and sustainability.

As in 2022, to **support the implementation of a management system to prevent corruption** (UNI ISO 37001:2016), a dedicated **e-learning course** was developed, available to all personnel, with **4,274 people** utilising it, equal to 63% of staff (of which 3,028 men and 1,246 women, 41 executives, 365 middle managers, 2,957 office workers and 911 manual workers). Finally, specific training courses were offered on: Privacy Specialists, environmental regulations and waste management, dedicated to staff with relevant responsibilities.

The Group companies carried out independent remote training, for example:

- **Aquaser** organised a **training course on effective communication**, intended to improve the use of verbal, para-verbal and non-verbal communication, with a particular focus on various communication situations;
- **Deco** organised an **electrical technique course**, to improve safety during maintenance work performed by relevant personnel. Additionally, for certain selected employees, a **preparatory course was offered with reference to the third party transport**

manager certification exam, as requested by the relative National Register;

- **Acea Energia** organised a **obligatory training course on Italian Legislative Decree 231/2001**, one on **Anti-trust and improper commercial practices**, on the application of competition law and **consumer protection regulations**, focussing on the risks to which the utilities sector is potentially exposed, and a **Customer Centricity, Marketing & Sales course**. Additionally, **Master Classes** were provided on **Energy Management**, as well as the **Meter2bill** event on **improper commercial practices**;
- **Areti** carried out various **training projects to align skills with the integration of the MV/LV/PL Network**. Additionally, with an eye to **operating flexibility** and in collaboration with Acea Ato 2, training for water personnel was organised on electrical aspects and vice versa, the **"ARIA MVP6 project"** to support the adoption of new vendor and producer portals on Salesforce, the **"Supply Chain Lean & Digital project"**, to improve the materials procurement management system and management of warehouse inventories, and the **Photovoltaic Project** which will continue in 2024.

The traditional and experiential training activities and those on the **e-learning platform** totalled **1,394 courses** (1,347 in 2022). Traditional and experiential training was attended by **5,367 people**, of which 24% women. Courses delivered digitally were attended by **5,027 people**, of which 28% women.

In 2023, a total of 226,222 hours of traditional, experiential and e-learning **training** were provided, an increase compared to 2022 (see table 50).

In 2023 **total training hours per capita¹⁴⁵ increased, reaching 34** (31 in 2022); analysing the figure in terms of gender, men had 33 hours of training per capita and women 37 hours; when broken down by position, we find: 12 hours of training per capita for managers, 38 for executives, 36 for employees and 29 for other workers. The **overall costs incurred** for the provision of the courses, net of scheduling for training and the preparation of the spaces allocated to it, were equal, in 2023, to **€ 2,477,766**.

¹⁴⁵ The indicator was calculated by comparing the number of hours attended with the total number of employees.

Table no. 50 – Training (2022-2023)**TRADITIONAL AND EXPERIENCE-BASED TRAINING COURSES**

course type	courses (no.)		training (hours)	
	2022	2023	2022	2023
managerial	41	59	7,708	9,262
safety	629	590	107,612	79,677
governance model (*)	72	112	5,148	6,043
operating-technical	551	558	67,073	49,549
digital	0	41	0	15,118
total	1,293	1,360	187,541	159,649

TRAINING COURSES PROVIDED THROUGH THE PLANETACEA E-LEARNING PLATFORM

corruption prevention	0	2	0	4,819
whistleblowing	1	1	504	422
Sustainability and Agenda 2030	1	2	3,991	2,427
Leadership Model	1	0	1,429	0
technical training	25	1	3,401	62
Code of Ethics	1	2	966	3,348
antitrust law	4	1	3,942	2,180
GDPR – new European privacy regulation	7	1	81	297
administrative liability of entities (Legislative Decree no. 231/01)	6	1	2,796	437
safety	6	6	2,367	11,675
QASE management systems	1	1	677	912
Legislative Decree no. 262/05	1	1	696	4,143
digital	0	14	0	33,687
managerial	0	1	0	2,164
total	54	34	20,850	66,573

BREAKDOWN OF TRAINING HOURS BY QUALIFICATION AND GENDER

title	2022			2023		
	men	women	total	men	women	total
executives	1,013	255	1,268	999	211	1,210
managers	11,317	5,994	17,311	13,569	7,410	20,979
clerical workers	80,061	40,725	120,786	92,773	52,263	145,036
workers	68,820	206	69,026	58,890	107	58,997
total	161,211	47,180	208,391	166,231	59,991	226,222

(*) the governance training includes anti-corruption

In order to develop people's skills and professionalism, the individual performance evaluation system is in place. Performance is assessed periodically by line managers on the basis of the level of achievement of the objectives assigned to colleagues, in line with the Group's industrial and sustainability objectives, and the values outlined in the Leadership Model.

In 2023 the **Development Center Programme** continued, which identifies areas requiring improvement and development processes to implement, through the Assessment Center, as well as **defining**, down stream from the results, **individual projects to improve skills**, based on the "**Development Catalogue**", which provides methods and activities to further improve strengths and reduce problem areas. The Catalogue contains **19 development measures and**

tools, grouped into **9 types of training courses**, **7 types of focus team coaching** (on employee management, strategic thinking, decision-making, effective communication, peer relations and change management, managing emotions), **individual coaching courses**, **mentoring** for both mentors and mentees, supported by specific training on methodology and process and, finally, **high-level training**. **These courses are monitored both with reference to effectiveness and enjoyment, thanks to the use of internal dashboards** which are also used to prepare reports.

In 2023 187 development plans were activated, involving staff in individual and group training sessions as well as high level training. Professional development of staff through **promotions** in the year concerned **35 people** of which 5 were women, i.e. 14%.

COLLABORATION WITH UNIVERSITIES AND SCHOOLS

Acea develops **partnerships and cooperation with universities**, participates in studies and research, meetings between companies and students and stipulates agreements to promote *internships* and apprenticeships. Acea consolidated relations with the Tor Vergata, La Sapienza, Luiss Guido Carli, Studi Europei di Roma, Federico II di Napoli, LUMSA, Scuola Superiore Sant'Anna di Pisa, Università degli Studi della Tuscia, Cassino universities and Polytechnic University of Milan via the **conclusion of agreements** aimed at encouraging the transition of graduates into the working world.

In 2023 **Acea Ambiente** strengthened its collaborations with important universities, including Università di Cassino e del Lazio Meridionale, Politecnico di Torino, and Università degli Studi della Tuscia, to finalise **technological research and development projects to identify and mitigate environmental impacts associated with strategic locations**.

Also during the year, **AdF** worked with Agile Academy and Università degli Studi del Sannio to carry out **high level training courses on the NRRP and the new Public Contracts Code**, began training internships with the Università degli Studi di Siena to introduce interns in the new analysis laboratory, as well as participating in the

annual *Career Day* organised by the university.

Deco began an agreement with **Alma Mater Studiorum Università di Bologna** and one with **Università degli Studi dell'Aquila – Industrial Engineering and Information and Economics Department**, thanks to which it was able to host a number of interns.

Gesesa participated in the second Guidance Day for University Studies, organised by the Istituto d'Istruzione Superiore Telesia in the Municipality of Telesse Terme.

These interactions with universities allowed Acea to activate **14 training internships** and **22 educational internships** in 2023.

The Group also utilises the **professional skills** of its staff in university master's degrees and courses and for **technical projects**. In 2023, qualified **company staff** worked as teachers or provided corporate testimonies for **university master's degrees**, covering issues related to **energy**, the **environment**, **sustainability** and **innovation**.

Acea also signs **agreements with local high schools and commercial schools in the local area** for **school-to-work programmes**. To that end, in cooperation with schools and thanks to the contribution from Group companies, in 2023 the **GenerAzione 2030** project was carried out (see dedicated box).

THE GENERAZIONE 2030 PROJECT

The **GenerAzione 2030** project involved around **400 students** from **13 high schools** (classics and technical high schools) in Lazio, Umbria, Tuscany and Campania, with the dual aim of raising awareness of sustainability issues in the younger generations and increasing awareness of the Group, bringing students closer to the world of work.

Each Group company has developed a **work project** on which the students worked, guided by company experts, to develop innovative environmentally sustainable solutions to apply to the company's business. Additionally, **Acea orienta** was implemented, a specific guidance module for students in the fifth and last year of high school, with dialogue between the Group's human resources experts and the young people, to help them learn more about the most requested professional skills, better structure their *curriculum vitae* and handle job interviews with more awareness.

- The 5 winning project ideas were developed by:
- **ITCG Carlo Matteucci (Rome)** – Project Work: *Hanging tank project to be placed in the area in front of the school;*
- **ITI Faraday (Roma)** – Project Work: *Decreasing/Segregating CO₂;*
- **ITIS Nicola Parravano (Arpino)** – Project Work: *Analysis and treatment of water and steam; treatment of water in the company's cycle and mechanical aspects;*
- **Istituto Tecnico Omnicomprensivo Amelia (Amelia)** – Project Work: *Microplastic management: separation and treatment when it enters the treatment plant;*
- **Polo Scientifico Tecnico Professionale Fermi-Giorgi (Lucca)** – Project Work: *Innovative solutions for responsible and knowledgeable use of water.*

INCENTIVE SYSTEMS AND STAFF EVALUATION

The Performance Management Model, applied to all staff, is connected to the evolution of the Leadership Model and structured into two distinct types, one **for executives and middle managers** and the other **for office workers and manual workers**. Devised for the assessment of performance and skills, the model represents a driver for the achievement of the Group's growth objectives and guides policies for people development, enhancing the connection with compensation policies and salary reviews.

The **remuneration policy** adopted envisages short-term and long-term fixed and variable remuneration measures (MbO, LTIP).

Regarding long-term incentives, the **Long-Term Incentive Plan (LTIP)** is in place, reserved for **Executives with Strategies Responsibilities and other Executives holding key positions in the Group**. The Plan is divided into three cycles, **each lasting three years**, at the end of which a monetary bonus will be paid, if the objectives are achieved. This method is aimed at guaranteeing the continuity

of the company's performance, steering the management towards results with a **medium and long-term outlook**. The **calculation system is subject to the degree of achievement of objectives**, as determined by the Board of Directors after consulting the Appointments and Remuneration Committee, **of an economic-financial nature** (NFP/EBITDA and NFP/NP), tied to the **profitability of the share (EPS) and associated with the Group's sustainable success**, through a composite sustainability indicator which, for the third cycle of the plan from 2021-2023, was given a percentage weighting of 15%, which includes objectives in line with the Group's industrial and sustainability planning.

The **short-term incentive system** (annual), **Management by Objectives (MBO)**, is applied to **senior and middle management** and entitles them to receive a monetary bonus based on the achievement of objectives established for the year. The system is divided into **Group objectives** which are the same for all involved parties, **Area objectives** (applicable across the relevant Area) and **individual objectives**.

The **Group objectives** that are applied to 100% of the recipients of

the MBO incentive scheme, are based on **four indicators (KPIs)**: three **of an economic-financial nature** (EBITDA, net profit, net financial position) and one **composite sustainability** indicator given, in 2023, a weighting of 10%. Managers can choose their **Area objectives** from among those included in the **Dedicated catalogue**, with a direct link to the company's strategy and operational management.

With the introduction of sustainability objectives in the incentive systems for the MbO population and for top management (LTIP), Acea has confirmed the **integration of sustainability** into business activities, strengthening the **link between remuneration mechanisms and the achievement of social and environmental objectives**.

Employees who are middle managers, clerical and manual workers – including those with part-time, fixed-term (including temporary) and apprenticeship contracts – **are eligible for the performance bonus every year**. This is a variable payment, linked to qualitative and quantitative results achieved in the realisation of business objectives, in line with the industrial and sustainability planning, which aims to have workers **participate in company processes and projects** to increase profitability and improve competitiveness, productivity, quality and efficiency. Furthermore, payment of an **additional amount** was made by the company in favour of those who allocate the performance bonus to **supplementary pension schemes**.

There are also **benefits** for employees, including those with part-time, fixed-term contracts and apprenticeship contracts, such as **meal vouchers**, a discounts on electricity tariffs (for staff hired before 9 July 1996), the subsidies provided through the Company Recreational Club (CRC) and a **supplementary health insurance policy**. Other forms of benefits are provided to staff to support their **well-being**. These include: contributions for medical expenses, health check-ups, contributions for the use of emotional and physical well-being services, work-life balance and related to family. Furthermore, specific benefits are offered to executives, such as the use of a company car and the reimbursement of fuel costs. **Two insurance policies** are available for all staff, which, in the event of death or accident, guarantee the beneficiaries the payment of monetary compensation.

INTERNAL COMMUNICATIONS

The Internal Communications Unit of the holding company **oversees communication to employees** and contributes to **promoting the Group's principles, values and strategic objectives** and developing a **shared company culture**.

In 2023, the digital platforms again continued to play a central role in communication between the company and people, in particular **My Intranet**, a digital environment dedicated to employees which, by facilitating the sharing of information, initiatives and events organised by the Group companies, strengthens people's engagement and sense of belonging to the Group. In 2023, **almost 3 million views** were recorded, with a monthly average of 250,000 views and an increase of 7% with respect to 2022.

During the year **the portal was updated**, in line with the changes made at the company level, with new sections and restyling of others, including the **Stakeholder Engagement, Equality & Care, Corporate Identity, Regulatory System, Organisational System, Job Posting**, sections and those dedicated to **Human Resources processes**.

In particular, in the **Equality & Care section** various documents were highlighted, including **the Manifesto for Equality**, in its updated form,

the Equality, Diversity & Inclusion Policy, the Charter of the Person and Participation and the Code for Responsible Companies to Support Natalità.

In terms of **Equality, Diversity & Inclusion**, following the intense work to **restyle the visual identity** and consequent **update of the section**, in cooperation with the People Culture & Organization Department, an internal campaign was launched to encourage voluntary adhesion to the **Equality Platform** (see also the paragraph on *Diversity, Inclusion and Welfare*).

Additionally, during the year, all personnel received the **Code of Ethics**, updated in 2022 and, on the occasion of European IT Security month, a **guide to IT tool use** was created and disseminated, with the aim of supporting and developing a widespread, knowledgeable and shared cyber security culture.

Another digital interaction channel between Acea and employees is the **Acea Ti Premia** [Acea Rewards You] portal, the innovative space for aggregation which makes it possible to share projects, events and company gadgets and **promote engagement**.

In 2023, **Acea Ti Premia** hosted the first edition of the **Acea Photo Contest**, created to increase employee involvement, as they participated using photos taken by them on the subjects of: Innovation, Sustainability, Our People, Territory. The contest did not just award a prize for each category but also included special prizes, including the **Popular Jury Prize, Prize for Employee Children and Top Management Jury Prize**. **Page views** on the **Acea Ti Premia** portal in 2023 totalled around **500,000**, an **increase of 40%** over the previous year.

In 2023, the internal communication initiatives remained in line with the pillars of strategic planning: **ecological transition, sustainability, diversity and inclusion, welfare, safety, engagement, solidarity, and innovation**.

Internal Communication supported the People Culture & Organization Department in the **production of webinar cycles** dedicated to reflecting on the effects of technological innovation on the world of work, **Being Digital**, and the dissemination of knowledge about the main sustainability themes and their impact on company business, **Being Sustainable**, and the implementation of **company welfare** initiatives, developed to support the psycho-physical well-being of personnel and their family members (see also the paragraph on *Diversity, inclusion and welfare*), including:

- **Out of Office**, the second *street gym* event organised by Acea;
- **Acea Family Care**, a structured series of initiatives aimed at company staff and their family members;
- **Race for the Cure**, for the second consecutive year the Acea Group participated in the event **with its own team** consisting of 160 employees and 50 family members;
- **Self-defence course**, for employees, to learn personal defence techniques;
- **Wellness Fridays**, offering yoga and pilates;
- **Support Women**, the assistance channel to support women workers in difficult situations;
- The launch of the **six-pillar My Welfare campaign** (Health, Work/Life Balance, Complementary social security, Economic subsidies, Psycho-physical well-being, Family);
- **Acea Camp**, the summer camp for employee children;
- **the Corporate Family Responsibility programme**, launched in 2022, to spread a culture of inclusion and appreciation for diversity.

Again in 2023 the **Connect with Acea** was carried out, a project envisaged by the parent company's Communication & Media Relations Department which, as part of the *Corporate Family Responsibility* programme saw the implementation of three events: **Antarctic Mindset**, **New Jobs and Leadership**, described below, in the paragraph on *Diversity, inclusion and welfare*, with simultaneous translation in sign language.

To **promote the culture of well-being**, the Internal Communication team, in collaboration with the Acea SpA People Culture & Organization Department, supported the **Previeni con Acea** [Prevent with Acea] communication campaign, intended to raise employee awareness about health, prevention and healthy lifestyles. In addition to the usual appointment in December, with free screenings for employees, in 2023 an additional prevention appointment was held. In December at the health village, certain associations were hosted, including Fondazione Lene Thun, Sulla Strada, La Lega del Filo d'Oro and Intersos.

Additionally, in 2023 **Acea Solidarity Days** were organised to support the beneficial actions carried out by certain charities, including Save The Children, Andrea Tudisco ODV, Terre des Hommes, AISM and

AIRC. Again with reference to social initiatives, in cooperation with the Acea SpA Welfare Unit and the association "La Rete di Tutti", the initiative "**Do good and do yourself good**" was developed, which saw a number of **blood donation days** reserved for Acea employees, in February and June. Further a **blanket and clothing drive** was organised, to be donated to the Comunità di Sant'Egidio, to help those suffering extreme difficulty to face the winter temperatures.

Also in 2023, as in previous years, in collaboration with the supplier Enoteca Guerrini, the Christmas event was held which saw the purchase of 6,250 packages for Group employees. **For each Christmas gift, the supplier donated a portion of the social cooperative Spes contra spem in Rome**, which carries out social/cultural integration projects for young people, at risk minors and people with disabilities. Like every year, a portion of the gifts were donated to Comunità di Sant'Egidio, to organise a celebratory lunch, in collaboration with CRA Acea, for people suffering financial hardship.

The initiatives developed and promoted by Internal Communications were also publicised using multi-media equipment at the company offices, such as digital totems and screens found in lifts.

DIVERSITY, INCLUSION AND WELFARE



Signed the **Code for Responsible Companies** to Support Natality, promoted by the Ministry of Family, Natality and Equal Opportunity



Launched the **Equality Platform**, designed as a physical and virtual space to spread the culture of **Equality, Diversity & Inclusion**



Acea SpA, for the second consecutive year, obtained **gender parity** certification (UNI/PdR 125:2022)



Strengthened the **Listening Service** intended for working mothers and fathers

Inclusion, protection of diversity (gender, age, disability, religion, race, etc.), **combating sexual harassment and bullying are issues monitored at the governance level**. Indeed, Acea has a **Code of Ethics** and an active **Ethics and Sustainability Committee**, which, among other things, has the **responsibility of assisting the Board of Directors in matters of diversity**, with the task of promoting the culture of valuing diversity and combating all forms of discrimination.

The company promotes the application of principles of inclusion and appreciation of diversity in all HR management processes (selection, training, development, corporate welfare, etc.), including via dedicated procedures.

At the Group level, the **annual Equality & Care Plan** was adopted, which includes D&I goals and projects aimed at Group employees. Also in effect is the **Equality, Diversity & Inclusion Policy**, which formalises the Group's D&I commitments, and the **Equality, Diversity & Inclusion Manager** was appointed, followed by the establishment of the **Equality, Diversity & Inclusion Committee**.

Additionally, in 2023 Acea adopted the **Charter of the Person and Participation**, signed with the trade unions, which establishes **work/life balance measures to support parents**, enhanced with respect to regulatory and contractual requirements, with an increase in the indemnity paid for parental leave and in the number of paternity and child illness days envisaged, as well as with reference to **training**, with an increase in the total per capital training hours over three years (see the paragraph *Labour/Management Relations*).

In November, Acea signed the **Code for Responsible Companies to Support Natality**, promoted by the Ministry of the Family, Natality and Equal Opportunity and presented in Rome during the "Maternity is (not) a business" event, which includes various actions, including: career continuity for mothers, preventive medicine and healthcare, work/life balance and support for expenses to care for and educate children.

Finally and also during the year, Acea approved **the Human Rights Policy** which also includes appreciation for diversity and inclusion (see the in-depth box and the section *Corporate Identity*).

HUMAN RIGHTS POLICY: THE ISSUE OF DIVERSITY AND INCLUSION

The Human Rights Policy, approved in 2023, reiterates the Group's commitment also to the topic of inclusion and non-discrimination and, at point 2.1.5, states: "Acea Group promotes an inclusive culture towards external and internal stakeholders, at all levels of the organisation, fostering interpersonal relations based on the respect for the dignity and uniqueness of each person and on fairness, guaranteeing the right to a fair working environment, in terms of economic treatment and employment opportunities, without discrimination based on gender, age, ethnicity, sexual orientation and identity, disability, religious faith or other individual characteristics. To this end, it guarantees fair and non-discriminatory selection, recruitment and reception processes aimed at attracting new talent and facilitating the process of overcoming stereotypes linked to certain professional profiles, seeking a heterogeneous composition of the company's population, in compliance with

the principle of equal opportunities and impartiality. The Group does not allow any form of marginalisation and pays particular attention to the protection of fragile people, with actions aimed at breaking down cultural, structural, sensory and physical barriers. From the perspective of inclusiveness, eliminating physical barriers in the workplace is the first step towards ensuring equal dignity for all, so that everyone can have equal opportunities for job satisfaction, consistent with individual skills and background. In line with the principles of social sustainability, the Group ensures respect for the principles of diversity and inclusion at all stages of the employee journey, including development, training, growth and remuneration processes. It also has a specific Equality, Diversity & Inclusion Policy, approved by the Board of Directors, which aims to address values, tools and actions to promote an increasingly collaborative and inclusive work environment".

In 2023, to disseminate the culture of inclusion and the value of diversity, Acea informed and raised awareness among employees with initiatives available to all staff (see the sub-paragraph *Internal Communications*), including:

- the webinar **Antarctic Mindset, lessons for daily life**, with Chiara Montanari, the first Italian engineer to head an Antarctic expedition, organised for 8 March, during which female leadership in the world was discussed;
- the webinar **New Jobs, Evolution of Skills and Impacts on Generations**, with Alberto Brugnoli, a lecturer on Planning and Strategic Organisation at Università Ca' Foscari of Venice, organised on the occasion of World Day for Cultural Diversity for Dialogue and Development, to deepen appreciation for the values of equality and inclusion in personal and professional situations. The webinar was an opportunity for dialogue and reflecting on the changes in course in the world of work, on the impacts that new jobs have on organisations and how generational interactions can create value in response to these changes;
- the webinar **Leadership: a private or work function?**, with Francesco Luizzi, co-founder of Tebat and a Professor of Organisational Development Università degli Studi di Milano, during which experimenting with leadership was discussed, taking advantage of skills acquired in every aspect of life;
- continuation of the **Corporate Family Responsibility programme**, with the distribution to all company staff, through the My Intranet platform, of five **short videos** on the issues of **work/life balance, sharing care** and **gender stereotypes**, created with support from Welfare Come Te and WeWorld;
- the **Equality Platform**, designed as a physical and virtual space to disseminate an ED&I culture, shared through an internal communication campaign, on the occasion of which a call to action was launched to identify the Group's ED&I Champions who, supported by specific commitments and training, are responsible for promoting an ED&I culture, sharing needs, project ideas and carrying out initiatives. The project will continue in 2024 with specific events and training sessions.

During the year, Acea obtained various recognitions that **attest to its commitment to diversity, inclusivity and female empowerment**. In particular, in 2023 the Company was **included by the Financial**

Times and Statista in the **special ranking of Europe's Diversity Leaders 2024** (using 2023 figures), which selects 850 European companies that demonstrate leadership in terms of diversity and inclusion.

Acea SpA also obtained, for the second consecutive year, **gender parity certification** (UNI/PdR 125:2022) with a score of **95/100**, an improvement with respect to the 2022 score (89.25/100).

With reference to corporate welfare, Acea adopted measures to support parents, which were strengthened thanks to the already cited Charter of the Person and Participation, including **extending parental leave** for family reasons for working mothers and fathers, **extending paternity leave** recognising an additional two paid leave days, with respect to that established in the regulations; **hourly leave for the initial days** when children begin **nursery, pre-school and on the first day of elementary school**; **an increase in the indemnity paid for parental leave** and the number of days allowed for child illness.

Additionally **the number of remote work days envisaged for workers with children under the age of 14 or with fragile dependants has been increased**, based the current provisions under the law.

Finally, in the company car park certain spaces have been reserved for people with disabilities or expectant mothers, which can be reserved using the company app, in the section "priority".

Acea actively promotes corporate well-being, starting with the **needs of its staff**, which are identified over time through surveys. The **Group's Welfare Plan** was enhanced in 2023, identifying six fundamental pillars relating to **health, work-life balance, emotional and physical well-being, supplementary pensions, income support measures and family, with special attention paid to social solidarity**. The income support measures include the option to **convert the performance bonus into welfare services** (flexible benefits) through the **My Welfare platform**, enriched with **personal and family services** (family services, travel, transport, health and health insurance, supplementary pensions, sport and leisure, etc.), as well as the implementation of the category of fringe benefits, according to the provisions of current legislation. Additionally, employees can use the **exclusive Corporate Benefit platform**, which contains a wide range of products offered at a discount and a mobility agreement to support better work/life balance.

Acea has **reused part of the tax relief**, enjoyed thanks to the Welfare Plan, **for the benefit of all employees** through the payment of an **additional amount** for those who allocate their performance bonus to supplementary pension schemes, **complementary social security** and by offering preventive health services and campaigns **promoting primary and secondary prevention and healthy lifestyles** as well as making an economic contribution the **provision of services for the emotional and physical well-being of employees and their families**.

To promote Welfare Plan initiatives, in 2023 **communication campaigns**, were carried out, including the **newsletter** and **short informational videos**, as well as **four digital communities** and a **course for employees hired in the last two years** to improve organisational well-being, with 80% of new hires participating.

During the year, the social solidarity initiative known as **Taxi Solidale** continued, carried out in collaboration with **ACLI of Roma**, offering **concrete support to the neediest families**. The project involved the **donations of 10,265 parcels** containing food and medicine by employees, and **former employees contributed by driving** a van, loaned free of charge by Acea, to deliver the solidarity parcels in the municipality of Rome.

During the year, Acea:

- activated, in the context of the Prevent with Acea campaign, the **Safe Children** course, aimed at employees and dedicated to **paediatric prevention** in emergencies and organised, in collaboration with Susan G. Komen Italy, **four days dedicated to cancer prevention** for employees, during which **520 breast, dermatological and endocrinological screenings were carried out free of charge**;
- on International Day for the Elimination of Violence against Women, promoted the **Sostegno Donna [Support for Women] channel of assistance** to those who need to talk to selected professionals, also offering the possibility of undertaking specific counselling, psychological, psychotherapeutic, pedagogical and parenting support courses;
- developed **Mi prendo cura di te** [I take care of you], a caregiver service, totally free of charge, aimed at providing personalised advice from professionals able to support people in the management of educational and/or social care needs (support services for the elderly and people with disabilities, for children, specialised services with the availability of psychologists, nurses, physiotherapists, etc.);
- strengthened the **wellness programme in collaboration with Fitprime**, to promote physical, mental and nutritional health and encourage the adoption of healthy lifestyles, getting exercise, participating in **outdoor and indoor well-being events** with the possibility of personalising one's meal plan with the help of a nutritionist;
- participated in the **XVI edition of the Energy Tournament, "Safe Cup"**, an event which unites the main companies, associations and institutions in the energy/environment sector.

With reference to **actions to support parents**, to support better work/life balance, Acea:

- launched **informational communication campaigns** on the **summer camp** held for children between 6 and 14, to promote the value of sport among young people, and the **company crèche** (see the paragraph *Community life at Acea*);

- strengthened the **permanent advice channel** aimed at working mothers and fathers, through which the company interacts with them and collects information about their needs with a view to reducing the gender gap;
- activated, for employees and their family members, **agreements with digital universities located in Italy** ("Unitelma Sapienza", Università degli studi "Guglielmo Marconi" and Libera Università Maria SS. Assunta - LUMSA) with discounts for three-year degree courses and 1st and 2nd level master's degrees.
- Introduced a **digital platform dedicated to home-based parent support for the entire family**, which offers a single hub for assistance services at competitive rates.

Finally, with the aim of promoting female *empowerment*, supporting mothers returning to work and achieving work/life balance, Acea, through its **"Mamma with Acea in your first 1,000 days"** project, was granted funding through the **public call for tender "Riparto"**, issued by the Department for Family Policy - Prime Minister's Office, ranked 6th out of 122 companies.

Acea has **employees belonging to protected categories** (disabled people, orphans, etc.) who, in compliance with the law¹⁴⁶, are guaranteed support services, assistance and technical support tools to facilitate the performance of the tasks entrusted to them. In 2023, **200 employees** (118 men and 82 women) belonged to protected categories.

In the year under review, there were no cases of discrimination against Group employees.

COMMUNITY LIFE AT ACEA

Some structures perform work of a social nature, directly involving employees: the Company Recreational Club (CRC), the Gold Medal Association and the Association of Christian Italian Workers (ACIW). **4,745 members** were enrolled in the Company Recreational Club in 2023.

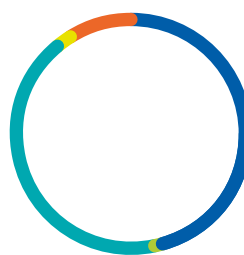
The CRC was responsible for **managing the company's crèche**, open to children of employees and children of residents of Municipality I, and accommodating **35 children in the first half of 2023 and 28 in the second half**.

The Club **offers cultural, sport, tourism, economic, commercial initiatives and personal services**, and its aim is to enhance the free time of its members, without losing sight of aspects of social interest. An important solidarity tool among employees is the **Emergency Fund**: an initiative **in support of the relatives of deceased**, in-service or retired employees. All employees can join by signing a form, which they must send to the Human Resources Function or to the CRC, in which they authorise the deduction from the payroll of a small contribution that is allocated to the Fund. These internal solidarity tools, available to company staff, also take effect in special circumstances, to support individual employees suffering difficulties.

The Company Recreational Club enters into **agreements** for employees and their families with institutions that offer health services, dental services, legal advice, etc. and active commercial agreements, sports ticket sales, theatre and music events, which can be viewed on a dedicated portal with constantly updated contents and accessible on the Intranet (www.cra-acea.it). It is also responsible for informing employees, by sending newsletters.

The Association of Christian Italian Workers (ACLI) at Acea **promotes social initiatives, solidarity and support**. Examples of that support are the presence of the Chaplain from whom employees can seek guidance, and the organisation of meetings for families, also with the intention of creating a **support network** for employees. The association is also involved in **providing services** such as **mortgage and loan advice, school assistance** for children of employees attending lower and upper-secondary schools, and various other initiatives benefiting employees, such as the organisation of language courses and cultural and sports activities. Again in 2023, the ACLI supported **social initiatives in the local area** (Food Bank, Caritas, etc.).

Chart no. 47 – Members that have used CRC services (2023)



221 members utilized tourism services
1,145 members interested in insurance instalments
26 members interested in purchase instalments
1,060 members utilized the so-called "dono della Befana" bonus benefits
52 members utilized scholarships

SHAREHOLDERS AND INVESTORS

Acea is a listed company that **provides to the financial community**, through its **Investor Relations Department** and in partnership with the competent corporate structures, **a continuous, timely and useful flow of information for the correct assessment of the current and future situation of the Group**. The information is conveyed through current and potential **direct relationships** with analysts and investors, and through **specific communications** (price-sensitive press releases, company presentations) that are made available on the institutional website (www.gruppo.aceait), respecting the principles of **propriety, clarity and equal access**.

Additionally, working with the competent structures, the **Corporate Affairs Unit** is responsible for the management of information flows with the **Supervisory Authorities** (Consob and Borsa Italiana) and the corporate obligations required by law for listed companies.

ECONOMIC FLOW TO SHAREHOLDERS AND INVESTORS

For shareholders, at the Shareholders' Meeting, the Board of Directors proposed the distribution of a dividend of € 0.88 per share, around a 4% increase, for a total of € 187.4 million, which corresponds to a payout of 64% on net income, after allocations to third parties.

Acea saw a **14.1%** increase on the stock market in 2023 (in terms adjusted for dividends - Total Shareholder Return).

The closing price at 29 December 2023 (final trading day of the year) was € 13.83 per share, corresponding to a market capitalisation of € 2,945 million.

The maximum value of € 14.42 was reached on 7 February, while the minimum value of € 10.09 was reached on 28 September. During 2023, the **daily average volumes traded** were around 171,000 shares (compared to 130,000 in 2022).

Table no. 51 – Performance of stock exchange indexes and Acea shares (2023)

	change % 31.12.2023 (compared to 31.12/2022)
Acea	+14.1%
FTSE MIB	+34.3%
MIB ESG	+34.5%

Acea is listed on the following **sustainability indexes**:

- **MIB ESG**, which includes 40 companies, selected from the basket of the 60 companies with the highest liquidity on the Milan stock market, on the basis of the best sustainability performance, as assessed by VigeoEiris/Moody's ESG Solution as well as exclusion from controversial sectors (e.g. tobacco and arms) or disputes concerning lack of compliance with the principles of the United Nations Global Compact.
- **SE Mid Italian Index** which includes 20 mid-size companies listed on the Milan stock market, selected based on capitalisation and free float values and weighted in relation to the Corporate Standard Ethics ratings assigned to each company.
- **SE European Multi-Utilities Index** which includes 15 companies, selected from European companies operating in at least two public services business areas (waste management, water, energy), based on capitalisation and free float values and weighed in relation to the Corporate Standard Ethics ratings assigned to each company.

Financing stakeholders are allocated around **€ 176 million** (€ 111.7 million in 2022). The average overall all-in cost of the Acea Group's debt on 31/12/2023 was 2.08%.

Regarding the **composition of medium/long-term debt** consolidated as at 31/12/2023, approximately 84% of the total amount derived from transactions on the capital market (corporate bonds, of which 35% green). Regarding the banking sector, the Group mainly deals with entities whose mission is to **finance strategic infrastructure**, such as the European Investment Bank (EIB, around 9% of the consolidated debt) and the Cassa Depositi e Prestiti (CDP, around 2% of the consolidated debt). These Institutions ensure loans, to entities with creditworthiness such as Acea, with a maturity of more than 10 years, in line with the duration of the concessions (water and electricity) owned by Companies of the Group called to make the relevant investments.

Acea has prepared a **Green Financing Framework**, certified by a *Second Party Opinion*, to issue green bonds and sign green loans. The Framework was developed in compliance with the Green Bond Principles 2018, published by the International Capital Market Association (ICMA), and the Green Loan Principle 2020, published by the Loan Market Association (LMA), and governs the use of proceeds, the project selection and evaluation stage, management

of proceeds and reporting on projects financed using these instruments. Eligible investment categories under the Framework are: **Water resource management; energy efficiency; the circular economy, green energy.**

Currently, Acea has the following active **sustainable financial instruments**:

- A revolving **“Sustainability Rating Linked” credit line** of € 200 million with a duration of 3 years with **Cassa Depositi e Prestiti**, connected to two sustainability rating targets. Pricing for the credit line is linked to the level Acea is assigned in the ratings of **Standard Ethics** and the ETicaNews **Integrated Governance Index** and relative trends.
- Two **Green bonds** with the first issued in 2021 for € 900 million, fully placed and the second issued in 2023 for € 700 million. Information on green bonds, in terms of both investments and outputs associated with projects financed, is provided in the **Green Bond Allocation & Impact Reports**, found on the Acea website.

AGENCY RATINGS

Table no. 52 – 2023 rating

Agency	Long-term rating	Outlook
Moody's	Baa2	Stable
Fitch	BBB+	Negative

Moody's changed the outlook from negative to stable. Furthermore, the ratings agency confirmed the long-term issuer rating and the senior unsecured rating at the level “Baa2”, the Baseline Credit Assessment at the level “Baa2”, and also the “(P)Baa2” level assigned to the EMTN programme. The improvement in the outlook is in line with the trend seen for Italian sovereign debt and reflects the Company's “solid financial profile”.

Fitch confirmed the “BBB+” rating and changed the outlook from stable to negative, reflecting expectations about increased leverage relative to 2022, due to absorption of cash due to working capital trends and the acceleration of investment by the Group. The confirmation of the BBB+ rating reflects Acea's strategic focus on regulated activities, together with the solidity of operating management.

FINANCIAL DISCLOSURE

In compliance with the *Policy for the Management of Relations with Institutional Investors, Shareholders and Bondholders (Engagement Policy)*, Acea had around 450 interactions during the year with institutional investors, analysts and bondholders, through participation in events also held digitally: “one-on-one” meetings and wider presentations, investor conferences, roadshows. Furthermore, conference calls and webcasts were held during the approval of the annual and interim results and numerous contact was made with analysts/investors including through email exchanges.

In 2023 **around 130 studies/notes on the ACEA stock** were published. Six **business banks** analyse Acea shares with a high level of continuity: five brokers gave the Acea share a “neutral” rating and one a “good” rating at 31 December 2023.

ESG ANALYSTS EVALUATE ACEA

The interest in Acea from “sustainable” investors continued. Based on an analysis carried out in November 2023, ESG investors **represent 6.1% of Acea's share capital** (6.4% in the previous year) **and about 45% of the total number of its institutional investors** (compared to 51% the previous year). They consist mostly of European funds, followed by investors from North America.

Acea's position in assessments by analysts, ratings and ESG benchmarks is shown below.



Acea was classified by **CDP (formerly the Carbon Disclosure Project)** in the Leadership category with a **A-level**, an improvement with respect to the score the previous year. In particular the commitment to establishing target climates which were subsequently validated by SBTi was particularly commended. CDP is the international organisation of reference, supported by over **750 international investors**, with over **130 thousand billion in assets under management**, which promotes attention on the global management of the risks and impacts of climate change, inviting companies to provide structured and precise information on the subject. Each year the CDP publishes a ranking of its assessments for each organisation. Over **23,000 companies, of which 5,600 European**, participate in CDP research, including the topics of water security and deforestation.



Acea saw its **sustainability solicited rating** raised by the independent agency **Standard Ethics (SE)**, with a rating of **EE+** (investment grade, F/EEE scale), as well as its positive outlook and long-term expected rating. In particular, the analyst commended the process of **alignment with international recommendations** (UN Guidelines, EU Taxonomy, etc.) and **integration in industrial activities**, plans for significant investments in various areas seen as central to the **transition to a sustainable economy**, appropriate implementation of **ESG objectives** and alignment of sustainability reporting with best practices in the sector.



In the rating assigned by the French ESG agency **GAIA Rating (EthiFinance Group)**, Acea received a score of **64/100**, substantially in line with the previous year (62/100). The agency assesses companies in 4 areas of analysis: governance, social, environment, and stakeholder relations. In particular, in 2023 Acea achieved the following scores: *Governance* 76/100, *Social* 73/100, *Environment* 90/100, *External Stakeholder* 80/100. When compared with the other 50 utility companies evaluated, Acea was in line with the benchmark.

For the fourth consecutive year, in 2023 Acea was found on the **Bloomberg Gender Equality Index**; the analyst has not yet published evaluations for the year while the most recent figure available, from 2022, gave Acea a **score of 81.58**. This index is intended to

support **gender parity**, both in disclosures and in company practices (for more information see the paragraph *Diversity, inclusion and welfare* in the chapter *Staff*).

During the year Acea also received ESG ratings from other major

players: **Sustainalytics**, assigned the Company a Low risk level, with a score of 19.7, a small improvement over the Medium risk level and 20.1 score in 2022, demonstrating the efforts made by management; **MSCI ESG Rating** confirmed its “A” rating (scale from AAA (leader)-CCC).

INSTITUTIONS AND THE COMPANY



Acea signed a **National Framework Protocol** to support legality with the Ministry of the Interior



Acea received the **iF DESIGN AWARD 2023** for the Waidy® Management System



Acea participated in the **ROAD** (Rome Advanced District) project to develop solutions for the **ecological transition and sustainable development**



Signed agreements with companies and their representatives to protect and reuse water, with a view to the circular economy, in the **agri-industrial sector**

Acea interacts with institutional actors and stakeholders of reference according to a participatory logic in order to generate shared value for the benefit of all stakeholders, primarily the community and the regions it operates in.

RELATIONS WITH INSTITUTIONS

Relations with the institutions are focused on the economic dimension (taxes and fees) and the social dimension (relations with local institutions, sector authorities, consumer associations and other civil representatives etc.), in line with current legislation and the Group's Code of Ethics.

The economic value distributed in the year to **public authorities** in the form of taxes was **€ 147.8 million** (approximately € 186.8 million in 2022). The tax rate for the year is equal to 31.1% (it was 37.5% in 2022).

The **Tax Unit** in the Parent Company's Administration, Finance and Control Department, develops **tax policy** at Group level, monitors legislative changes, ensures periodic compliance and provides assistance and advice to the Acea SpA structures and the Group companies for the application of tax regulations. The Unit also prepares,

where appropriate, specific information on the subject for the Control and Risk Committee. While a specific internal tax policy has not been adopted, Acea is committed to improvement tax risk management, implementing a system to identify, analyse and measure risks, and organisational safeguards, followed by the assignment of a “target” risk level.

Acea interacts with the relevant Authorities in a cooperative and transparent manner and, in compliance with the relevant legislation, Acea produces a Country by Country Report¹⁴⁷, which lists the information on taxes paid in each jurisdiction in which the Company operates. **According to the latest Country By Country Report** filed by Acea in 2023 with the Italian Revenue Agency **covering 2022 data, 97% of the total amount** is paid in Italy¹⁴⁸ while the remaining 3% is paid in the Dominican Republic, Honduras and Peru, where the Company operates in the water sector to improve the service, with reference to certain technical and management aspects (see the chapter *Water Company data sheets and overseas activities*). Overseas activities refer to locally managed businesses **and are not connected to delocalisations carried out to draw fiscal benefits from favourable jurisdictions**. In fact, Acea has not defined a tax strategy and does not intend to establish any aggressive tax planning to gain a competitively advantageous position.

¹⁴⁷ The obligation arises for the Parent Company due to its control of Acea International, the vehicle company through which shares in the overseas companies are held. The data produced in the Country by Country Report are merged into the audited *Consolidated Financial Statements*.

¹⁴⁸ The low amount of revenue, and consequently the taxes paid, in relation to the Group's activities in foreign countries has led to the overseas companies being reported as non-material from an economic/financial point of view; in addition, the potential evolution of the sector and other strategic and representative criteria regarding the Group's development and main impacts, have resulted in them not being included within the scope of the *Consolidated Non-Financial Statement*. The main data and information referring to these companies are however included in the *Sustainability Report* (see the chapter *Water Company data sheets and overseas activities*). Although the issue of GRI 207 – Tax was not included among the material issues identified with the involvement of stakeholders and therefore does not appear in the *GRI Content Index*, it is nevertheless mentioned here as testament to transparency and good accounting practice.

Acea regularly pays contributions and registration fees owed to public and private bodies, such as chambers of commerce, independent administrative authorities, industry associations and representative bodies. In 2023, the total amount of this item was approximately € 3.80 million (€ 3.25 million in 2022).

Partnerships with **public institutions** are aimed at carrying out **initiatives with positive effects in the local region and the public's quality of life** (see the chapters *Customers and the community*, *Personnel* and *Relations with the environment*).

The Group's **Code of Ethics** dedicates a section to **Relations with institutions, public administration, political parties, trade unions and associations**, establishing that: "Acea actively and fully cooperates with independent Authorities, establishes relationships with the Public Administration in compliance with the reference regulatory provisions, as well as with the internal procedures, so as not to compromise its reputation and integrity, always operating with **fairness, equity, transparency and traceability**, avoiding **collusive and corruptive** attitudes and actions of improper influence. Acea does **not contribute in any way to the financing of parties and trade unions or other organisations related to them**, or of their representatives and candidates. Acea does not make contributions to organisations with which a conflict of interest may arise, such as trade unions, environmental or consumer protection associations"¹⁴⁹. Consistent with the standards outlined in its *Code of Ethics*, Acea did not contribute in any way to the financing of parties or other political organisations, trade unions, including with legal form as an association or foundation instrumental to them, nor to their representatives and

candidates.

Additionally, in consideration of the important role it plays in the completion of major infrastructure works, in 2023 Acea signed a **National Framework Protocol to support legality** with the Ministry of the Interior, to strengthen cooperation on public safety and legality aspects, benefiting the social/economic fabric (see also *Corporate Identity, Strategy and sustainability chapter*).

The supervision of relations with institutional entities is defined by **an organisational model** that attributes **competences and responsibilities** to the corporate structures of reference. In particular, the **Public Affairs & Business Development Department** protects corporate interests and represents the Group's positions in dialogue with Industry associations, Research centres, Standard-setting bodies and local, national and international public and private institutions and bodies. The **General Council Function** supports the Group Companies for **legal aspects** related to the activities, and handles communications with the Supervisory Authorities (Borsa [Italian stock exchange] and Consob [National Commission for Companies and the Stock Exchange]) and the **Regulatory Function**, in coordination with the relevant divisions established within the Group Companies, handles relations with the **regulatory bodies** in the relevant sectors, also to minimize exposure to regulatory risk. The **Group's operating companies**, jointly with the Parent Company, manage the **"technical and specialist"** aspects of the managed services – water and electricity supply, public lighting and the environmental sector – **including through interaction** with administrative, regulatory and control bodies.

INTERVENTIONS BY SECTOR AUTHORITIES WITH RESPECT TO ACEA: REVIEWS, BONUSES AND PENALTIES

Regulatory Authority For Energy, Networks and Environment (ARERA)

In the regulated sectors, the Regulatory Authority for Energy, Networks and Environment (ARERA) has established bonus and penalty mechanisms to encourage the improvement of the performance of service operators.

In the distribution of electricity, the regulatory experiment on service continuity for LV users, approved by the Authority, envisages a final balance at the end of the first four-year period 2020-2023, therefore **Areti** paid no penalty in 2023.

However, during the year Areti **paid around € 29,000** to the **Cassa per i Servizi Energetici e Ambientali (CSEA)** for exceeding the standards set for MV users and **around € 828,000** to MV and LV end customers for prolonged and extended outages. At the end of 2023, the Company received **around € 5.6 million as a bonus** for **interventions aimed at increasing the resilience of the distribution service** in relation to 2022.

In the water sector, with resolution 477/2023/R/Idr, ARERA applied the incentive mechanism (bonus/penalty) **Regulation of the Technical Quality of the Integrated Water Service (RQTI)** for the two year period 2020-2021. Following verification of the standards, the regulator assigned the following bonuses/penalties: Acea Ato 2, bonuses for around € 24.7 million; Acea Ato 5, penalties for around € 600,000; Gori, bonuses for around € 3.3 million; AdF, bonuses for around € 3 million and penalties for around € 15,000; Gesesa, penalties for around € 5,000. Relative to operating companies in the water sector within the scope of reporting, the Group

overall obtained, for technical quality, bonuses of around € 31 million against penalties of around € 620,000.

Additionally, with resolution 476/2023/R/Idr, for the first time ARERA applied the **incentive mechanism to the Regulation of the Contractual Quality** of the Integrated Water Service (RQSII) for the two year period 2020-2021. Overall, the water companies within the scope were not awarded any bonuses, while the following penalties were applied: Acea Ato 5, around € 803,000; Gori, around € 3.5 million; Gesesa, around € 1.3 million. Finally, the companies accrued **automatic indemnities** to pay to customers in relation to contractual quality standards: Acea Ato 2, around € 220,000; Acea Ato 5, around € 5,000; AdF, around € 7,400; Gori, around € 106,000; Gesesa, around € 18,000.

Antitrust Authority (AGCM)

On 13 December 2022, the Authority informed **Acea Energia** of the start of an investigation proceeding, adopting at the same time, a precautionary proceeding against the company, through which it disputed a possible violation of art. 3 of the **Aiuti-bis Decree**. The company appealed against the legitimacy of the precautionary proceeding before the Lazio Regional Administrative Court. On 30 December 2022, the AGCM, following the order adopted by the **Council of State** on 22 December 2022 in relation to another market operator, and taking into account the changes made to art. 3 of the Aiuti-bis Decree by the so-called "Milleproroghe" [Thousand Extensions] Decree, revised the precautionary proceeding previously adopted in relation to Acea Energia, suspending only the effectiveness of unilateral change and/or renewal/update/variation

¹⁴⁹ See the Code of Ethics, available on the website, page 20.

communications of the economic conditions of tender for service contracts with no clear, effective and predetermined or predetermined expiry. In consideration of the proceeding, Acea Energia proposed additional justifications for the appeal as part of the case already pending with the Lazio Regional Administrative Court, with the aim of obtaining its annulment. With judgement 8398 of 17 May 2023, the **Lazio Regional Administrative Court granted the appeal and additional arguments made by Acea Energia, annulling the precautionary proceedings** which had been adopted. On 4 September 2023, AGCM gave notification of its appeal against the annulment, to change the stated judgement.

On 4 October 2023, the Company gave notification of its cross appeal to change the stated judgement. At the same time as the cases before the Lazio Regional Administrative Court, AGCM moved forward with the sanction procedure which ended with a provision of 15 November 2023, through which the Authority applied a monetary administrative sanction of € 560,000 to the Company. Acea Energia has taken action to appeal this sanction.

Judicial Authorities

With reference to **Demap Srl**, following a fire that occurred in December 2021, an order was issued to seize the burnt waste and the related warehouse owned by it. The criminal proceeding against persons unknown in relation to the offences set out by art. 256, Legislative Decree no. 152/2006 (unauthorised waste management activities) and art. 449 of the Penal Code (negligent crime) has been **withdrawn**, with a provision on 20 March 2023.

With reference to **AdF SpA**, in January 2023 the Judge for Preliminary Investigations ordered a preventive seizure of the urban waste water treatment system, known as IDL S. Giovanni - in Loc. Pianetto in the Municipality of Grosseto, in particular the areas intended to handle extra sludge flows. The Company has complied with the instructions given by the Judicial and Administrative Authorities, ceasing hydrolysis treatment of the treatment system and simultaneously restoring the aerobic treatment previously utilised. Investigations are still ongoing.

EMERGENCY MANAGEMENT PLANS

In synergy with public institutions, private parties and research bodies, Acea deals with **initiatives and projects of an environmental and social nature aimed at protecting common assets**. Acea is active in the **prevention and management of critical events**, and in the **event of an emergency** it provides support to the **authorities responsible for public health, civil protection and public safety**.

In particular, the Group companies ensure the **highest levels of safety and continuity in the provision of managed services**, in collaboration with public institutions. To this end, they have established organisational structures, **procedures and tools** that, in critical events (unavailability of central systems, breakdowns, adverse weather conditions, peak demand and network stress, etc.), are able to **restore operating conditions of networks, plants and systems in a timely manner** (see also the chapter on *Protection of assets and management of internal risks* in the section on *The company as a stakeholder*).

Each operating company has **plans for managing emergencies and intervention procedures** and, through the **control centres, constantly monitors the status of networks and equipment** – water and sewage, electricity and public lighting – in partnership with the **Municipal and National Civil Protection and local authorities**.

Whenever an event affects the managed services (damage to plants and/or networks, water/energy crisis, etc.), the companies of the Group notify the competent bodies to facilitate the coordination of interventions.

Acea SpA has a **procedure for the management of health and environmental emergencies** having an impact on the population, for which it **defines a risk level** (low, medium and high) and consequently organises intervention teams.

The **emergency management plan** of **Areti**, which manages the distribution of electricity, **deals with widespread breakdowns and unavailability of the grid**. It defines the different **states of activation** (ordinary, alert, alarm and emergency), according to the operational and environmental conditions, the procedures for the activation (and subsequent reset) of the same states, the **units involved** and the respective roles, and the **resource materials** necessary for maintaining or restoring equipment. It also provides for the appointment of a **Head of Emergency Management** and an employee dedicated to the **management of safety**, in specific cases. The **detailed Operating Plans** indicate methods for quickly managing the types of

disruption (such as flooding, fires, disruptions to the remote-control network, etc.) and procedures to be followed, for example, **for restarting the electrical system in the event of a blackout** of the National Transmission Grid (NTG) or **re-establishing power for strategic users** (such as parliament, the government, the State of Vatican City, etc.), **the materials, equipment and resources to be involved** depending on the case. The master plan and detailed operating plans are **updated on a yearly basis** and periodically improved on the basis of analyses of real cases. The effectiveness of procedures and the functionality of equipment are tested by means of drills. In addition, with a view to improving processes, the Company created a platform for the real-time **acquisition and monitoring of weather events**, in order to prevent potential risks from changes to the operating conditions of the electric grid.

Plans for the management of emergencies of the **water companies** define conditions that compromise the **continuity and quality of the integrated water service**, **classify the emergency levels**, describe the **preventive and remedial measures** for the types of unforeseen events (damage to the networks, pollution, water crisis and emergencies related to the sewerage and treatment service) and provide for the division of tasks among the areas involved (technical area and communications). These are shared with local institutions (such as Governmental Territorial Offices, Local Health Authorities, Area Management Agencies). In particular, the **Acea Ato 2 Plan** is updated in line with the Water Safety Plan guidelines and takes **25 critical scenarios** into consideration, specifying the consequences, manoeuvres to be carried out on infrastructure, and the mitigation actions required for each of them. The **Emergency Standing Committee** is also operational, which meets periodically, proposes training activities, and establishes interventions in serious emergencies.

AdF collaborated with the **Tuscan Water Authority** on the updating of the **Emergency Operating Plan for the drinking water crisis (EOP)**, aimed at monitoring and preventing water emergencies through the periodic reporting of critical issues found within the region, and providing support for operational decisions when an emergency arises. In the context of the critical issues outlines in the Plan, **AdF** has in place a **Water Crisis Emergency Management Operating Procedure** which establishes the sequence of activities to be carried out, the entities involved, measures to be taken, documents/databases to be consulted/updated/produced, and correspondence to be sent, for every expected level of severity.

For an organised and prompt approach to the emergencies that could occur on backbone pipelines and plants, **AdF** has prepared specific **Disaster Recovery** operating manuals, which act as guidelines in the event of damage and contain precise instructions on the manoeuvres to be carried out. For breakdowns on the main backbones that serve the majority of the region, the manuals indicate the time frames, the instrument references, offsetting measures to reduce the disruption and the operations for reopening the flow, also allowing non-expert staff to manage the emergency.

The **companies of the Group that manage waste treatment plants** ensure the execution of a detailed **routine maintenance plan to reduce plant downtime caused by faults or unexpected events** and minimize unplanned non-routine maintenance work. Each site is also equipped with **Emergency Plans** that take into account the **scenarios identified for endogenous and exogenous emergencies**. These Plans examine aspects related to the **safety of workers**, ensuring their safety with specific behavioural and evacuation procedures, checked on a yearly basis, and aspects related to the **protection of the environment**, identifying the interventions aimed at limiting contamination of environmental media (air, water and soil). Permits by virtue of which the plants are managed also include communication requirements and methods for **non-routine or emergency events to the competent bodies**, in order to guarantee the **maximum dissemination of information** and, where appropriate, the coordination of the intervention.

Finally, it should be noted that again in 2023 training courses were provided to employees of Group companies, dedicated to emergency management (see the paragraph, Protection of Occupational Health and Safety).

PROJECTS FOR THE INNOVATIVE AND SUSTAINABLE DEVELOPMENT OF THE AREA

In the **water segment**, **Acea** has adopted the **Smart Water Company model** which is characterised by responsible and sustainable management of water resources, thanks to the increasing **digitalisation of the network**.

During the year, some water companies, in agreement with local administrators, started or continued a programme of **installation of Water Kiosks** in the areas managed (see the chapter *Customers*,

paragraph *Quality Delivered in the Water Segment*).

In 2023, with the aim of **strengthening links with the community** and raising citizen awareness of environmental issues, **AdF** worked to develop the **Water Museum**, a space dedicated to **water resources**, inaugurated at the end of 2022 in the Municipality of Castiglione d'Orcia, welcoming the citizens and students who visited during the year. Finally, with the aim of promoting the energy transition in the local area, **AdF** continued the process begun in the previous two years, dedicated to the concept of **Renewable Energy Communities (CER)**, implementing activities to develop one in the Municipality of Magliano in Toscana (prov. GR).

In 2023, **Gori**, in cooperation with the Campania Region and the Campania Water Authority, continued to implement the **Energy for the Sarno plan, intended to remove pollution from the river**, and continued the **Actions for Water programme, to restore the water network** and began the **Green Rebirth project**, which aims to strengthen the treatment service in terms of the circular economy by transforming treatment plants to "green factories", able to recovery energy and sludge and reuse purified waste water for irrigation and industrial purposes.

The Acea Group collaborates with ENEA, the Istituto Superiore di Sanità (ISS), the CNR and other organisations of scientific importance, with the objective of developing **innovative solutions to industrial processes**, in particular on the sustainable management of the **waste cycle** and the **water resource** and on the **recovery of materials** of value from residues of the combustion of waste.

Lastly, consistent with the protocol signed in 2022, **Acea Ambiente** signed continued its cooperation with the Metropolitan City of Turin to verify the feasibility of **reusing recycled polymers to create road surfaces**, in line with the principles of circular economy and environmental sustainability.

In order to promote the innovative and sustainable development of the sectors of reference, the Group activates **collaborations and partnerships with complementary companies** or organisations operating in **sectors similar to the businesses it manages** and with **innovative players**.

In 2023, with certain businesses and their representatives, Acea signed agreements to protect and reuse water resources (see the two boxes).

COOPERATION WITH ORGANISATIONS AND COMPANIES TO PROTECT AND REUSE WATER RESOURCES

To develop synergies to **protect and reuse water in the agri-industrial sector**, in December 2023 a Memorandum of Understanding (MoU) was signed between **Acea**, **Coldiretti**, the **National association of consortia managing and protecting local areas and irrigation water (ANBI)** and **BF SpA**, a company that works in various segments of the Italian agri-industrial supply chain. The Memorandum, which is valid for two years and will be carried out through an action plan and working groups for specific projects, calls for the exchange of infor-

mation and research on possible collaborations in various areas, including **procurement security**, **optimising agricultural water use**, with a view to *digital and precision farming*, and development of the **circular economy**, in particular through research projects and new technologies, including artificial intelligence. Joint initiatives will also be considered, to promote **circular economy** models, for example to recover resources and utilise them for **organic and mineral fertiliser** or to use agricultural by-products in biogas production plants.

ACEA AND ACQUEDOTTO PUGLIESE PROTECTING WATER AND INNOVATION

Acea and Acquedotto Pugliese (AQP), the two main Italian operators in the integrated water service sector, signed a Memorandum of Understanding to develop collaborative projects on the theme of **protecting water resources and technological innovation**. Over the next two years the Memorandum calls for, beyond the exchanging of information, a search for possible cooperative

joint projects in Italy and abroad, particularly with reference to the security of supplies and protection of water resources, the development of technology to maximise operating efficiency and a shared contribution to the development of legal and regulatory norms, to make the system better able to handle the challenges of climate change.

In 2023, **Acea continued to participate** in the **Emerging Technology House (CTE) of Rome** project, promoted by the Department of Economic Development, Tourism and Employment, to develop the *smart city* of the future, launching a **call for tender to select start-ups with innovative project solutions, relative to emerging technologies or 5G networks** in the following sectors: mobility, tourism services, commerce, training, work, environment and waste management, urban transformation and regeneration, social innovation, equal opportunity and well-being, cultural activities, urban security and cybersecurity.

AdF, additionally, became part of the consortia of companies involved in the **European LIFE TURBINES** project, focussed on **generating electricity with aqueducts**, making its own water network system in the Municipality of Scansano (prov. GR) available as the fourth case study and participating in the **pilot project “Energy evaluation of IWS management”**, implemented by ANEA and GSE, to support sustainability in the development of water infrastructure, taking advantage of existing production systems through energy efficiency projects and the integration of renewable sources. **Areti** launched the **TwinEU Project** with Enel, Terna and RSE to create a “digital twin” of the electricity network.

In 2023, Acea was **recognised for its Waidy® Management System (WMS)**, a technological platform developed in cooperation with NTT DATA Italia, which supports management of water resources throughout the life cycle, **winning the iF DESIGN AWARD 2023, in the Service Design category**.

The virtuous relationship with the local region is also expressed through the **collaboration between Group companies, world of education and research** (see *Customers*, section on *Communication, events and solidarity*, and *Personnel*, section on *Development of human resources and communication*).

In 2023, **Acea Ato 2** partnered with **RCS Academy Business School** for its post-graduate master in *Sustainability and Green Management*, involving students in the development of the project **“Water management, a strategic resource for our future: projections of water use during socio/economic events of significant impact”**. As in previous years, it carried out the **DifendiAMO Water educational project**, aimed at primary and middle schools in the municipalities of Santa Marinella, Subiaco and Rignano Flaminio, with more than 500 children involved. Finally, in November Acea Ato 2 worked with the Metropolitan City of Rome on the training project for teachers from schools participating in the **Green School programme**.

Acea Ato 5 renewed its agreement with **Università degli Studi di Cassino e del Lazio Meridionale** to create cooperative synergies to develop the local area, utilising educational internships and research and study cooperative projects and launching the research doctorate “Public Administration and companies for local innovation and development” with a 3-year duration.

Acea Infrastructure worked with the Department of Civil and Environmental Engineering at Università La Sapienza in Rome on the project, **“How are our rivers? Monitoring water quality in an urban environment”**, aimed at high school students with the aim of defining the qualitative characteristics of the Tiber River, through participatory monitoring campaigns and educational meetings.

AdF moved forward with the activities outlined in the agreement signed with the **Department of Physical, Earth and Environmental Sciences at the Università di Siena**, in the context of the *“Smart Artificial Cells For Remediation Of Environmental Pollutants”* project, to develop innovative technology to **construct small artificial cells with enzymes able to degrade pollutants in a selective and efficient manner** (including emergent pollutants) found in water systems. Additionally, the Company signed a research contract with **LifeCARES Srl, a spin-off of the Department of Biotechnology, Chemistry and Pharmacy at the Università di Siena**, for a **study to determine the feasibility**, in technical/economic terms, as well as the energy/environmental performance, **of recovering algae from the Laguna of Orbetello for energy purposes**. Finally, in the context of **educational projects**, AdF worked with **high school students** studying environmental biotechnology who visited the treatment plant in Siena and the analysis laboratory.

Gesesa again in 2023 continued its **Plastic Free project, aimed at local high schools**, donating water bottles and water dispensers, to reduce plastic use and organising a technical visit for students from Università del Sannio to the treatment plants in the Municipality of Benevento.

Gori, in 2023, developed an **agreement** with the **Department of Earth and Environmental Sciences and Resources at Università Federico II in Naples**, for the quantitative assessment of subterranean water in certain aquifers, to **develop a water availability forecast model**, with scientific support from the Department of Civil, Architectural and Environmental Engineering of **Università Federico II in Naples** and the Department of Civil and Mechanical Engineering of **Università degli Studi di Cassino e del Lazio Meridionale** to **carry out the Water Actions programme**. Finally, the **Gori Educational project** continued, also available to high schools, with organisation of guided tours to some of the treatment plants managed.

Areti began in 2023 the **HEDGE IoT project**, in cooperation with **Università Roma Tre and the Municipality of Rome**, to explore the technological infrastructure of **Energy Communities for interaction with the electricity network** with a view to flexibility, while further investigating the topic of combating energy poverty.

Orvieto Ambiente continued its collaboration with the Agricultural Department of **Università della Tuscia**, initially begun in 2021, to **utilise quality compost in agriculture** and activated, with **Università del Sacro Cuore of Milan**, a partnership for **biomonitoring air quality through bees**.

COMPARISON WITH THE REFERENCE CONTEXT

In addition to the collaborations with universities and the aforementioned partnerships, Acea participates in **research centres, standard-setting bodies and industry associations**, playing strategic

roles, participating in projects of interest and contributing to studies related to the businesses in which it operates.

THE MAIN 2023 MEMBERSHIPS OF RESEARCH CENTRES, STANDARD-SETTING BODIES AND INDUSTRY ASSOCIATIONS

During the course of the year the Group renewed and activated numerous memberships of organisations of interest, including:

- AGICI – Finanza d'Impresa;
- ALTHESYS
- AICAS Associazione Italiana Consiglieri, Amministratori e Sindaci;
- AIDI Associazione Italiana Illuminazione;
- Analysis;
- Andaf;
- ANFOV;
- ASCAI;
- Aspen Institute Italia;
- Assochange;
- Associazione Amici della Luiss Guido Carli;
- Associazione Civita;
- Associazione Geotecnica Italiana;
- Associazione Idrotecnica Italiana (Italian Hydro-technical Association – AII);
- Associazione Infrastrutture Sostenibili (Association of Sustainable Infrastructure – AIS);
- Associazione Italiana Internal Auditors;
- Associazione Italiana Esperti Infrastrutture Critiche (Italian Critical Infrastructure Experts Association – AIIC);
- Associazione Elettrotecnica ed Elettronica Italiana (Italian Electro-technical and Electronic Association – AEI);
- Associazione nazionale fornitori di elettronica (National Electronics Suppliers Association – Assodel);
- Assogas;
- Assonime;
- ASTRID;
- CEDEC Bruxelles (European Federation of Local Energy Companies);
- CEEP Bruxelles (European Centre of Employers and Enterprises providing Public services);
- Centro Studi Americani (Centre for American Studies);
- CDP Worldwide;
- CISAMBIENTE;
- CISPEL Confservizi Toscana;
- CLUB Ambrosetti;
- Comitato Elettrotecnico Italiano (Italian Electro-Technical Committee – CEI);
- Confindustria Chieti-Pescara;
- Confindustria Umbria;
- Conseil de cooperation economique;
- CONSEL Consorzio Elis per le Formazioni;
- Distretto Tecnologico Nazionale sull'Energia (Di.T.NE.);
- EDSO Bruxelles (European Distribution System Operators' Association for Smart Grids);
- Elettricità Futura ("Future Electricity" formerly Assoelettrica-AssoRinnovabili);
- Energy and Strategy Group – Politecnico di Milano (Polytechnic of Milan) (ES-MIP);
- EU Bridge Harmonized Electricity Market Role Model;
- EURELECTRIC Bruxelles (Union of the Electricity Industry);
- FAI Fondo per l'Ambiente Italiano (Fund for the Italian Environment);
- FERPI;
- FIRE (Federazione Italiana per l'uso Razionale dell'Energia) (Italian Federation for the Rational Use of Energy);
- FISE Assoambiente;
- Fondazione Global Compact Network Italia (Global Compact Network Italy Foundation);
- Fondazione Roma Europa;
- Fondazione Utilitatis (Study and Research Centre for Water, Energy and the Environment);
- Gruppo Galgano;
- IATT (Italian Association for Trenchless Technology);
- ICESP Piattaforma Italiana Economia Circolare coordinata da ENEA;
- I-Com (Istituto per la Competitività – Institute for Competitiveness);
- IGI (Istituto Grandi Infrastrutture);
- InnovUp;
- ISES Italia (International Solar Energy Society – Italian Section);
- Laboratorio dei Servizi Pubblici Locali di REF-Ricerche (Local Public Services Laboratory of REF-Ricerche);
- Linux Foundation for Energy;
- Motus E;
- NORMAN NETWORK;
- Italian Phosphorus Platform coordinated by AENEA and MATTM;
- Proxigas;
- Servizi Professionali Integrati;
- Sustainability Makers;
- Task Force Demand Side Flexibility;
- Task Force TSO-DSO on Distributed Flexibility;
- Task Force TSO-DSO on Smart Grid Indicators;
- Technopole;
- UNI (Italian Standards Body);
- Unindustria Lazio;
- UPA Utenti Pubblicità Associati;
- Utilitalia (Federazione delle imprese ambientali, energetiche ed idriche) (Federation of Environmental, Energy and Water Companies);
- UNICHIM;
- World Energy Council (WEC).

Acea participates in occasions for dialogue with the business world and the scientific community on **issues of national and international importance** and **offers its own specialist contribution on the occasion of conferences, forums and workshops** on topics linked to its managed companies, also presenting publications and works of technical-scientific relevance.

During the year, the Group participated in events including: **Ecomondo**, the most important trade fair for the *green* and *circular economy* in the Euro-Mediterranean area (see *Relations with the environment*).

On **sustainability** issues, Acea participates in **networks of experts**,

working groups, studies and sector research organised by the academic world, civil society, institutions and business entities. Indeed, the company is active as an associate in the **Global Compact Network Italy Foundation**, the representative body of the United Nations Global Compact in Italy, the **Sustainability Makers - the Professional Network** (formerly the **CSR Manager Network**), the national association that brings together the main Italian companies active in corporate social responsibility.

The company also participates in benchmark analyses on sustainability in Italian *Utilities*, like those carried out by the **Utilitatis** research centre and **Top Utility**.

THE COMPANY AS A STAKEHOLDER

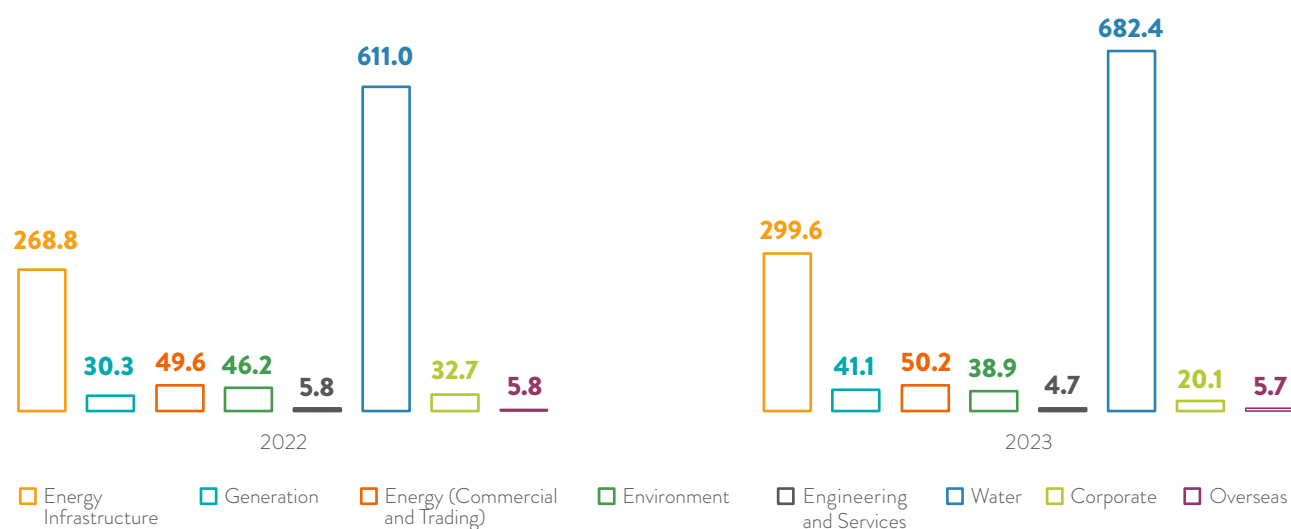
THE MANAGEMENT OF COMPANY ASSETS

Acea protects and enhances its tangible and intangible assets, pursuing a sustainable financial position and governing the internal needs, linked to the operating management and the growth prospects, consistently with the aims expressed in the business mission and the strategic plan.

In 2023 investments totalled around **€ 1,142.7 million, up 8.8%** (€ 1,050 million in 2022), with around 88% destined for regulated business. These were distributed by business segment as follows: € 38.9 million for the **Environment** sector, in particular plant improvements for WTE plants and the plastic sorting system;

€ 50.2 million for the **Commercial** sector, up slightly, for customer acquisition, smart services and e-mobility; € 682.4 million for the **Water** sector, with a combination of higher investments by Gori and the change in the scope, as well as lower investments by Acea Ato 2; € 4.7 million for the **Engineering and Services** sector, mainly linked to Acea Infrastructure; € 299.6 million for the **Energy Infrastructure** sector, for projects on the HV/MV/LV networks, on substations and to replace 2G and remote control metering groups; € 41.1 million for the **Generation** sector, to construct photovoltaic systems on agricultural and industrial land and for the updating and maintenance of hydroelectric systems. Finally, the **Parent Company** and **Overseas** with investments for about € 20.1 million and € 5.7 million, respectively.

Chart no. 48 – Breakdown and investments by macro-area (2022-2023)



Depreciation, amortisation, provisions and write-downs amounted to approximately **€ 778 million** (+5.2% compared to 2022). The increase in amortisation/depreciation is mainly linked to investments and assets which began to be used, as well as new customer acquisition costs for Acea Energia; write-downs fell (-23.7% circa with reference to 2022) due to excellent performance with reference to collections and, in the water sector, certain extraordinary components and the favourable completion of certain credit settlements.

THE COMMITMENT TO RESEARCH AND INNOVATION

Scientific and technological innovation at the service of business processes is one of the **pillars of the Group's strategic planning**, an area in which **it invested over € 2.6 million** in 2023.

At Acea, **innovation** is a **cross-sectional strategic lever** that is **open** to the external ecosystem; through its innovative approach, the Group aims to **explore new businesses** and create **new development models**.

The **innovation model** adopted by Acea identifies internal needs and areas of interest and implemented typical Open Innovation processes, with the **collective generation of ideas and the involvement of internal and external stakeholders** starting from the conception process, moving on to trialling, to the implementation of the projects. According to this logic, the **promotion of the Group's culture of innovation and the**

development of internal entrepreneurship are fundamental.

In addition, the Innovation Model provides for the use of **market analysis, continuous scouting and partnership development**, at the national and international levels, **with actors from the innovation ecosystem engaged in sectors of strategic interest to the Group**. To this end, in 2023 Acea participated in the following programmes:

- **the Osservatorio Digital Innovation [Digital Innovation Observatory] of the Polytechnic University of Milan**, a point of reference for digital innovation in Italy, in which Acea participates through the **Startup Intelligence Observatory**, a community of discussion and open innovation at the apex of innovation.
- **Zero Accelerator**, the startup accelerator born from the collaboration between the National Network CDP Venture Capital SGR - Fondo Nazionale Innovazione, Eni, LVenture Group and ELIS to support the best startups and innovative SMEs that develop projects and solutions in the *greentech/cleantech* field aimed at minimising carbon impact, facilitating the reduction of emissions, optimising the waste cycle by speeding up energy transition processes and promoting the circular economy;
- **ROAD – Rome Advanced District**, a project developed in co-operation with ENI, Autostrade per l'Italia, Cisco, Ferrovie dello Stato, Bridgestone and NextChem, to create **an advanced knowledge and research centre** to develop solutions to support the ecological transition and sustainable development.

With reference to the Group's industrial processes and infrastructure, the following boxes illustrate, by way of example, the **main research and innovation projects** carried out in 2023 by Acea SpA, Acea Innovation, Acea Infrastructure and the other Group companies.

We also recall what has already been illustrated in the paragraph *Relations with institutions*, and in particular Projects for the innovative and sustainable development of the territory, Customers and the community and the section *Relations with the environment*.

RESEARCH AND INNOVATION AT ACEA SPA

In 2023, in cooperation with Areti and the start-up Start Smart, Acea SpA continued its **experiments with using virtual reality to train personnel for work in hazardous environments**, such as confined spaces. In particular, the platform was expanded with the de-

velopment of a **new training application for multi-user substation manoeuvres**, with reference both to the on site operator and the control room operator.

RESEARCH AND INNOVATION IN THE COMMERCIAL SECTOR

In 2023, the company **Acea Innovation** continued the development of **electric mobility** functions. In particular, it enhanced the proprietary BOMTS platform by adding additional functions, including:

- **IPaDS** (Illegal parking Detection System) to encourage proper use of charging infrastructure, discouraging illegal parking and supporting municipalities with monitoring of bays, with an intelligent video camera system;
- **NOSE**: a multi-parameter control systems to identify and monitor various gaseous compounds.
- As part of its activities in the sale of electricity and gas commodities and non-commodity services, **Acea Energia has launched**

and/or completed the following innovative projects:

- the new **"sales funnel"**, relaunched in April, with more stable and dynamic architecture and improved customer experience;
- **digital sales on the D2D channel**;
- a **new design for the reserved web area**, aligned with the app, to further improve the digital experience for customers;
- the development of **new functions on the app** to reduce telephone calls;
- activation of the new customer data platform (CDP);
- improvement of web bill navigation, allowing customers to simultaneously activate digital services.



RESEARCH AND INNOVATION IN THE NETWORKS (ENERGY INFRASTRUCTURE) SECTOR

In 2023, **Areti implemented several innovative projects** as part of its electricity distribution activities, including:

- the **PlatOne project**, financed by the European programme Horizon 2020, intended to develop and test technological solutions and new market schemes capable of **enabling the flexibility of the utilities connected to the distribution network**, with the aim of promoting transparent and inclusive participation of end customers in the electrical flexibility market. The project involves public and private organisations operating in Italy, Greece, Belgium, and Germany, under the coordination of RWTH Aachen University in Germany and **Areti coordinates the Italian trial implemented in the Rome area**. The pilot is based on a multi-platform architecture which, using blockchain technology, simulates a local flexibility market, enabling the users connected to the distribution network to provide services to the local and global electricity system. **Acea Energia** is an **aggregator** of the project, gathering availability of end customers and offering them to the market, before then distributing the revenues with those customers;
- the **European BeFlexible project**, launched in 2022 with the involvement of other organisations, including Enel Group, Terna and RSE, is intended to **test the use of flexibility services** as well as the synergy between the electricity system and other sectors **for the stability and security of the grid**. The project aims to define and standardise a **catalogue of flexibility services**, shared with the stakeholders involved in the project (grid operators, dispatching users, aggregators, prosumers, technology providers) and to trial, through the use of technological solutions developed in other European projects, a common market model for the supply of such services, promoting the involvement of end customers and synergy across sectors (gas, water, heat, mobility, etc.). Areti participates in the initiative by enhancing the architecture developed in the PlatOne project;
- the **Flow project**, financed by the Directorate-General for Energy of the European Commission, intended to identify technological solutions and coordination methods with all actors involved which allow for a **management of electric mobility with respect for grid security and quality of service**. The project, launched in 2022, involves various organisations, coordinated by Spain's IREC, including Enel Group, Terna, Engineering SpA and RSE. Again in this case, Areti participates in the project by enhancing the architecture developed as part of the PlatOne project;
- the **RomeFlex pilot project**, financed by ARERA and aimed at **creating a flexibility market for the electricity grid across the Rome area**, expanding the trial already in place with the PlatOne project. In December 2023, Areti launched a **public consultation** to allow stakeholders to make comments about the regulations required for application of the trial;
- the **POLEDRIC** project, for the construction, in Rome, of a type of **intelligent public lighting pole**, able to improve the service, through sensors and advanced technologies, and enable **additional environmental, security and communication services**, from a **smart city** perspective (Environmental sensors, traffic and parking monitoring sensors, video surveillance and video analysis, etc.);
- evolution of the **G.I.M.M.I.** (Massive and Targeted Infrastructure Inspection Management) project, to **reduce undiscovered faults on overhead lines** and asset monitoring, through periodic analysis of satellite images and targeted drone inspections; in 2023, the **media data storage platform was launched**, for smart storage and consultation of videos and pictures taken during inspections, additionally, the process to begin inspections was improved, by integrating the satellite alert platform and SAP;
- the project **Automation of Low Voltage Lines**, aimed at enabling remote control and automating the reclosure of low voltage lines from the secondary substation on disconnection for excess power; The mass installation of the solution continued in 2023 and was optimised utilising evidence from the field;
- the **Bilateral LTE Automation** project, which involves the implementation of a **field automation solution to select the fault line** and uses the **4G network to connect the switches along the line**. In 2023, the mass installations of the solution continued and the evolution of *central device management platform* were launched for the remote management of *peripheral Industrial IoT devices* that support other remote and service monitoring solutions in secondary substations;
- Areti's single Data Lake, operating on Google Cloud;
- experimentation with solutions to identify burnt out public lighting points.

RESEARCH AND INNOVATION IN THE WATER SECTOR

With the aim of improving its operational performance, **in collaboration with Acea Infrastructure, Acea Ato 2 implemented research activities and technological-digital innovation on:**

- the **satellite radar technique Intasar Monitoring required to monitor the stability of elevated structures on the ground** (e.g. tanks) with specially designed reflectors to improve accuracy and resolution;
- monitoring of emerging organic micropollutants (EOM) and endocrine disruptors in the wastewater of medium- to large-sized plants**, selected according to process scheme and territorial location; in 2023 monitoring activities continued at the CoBIS and Roma Sud plants and those of the Tiber River relating to environmental risk assessment and analysis;
- the execution of **rapid small scale column tests (RSSCT)** on water treated by the large drinking water plants in Grottarossa and Montanciano, to forecast the useful life of granular active carbon (GAC) filters and their ability to eliminate emergent organic micropollutants;
- constant monitoring of outgoing data from the Grottarossa drinking water plant, thanks to the installation of **residual chlorine**

- **meters specific for chlorine dioxide** for more reliable data reading;
- the start of laboratory testing to **change the pH of raw water** coming into the Grottarossa drinking water plant to improve the efficiency of the clariflocculation process;
- installation of an **arsenic analyser** connected to the remote control over the Montanciano drinking water plant, for continuous monitoring of the concentration of this contaminant, to achieve automated dosing of iron chloride;
- the optimisation of the disinfection treatment at the Montanciano plant through the **reduction of the dosage of sodium hypochlorite** and **product quality control** with the aim of intercepting non-compliant discharges and reducing the level of chlorates in the water distributed to protect the health of consumers;
- the creation of a **model to estimate the load capacity of the filter material** at the **Pescarella drinking water plant**, based on the chemical composition of the incoming water and the flow rates processed by each filter, for the purpose of prolonging the lifetime of the filter material and creating uniform wear and tear of the filters;
- the monitoring of the trichloroethylene and tetrachloroethylene parameters and the **study of the abatement capacity of the filter media at the Laurentino drinking water plant**, for the purpose of upgrading its performance and optimising resources thanks to the reduction of the supply/regeneration cycles of adsorbent material and disposal of spent material, guaranteeing the compliance of the water distributed;
- the use of drones to monitor confined spaces using artificial vision and LiDAR (Light Detection And Ranging) mapping.
- In terms of drinking water processing and purification, the following activities were carried out:
- the **characterisation of the floating residue from the desanding/de-oiling process of urban wastewater** and assessment of the best **treatment technologies**;
- conclusion of the full-scale **experimentation of Taron technology** at the Santa Fumia wastewater treatment plant, which uses a dynamic rotating disc filtration system that combines secondary sedimentation and tertiary filtration in a single step, optimising the wastewater treatment process;
- **conclusion of the study on lysis technologies for optimising biogas/biomethane production** from anaerobic digestion plants at some purification plants.

With regard to innovation applied to the **management of water distribution networks** new generation techniques - satellite, noise recorder and fibre optics - were tested for **hidden leak detection** (Noise Logger and Satellite Radar Interferometry).

In addition, with the aim of **forecasting the availability of water resources**, **Acea Ato 2 has implemented a machine-learning algorithm based on the random forest technique** to identify **meteorological proxies (temperature and/or precipitation) or management proxies (volumes drawn)** correlated to the variability of the state of preservation of the resource, with reference to the different collection sources (springs, well fields, etc.)

AdF carried out many innovative projects during the year, including:

- a deep dive on the use of **artificial intelligence to enable added value services and sustainable innovation**;
- **dashboards** to optimise data exposure, based on **artificial intelligence applied to mass data** to balance the availability of the same in near-real time with the need to verify quality and reliability;
- the innovative **Flùvia** project, based on **proactive artificial intelligence and the use of natural language to improve customer experience when navigating the institutional website**, also improving accessibility and inclusivity;
- a **Cyber Security Plan**.

Additionally, AdF, in cooperation with SIMAM, completed experiments on the production of **biomethane with zero CO₂ emissions** from EER 190805 waste (sludge produced through treatment of urban waste water) at the Sant'Angelo plant in Senigallia, using **patented ASAC® technology** and, to optimise energy consumption and predictive maintenance, began **developing a dashboard to monitor energy performance** and identify possible anomalies at the main water plants, using data acquired via remote control and machine learning.

Finally, **Gori** carried out the following research and innovation projects during the year:

- the **DEPOX project**, to develop and implement at the Scafati treatment plant an "in house" control to manage and optimise the biological segment through timed "start and stop" cycles for the blowers;
- the **Asset Management project** to use software for maintenance activities, verification of proper functioning and calibration of laboratory tools.

RESEARCH AND INNOVATION AT ACEA INFRASTRUCTURE

Acea Infrastructure, carried out a number of projects serving Group companies and in cooperation with universities and research organisations in 2023, including the development of sensors for online measurement of CECs, use of screens coming from purification and feasibility studies on recovering phosphorus from the sludge line on purification plants.

During the year, cooperation continued with the Department of Translational and Precision Medicine at La Sapienza University in Rome, for the **development of advanced analysis and diagnostic methods** to evaluate the weight of exposure to persistent organic pollutants (POPs) in the progression of **metabolic-associated**

fatty liver disease (MAFLD). To that end, more than 20 samples of human serum were analysed to find PFAS and other emerging contaminants.

With reference to the **innovation of business processes**, it should be noted that **Acea Infrastructure has BIM (Building Information Modelling) certification for engineering design**, which employs intelligent digital models throughout a project's entire life cycle and works on seven dimensions, visualising not only progress and costs, but also the **sustainability of the project** and encouraging the implementation of choices oriented towards a positive impact on the environment.

RESEARCH AND INNOVATION IN THE ENVIRONMENT SECTOR

In 2023, research and innovation activities were carried out in the Environment sector, including the **ACEA NOSE** project, experimenting with an air quality measurement control unit installed on drones, utilising flight campaigns; the last campaign occurred at the Acea Ambiente location in Monterotondo Marittimo.

Also during the year, the design stages were completed with reference to **recovery of sodium bicarbonate and calcium chloride dihydrate from treatment of fly-ash** to reduce the hazardous characteristics of the matrix, as well as to **make use of mixed plastics** (plasmix), with production of marketable pure methanol.

