



CORPORATE
IDENTITY





GROUP PROFILE

ACEA'S HISTORY

Acea was founded in 1909 as a Municipal Electric Company (AEM) to manage and develop the electricity and water infrastructure of the city of Rome, thus playing a part in its economic and social progress. In pursuing a path of growth, the company has seized the opportunities offered by the market and the regulatory and social environment. Its expanding business and management scope has been accompanied by an evolving legal structure, with a stock exchange listing in 1999, and the ingress of qualified strategic partners.

Acea is a nationwide industrial group, active in integrated water management, electricity and gas production, distribution and sales, environmental services and activities to enable *smart communities*. The current development guidelines set out in the strategic plans are characterised **by the consolidation** of the Group's **leadership position** in the water industry and **the expansion of the regional area of interest** and its **businesses**, which range from the generation of renewable sources to the environmental supply chain and the circular economy, and from energy efficiency services to sustainable mobility.

In this context, **digitalisation, technological innovation and sustainability** are the levers that enable us to improve operating efficiency, service quality, resilience of the infrastructure, increasing the Group's capacity to generate shared value for all of our stakeholders.

BUSINESSES AND FUNCTIONS OF THE MAIN GROUP COMPANIES

Acea is **one of Italy's leading multi-utility companies** and operates in several public service sectors: **water** (integrated cycle), **environment** (energy development, recovering of material, waste processing and composting) and **energy** (production, distribution, energy sales and public lighting). It is the operator of reference **in the Rome area** for water and energy services; in the water sector, the Group is also present as an industrial partner of local management companies in some areas of **Central and Southern Italy** (from Tuscany to Campania). Development operations, in line with strategic guidelines, are concentrated in particular on the circular economy. In these areas, Acea is also present along the **Adriatic ridge in central Italy and in northern Italy**.

Table no. 4 shows some representative data of the Group, while the business areas and geographical reach of the main companies are briefly detailed in Chart no. 2.

Table no. 4 – Acea Group in numbers – 2023

| | |
|---|-----------------|
| PERSONNEL (number, by % consolidation) | 10,220 |
| NET REVENUE (million €) | 4,649.4 |
| INVESTED CAPITAL (million €) | 7,669.8 |
| <i>net equity debt</i> | 4,846.8 |
| <i>shareholders' equity</i> | 2,823.0 |
| TOTAL BALANCE SHEET ASSETS (million €) | 11,787.1 |
| ELECTRICITY | |
| generation (GWh) (gross) | 1,047.37 |
| <i>of which from renewable sources (GWh) (gross)</i> | 756.9 |
| <i>hydroelectric</i> | 425.9 |
| <i>photovoltaic</i> | 134.4 |
| <i>biogas</i> | 50.1 |
| network demand (GWh) | 9,800 |
| sales (GWh) (free and protected market) | 6,386 |
| electricity and gas customers (number) | 1,543,778 |
| WASTE-TO-ENERGY (WTE) | |
| electricity generation (GWh) (gross total) | 320.5 |
| waste burnt (t) | 376,391 |
| <i>SRF</i> | 294,174 |
| <i>pulper</i> | 82,217 |
| PUBLIC LIGHTING | |
| bulbs managed in Rome (number) | 232,334 |
| WATER (INTEGRATED WATER SERVICE) | |
| drinking water supplied and billed (Mm ³) | 630.0 |
| analytical checks on drinking water (number) | 1,531,812 |
| wastewater treatment (Mm ³) | 978.5 |
| inhabitants served (million) | 8.8 |

Note: this table aims to reflect the Group's size as accurately as possible. Economic data and receivables/payables correspond to the full list of companies consolidated on a line-by-line basis; in the photovoltaic sector, due to the importance of the business, the production of the investee company AE Sun Capital, the company established with Equitix and not consolidated on a line-by-line basis, is also included; for water, in addition to the five companies in the NFS reporting boundary (Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa), the three main investee companies that are not consolidated on a line-by-line basis (Acque, Umbra Acqua and Publiacqua) are included.

Chart no. 2 – The businesses of the main Acea Group Companies in the local area



WATER

AdF manages the integrated water service in 55 municipalities of the Optimal Territorial Conference 6 Ombrone, covering the province of Grosseto and part of the municipalities of the province of Siena.

Acea Ato 2 manages the integrated water service in 106 municipalities of OTA (Optimal Territory Environment Agency) 2 Lazio Centrale - Rome.

Acea Ato 5 manages the integrated water service in 86 municipalities of OTA 5 Lazio Meridionale - Frosinone (including 2 municipalities outside the district).

Gori manages the integrated water service for 74 towns located in the Sarnese Vesuviano OTA between the metropolitan city of Naples and the province of Salerno.

Gesesa manages the integrated water service in 21 municipalities of the Sannita District Area, in the area of Benevento and its province.



ENGINEERING AND SERVICES

Acea Infrastructure^(*) provides laboratory, R&D, technical, engineering (design and works management) services in the water, energy and environmental sectors for Group companies and outside customers.



GENERATION

Acea Produzione manages the production of energy and heat with a power plant consisting of hydroelectric, thermoelectric and photovoltaic systems.

Acea Solar, a subsidiary of Acea Produzione, handles the construction of photovoltaic power plants.

Ecogena designs and manufactures cogeneration and trigeneration plants and works as an ESCo (Energy Service Company) providing energy efficiency services to internal customers (increased efficiency obligations pursuant to Ministerial Decree of 20 July 2014), and monitors technological innovation for energy savings.



ENERGY INFRASTRUCTURES

Areti plans, designs and executes the actions of modernizing and developing electricity infrastructures and manages its distribution services in the towns of Rome and Formello. In Rome it manages and develops public, artistic and cemetery lighting systems.



ENVIRONMENT

Acea Ambiente, with plants in Lazio, Tuscany and Umbria, handles environmental management (treatment and disposal) and the production of energy from waste, waste recovery and composting.

Aquaser works in the recovery, treatment and disposal stages for sludge resulting from the treatment phase of the integrated water service.

Acque Industriali provides brokerage and liquid waste treatment services, as well as activities related to the integrated water cycle, mainly consisting of biological sludge recovery and disposal.

Berg operates in the Frosinone area and works in the chemical/physical and biological treatment of solid and liquid, hazardous and non-hazardous waste.

Demap carries out recovery and selection of plastic and plastic and metal packaging at the plant in the province of Turin.

Deco, which operates in Abruzzo, designs, constructs and manages plants for the treatment, disposal and recovery of municipal solid waste and plants for energy recovery from renewable sources. Deco also owns **Ecologica Sangro**, which operates a treatment plant and a landfill with an adjoining biogas energy recovery plant.



COMMERCIAL

Acea Energia manages the sale of electricity and gas on the (free and higher protection) market and e-mobility services.

Acea Innovation manages technological innovation and energy efficiency activities and the marketing of related services and products for the Acea Group.



(*) The extraordinary shareholders' meeting of Acea Elabori SpA on 27 November 2023 resolved to change the company name to Acea Infrastructure SpA.

NB: in December of the year under review, Acea announced, with the publication of the relevant documentation, the proposed partial demerger of the business unit via spin-off into a NewCo (Acea Acqua SpA). The move involved shareholdings and 19 employees, relating to water management and activities.

THE PUBLIC NOTICE FOR THE WASTE-TO-ENERGY PLANT IN ROME

In March 2023, Acea Ambiente responded to the **public notice issued by the Municipality of Rome** to find economic operators interested in presenting *project financing* proposals for assignment of the systems hub concession relative to the design, operating authorisation, construction and management of a **waste to energy plant and correlated ancillary systems**.

Acea Ambiente submitted its expression of interest together with

important **national and international partners**, forming a business grouping with Hitachi Zosen Inova, Vianini Lavori and Suez. In November 2023, the Municipality of Rome, on the basis of the proposal submitted by Acea, **published the call for tenders** for the waste-to-energy plant, with an expiry date set at mid-May 2024. According to the contracting station timetable, the construction site must start by autumn 2024.

THE CONSOLIDATION OF THE GROUP'S GROWTH FOR EXTERNAL LINES

During the year, Acea has pursued several corporate acquisitions **of operators active in the Group's businesses**. In the environmental sector, Acea completed the acquisition of DECO in January. The Abruzzo company is active in the design, construction and management of municipal solid waste treatment, disposal and recovery plants and plants for energy recovery from renewable sources. Through **DECO**, the company **Ecologica Sangro**, which is also active in integrated waste management in the same region, also joins the Acea Group. April saw the completion of the merger between **Acea and ASM Terni**, launched last year. As a result, Acea's presence in

the capital of ASM Terni increased to 45% and the Umbrian utility acquired 20% of Orvieto Ambiente, a spinoff of Acea Ambiente. This was a boost for Umbria's first integrated multi-utility, an industrial concern active in the water, waste management, electricity production and the distribution and sale of electricity and gas. Also in April, Acea completed the acquisition of **SIMAM**, a company specialised in the engineering, construction and operation of water and waste treatment plants, environmental interventions and remediation with high-tech solutions.

CONTEXT ANALYSIS AND BUSINESS MODEL

CONTEXT ANALYSIS

Acea monitors the reference context, identifying and analysing the factors that could take on a significant role in terms of the Group's operations, such as **competitiveness, sustainability and regulatory areas** that can affect the achievement of strategic goals. In addition to these external factors, there is also the **internal context** of the Group, to be considered both in **organisational** terms and in relation to the **energy and environmental impacts**, the **development of human capital**, the **protection of workers' health and safety**, the protection of company assets, and the sustainable and responsible management of the **supply chain**.

THE ENERGY MARKET AND COMPETITORS

ARERA, with Decision 208/2022/R/eel, defined the **regulation of the Gradual Protection Service (TSG) for micro-enterprises**. The Gradual Protection Service (GPS) is activated for customers who did not choose a supplier on the free market as of 1 April 2023 and last for four years. In December 2022, the Single Purchaser published the results of the competitive bidding procedure for the identification of the operators of the Gradual Protection Service for micro-enterprises, for the period covering the years 2023 to 2027 and Acea Energia was **awarded a lot** in the territories of Avellino, Barletta-Andria, Benevento, Brindisi, Trani, Foggia, Lecce, Municipality of Naples and Salerno. The Authority, by Decision 362/2023/R/eel, then adopted the provisions on the **Gradual Protection Service with regard to**

non-vulnerable domestic customers who will be without a supplier from the date of termination of the enhanced protection service, scheduled for 1 April 2024. The date of the **end of the service assignment period** is also set for 3 years until **31 March 2027**. As regards customers on the free market, Acea Energia is consolidating its position on sustainability and environmental protection by developing its range of green commercial tariffs and offering added-value products such as boilers, air conditioning units, the Acea E-mobility App for e-vehicle charging, and the option to integrate telephony services into the energy supply contract through the partnership with WindTre.

THE INTEGRATED WATER SYSTEM AND GAS DISTRIBUTION

The water sector is the market area in which Acea intends to actively engage, evaluating and participating in new tenders for the **concession of the integrated water service** by the various contracting stations (regions, municipalities, area entities) on national territory. In fact, Acea Group can easily compete with other operators in the sector as it fulfils the necessary economic, financial, organisational, experience and certified system requirements. In the water industry, the Group has planned works on strategic infrastructure of interest for the National Recovery and Resilience Plan and has implemented a digitalisation process of the commercial procedures as well as the application of technological innovation in the management of infrastructure.

THE WASTE MANAGEMENT MARKET

The Acea Group operates its waste management services through the **management of facilities** in Lazio, Tuscany, Umbria, Marche, Veneto, Piedmont, Abruzzo and the Aosta Valley.

Acea Ambiente works structurally to support the circular economy, through the recycling and recovery of secondary raw materials, and is active in the transformation of organic waste into high quality compost and into biogas for the production of electricity, in integration with water activities for the treatment of sewage sludge, in the treatment of liquid waste, and in waste disposal and waste-to-energy.

The Group continues to maintain the plants it has acquired to consolidate its activities and positioning in the consortium systems (COMIECO, COREPLA, CORIPET, CONIP, etc.).

THE ENGINEERING AND SERVICES MARKET

As far as the technical services market is concerned, Acea Infrastructure supplies its services to the areas of interest of the Acea Group, especially in the water and environmental sectors. In particular, Acea Infrastructure provides **engineering services** – including works design, verification for project validation, works management, and construction – **analytical laboratory**, research, in the water cycle, waste cycle and energy sectors. Currently these activities are provided almost exclusively to other companies in the Acea Group (so-called “captive market”) and to a minor extent to third parties (“non-captive market”).

With regard to the non-captive market, Acea Infrastructure, seeking to expand its activities, participated in 2023 in tenders relating to districting, surveying and measuring, water and sewerage network modelling and plans, and design and works on plants. The Principals are mainly integrated water service operators who require specialised services to support the plans to rationalise and upgrade integrated water cycle networks and plants. Participation in tenders takes place as joint ventures with other companies, implementing the conduct measures provided for in the Company's Antitrust Compliance Model.

THE ENERGY EFFICIENCY MARKET

The **energy efficient building** market is regulated by Decree Law 34/2020 (“Relaunch Decree”), converted by Law 77/2020, which introduced tax benefits (110% super bonus), with the possibility of credit transfer and invoice discounts, for beneficiaries who carry out energy efficiency and seismic consolidation work on their buildings. In this area, the Acea Group – through the companies Ecogena, Acea Innovation and Acea Energia – has identified business development opportunities in the residential sector. In particular, in the year under review, Acea Innovation launched all the planned activities, 94% of which were completed in compliance with the 110% tax break timeframe. In addition to the “super-bonus”-related activities, Acea Innovation has constructed photovoltaic plants for the Rome Biomedical Campus, whose energy from renewable sources will be entirely dedicated to Policlinico self-consumption.

INSTITUTIONAL INVESTORS

The year 2023 was marked mainly by a sharp reduction in energy commodity prices, compared to the previous year. This decrease was influenced by the **decrease in energy consumption and the gradual moderation of energy supply concerns**, also in view of the entry into operation of new LNG (liquefied natural gas) import facilities, which counteracted the impact of the reduction in supplies from Russia. The fall in commodities prices led to a **dampening of inflationary dynamics**, which fell to 2.7% in the eurozone at the end of the year, compared to a peak of 8% in the first quarter of the year. This trend supported expectations of a coming inversion of restrictive monetary policies. The economy's resilience, with 2023 GDP growth in the eurozone at 0.5%, and expectations of an upcoming mitigation of restrictive monetary policies also led to a 168 bps **contraction of the BTP-Bund spread** at the end of the year.

Against this background, given the adjusted total shareholder return values, the **Euro Stoxx** rose by 19.5% in 2023 and the **FTSE Mib** appreciated by 34.4%, the latter being the best index among the eurozone's major stock lists. In currency terms, the EURO/USD appreciation was 3.1%, at 1.104. This change was essentially supported by the improved risk appetite, which generally tends to favour currencies other than the US.

SUSTAINABLE DEVELOPMENT

The year 2023 began with the entry into force of the new EU **Sustainability Reporting** Directive, which replaces the previous non-financial reporting legislation. The new framework will apply in respect of the financial year 2024 and represents a major change for companies in rethinking their commitments to contribute to sustainable development. Instead, based on the 2023 financial year, 2024 saw the entry into force of legislation for reporting only the eligibility analysis for the remaining **4 environmental objectives of the EU Taxonomy**, relating to *the sustainable use and protection of water and marine resources, transition to the circular economy, pollution prevention and control, protection of biodiversity and health of eco-systems*.

The European legislator's initiatives to promote the development of a **continental ecosystem consistent with the Green deal's ambitions** continued throughout the year, such as the Green deal industrial strategy and the initiatives implementing the “Fit for 55%” package; the Energy efficiency Directive, which sets targets for the reduction of final energy consumption by 2030 including new commitments for the public sector; the carbon border adjustment mechanism and the revision of the emissions trading scheme; the social climate fund; the update of the 2030 renewable targets directive, with a coverage target set at 45% of energy needs, and the authorisation accelerations provided for renewable installations. Citizens' awareness of the impact of their consumption patterns and their involvement in sustainable models is crucial to the just and ecological transition of the production system. To this end, the Council and Parliament have reached a provisional agreement on new rules to ban **misleading advertising related to greenwashing practices** and to provide consumers with better product information.

Also the issue of **human rights**, the protection thereof throughout the value chain and companies' duty of care on the negative, actual and potential impacts has been at the heart of the debate of the European institutions, which reached a provisional agreement on a directive on this matter at the end of 2023.

At the national level, some significant institutional acts are worth mentioning: the adoption of the national strategy for the valorisation of **Biodiversity and Ecosystems** to 2030 and the approval of the National **Climate Change Adaptation Plan**, both by the Ministry for the Environment and Energy Security, as policy tools for managing and overseeing the relationship between the environment and mankind; the approval of the new **national strategy for sustainable development**, by the Interministerial Committee for Ecological Transition, which deals with the UN 2030 Agenda goals by adapting them to the Italian context.

At regional level, too, the institutions are active in strategic planning for sustainable transition, and in this regard the Lazio Region is the first in Italy to have approved the **Regional Ecological Transition Plan** (PTE). The PTE plans public spending for the achievement of global sustainability targets up to 2050, allocating a total of 5.9 billion from the NRRP and the PNC (4.6 billion) and from European funds (1.3 billion). There are four policy areas identified in the plan: Energy transition, agricultural transition, resource efficiency and sustainable land use. In addition to these, there are two key enablers as transversal and functional areas for the development of the first four: cultural transformation and digital transformation, which consider not only technical and sectoral aspects, but also the lifestyles, habits and mindsets of individuals and communities as an enabling condition of the overall change process.

ENVIRONMENTAL AND ENERGY SCENARIOS

The natural environment is the basic scenario in which the Group's activities are developed and, as such, it is of fundamental importance to understand the regulations and global trends that impact the same, also in relation to links between the environment and energy/climate scenarios.

In the World Economic Forum's *Global Risks Report 2023*, **environmental challenges** emerge as the main and most serious perceived threats for the next 10 years, confirming the importance of having a global vision on environmental and climate issues. In 2023, **COP28**, held in Dubai, was the venue for the first *global stocktake*, i.e. an occasion to assess the combined effect of all Nationally Determined Contributions (NDCs). In this context, the parties defined an agreement to accelerate the global transition, promoting the "transition away" formula, and including for the first time in history an explicit reference to moving beyond fossil fuels to reach climate neutrality by 2050 and agreeing to triple the amount of renewable energy and double efforts for energy efficiency. With reference to the energy situation, the IEA's *World Energy Outlook 2023* confirms the ongoing transition scenario, with growing opportunities for clean energy (+40% for investments since 2020), while also forecasting an increase in liquefied natural gas projects in 2025, to deal with worries about supplies. In line with COP28, to achieve the zero net emissions goals by 2050, the IEA confirmed that additional progress was needed, including a tripling of renewable energy production, a doubling of energy efficiency and an increase in electrification, with a reduction in methane emissions from fossil fuel operations.

2023 was a decisive year for future European environmental policies. The European Parliament also approved the **Nature Restoration Law**, the first European legislation that explicitly aims to restore nature with legally binding targets for member states. In October 2023, during the European Business & Nature Summit in Milan, companies, financial institutions, governments and representations from academia and civil society met to discuss how companies can respect the commitments in the *Kunming Montreal Global Biodiversity Framework (GBF)* adopted in 2022. The event also saw the launch of the European **Business and Nature Charter**.

In 2023, the **Taskforce on Nature-related Financial Disclosure (TNFD)** issued its final document, containing recommendations on nature aimed at organisations, sectors and value chains.

In its **Code of Ethics** the Acea Group assigns fundamental importance to principles linked to sustainability and the adoption of a climate strategy. In 2023, Acea received validation of its *Science Based Targets Initiative (SBTi)* for its emission reduction target (by 2032), in line with climate science indications. Also in 2023, the Group participated in the **Carbon Disclosure Project (CDP)** on climate altering gas emissions and published its second climate-related disclosure following the **Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)**, enriching its projects aimed at identifying risks and analysis of medium/long-term climate scenarios.

STANDARDS IN THE REFERENCE MARKETS AT A LOCAL, NATIONAL AND SUPRA-NATIONAL LEVEL

The regulatory context of the Acea Group is wide-ranging and articulated according to the specificity of the businesses handled and the variety of the frameworks within which the legal and regulatory disciplines intervene, which affect the business operations, from administrative authorisation profiles to those protecting the market and competition.

A revision of the **NRRP** was carried out during the year, as a result of which the European resources of the recovery and resilience facility earmarked for financing increased from €191.6 billion to €194.4 billion, with an increase of €2.8 billion in grants earmarked for Italy to finance the **REPowerEU** chapter, with measures focusing on strengthening energy independence and security, enhancing electricity distribution networks, accelerating renewable energy production, reducing energy demand and strengthening the skills needed for the green transition. Also with reference to the NRRP, Law 41/2023 converting Law Decree 13/2023 (so-called "NRRP Decree 3") introduced further environmental authorisation simplifications for renewable energy plants and also environmental impact assessments – EIAs.

Legislative Decree No 18 of 23 February 2023, transposing the European Directive 2020/2184/EU on the **quality of water intended for human consumption** entered into force. The standard sets out the conditions under which water intended for human consumption can be considered "healthy and clean" by revising and introducing new limits for substances that are hazardous to health (including PFAS, chromium and chlorates).

It defines hygiene requirements for materials coming into contact with drinking water and introduces a risk-based approach to ensure the safety of water intended for human consumption and to improve fair access for everyone to safe drinking water.

To cope with **the agriculture water emergency**, Law Decree No. 39 of 14 April 2023, the so-called “Drought Law Decree” provides for the option, until 31 December 2023, to reuse for agricultural irrigation purposes the purified wastewater produced by sewage treatment plants (already in operation on the date of entry into force of the Decree), subject to the submission of a risk management plan. It should be noted that **Regulation (EU) 2020/741** entered into force in June 2023, defining for the first time at European level the minimum requirements for the use of reclaimed water, i.e. urban waste water treated and then refined for agricultural purposes.

The European Commission, with Decision 2023/863/EU, allocated additional emission allowances to some member states in sectors not currently covered by the **greenhouse gas emission allowance trading scheme (ETS)**, such as **the waste sector**. In this first allocation phase, Italy and other States received additional allowances of 20 % of the total surplus for the period from 2013 to 2020, for a total of about 48 million tonnes of CO₂ equivalent. In addition, also in the year under review, the European legislator stipulated that the new EU ETS rules will come into force on 1 January 2024, bringing new monitoring and reporting requirements also for waste incinerators, with a view to future inclusion in the system, which could take place as early as 2028.

Again with regard **to the waste sector**, at national level, the Council of State, with regard to the system of **minimum plants**, i.e. those identified by each region where waste treatment is regulated both in terms of flows and tariffs, confirmed the orientation expressed by the Lombardy Regional Administrative Court, which found the regulations implemented by ARERA Resolution 363/2021/R/Ref to be unlawful. The Council of State's pronouncements reiterate the **need for central planning** and refer in particular to the National Waste Management Programme (NPRAG), a guidance instrument for the regions in waste management planning approved by Ministerial Decree No. 257 of 24 June 2022. As a direct consequence of the rulings, all the regional acts deriving from the ARERA resolution ceased to exist for the two-year period 2022-2023, although the regulatory powers remain in force for the future. Finally, the new national procurement rules came into force, with Legislative Decree No. 36 of 31 March 2023 (so-called “New Procurement Code”), which introduces the digitalisation of the entire procurement lifecycle, revises the thresholds and qualification systems with the government-stated aim of “enabling institutions and businesses to work swiftly to provide goods and services to citizens”.

REGULATION OF THE SECTOR AUTHORITY

The Regulatory Authority for Energy Networks and the Environment (ARERA) acts on Acea's business areas (energy, water and environment), regulating their operation in the definition of technical and commercial service standards and in the regulation of remuneration mechanisms for regulated entities.

With regards to **energy distribution**, ARERA defines national service standards for each regulatory cycle which regulate commercial aspects (quotes, works, supply activations/deactivations, complaints procedure) and technical aspects (service and supply continuity). 2023 represents the last year of the fifth regulatory period on the quality of distribution, measurement and transmission services. In the year under review, the new tariff Regulation framework (TIROSS), was also approved, providing for the verification of expenditure and service targets for regulated infrastructure services in the electricity and gas sectors that will apply for the period 2024-2031.

With **Resolutions 637 and 639 of 2023** regarding the **water sector**, ARERA approved the rules for the fourth regulatory period, which will come into force in 2024, with mechanisms that incentivise the efficiency of operators also through a greater emphasis on **environmental sustainability** activities, and measures also to counter the impact of ongoing climate change, by protecting water, fostering the decarbonisation of energy consumption and making infrastructure more resilient in stress situations.

The regulation of **contractual quality** and **technical quality** sets out incentive systems in the form of rewards and penalties to be awarded on the basis of the performance of the operators. In particular, with **Resolutions 476 and 477 of October 2023**, the Authority disclosed the final results of the application of the incentive mechanism of the Technical and Contractual Quality Regulation for the Integrated Water Service in the two-year period 2020-2021.

In the **environmental sector**, ARERA's activities, in line with the duties assigned by Law 205/17 (art. 1, paragraph 527) are aimed at governing the integrated management of urban waste and the individual activities associated with it, guaranteeing accessibility and usability of the service throughout the country while simultaneously ensuring service provision levels and adapting the infrastructure as a whole to achieve European objectives. The remit of the Authority falls within a **multi-level sectoral governance system**, characterised by statutory responsibilities on general targets (including the **circularity targets** set by EU legislation, and the adoption of the National Waste Management Programme - PNGR) and local (regional) responsibilities on the planning of services. In this context, **Resolution 363/2021** (so-called MTR-2) and the subsequent intra-period update, which took place with Resolution 389/2023 are relevant, introducing a first Regulation of access to end of cycle plants for the 2022-2025 regulatory period. **Resolution 387/2023** also introduced a first quality Regulation for treatment plants, specifically for monitoring technical and operational performance as well as transparency obligations toward service users.

As regards the **sale of energy and gas**, ARERA has implemented the provisions of the MITE Decree No. 164 of 25 August 2022, namely the Register of Electricity Sellers regulation.

Enrolment and retention on this register is a requirement for selling electricity on the free market and is a tool aimed at consumers as a guarantee of the seller's reliability (technical, financial and good repute) parameters.

DEVELOPMENT AND TECHNOLOGICAL INNOVATION

The Innovation Model calls for development of national and international partnerships, with players in the innovation ecosystem active in sectors of strategic interest to the Group, to activate privileged channels of access to ideas, business and technological opportunities, research and attract new talents to innovate business, processes and corporate products.

In this context, key actions include the continuation of Acea's participation in **Zero Accelerator**, to support the best innovative start-ups and SME developing technological projects and solutions in the **greentech** sector, as well as the **House of Emerging Technologies** in Rome, the first permanent living lab to develop the Smart City of the future. Acea has also joined as a partner in the **ROAD** (*Rome Advanced District*) project, the first *innovation district* for technological and sustainable innovation dedicated to new energy chains.

Acea also engages with **academia and with specific Observatories**, such as the Startup Intelligence Observatory of the Politecnico di Milano.

DEVELOPMENT OF HUMAN CAPITAL

Acea focuses on enhancing the distinctive skills of people and has continued the work of the **Acea Business School** to facilitate the development of new mindsets in managerial, governance and technical-digital fields, through the implementation of top-level training courses delivered remotely and live, enabled by partnerships with high-profile institutions (universities, business schools, research centres, professional studies, etc.). Moreover, every year Acea prepares an **Equality & Care Plan** that identifies goals and associated projects for **diversity and inclusion** and corporate **welfare**. In 2023, the "**Equality Platform**" was designed and launched. This is a physical and virtual arena for the dissemination of equality, diversity & inclusion culture and the exchange of ideas to create projects that meet the needs of people and organisations. The project will continue in 2024 with an event aimed at all users of the Equality Platform, who will also receive dedicated training.

Acea Spa has maintained the **UNI/PdR 125:2022** gender equality certification.

The Group has in place an *integrated corporate welfare system*, based on listening to employees and their needs and structure around six fundamental pillars: health, psycho/physical well-being, family, reconciliation measures, economic assistance and complementary social security. Numerous initiatives have been implemented to implement the pillars of welfare, such as preventive health campaigns, psycho-physical well-being support and parenthood support services, as well as safety for women. These areas are shared with a **Bilateral Committee**, consisting of representatives from Group companies and the Unions.

SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN

Acea acts on the supply chain to promote **positive impacts on the various aspects of sustainability**; for example, it is committed to establishing purchasing methods that include intrinsic product characteristics and process aspects that limit **environmental impacts** and encourage the implementation of initiatives aimed at minimising waste, reusing resources and **protecting the social aspects** of the procurement of goods, services and works. Acea undertakes this route referring to **minimum environmental criteria** applicable to **green procurement**, and also contemplates rewarding, non-compulsory aspects in its tenders.

Acea recognises the value of the companies in its supply chain that have chosen **to be certified in the quality, environment, safety and energy schemes** and has launched initiatives to develop and promote companies that demonstrably apply sustainability criteria, invest in safety training for their workers and use environmentally friendly means to carry out their activities.

Acea carries out second-party verifications (through specific audits of suppliers) with the aim of raising awareness and supporting its partners in **continuous improvement**. Direct supplier engagement and review actions provide insight into emerging sustainability issues and create opportunities to jointly consider development paths. Additionally, Acea has established contractual standards that expressly require **adhesion to and compliance** with both the **Organisational Control Model 231** (if suppliers have not already provided themselves with one), and the **Antitrust and Consumer Protection Regulation Compliance Manual** - General Principles, as well as the **Anti-corruption Policy** adopted by Acea.

With a view to increased monitoring of the supply chain, Acea has used a **Group Vendor Rating** system since 2021, which also includes a **bonus indicator** for aspects related to social and environmental sustainability (**Ecovadis**), as a tool for analysing, assessing and monitoring supplier performance. The number of suppliers assessed with Ecovadis increased significantly to 640 in 2023.

SAFETY AND HEALTH IN THE WORKPLACE

The strategic approach to **safety** is implemented in the widespread dissemination of an occupational safety culture and the ability to **measure and monitor results**. To this end, Acea runs awareness-raising campaigns and has adopted an advanced risk assessment model and implemented control and mitigation measures. Awareness-raising and engagement initiatives are also directed at Acea's **contractors and sub-contractors**, who are key partners in the development of businesses along the value chain.

Acea's Occupational Safety and Health Unit is responsible for **defining occupational health and safety guidelines and policies** for the group, including coordination of the activities of the Prevention and Protection Service Managers (RSPP), ensuring the documentation and knowledge management system on health and safety, investigation and after-the-fact reporting of accidents, near misses or procedure violations, and the monitoring of accidents and safety performance.

A **Group RSPP Coordination Committee** exists to share safety performance results and pool experiences, best practices and solutions to prevent accidents in the company.

The Group has adopted a **system for collecting the safety performance** of the companies towards the Holding Company, a **software platform** for the integrated management of H&S, quality and environmental issues, in compliance with Legislative Decree No. 81/08 and ISO standards, and an **H&S Dashboard**, as tools for reporting and analysing health and safety performance.

In line with Law 4 of 15 January 2021 and the requirement to protect the psycho/physical health of its employees in the workplaces envisaged under article 28 of Legislative Decree 81/08, Acea guarantees an inclusive, integrated and centred **approach to gender perspectives to prevent and eliminate violence in the workplace**. In this sense, the **Risk Assessment Document** was updated and supplemented with regards to this aspect, with more specific risk assessments for all homogeneous groups and identification of measures intended to prevent and, if necessary, contain the risk in workplaces.

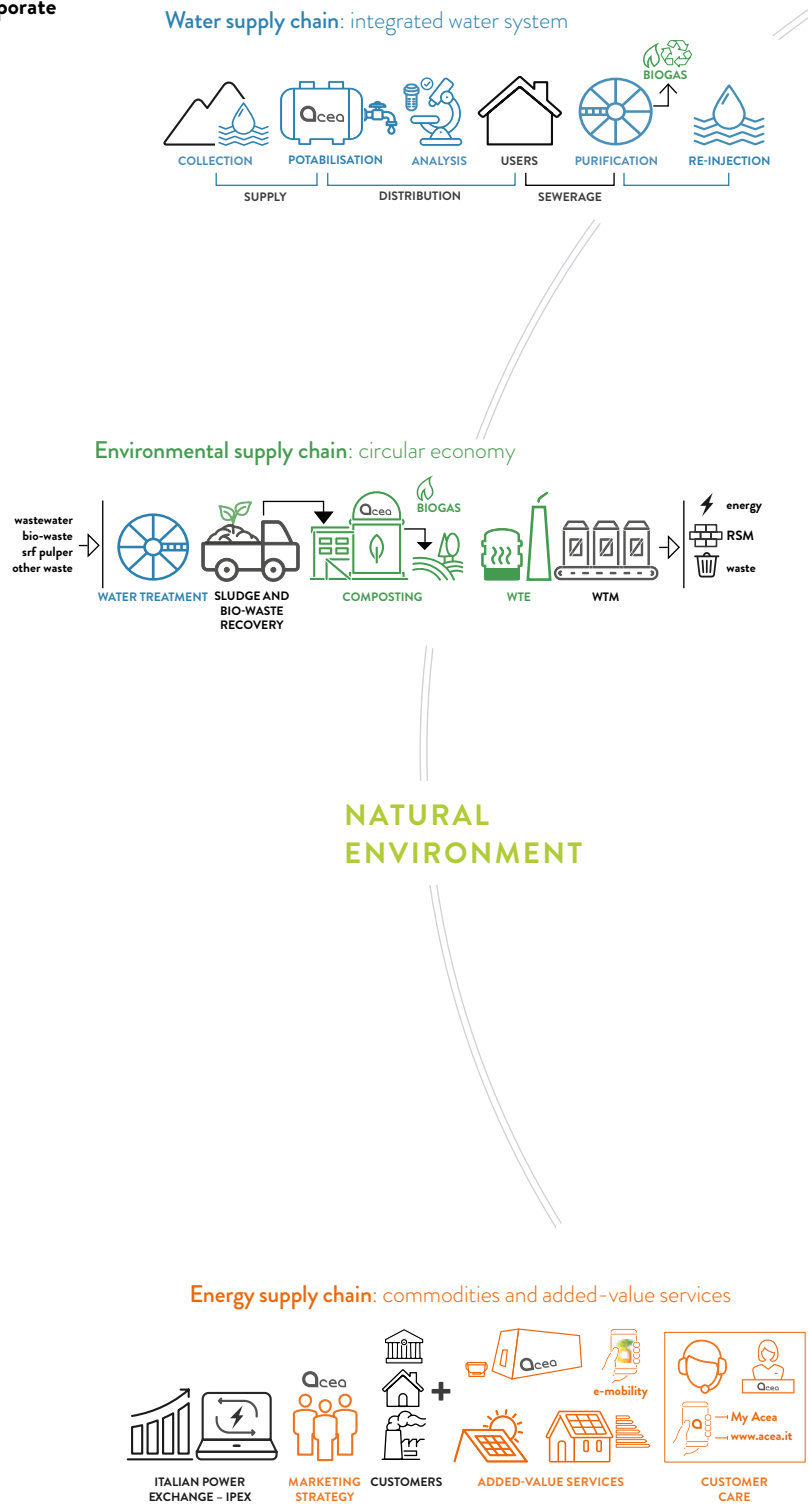


THE BUSINESS MODEL

The organisational structure (Chart 3) means that the Holding performs the role of steering and coordination of the Companies that make up the Group.

Acea SpA offers managerial support by means of management and legal, logistic, technical, financial and administrative services. Acea SpA's **organisational macro-structure** is divided into **corporate functions and departments** (see Chart 4).

Chart no. 3 – Acea's Business Model



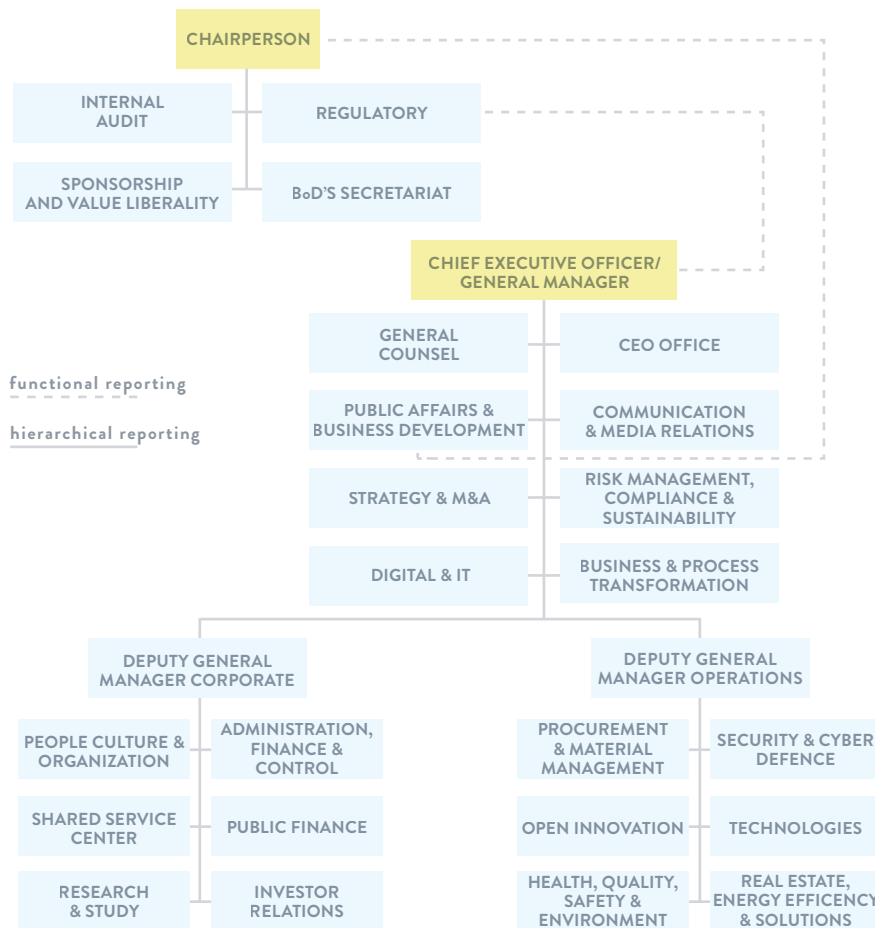
SCENARIO:
national policies, market, economy,
innovation, sustainability,...

GOVERNANCE POLICY STRATEGY

Energy supply chain: generation



BOARD OF DIRECTORS



STAKEHOLDERS

COMPLIANCE OF RISK ASSESSMENT

regulatory changes, regulatory framework, mega trends (social trends, environmental situation), ...

Energy supply chain: distribution

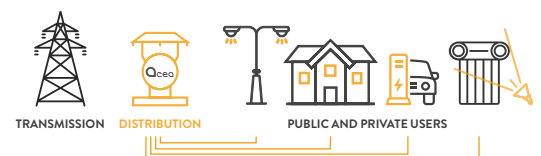
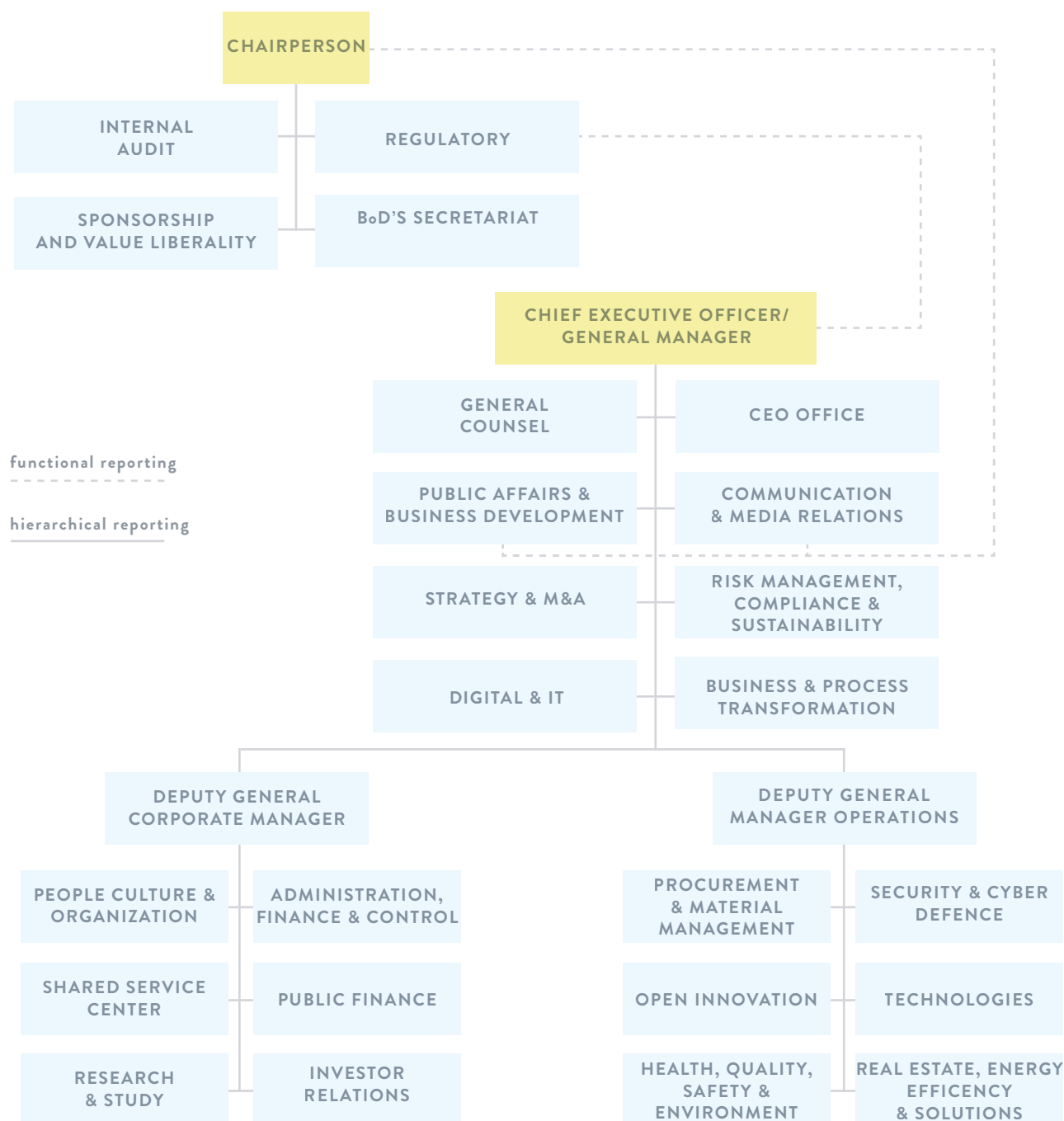


Chart no. 4 – Acea SpA organisation chart as at 31.12.2023

BOARD OF DIRECTORS

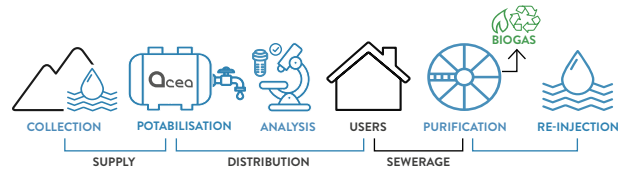


Through Companies that it has equity investments in and for which it plays the role of industrial entity of reference, the Acea Group is involved in the chains of activities shown below. The business activities are broken down in the Strategic Plan (see the section titled *Strategy and Sustainability*), which defines corporate development guidelines based on the assessments of **opportunities offered by the market**,

the **regulatory and social context** of reference, the **governance system** and a thorough **identification and weighting of the risks** that can impede the achievement of the goals. Acea Group pursues corporate management that is consistent with the principles of sustainable development and pays the utmost attention to **interactions with the natural environment** and **stakeholder relations**.

WATER SUPPLY CHAIN: INTEGRATED WATER SERVICES

The water supply chain: starting from a careful analysis of springs and groundwater and the potential impacts of operational processes thereupon – for example, by defining and monitoring water districts and preparing water balances to protect resources and balance their vital flows with the needs of human consumption, Acea checks and guarantees the quality of water during collection and distribution in compliance with the regulatory standards envisaged for end uses.



Similarly, wastewater is collected and treated in order to return this resource to the environment in the best possible conditions for its natural cycle to resume. Maximum effort is devoted to increasing the resilience of the water infrastructure, technological innovation applied to management (e.g. remote control, sensors, satellite monitoring, etc.) and the digitalisation of processes.

ENERGY SUPPLY CHAIN: GENERATION

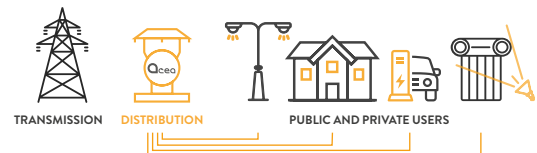
Electricity production: Through its dedicated companies, Acea generates energy from hydroelectric, thermoelectric (high-yield cogeneration) and photovoltaic power plants. In particular, Acea strategically develops its position in the solar generation segment,



including through partnership agreements with major financial operators, with the aim of significantly increasing its installed renewable capacity in the medium term.

ENERGY SUPPLY CHAIN: DISTRIBUTION

Electricity distribution: Acea supplies users with electricity thanks to a widespread distribution network that is constantly maintained, updated and developed according to resilience logics that support the growing electrification of consumption and the distributed



generation. The digital and innovative development in the services commits the Distributor to opt for smart city solutions, adopting a *demand side management* and energy efficiency outlook.

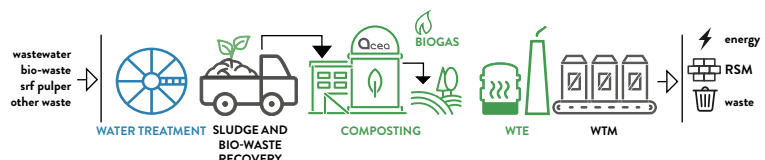
ENERGY SUPPLY CHAIN: COMMODITIES AND ADDED-VALUE SERVICES



Sale of energy, gas and added-value services: commodities (energy and gas) are purchased via bilateral contracts or exchanges on market platforms (Electronic stock exchange) where Acea Energia procures supplies for itself in order to supply clients according to its commercial policies. The Company develops relations with customers through contact channels that are increasingly more inno-

vative and digital. The promotion of commercial offers takes place through pull channels (shop, website, branches) as well as through sales agencies that are selected, trained and their commercial practices monitored. One area of development of the sector companies involves the creation of smart services, such as electric mobility, energy upgrading and widespread composting.

GENERATION AND NETWORKS: CIRCULAR ECONOMY



Efficient use of waste and the circular economy: the environmental supply chain aims at enhancing waste value through proper industrial management allowing for waste volume reduction, efficient treatment, conversion into biogas, transformation into compost, waste-to-energy production and recycling into material that is reusable in production processes. In particular, with a view to circular economy, Acea exploits the integration into water activities to recover sludge from

water purification and send it for treatment to become compost or recoverable material, while committing itself to the growth of its market position and operational capacity. Acea is committed to expanding the management of treated volumes, from selection to storage and treatment, as well as the types of material managed in the circuit of the circular economy (paper, iron, wood, liquid waste, plastic and metals) through the acquisition of new companies.

OWNERSHIP STRUCTURE AND GENERAL ECONOMIC INDICATORS

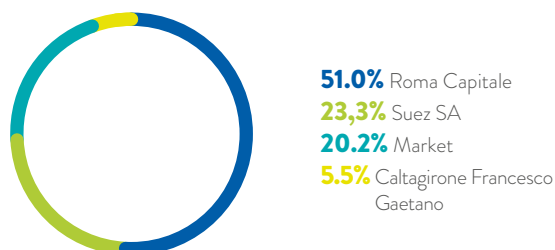
Acea SpA is listed on the Italian Stock Exchange organised and managed by Borsa Italiana. The company is listed on the FTSE Italia Mid Cap index and, as of 19 December 2022, is included on the **MIB ESG** index.

Roma Capitale is Acea SpA's majority shareholder, holding **51% of its share capital**. As at **31 December 2023**, other significant direct or indirect equity interests were held by **Suez SA** with over 23.3% and **Francesco Gaetano Caltagirone** with approximately 5.5% (see Chart 5).

The portion of free float capital on the market is 20.2%, with **institutional investors** controlling 13.6% of the share capital. As regards geographic distribution, US shareholders are the biggest group followed by Italians (see Chart 6).

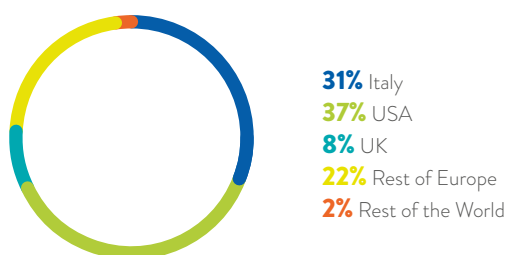
Retail investors hold 6.6% of the share capital.

Chart no. 5 – Ownership structure as at 31.12.2023



Source: CONSOB

Chart no. 6 – Geographical representation of Acea institutional investors



Note: The percentages shown in the table represent the weight of Shareholders, by geographical area, in relation to the total number of Institutional Investors.

In an environment still complicated by geopolitical turmoil, the 2023 results maintained the positive trend of the final months of 2022, showing a consolidated EBITDA (net of non-recurring items and change in scope) and growing production of operating cash flows. Revenues amounted to €4,649 million and the gross operating margin reached €1,391 million. Group profit stood at about €294 million.

Table no. 5 – The main economic and equity data of the Acea Group (2022-2023)

| (in € million) | 2022 | 2023 |
|---|----------------|----------------|
| net revenues | 5,138.2 | 4,649.4 |
| operating costs | 3,861 | 3,273 |
| staff costs | 305.1 | 334.5 |
| external costs | 3,556.1 | 2,938.4 |
| income/(expense) from non-financial investments | 27.9 | 14.4 |
| gross operating margin (EBITDA) | 1,305 | 1,390 |
| gross operating margin (EBIT) | 565.9 | 612.3 |
| financial management | (85.7) | (136.5) |
| investments management | 17.8 | (0.6) |
| profit/(loss) before tax | 498 | 475 |
| income tax | 186.8 | 147.7 |
| net profit/loss | 311.2 | 327.4 |
| profit/loss attributable to third parties | 31 | 33.5 |
| net profit/(loss) of the Group | 279.7 | 293.9 |

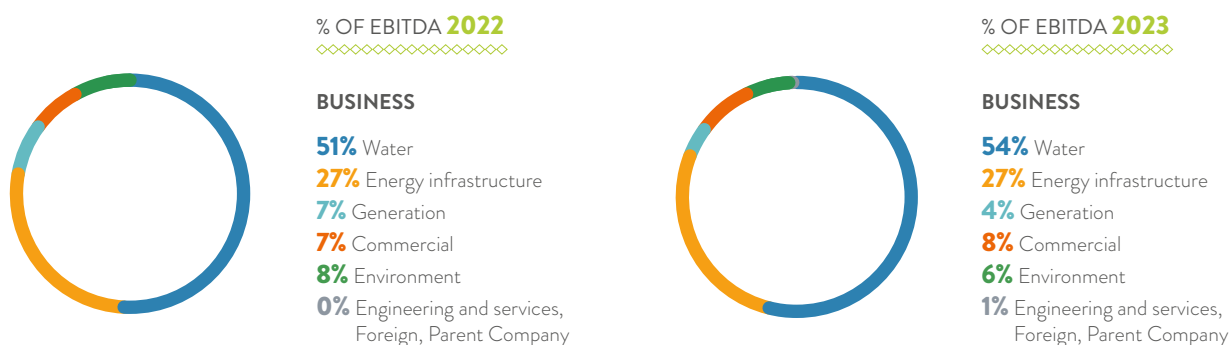
Consolidated revenues in 2023 amounted to **€4,694,4 million**, down by about 8.6% (€5,138 million in 2022) due to prices in the energy markets. **External costs** are down by 17.4% to about **€2.94 billion** (€ 3.55 billion in 2022), and are mainly affected by the costs of electricity procurement on the free market and in greater protection, and services and tenders largely related to *energy efficiency and smart services projects*.

The **gross operating income (EBITDA)** of **€1,391 million is up** from €1,305 million in 2022 (approx. +7%), with regulated activities contributing 87%.

The businesses contributed to the overall value of EBITDA, as follows:

- **Water** accounted for 54%, with €743.9 million, an increase of 11.2% over 2022 (€669 million) due to investment-related growth and changes in scope;
- **Energy infrastructure** accounted for 27%, with € 375.4 million, up 6.6% from the previous year (€ 352.2 million) due to a focus on costs and investment development;
- **Production** accounted for 4%, with €53.9 million, a 13% increase compared to the previous year (€89.8 million). The trend felt the sharp drop in prices on the energy markets (average SNP in 2023 was 127 euro/MWh compared to 304 euro/MWh in 2022);
- **Commercial and trading** accounted for 8%, with €129.3 million, up 43.7% (€90 million in 2022) due to improved margins from energy sales on the free market and the input of Acea Innovation;
- **Environment** accounted for 6%, with €84.4 million, a 17% increase compared to the previous year (€101.6 million). The result is due to lower prices for energy sold with WtE and lower margins from composting; these effects are partially offset by changes in the scope of consolidation.

The contribution to Group EBITDA is competed by the segments **Engineering and Services**, **Foreign** and the **Parent Company**.

Chart no. 7 – Contribution of the businesses to overall EBITDA (2022-2023)

The **operating result (EBIT)** was **€612.3 million** (+8.2% on 2022). The value was affected by the increase in amortisation and depreciation of investments for the period as well as a decrease in bad

debts, attributable to high collection performance and, in the water sector, to some extraordinary items and the favourable conclusion of some credit transactions.

INFORMATION REQUIRED BY THE EUROPEAN TAXONOMY

As noted in *Communicating Sustainability - Methodological Note*, to which reference should be made, 2024 marked the third year of application, in the context of non-financial reporting for 2023, of the provisions introduced by the “European Taxonomy” approved with **Regulation 2020/852**²⁴ and included in the the **Sustainable Finance Action Plan (SFAP)** launched by the European Commission in 2018²⁵. The objective of the Taxonomy is to identify the “degree of environmental sustainability” of an investment²⁶, increasing the transparency of the market to the benefit of consumers and investors. The Taxonomy is centred on **six environmental goals** — climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, including waste reduction and recycling, pollution prevention and control, and protection and restoration of biodiversity and ecosystems — and introduces an international **classification system to identify environmentally sustainable economic activities**.

In 2021, the European Commission adopted the “*Climate Delegated Act*”²⁷ that governs the **first two climate goals** (climate change mitigation and climate change adaptation), establishing the technical screening criteria for economic activities that can contribute

substantially to their achievement without causing significant damage to the remaining environmental goals. In 2022, the Commission, through the “*Complementary Delegated Act*”²⁸, amended the Climate Delegated Act by introducing activities and related technical screening criteria for energy generation from **nuclear** and **natural gas**. In 2023, the “*Environmental Delegated Act*”²⁹ was published, governing the remaining four environmental goals (sustainable use and protection of water and marine resources, transition to a circular economy, prevention and reduction of pollution, and protection and restoration of biodiversity and ecosystems). This delegated act also made some changes to the models to be used for the publication of key performance indicators (KPIs) of non-financial undertakings. Also in 2023, the Delegated Regulation 2023/2485 was published, making further amendments to the *Climate Delegated Act*, both in terms of new activities and in terms of technical screening criteria.

As a result of this extension, **the Taxonomy now identifies 16 sectors** that include a total of **153 economic activities**³⁰. Of these activities, 101 contribute to the **climate change mitigation** goal (87 of which also contribute to the climate change adaptation goal and 2 also contribute to the transition to a circular economy goal).

24 Official Journal of the European Union, Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088. The Regulation is implemented through the gradual adoption of Delegated Acts.

25 See the Sustainable Growth Action Plan, European Commission, COM (2018) 97 final and the Strategy for financing the transition to a circular economy, European Commission, COM (2021), 390 final.

26 See article 1 of EU Regulation 852/2020 and Assonime Circular no. 1 of 19 January 2022, *the European Regulation on the taxonomy of environmentally sustainable activities: disclosure requirements for companies*.

27 In particular, the *Climate Delegated Act*, European Commission, C (2021) 2800 final, adopted on 4 June 2021 and entering into force on 1 January 2022.

28 The *Climate Delegated Act*, European Commission, C (2022) 631, adopted on 15 June 2022 and entered into force on 1 January 2023.

29 The *Environmental Delegated Act*, European Commission, C (2023) 2486, adopted on 27 June 2023 and entered into force on 1 January 2024.

30 It is worth noticing that 153 instead of 155 activities are indicated, because two activities, both present in the CCM/CCA goals and in the EC goal, with the same title/description, but with different numerical codes (respectively activities 7.1. and 7.2. of the CCM/CCA goals and 3.1 and 3.2 of the EC goal) are considered by the EU Taxonomy Compass of the European Commission website as the same activities and therefore counted only once.

A total of 106 economic activities contribute to the **climate change adaptation goal** (87 of which also contribute to the climate change mitigation goal and 2 also contribute to the transition to a circular economy goal). Six activities contribute to the **sustainable use and protection of water and marine resources** goal. Twenty-one activities contribute to the goal of **transition to a circular economy** (two of which two also contribute to the climate change mitigation and adaptation goals). Six activities contribute to the **pollution prevention and reduction** goal. Finally, two activities contribute to the **protection and restoration of biodiversity and ecosystems** goal.

For the financial year 2023, non-financial undertakings subject to the regulation, such as Acea, are required to publish information³¹ on the **percentage proportion of quantitative economic performance indicators (KPIs)** - turnover, capital expenditure (CapEx) and operating expenditure (OpEx) - **attributable to the economic activities managed that are eligible and aligned³² or not aligned to the Taxonomy**, with reference to the activities already regulated for the first two climate goals. Furthermore, with regard to the **four new environmental goals** and the activities introduced by the 2023 legislation on the two climate goals, the Regulation requires the publication only of the turnover percentage, and **Taxonomy-eligible and ineligible CAPEX and OpEx** without verification of compliance with the technical screening criteria.

However, as reported in the *Methodological Note*, despite the absence of a regulatory requirement, **Acea decided to carry out the alignment analyses also for the four new environmental goals**, and for the activities added to the two climate targets in 2023; it also published the relevant qualitative and quantitative information.

ANALYSIS OF ELIGIBILITY AND ALIGNMENT

During 2023, Acea carried out the preparatory activities to comply with the disclosure obligations under the *Disclosure Delegated Act*, carrying out a **transversal and synergic project** involving the Administration, Finance & Control Function, the Risk Management, Compliance & Sustainability Function and the companies within the scope of the *consolidated non-financial statement*³³.

In particular, the **eligibility analysis** was updated for the year under review in order to identify the Group's fully executed activities that match those listed and described in Annexes I and II of the *Climate Delegated Act* - respectively pertaining to mitigation and adaptation climate objectives - and taking into account the *Complementary Delegated Act* and the *Environmental Delegated Act*.

This analysis led to an increase in the scope of eligibility identified the previous year, from **22 activities** attributable to **five sectors** identified by the Regulation, to **24 activities** attributable to **six sectors**³⁴.

Of the eligible activities, **16** can contribute to the achievement of **both mitigation and adaptation** climate goals, **2** can contribute **only to mitigation**, **3** can contribute to **sustainable use and protection of water and marine resources**, **2** can contribute to **transition to a circular economy** and **1** can contribute to **pollution prevention and control**.

The increase in the number of eligible activities is due to the introduction of the four new environmental goals and related activities published during 2023, compared to which the group's eligibility analysis has been updated.

Furthermore, in compliance with the provisions of the Regulation, the **alignment to the Taxonomy of Acea's eligible activities** was analysed to identify the Group's environmentally sustainable activities according to three sets of criteria:

- **criteria for substantial contribution**³⁵: for each eligible activity, verification of compliance with the technical thresholds has been carried out in order to establish its substantial contribution to the achievement of the reference goal;
- **Do No Significant Harm (DNSH) criteria**³⁶: analysis of the technical and regulatory requirements to ensure that the activity not only substantially contributes to at least one Taxonomy goal but also does not cause any significant harm to any of the other environmental goals;
- **minimum safeguards**³⁷: analysis to verify that the activities that contribute substantially to at least one environmental goal and do not cause significant harm to the others are carried out in compliance with the minimum social safeguards set out in the Human and Employment Rights Regulation.

The **technical screening criteria for a substantial contribution** identify quantitative thresholds that establish the limits within which an activity can be considered environmentally sustainable and/or describe the qualitative characteristics that make an activity aligned without the need to meet specific technical thresholds.

For **DNSH criteria**, these may consist of **specific provisions** or **general "recurring" criteria**. In the first case, the requirements are specific to the activity under analysis and limited checks must be carried out. The recurring criteria, on the other hand, are set out in the six Appendices to supplement the annexes governing each objective, and refer mostly to compliance with European or national standards or to carrying out assessment activities.

31 The *Disclosure Delegated Act*, European Commission, C (2021) 4987 final, 2021, adopted in July 2021 and entering into force on 30 December 2021, defined the reporting methods that must be adopted by parties falling within the scope of application of the Regulation.

32 Including partial alignment.

33 See *Disclosing sustainability: methodological note* for the process of defining the scope and the list of companies therein. Note that these Companies, identified for their adequate representation of the performance and the impacts generated by the Group (pursuant to Italian Legislative Decree no. 254/2016), cover, with reference to the KPIs set out by Regulation (EU) 2020/852, over 89% of the turnover, 96% of the CapEx and 91% of the OpEx of the full list of consolidated companies.

34 In particular, the activities managed by the Group, considered eligible, fall under the following sectors: Energy; Water supply, sewerage, waste treatment and remediation; Transport; Construction and real estate; Professional, scientific and technical activities; Information and communication.

35 Articles 10, 11, 12, 13, 14, 15, 16, 19 of Regulation (EU) 2020/852.

36 Article 17 of Regulation (EU) 2020/852.

37 Article 18, section 1 and 2 of Regulation (EU) 2020/852, specifically, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight core conventions identified in the ILO Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights.

The Group has adopted two approaches for the DNSH analysis: for the specific criteria, the capacity of each individual activity to meet the requirements was evaluated, while for “recurring criteria” (the Appendices), the best practices available for each business were considered in order to guarantee, where possible, compliance with the requirements for each eligible activity.

To complete the alignment analysis of the Taxonomy-eligible activities, Acea verified the compliance with the **minimum safeguards** which introduce into the assessment of the environment sustainability of an economic activity, the minimum human and employment rights protections required, as established by the relative international standards³⁸ (see box).

VERIFICATION OF COMPLIANCE WITH THE MINIMUM SAFEGUARDS

Italian human and employment rights law governs these principles and their relative specific aspects such as privacy, health and safety, corruption, fair competition, tax and environmental protection. As well as acting in compliance with the national laws in force, Acea also conducts its business according to a sustainable and inclusive growth strategy, operating in line with the Universal Declaration of Human Rights, the ILO Conventions and the principles issued by the United Nations Global Compact, of which it is a signatory. This commitment is directly reflected in the Group *Code of Ethics*, drafted with the involvement of internal expertise and external business ethics experts and approved by the Acea Board of Directors on 9 November 2022. The Code represents the set of principles and rules of conduct at the basis of the Organisational, Management and Control Model, which apply to “everyone who, in any capacity, directly or indirectly, permanently or temporarily, in Italy or abroad, operates in the interests of Acea and its subsidiaries”, to which business practices can be traced “towards all stakeholders”. It is stated that: “Acea considers as inalienable in the definition of its values the UN Universal Declaration of Human Rights for the respect of natural and universal rights, the International Labour Conventions and Recommendations issued by the International Labour Organization (ILO), such as those relating to fair treatment and non-discrimination, the protection of child labour, the fight against forced labour, the freedom to form trade unions and the right to collective bargaining, the European Union’s Charter of Fundamental Rights, and the Italian Constitution”. In 2023, Acea decided to **underline its commitment to the protection of people’s basic rights**, in order to promote awareness of and further safeguard the issue, by **adopting the Human Rights Policy**, which was approved by the Board of Directors on 14 December.

The Human Rights Policy, to be understood as a benchmark consistent with the Group Code of Ethics and with the same sphere of influence, is based on the main international documents on the matter; it sets out 20 principles, within the areas of “work” and “Community, Society and Environment”, with relevance to operating context, activities managed and stakeholders, and defines the dissemination, implementation and monitoring arrangements to be implemented for its full effectiveness. The Policy also refers to the prescriptive, organisational and operational tools (such as policies, guidelines, procedures, structures in charge, management and control systems, etc.) already existing in the Group and covering the various human rights-related areas, providing them with a common reference framework. These areas are also fully consistent with the provisions of the minimum safeguards under Article 18 of Regulation 2020/852 and the *Final Report on Minimum Safeguards*, published by the Sustainable Finance Platform.

The protection of human rights is therefore formalised in the value documents in force – Code of Ethics and Human Rights Policy – which also provide for a confidential and reserved channel for reporting alleged breaches of the principles referred to therein (*Whistleblowing Platform*) and are supported by a collegiate body – Ethics

Officer – which manages the reporting system and monitors compliance with the values. As already mentioned, there are also additional internal legislative instruments and operational structures covering the different aspects of human rights. These include but are not limited to:

Organisation, Management and Control Model: a management system pursuant to Legislative Decree 231/2001 that identifies the procedures developed to mitigate the risk of offences committed by directors, managers or employees in the interest or to the advantage of the Group, which is constantly being revised and updated. The Code of Ethics, the Organisation, Management and Control Model and the relative Oversight Committee each represent an essential component of a broader and more structured **Internal Control and Risk Management System (ICRMS)** adopted by Acea.

Antitrust Compliance and Consumer Protection Guidelines, Organisational Regulations for Antitrust Compliance and Unfair Business Practices and the **Antitrust and Consumer Protection Regulation Compliance Manual:** rules and safeguards to prevent and counteract anti-competitive behaviour and to protect the principle of fair competition and the consumer, which must be observed by Group personnel, business counterparties, suppliers and partners.

Customer Experience Measurement and Monitoring Procedure: aimed at regulating customer satisfaction survey procedures; in 2023 Acea obtained the certification of compliance with the ISO10004:2018 guidelines for monitoring and measuring customer satisfaction.

Anti-corruption policy, with an updated version approved in March 2023: a system of rules, controls and safeguards for the prevention of active and passive bribery offences in the public and private sectors, supported by the Corruption Prevention Management System, for which Acea obtained **certification under ISO 37001:2016, in September 2023.**

Privacy Governance Guidelines: guidelines for implementing policies to protect the personal data of employees, customers, suppliers, shareholders, *stakeholders*, partners and persons whose personal data are processed by the Group, and who ensure the application of the General Data Protection Regulation (GDPR).

Management and Sustainability Systems Policy, Quality, Environment, Energy and Safety Management Systems: to promote a culture of quality, respect for the environment, occupational health and safety and energy saving.

Equality, Diversity & Inclusion Committee, Equality, Diversity & Inclusion Policy, Diversity & Inclusion Plan and Dashboard: initiatives for assessing risks and actions to be taken to promote diversity, inclusion and equal opportunities, including the gender pay gap issue; employees are also invited to submit their requests and proposals on the subject. In 2022 Acea obtained UNI/PdR 125:2022 certification on gender equality, confirmed also in 2023.

Employee and Participation Charter: a protocol signed between

38 Please also consult the Final Report on Minimum Safeguards, published by the Platform on Sustainable Finance in October 2022.

Acea and the trade unions in May 2023 aimed at developing and enhancing the company's professionalism and individual and collective wellbeing, and investing in people's skills and competencies and promoting the quality and stability of work.

Health and safety management system, QASER questionnaire, vendor rating, supplier performance measurement procedure, Ecovadis model: tools for managing people's health and safety, both inside the organisation – specialist training, risk assessment and

continuous monitoring – and outside the Group, with contracted works and services, aimed at overseeing every stage of the supplier-company relationship, including the assessment of suppliers' performance on punctuality, quality and safety indicators, and in relation to ESG criteria.

Tax Management Procedure: outlines and regulates the roles and responsibilities of the parties involved as well as the tax management auditing activities³⁹.

Based on the analyses, in 2023 Acea identified, out of a total of **24 eligible activities, 13 fully aligned activities, 6 partially aligned activities**⁴⁰ and **5 non-aligned activities**.

There follows a sector breakdown of the activities that are eligible and aligned with the environmental goals of the taxonomy. Note that in the 16 cases where the Group's activity is eligible for the goals of both mitigation and adaptation to climate change, **the mitigation goal was deemed prevalent**. The results of the analysis of alignment with the climate change adaptation goal, as required by regulatory updates, are reported in Section A.1 of Tables 1 and 6, 8 and 10.

In particular, as regards the **Water** sector:

- for climate change *mitigation and adaptation goals*, 2 activities under the “*Water supply, sewerage, waste treatment and remediation*” sector of the *Climate Delegated Act* are confirmed as eligible. After verification of the substantial contribution and DNSH criteria, one activity is fully aligned with the *climate change mitigation goal* while the other is partially so. However, none of the sector's eligible activities are aligned with the *climate change adaptation goal*. The CapEx associated with the “*Recovery of materials from non-hazardous waste*” activity, coupled with the climate change mitigation goal, have been enhanced as part of a **CapEx plan** aimed at expanding Taxonomy-aligned economic activities. Acea Ato 2 also planned the construction of a treatment plant for the sand from the treatment processes and from the sewage network cleaning, which will make it possible to recover up to 70% of the solid input material. Total CapEx sustained during the year was €415 million, while total investments over the course of the Plan will amount to approximately €8 million. The plant is expected to be completed by 2024 and therefore the aligned economic activity will be expanded, in line with the Regulation, within a period of less than five years;
- with regard to the goal of *Sustainable use and protection of water and marine resources*, three activities were eligible, of which one was aligned, one partially aligned and one not aligned;
- Finally, with regard to the *Transition to a circular economy* goal, the activity identified was found to be eligible but not aligned.

With reference to the **Environment** sector, which is concerned mainly with waste treatment:

- with regard to climate change *mitigation and adaptation goals*, five activities were eligible, with three from the “*Water Supply, Sewerage, Waste Treatment and Remediation*” sector, one from the “*Energy*” sector and one from the “*Construction and Real Estate*” sector. Of these, 4 were aligned with the *climate change mitigation goal* and one was partially so. Regarding the *climate change adaptation goal*, 3 activities were partially aligned and 2 were not aligned;
- An activity eligible for the *Transition to a circular economy* goal was identified and found to be non-aligned;
- Finally, one activity was found to be eligible and unaligned for the *Pollution Prevention and Control* goal.

In line with 2022, the **Generation** sector is eligible for 8 activities (2 of which contribute only to the *climate change mitigation goal*, while the others also contribute to the *climate change adaptation goal*). Consistent with the segment's core business – electricity generation – these activities are mainly attributable to the “*Energy*” sector (4 activities), but also to “*Construction and Real Estate*” sector (2 activities) “*Transport*” (1 activity) and “*Professional, Scientific and Technical Activities*” (1 activity). Of these, 6 were fully aligned with the *climate change mitigation goal*, and 2 were not. No eligible activities, however, were aligned with the *climate change adaptation goal*.

The **Energy Infrastructure** sector is eligible for 3 activities included in the *Climate Delegated Act*, two of which relate to “*Construction and Real Estate*” and one to the “*Energy*” sector. Both activities in the “*Construction and Real Estate*” sector are fully aligned with the *climate change mitigation goal* but not aligned with the *climate change adaptation goal*. In contrast, the “*Energy*” sector is partially aligned with both climate goals.

The **Engineering and Services** sector – engaged in research, innovation, design and laboratory work for Group companies⁴¹ – is eligible for an activity of the “*Water Supply, Sewerage, Waste Treatment and Remediation*” sector of the *Climate Delegated Act*. This activity is fully aligned for the *climate change mitigation goal* but not for that of *adaptation*.

³⁹ In the Final Report on Minimum Safeguards, published in October 2022 by the Platform on Sustainable Finance, the topic of taxation considered the OECD Guidelines for Multinational Enterprises and was considered relevant to risk management purposes. In view of this, while not directly applicable to Acea given the nature of its business, the matter is also discussed here (see also the chapter on Institutions and Business for more details).

⁴⁰ Partial alignment may occur when some group companies are aligned with a certain activity and others are not, or when, for different group companies, the activity meets the technical screening criteria for only a proportion of plants /structures.

⁴¹ Intercompany activities are removed from the accounting of the KPIs, in accordance with the Regulation.

Finally, the **Commercial** sector is eligible for four activities under the *Climate Delegated Act*, two of them in “*Construction and Real Estate*”, one in “*Water Supply, Sewerage, Waste Treatment and Remediation*”⁴², and one in “*Transport*”. In relation to the *climate change mitigation* goal, two are fully aligned and one is partially aligned. However, no activities were found to be in line with the *climate change adaptation* goal. It should be noted that the core business of electricity sales, which accounts for 43 % of 2023 Group turnover, is excluded, as these sales are not currently included in the activities listed in the taxonomy.

In general, with respect to the disclosure published on the 2022 data, the following should be noted:

- With regard to the **Water** sector, part of the eligibility and/or alignment share was transferred from the *Climate Change Mitigation* goal to the *Sustainable Use and Protection of Water and Marine Resources and Transition to a Circular Economy* goals;
- for the year under review, Activity 7.3 “Installation, maintenance and repair of energy efficiency equipment” was not aligned, unlike the previous year, with the *climate change mitigation* goal due to non-fulfilment of the “*Do Not Significant Harm*” criterion as regards the *pollution prevention and control* goal, due to a change in the Regulation in 2023. In particular, the amendment led to a tightening – subsequent failure to exceed – the criteria set out in Appendix C of the *Climate Delegated Act* of June 2023.

ECONOMIC AND FINANCIAL KPIs

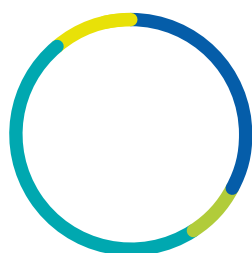
In accordance with the applicable reporting obligations, and in line with the “Accounting standards and supplementary information pursuant to Regulation 852/2020”, the Group has calculated the percentages of **turnover, CapEx and OpEx related to its Taxonomy-aligned activities, and eligible but not aligned activities** (see Tables 6, 8, 10 and 12 for details). Also, as a result of the amendments made by the *Environmental Delegated Act*, supplementary Tables 7, 9 and 11 were introduced, indicating the eligibility and alignment percentages for each environmental goal.

In this context, Acea considers it important to underline that the percentages reported **do not represent a summary of the Group’s sustainability performance**, as set out in this document, but correspond to the specific reading required by Regulation 2020/852 in relation to the environmental goals defined therein. As such, these indicators should be considered limited to the purposes of the Taxonomy and separate to the broader scope of the ESG sustainability initiatives promoted by the Group.

Considering the Group’s economic performance as at 31 December 2023, **aligned turnover** amounted to **33%** of the total, while eligible but not aligned turnover was **8%**. **72%** of Acea’s total **CapEx** is aligned (**8%** eligible but not aligned) with the Taxonomy, while **69%** of **OpEx** is Taxonomy-aligned (**7%** eligible but not aligned). Please note that a residual part of the three KPIs (**11%** of turnover, **4%** of total CapEx and **9%** of OpEx considered under the Taxonomy⁴³ and attributable to the companies outside the reporting boundary of the NFS) is not subject to assessment.

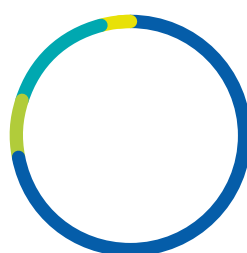
Chart no. 8 – Percentage turnover, CapEx and OpEx attributable to Group activities that are aligned, eligible but not aligned, not eligible and not assessed

Turnover
€4,649 million of which
€1,543 million aligned



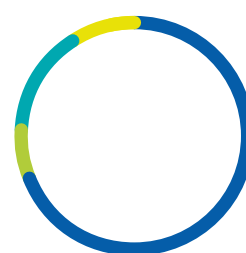
33% Aligned
8% Eligible but not aligned
48% Ineligible
11% Not assessed

CapEx
€1,168 million of which
€837 million aligned



72% Aligned
8% Eligible but not aligned
16% Ineligible
4% Not assessed

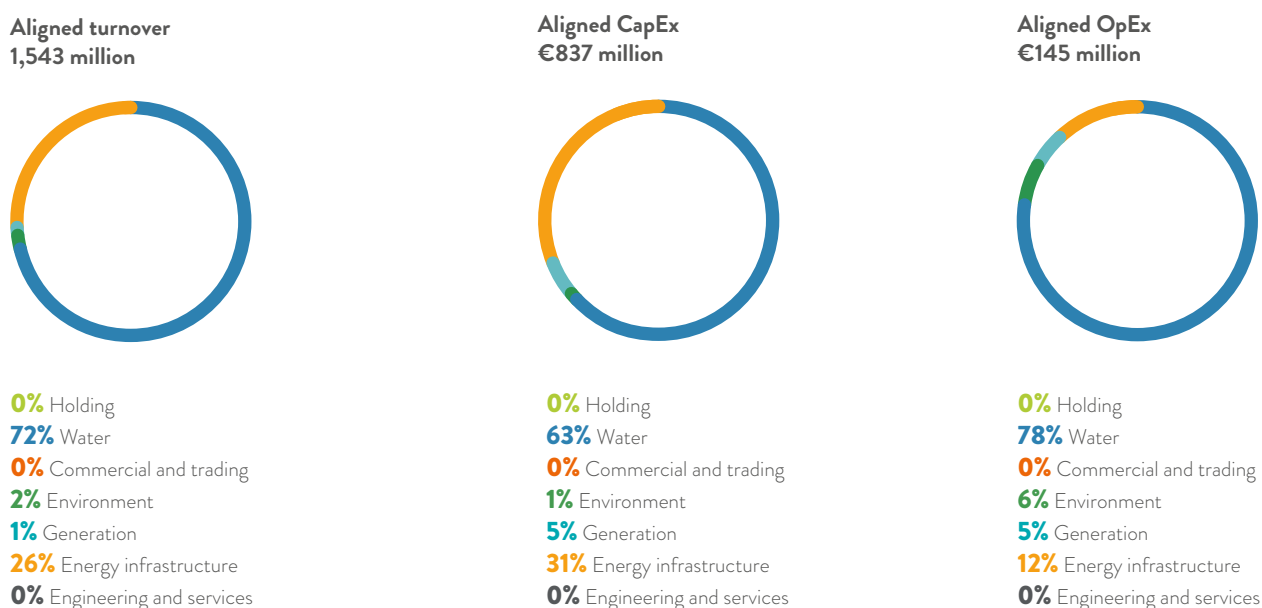
OpEx
€210 million of which
€145 million aligned



69% Aligned
7% Eligible but not aligned
15% Ineligible
9% Not assessed

⁴² For the operation of the mini composting plants (Smart Comp), linked to the Composting of organic waste.

⁴³ The above values of Turnover, CapEx and OpEx are in accordance with the guidance provided by the Disclosures Delegated Act and calculated in line with the accounting standards section.

Chart no. 9 – Taxonomy-aligned CapEx, OpEx and Turnover percentage shares, by business

The reading of the data by business highlights the specific contributions to the group alignment, in particular:

- of the Group's total 2023 turnover of **€4,649 million**, **€1,897 million** is attributable to **eligible** activities and **€1,543 million** of this is **aligned** to the Taxonomy. The businesses that contribute the most to alignment are **Water**, with **72%** of total turnover aligned (1,104 million) and **Energy Infrastructure** with **26%** (400 million);
- out of total Group **CapEx** in 2023 **considered for the purposes of the Taxonomy**, which amounted to **€1,168 million**, **€922 million** are attributable to **eligible** activities, of which **€837 million** are **Taxonomy-aligned**. The businesses that contribute most to alignment are **Water** and **Energy Infrastructure**; in particular, investments in **Water**, with **63%** of the total CapEx aligned (530 million) and **31%** of **Energy Infrastructure** (262 million);

- of the Group's total 2023 **OpEx considered for Taxonomy purposes**, amounting to **€210 million**, **€160 million** is attributable to **eligible** activities and **145 million** of this is **aligned**. Once again, the businesses contributing most to alignment are **Water**, with **78%** of the total OpEx aligned (113 million) and **Energy Infrastructure** with **12%** (17 million).

Acea has drawn up a **Green Financing Framework** and, on the basis of this, in January 2023 issued a **Green Bond**, totalling **€700 million** to support initiatives focused on **four main areas**: water resource management; energy efficiency; circular economy; and green energy. With regard to the KPIs on capital expenditure and turnover set out above, there is a contribution from **green bond issues for the year 2023** amounting to **€219 million** or 19% of eligible CapEx.



ACCOUNTING STANDARDS AND SUPPLEMENTARY INFORMATION PURSUANT TO REGULATION 2020/852

This section explains the **accounting policy**, i.e. the method for constructing the **percentages of turnover, CapEx and OpEx** associated with the eligible and aligned activities that the Group has defined on the basis of the indications shown in Annex 1 of Delegated Act (EU) 2021/2178.

For the purposes of allocating the amounts of **turnover, CapEx and OpEx** to the eligible and aligned activities, Acea has defined a clear and viable hierarchy of sources, used with respect to the quantitative and qualitative reporting requirements. Specifically, Acea has reconstructed the indicators using the information reported in the general, business and regulatory accounts: the percentage of KPIs relating to each individual economic activity is calculated on the total turnover, investments and total ordinary costs relating exclusively to the types of OpEx provided for by the European Taxonomy.

For the calculation of the **eligible turnover** the numerator used was the portion of consolidated net revenue generated by the sale of products or services, including intangible, associated with economic activities eligible for the Taxonomy, and the denominator was the total net revenue⁴⁴.

Net turnover was identified by using the data of the consolidated financial statements prepared according to international accounting standards and making reference to the provisions of IAS1, section 82, lett. a).

Specifically, to create the indicator, the items “Revenue from sales and services” and “Other revenue and proceeds” of the consolidated income statement were used as reference; no amounts connected to economic activities included in the Taxonomy conducted for the Group’s internal consumption are present.

For the calculation of **the eligible CapEx** the numerator used was the portion of capital expenditure posted to the assets of the consolidated financial statements associated with eligible activities and defined based on the criteria under point 1.1.2.2. of the Delegated Act) and the denominator was the total capital expenditure quantified on the basis of the criteria under point 1.1.2.1. of the Delegated Act.

In particular, the denominator includes the increases to the tangible and intangible assets during the year considered before amortisation, write-down and any revaluation, including those deriving from recalculations and reductions of value and excluding fair value changes.

For the purpose of creating the indicator, the capital expenditure was identified using data from the consolidated financial statements, with reference to the provisions of a) IAS 16 “Property, plant and equipment”; b) IAS 38 “Intangible assets” and c) IFRS 16 “Leasing”. The values reported do not include amounts associated with economic activities included in the Taxonomy relative to expenditure capitalised according to d) IAS 40 “Investment property” and

e) IAS 41 “Agriculture” since these are not applicable for the Group.

For the calculation of the **eligible OpEx**, the numerator used was the portion of operating expenses associated with the eligible activities and defined on the basis of criteria under point 1.1.3.2 of the Delegated Act and the denominator was the total operating expenses quantified on the basis of the criteria under point 1.1.3.1. of the Delegated Act.

The latter includes direct non-capitalised costs that relate to research and development, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

For the creation of the indicator, the operating expenses were identified using data from the consolidated financial statements, prepared according to international accounting standards. Specifically, the items “Personnel costs” and “External costs” included in the Consolidated Income Statement were used as reference (pro rata). With respect to the provisions contained in the Delegated Act, when defining the eligible operating costs, Acea considered all daily maintenance and necessary costs to ensure the continued and effective functioning of the assets, meaning that the operating expenditure included all maintenance expenses of the assets, including the portions of costs for the purchase of materials, services and personnel costs directly attributable to the maintenance activity. Specifically, for the OpEx KPI, only non-capitalised direct costs related to research and development, building renovation measures, short-term lease, maintenance and repair as well as any other direct expenditure related to the day-to-day maintenance of property, plant and equipment, either by the company or by third parties to whom these tasks are outsourced, necessary to ensure the continuous and effective operation of these assets, were considered in accordance with the Regulation.

In addition to the provisions of the legislation, the Group also decided to calculate and represent the “normalised” turnover, CapEx and OpEx KPIs, i.e. using as denominator the consolidated values net of the non-assessed portion, attributable to the Companies not included in the NFS scope (equal to 11% of the turnover, 4% of the CapEx and 9% of the OpEx).

In line with the Models for Key Performance Indicators (KPIs) for non-financial undertakings contained in Annex II of the Delegated Regulation (EU) 2021/2178, the **proportion of turnover, CapEx and OpEx** of the Acea Group in 2023 **from products or services associated with Taxonomy-aligned economic activities** are reported below.

44 Pursuant to art. 2, point 5 of Directive 201334/EU.

Table no. 6 – Acea Group's share of Turnover from products or services associated with Taxonomy-aligned economic activities⁴⁵
- disclosure for 2023⁴⁶

| Financial year 2023 | | Year | | Substantial contribution criteria | | | |
|---|-------------------|------------------|-----------------------------|-----------------------------------|---------------------------|----------------------------|------------------|
| Economic activities | Code | Turnover | Share of Turnover year 2023 | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy |
| | | (€000) | % | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL |
| A. TAXONOMY ELIGIBLE ACTIVITIES | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | |
| Supply of fresh water | WTR 2.1 | 659,736 | 15.85 | N/EL | N/EL | Yes | N/EL |
| Urban waste water treatment (*) | WTR 2.2 | 441,406 | 10.61 | N/EL | N/EL | Yes | N/EL |
| Production of alternative water resources for purposes other than human consumption (*) | CE 2.2 | 198 | 0.00 | N/EL | N/EL | N/EL | Yes |
| Electricity generation using solar photovoltaic technology | CCM 4.1 | 1,498 | 0.04 | Yes | No | N/EL | N/EL |
| Electricity generation from hydropower | CCM 4.5 | 1,958 | 0.05 | Yes | No | N/EL | N/EL |
| Electricity generation from bioenergy | CCM 4.8 | 2,028 | 0.05 | Yes | Yes | N/EL | N/EL |
| Transmission and distribution of electricity (*) | CCM 4.9/ CCA 4.9 | 388,892 | 9.34 | Yes | Yes | N/EL | N/EL |
| District heating/cooling distribution (*) | CCM 4.15 | 7,548 | 0.18 | Yes | No | N/EL | N/EL |
| Collection and transport of non-hazardous waste in source segregated fractions (*) | CCM 5.5 | 11,731 | 0.28 | Yes | No | N/EL | N/EL |
| Anaerobic digestion of sewage sludge (*) | CCM 5.6 | 2,318 | 0.06 | Yes | No | N/EL | N/EL |
| Anaerobic digestion of bio-waste | CCM 5.7 | 10,990 | 0.26 | Yes | Yes | N/EL | N/EL |
| Composting of bio-waste | CCM 5.8 | 75 | 0.00 | Yes | No | N/EL | N/EL |
| Material recovery from non-hazardous waste | CCM 5.9 | - | 0.00 | Yes | No | N/EL | N/EL |
| Capture and use of landfill gas | CCM 5.10 | 452 | 0.01 | Yes | Yes | N/EL | N/EL |
| Infrastructure enabling low-carbon road transport and public transport | CCM 6.15 | 2,003 | 0.05 | Yes | N/EL | N/EL | N/EL |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | CCM 7.4 / CCA 7.4 | - | 0.00 | Yes | No | N/EL | N/EL |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 / CCA 7.5 | 10,985 | 0.26 | Yes | No | N/EL | N/EL |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 / CCA 7.6 | 1,556 | 0.04 | Yes | Yes | N/EL | N/EL |
| Professional services related to energy performance of buildings | CCM 9.3 | 54 | 0.00 | Yes | No | N/EL | N/EL |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 1,543,430 | 37.09 | 10.62 | 0.00 | 26.46 | 0.00 |
| of which enabling | | 403,490 | 9.70% | - | - | - | - |
| of which transitional | | - | 0.00 | - | - | - | - |
| A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities) | | | | | | | |
| Treatment of hazardous waste | PPC 2.2 | 954 | 0.02 | - | - | - | - |
| Urban waste water treatment (*) | WTR 2.2 | 181,763 | 4.37 | - | - | - | - |
| Production of alternative water resources for purposes other than human consumption (*) | CE 2.2 | - | 0.00 | - | - | - | - |
| Sorting and recovery of materials from non-hazardous waste | CE 2.7 | 4,713 | 0.11 | - | - | - | - |
| Provision of IT/OT (information technology/operational technology) data-based solutions for loss reduction | WTR 4.1 | 181 | 0.00 | - | - | - | - |
| Transmission and distribution of electricity (*) | CCM 4.9 / CCA 4.9 | 28 | 0.00 | - | - | - | - |
| District heating/cooling distribution (*) | CCM 4.15 | 4,564 | 0.11 | - | - | - | - |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels | CCM 4.30 | - | 0.00 | - | - | - | - |
| Collection and transport of non-hazardous waste in source segregated fractions (*) | CCM 5.5 | 2,204 | 0.05 | - | - | - | - |
| Anaerobic digestion of sewage sludge (*) | CCM 5.6 | - | 0.00 | - | - | - | - |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 152,860 | 3.67 | - | - | - | - |

45 For activities marked with an asterisk (*), partial alignment is reported.

46 Note that the values of activities 5.1, 5.3 of the *Climate Change Mitigation* goal, highlighted in 2022, are no longer shown in the table, because after the 2023 analysis, activities 2.1 and 2.2 of the *Sustainable use and protection of water and marine resources* goal were valued. For 2022, the aligned turnover portions were 5.1 = 14.56% and 5.3 = 8.16%, and eligible and unaligned turnover was 5.3 = 3.62%.

| Financial year 2023 | Year | | Substantial contribution criteria | | | | |
|---|------|-----------|-----------------------------------|---------------------------|---------------------------|----------------------------|------------------|
| Economic activities | Code | Turnover | Share of Turnover year 2023 | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy |
| | | (€000) | % | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL |
| Turnover of activities that are taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities) (A.2) | | 353,282 | 8.49 | 3.98 | 0.00 | 4.37 | 0.11 |
| A. Turnover of activities eligible for the taxonomy (A.1+A.2) | | 1,896,712 | 45.58 | 14.60 | 0.00 | 30.83 | 0.12 |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES | | | | | | | |
| Turnover of activities not eligible for the taxonomy | | 2,264,931 | 54.42 | | | | |
| Total (A+B) | | 4,161,644 | 100% | | | | |

NB: for the reconciliation of turnover with the Group's consolidated figure, the unvalued portion must be added to the total (A+B)

Table no. 7 – Eligibility percentage and alignment for each environmental goal (Turnover KPI)

| Turnover percentage/total turnover | | |
|------------------------------------|-----------------------------|-------------------------------|
| | Aligned to taxonomy by goal | Eligible for taxonomy by goal |
| CCM | 10.62% | 14.60% |
| CCA | 0.00% | 0.00% |
| WTR | 26.46% | 30.83% |
| CE | 0.00% | 0.12% |
| PPC | 0.00% | 0.02% |
| BIO | 0.00% | 0.00% |

Table no. 8 – Acea Group's share of capital expenditure (CapEx) from products or services associated with Taxonomy-aligned economic activities⁴⁷ - disclosure for 2023⁴⁸

| Financial year 2023 | Year | | Substantial contribution criteria | | | | |
|---|---------------------|---------|-----------------------------------|---------------------------|---------------------------|----------------------------|------------------|
| Economic Activities | Code | CapEx | Share of CapEx year 2023 | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy |
| | | (€000) | % | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL |
| A. TAXONOMY ELIGIBLE ACTIVITIES | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | |
| Supply of fresh water | WTR 2.1 | 352,327 | 31.79 | N/EL | N/EL | Yes | N/EL |
| Urban waste water treatment (*) | WTR 2.2 | 171,561 | 15.48 | N/EL | N/EL | Yes | N/EL |
| Production of alternative water resources for purposes other than human consumption (*) | CE 2.2 | 75 | 0.01 | N/EL | N/EL | N/EL | Yes |
| Electricity generation using solar photovoltaic technology | CCM 4.1 / CCA 4.1 | 31,933 | 2.88 | Yes | No | N/EL | N/EL |
| Electricity generation from hydropower | CCM 4.5 / CCA 4.5 | 2,721 | 0.25 | Yes | No | N/EL | N/EL |
| Electricity generation from bioenergy | CCM 4.8 / CCA 4.8 | 375 | 0.03 | Yes | Yes | N/EL | N/EL |
| Transmission and distribution of electricity (*) | CCM 4.9 / CCA 4.9 | 224,486 | 20.26 | Yes | Yes | N/EL | N/EL |
| District heating/cooling distribution (*) | CCM 4.15 / CCA 4.15 | 3,619 | 0.33 | Yes | No | N/EL | N/EL |
| Collection and transport of non-hazardous waste in source segregated fractions (*) | CCM 5.5 / CCA 5.5 | 283 | 0.03 | Yes | No | N/EL | N/EL |
| Anaerobic digestion of sewage sludge (*) | CCM 5.6 / CCA 5.6 | 4,543 | 0.41 | Yes | No | N/EL | N/EL |
| Anaerobic digestion of bio-waste | CCM 5.7 / CCA 5.7 | 3,106 | 0.28 | Yes | Yes | N/EL | N/EL |
| Composting of bio-waste | CCM 5.8 / CCA 5.8 | 76 | 0.01 | Yes | No | N/EL | N/EL |

47 For activities marked with an asterisk (*), partial alignment is reported.

48 Note that the values of activities 5.1, 5.2, 5.3 and 5.4 of the Climate Change Mitigation objective, highlighted in 2022, are no longer shown in the table, since, after the 2023 analyses, activities 2.1 = 20.26%, 5.2 = 8.80%, 5.3 = 16.23% and 5.4 = 0.72% and those of eligible and unaligned turnover were 5.3 = 3.68% and 5.4 = 1.96%.

DNSh criteria
("Do not significant harm")

| Pollution | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Turnover percentage aligned (A.1.) or eligible (A.2.) to the taxonomy, year 2022 | Enabling activity category | Transition activity category |
|----------------|-----------------------------|---------------------------|---------------------------|----------------------------|------------------|-----------|-----------------------------|--------------------|--|----------------------------|------------------------------|
| Yes/No N/EL | Yes/No N/EL | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | % | A | T |
| 0.02 | 0.00 | | | | | | | | 3.94 | | |
| 0.02 | 0.00 | | | | | | | | 36.91 | | |

DNSh criteria
("Do not significant harm")

| Pollution | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Share of CapEx aligned (A.1.) or eligible (A.2.) with the taxonomy, year 2022 | Enabling activity category | Transition activity category |
|----------------|-----------------------------|---------------------------|---------------------------|----------------------------|------------------|-----------|-----------------------------|--------------------|---|----------------------------|------------------------------|
| Yes/No N/EL | Yes/No N/EL | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | % | A | T |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/EL | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/EL | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/EL | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 5.93 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/EL | ~ | ~ |
| N/EL | N/EL | No | Yes | Yes | Yes | Yes | Yes | Yes | 18.70 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.05 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.03 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.75 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.05 | ~ | ~ |

1 and 2.2 of the "Sustainable use and protection of water and marine resources goal" were valued. For 2022, the CapEx portions aligned were

| Financial year 2023 | | Year | | Substantial contribution criteria | | | |
|---|---------------------|------------------|--------------------------|-----------------------------------|---------------------------|----------------------------|------------------|
| Economic Activities | Code | CapEx | Share of CapEx year 2023 | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy |
| | | (€000) | % | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL |
| Material recovery from non-hazardous waste | CCM 5.9 / CCA 5.9 | 1,715 | 0.15 | Yes | No | N/EL | N/EL |
| Capture and use of landfill gas | CCM 5.10 / CCA 5.10 | 325 | 0.03 | Yes | Yes | N/EL | N/EL |
| Infrastructure enabling low-carbon road transport and public transport | CCM 6.15 | 2,710 | 0.24 | Yes | N/EL | N/EL | N/EL |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | CCM 7.4 / CCA 7.4 | 296 | 0.03 | Yes | No | N/EL | N/EL |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 / CCA 7.5 | 36,989 | 3.34 | Yes | No | N/EL | N/EL |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 / CCA 7.6 | 295 | 0.03 | Yes | Yes | N/EL | N/EL |
| Professional services related to energy performance of buildings | CCM 9.3 | - | 0.00 | Yes | No | N/EL | N/EL |
| CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1) | | 837,436 | 75.57 | 28.29 | 0.00 | 47.27 | 0.01 |
| of which enabling | | 264,777 | 23.89 | - | - | - | - |
| of which transitional | | - | 0.00 | - | - | - | - |
| A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities) | | | | | | | |
| Treatment of hazardous waste | PPC 2.2 | 51 | 0.00 | - | - | - | - |
| Urban waste water treatment (*) | WTR 2.2 | 82,649 | 7.46 | - | - | - | - |
| Production of alternative water resources for purposes other than human consumption (*) | CE 2.2 | 35 | 0.00 | - | - | - | - |
| Sorting and recovery of materials from non-hazardous waste | CE 2.7 | 510 | 0.05 | - | - | - | - |
| Provision of IT/OT (information technology/operational technology) data-based solutions for loss reduction | WTR 4.1 | 1,014 | 0.09 | - | - | - | - |
| Transmission and distribution of electricity (*) | CCM 4.9 / CCA 4.9 | - | 0.00 | - | - | - | - |
| District heating/cooling distribution (*) | CCM 4.15 / CCA 4.15 | 110 | 0.01 | - | - | - | - |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels | CCM 4.30 / CCA 4.30 | 1,686 | 0.15 | - | - | - | - |
| Collection and transport of non-hazardous waste in source segregated fractions (*) | CCM 5.5 / CCA 5.5 | 57 | 0.01 | - | - | - | - |
| Anaerobic digestion of sewage sludge (*) | CCM 5.6 / CCA 5.6 | 528 | 0.05 | - | - | - | - |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 / CCA 7.3 | 3 | 0.00 | - | - | - | - |
| CAPEX of Taxonomy-eligible but non-environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2) | | 86,643 | 7.82 | 0.22 | 0.00 | 7.55 | 0.05 |
| A. Head of Taxonomy eligible activities (A.1+A.2) | | 924,079 | 83.38 | 28.5 | 0.00 | 54.82 | 0.06 |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES | | | | | | | |
| CAPEX of activities not eligible for taxonomy | | 184,138 | 16.62 | | | | |
| Total (A+B) | | 1,108,217 | 100% | | | | |

Table no. 9 – Percentage of eligibility and alignment for each environmental goal (CapEx KPI)

| | Total CapEx/CapEx share | |
|-----|-----------------------------|-------------------------------|
| | Aligned to taxonomy by goal | Eligible for taxonomy by goal |
| CCM | 28.29% | 28.50% |
| CCA | 0.01% | 0.30% |
| WTR | 47.27% | 54.82% |
| CE | 0.01% | 0.06% |
| PPC | 0.00% | 0.00% |
| BIO | 0.00% | 0.00% |

DNSH criteria

("Do not significant harm")

| Pollution | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Share of CapEx aligned (A.1.) or eligible (A.2.) with the taxonomy, year 2022 | Enabling activity category | Transition activity category |
|----------------|-----------------------------|---------------------------|---------------------------|----------------------------|------------------|------------|-----------------------------|--------------------|---|----------------------------|------------------------------|
| Yes/No N/EL | Yes/No N/EL | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | % | A | T |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.45 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 2.89 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | A | ~ |
| 0.00 | 0.00 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 75.60 | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | A | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | T |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.00 | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.01 | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.26 | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.01 | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.00 | ~ | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | ~ | ~ |
| 0.00 | 0.00 | | | | | | | | 5.93 | | |
| 0.00 | 0.00 | | | | | | | | 81.54 | | |

Table no. 10 – Acea Group's share of operating expenses (OpEx) from products or services associated with Taxonomy-aligned economic activities⁴⁹ - disclosure for 2023⁵⁰

| Financial year 2023 | Year | | | | | Substantial contribution criteria | |
|---|---------------------|---------|-------------------------|---------------------------|---------------------------|-----------------------------------|------------------|
| Economic Activities | Code | OpEx | Share of OpEx year 2023 | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy |
| | | (€000) | % | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL |
| A. TAXONOMY ELIGIBLE ACTIVITIES | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | |
| Supply of fresh water | WTR 2.1 | 62,047 | 32.35 | N/EL | N/EL | Yes | N/EL |
| Urban waste water treatment (*) | WTR 2.2 | 50,047 | 26.09 | N/EL | N/EL | Yes | N/EL |
| Production of alternative water resources for purposes other than human consumption (*) | CE 2.2 | 38 | 0.02 | N/EL | N/EL | N/EL | Yes |
| Electricity generation using solar photovoltaic technology | CCM 4.1 / CCA 4.1 | 3,005 | 1.57 | Yes | No | N/EL | N/EL |
| Electricity generation from hydropower | CCM 4.5 / CCA 4.5 | 2,984 | 1.56 | Yes | No | N/EL | N/EL |
| Electricity generation from bioenergy | CCM 4.8 / CCA 4.8 | 219 | 0.11 | Yes | Yes | N/EL | N/EL |
| Transmission and distribution of electricity (*) | CCM 4.9 / CCA 4.9 | 16,135 | 8.41 | Yes | Yes | N/EL | N/EL |
| District heating/cooling distribution (*) | CCM 4.15 / CCA 4.15 | 692 | 0.36 | Yes | No | N/EL | N/EL |
| Collection and transport of non-hazardous waste in source segregated fractions (*) | CCM 5.5 / CCA 5.5 | 98 | 0.05 | Yes | No | N/EL | N/EL |
| Anaerobic digestion of sewage sludge (*) | CCM 5.6 / CCA 5.6 | 445 | 0.23 | Yes | No | N/EL | N/EL |
| Anaerobic digestion of bio-waste | CCM 5.7 / CCA 5.7 | 7,984 | 4.16 | Yes | Yes | N/EL | N/EL |
| Composting of bio-waste | CCM 5.8 / CCA 5.8 | 11 | 0.01 | Yes | No | N/EL | N/EL |
| Material recovery from non-hazardous waste | CCM 5.9 / CCA 5.9 | - | 0.00 | Yes | No | N/EL | N/EL |
| Capture and use of landfill gas | CCM 5.10 / CCA 5.10 | 236 | 0.12 | Yes | Yes | N/EL | N/EL |
| Infrastructure enabling low-carbon road transport and public transport | CCM 6.15 | 402 | 0.21 | Yes | N/EL | N/EL | N/EL |
| Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) | CCM 7.4 / CCA 7.4 | - | 0.00 | Yes | No | N/EL | N/EL |
| Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings | CCM 7.5 / CCA 7.5 | 632 | 0.33% | Yes | No | N/EL | N/EL |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 / CCA 7.6 | 9 | 0.00 | Yes | Yes | N/EL | N/EL |
| Professional services related to energy performance of buildings | CCM 9.3 | 23 | 0.01 | Yes | No | N/EL | N/EL |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 145,006 | 75.6 | 17.14 | 0.00 | 58.44 | 0.02 |
| of which enabling | | 17,201 | 8.97 | - | - | - | - |
| of which transitional | | - | 0.00 | - | - | - | - |
| A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities) | | | | | | | |
| Treatment of hazardous waste | PPC 2.2 | 39 | 0.02 | - | - | - | - |
| Urban waste water treatment (*) | WTR 2.2 | 10,733 | 5.60 | - | - | - | - |
| Production of alternative water resources for purposes other than human consumption (*) | CE 2.2 | - | 0.00 | - | - | - | - |
| Sorting and recovery of materials from non-hazardous waste | CE 2.7 | 405 | 0.21 | - | - | - | - |
| Provision of IT/OT (information technology/operational technology) data-based solutions for loss reduction | WTR 4.1 | - | 0.00 | - | - | - | - |
| Transmission and distribution of electricity (*) | CCM 4.9 / CCA 4.9 | 14 | 0.01 | - | - | - | - |
| District heating/cooling distribution (*) | CCM 4.15 / CCA 4.15 | 436 | 0.23 | - | - | - | - |
| High-efficiency co-generation of heat/cool and power from fossil gaseous fuels | CCM 4.30 / CCA 4.30 | 2,584 | 1.35 | - | - | - | - |
| Collection and transport of non-hazardous waste in source segregated fractions(*) | CCM 5.5 / CCA 5.5 | 29 | 0.02 | - | - | - | - |
| Anaerobic digestion of sewage sludge(*) | CCM 5.6 / CCA 5.6 | - | 0.00 | - | - | - | - |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 / CCA 7.3 | 345 | 0.18 | - | - | - | - |

49 For activities marked with an asterisk (*), partial alignment is reported.

50 Note that the values of activities 5.1, 5.3 of the Climate Change Mitigation goal, highlighted in 2022, are no longer shown in the table, because after the 2023 analysis, activities 2.1 and 2.2 of the "Sustainable use and protection of water and marine resources" goal were valued. For 2022, the aligned OpEx portions were 5.1 = 39.29% and 5.3 = 20.23%, and eligible and unaligned turnover was 5.3 = 10.07%.

| DNSH criteria | | | | | | | | | | | |
|-----------------------------|-----------------------------|---------------------------|---------------------------|----------------------------|------------------|------------|-----------------------------|--------------------|--|----------------------------|------------------------------|
| ("Do not significant harm") | | | | | | | | | | | |
| Pollution | Biodiversity and ecosystems | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy | Pollution | Biodiversity and ecosystems | Minimum safeguards | Aligned OpEx dimension (A.1.) O eligible (A.2.) to taxonomy, year 2022 | Enabling activity category | Transition activity category |
| Yes/No N/EL | Yes/No N/EL | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | Yes/No | % | A | T |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/EL | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/EL | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/EL | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 1.85 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 1.99 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/EL | ~ | ~ |
| N/EL | N/EL | No | Yes | Yes | Yes | Yes | Yes | Yes | 5.63 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.53 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.03 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 1.77 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.08 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.01 | ~ | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.53 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.31 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.08 | A | ~ |
| N/EL | N/EL | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 0.00 | A | ~ |
| 0.00 | 0.00 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | 72.99 | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | A | ~ |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | T |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.07 | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.27 | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 1.80 | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.01 | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | 0.00 | | |
| ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | ~ | N/EL | | |

| Financial year 2023 | | Year | | | | Substantial contribution criteria | |
|--|------|---------|-------------------------|---------------------------|---------------------------|-----------------------------------|------------------|
| Economic Activities | Code | OpEx | Share of OpEx year 2023 | Climate change mitigation | Climate change adaptation | Water and marine resources | Circular Economy |
| | | (€000) | % | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL | Yes/No N/EL |
| OpEx of activities that are Taxonomy-aligned but not environmentally sustainable (not taxonomy-aligned activities) | | 14,586 | 7.60 | 1.78 | 0.00 | 5.6 | 0.21 |
| A. Operating expenses of Taxonomy-eligible activities (A.1+A.2) | | 159,592 | 83.20 | 18.92 | 0.00 | 64.04 | 0.23 |
| B. TAXONOMY NON-ELIGIBLE ACTIVITIES | | | | | | | |
| OpEx of Taxonomy non-eligible activities | | - | % | | | | |
| Total (A+B) | | - | 100% | | | | |

Table no. 11 – Eligibility percentage and alignment for each environmental goal (OpEx KPI)

| | Portion of OpEx/OpEx totals | |
|-----|-----------------------------|-------------------------------|
| | Aligned to taxonomy by goal | Eligible for taxonomy by goal |
| CCM | 17.14% | 18.92% |
| CCA | 0.00% | 0.00% |
| WTR | 58.44% | 64.04% |
| CE | 0.02% | 0.23% |
| PPC | 0.00% | 0.02% |
| BIO | 0.00% | 0.00% |

As indicated in the previous table, Acea is also eligible in the context of one of the six activities regarding **energy production from nuclear and fossil fuels**, regulated by the Complementary Delegated Act: this is **activity 4.30** "High-efficiency co-generation of heat/cool

and power from fossil gaseous fuels"⁵¹ which, following the analyses performed, was found **not to be aligned**; the table below, simplified with respect to the standard model in Annex III of the Delegated Act, shows the relative KPIs for turnover, CapEx and OpEx.

Table no. 12 – Taxonomy-eligible but not aligned nuclear and fossil gas related economic activities

| Economic activities | | amount and proportion | | | | | |
|---------------------|--|-----------------------|-------|---------------------------------|-------|---------------------------------|------|
| | | CCM + CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
| | | Amount (€k) | % | Amount (€k) | % | Amount (€k) | % |
| Turnover | | | | | | | |
| (...) | | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover | - | 0.00 | - | 0.00 | - | 0.00 |
| (...) | | | | | | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities | 1,896,712 | 45.58 | 1,896,712 | 45.58 | - | 0.00 |
| | not referred to in rows 1 to 6 above in the denominator of turnover | | | | | | |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the denominator of turnover | 4,161,644 | 100 | 4,161,644 | 100 | - | 0.00 |
| CapEx | | | | | | | |
| (...) | | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx | 1,686 | 0.15 | 1,686 | 0.15 | - | 0.00 |
| (...) | | | | | | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities | 922,393 | 83.23 | 922,393 | 83.23 | - | 0.00 |
| | not referred to in rows 1 to 6 above in the denominator of CapEx | | | | | | |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the denominator of CapEx | 1,108,217 | 100 | 1,108,217 | 100 | - | 0.00 |
| OpEx | | | | | | | |
| (...) | | | | | | | |
| 5 | Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OpEx | 2,584 | 1.35 | 2,584 | 1.35 | - | 0.00 |
| (...) | | | | | | | |
| 7 | Amount and proportion of other taxonomy-aligned economic activities | 157,008 | 81.85 | 157,008 | 81.85 | - | 0.00 |
| | not referred to in rows 1 to 6 above in the denominator of OpEx | | | | | | |
| 8 | Total amount and proportion of taxonomy-aligned economic activities in the denominator of OpEx | 191,807 | 100 | 191,807 | 100 | - | 0.00 |

51 Activity 5 pursuant to Annex III, Standard templates for the disclosure referred to in Article 8(6) and (7) of Delegated Regulation (EU) 2022/1214 of the European Commission.

STRATEGY AND SUSTAINABILITY

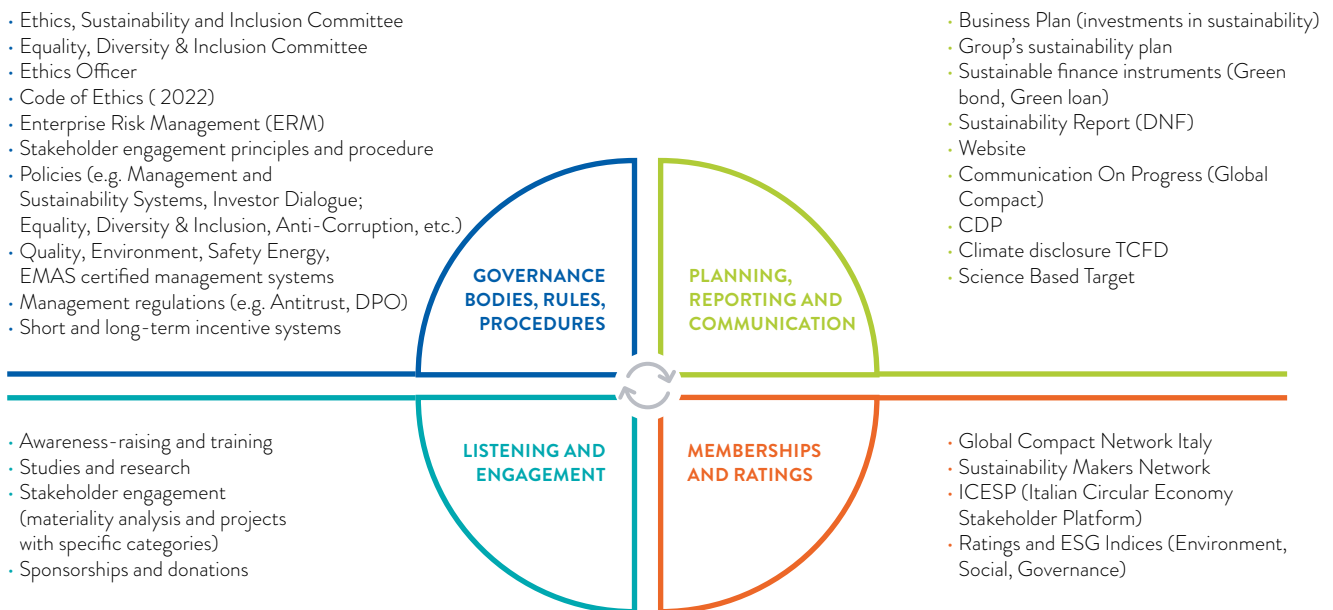
INTEGRATED STRATEGY OVERVIEW

The relationship between industrial strategy and sustainability is recognized starting with the Acea Group's Code of Ethics, where it is highlighted that: *“Acea intends to conduct its business while respecting the principles of sustainable development and contributing to the pursuit of the UN Sustainable Development Goals (2030 Agenda) and as they are implemented at European (Green Deal) and national level. Acea also operates in line with the principles issued by the United Nations Global Compact, to which Acea has formally and substantially subscribed. Acea is aware that the services it provides underpin the fundamental rights of individuals and the influence, even indirect, that its activities have on people's living conditions, on the economic and social development of the areas in which it operates, and on the general*

*well-being of the community. That is why it plans its investments and conducts its business to pursue sustainable success in the medium to long term (...) Acea works to integrate care for the social and environmental aspects of its business with corporate growth strategies (...)”*⁵².

Acea manages its activities guided by the pursuit of **“sustainable success”** and to this end adopts appropriate policies, management systems, planning and reporting tools. Equally important for continuous improvement towards sustainability are opportunities to discuss, listen and share projects with stakeholders such as **institutions, experts, companies, customers, suppliers and all other interested parties** (see Chart 10).

Chart no. 10 – Sustainability tools



Acea's commitment is appreciated by external observers, analysts specialised in ESG and the market. This is evidenced by Acea's good ranking in the **Integrated Governance Index** (see the chapter *Corporate governance and management systems*), the Group's rating in Bloomberg's **Gender Equality Index**, with a 2022 **score of 81.58**,

the awards received in the field of innovation (see the chapter *Institutions and business*), its positioning in the **CDP-Carbon Disclosure Project** assessments, and the ratings issued by ESG analysts (see the chapter *Shareholders and investors*).

52 Acea Group Code of Ethics (2022 edition), Sustainability, Responsibility to Stakeholders and Environmental Protection, in the section Core Values and Principles

ACEA'S COMMITMENT TO COUNTERING CLIMATE CHANGE: VALIDATION OF SBT OBJECTIVES

In September 2023 Acea obtained from *Science Based Targets initiative* (SBTi) the **validation of its direct and indirect greenhouse gas emission reduction targets** to 2032, compared to the base year 2020. The international organisation assessed Acea's goals in line with the "Well below 2°C" trajectory, the goal established in the 2015 Paris Accords to limit the increase in global temperature with respect to pre-industrial levels.

This decision represents an important acknowledgement of the decarbonisation process begun by the Group to support the energy transition. The set targets are: to reduce **emissions per MWh of**

energy produced by 56% (scope 1), reduce **indirect emissions from electricity use by 32% (scope 2)**, reduce **emissions from energy production and energy procurement and resale by 56%**, and to reduce **by 30% the emissions from gas** distributed and sold to customers.

Science Based Targets initiative is an international network comprising CDP (Carbon Disclosure Project), the UN Global Compact, the World Resources Institute and the WWF. It promotes best practices for science-based decarbonisation target setting and independently evaluates targets proposed by companies.

ACEA CONFIRMED AS A 2023 SUSTAINABILITY LEADER

Acea was confirmed **as one of the 240 most sustainable Italian companies**, categorised by turnover size, in research conducted by Sole24Ore and Statista. Some 1,500 companies were evaluated against **45 environmental, social and governance indicators**. The

analysis produced a score for each of the 3 aspects assessed (in each of these, the best company received the maximum score of 100) and the list of "Leader" companies was published in the Sole24Ore *Sustainability Leader* dossier.

INSTITUTIONS AND ACEA FOR THE PROTECTION OF LEGALITY AND THE ENVIRONMENT IN STRATEGIC WORKS LOCALLY

The commitment to strengthen the **the fight against potential corruptive conduct and the risk of infiltration** by organised crime in corporate sectors of strategic national importance is the subject of the **National Framework Protocol for the protection of legality** jointly signed in July by **Acea** and the **Ministry of the Interior**.

The scope of the agreement includes the nationwide strengthening of cooperation in the field of public safety and legality, also in view of Acea's commitment in the implementation of **important infrastructure works**, such as the Peschiera aqueduct works and the NRRP implementation projects. The three-year protocol will cover the territories in the country where the Group companies operate; the latter will sign **partnership protocols with the Prefectures** on the basis of the Framework Protocol. The implemented Agreement will envisage innovative prevention measures including: new digital monitoring systems for large-scale construction sites, control of the external environment in

which works take place and prevention activities to ensure correct handling of the waste disposal process.

In September, as part of the implementation of the Framework Protocol, four "**Legality Protocols**" were signed between the **Prefecture of Rome and Acea Ato 2** to further protect safety and legality and to counter criminal infiltration at **construction sites for major water works in the capital**. The provisions will apply to all entities in the business chain and to all contractual arrangements, including those already in existence. In addition, extensive monitoring activities are planned for operators who become involved in any stage of the project, the related financial flows and the safety conditions of the construction sites and the workers employed. In the Prefecture, a "table" is set up to monitor labour flows; it will also include an official of the Territorial Labour Inspectorate and representatives of the most relevant construction trade unions.

In July 2023, **the Board of Directors approved the Strategic guidelines underlying the finalisation of the new Business Plan** and the development prospects for the core business sectors in the coming years.

The **current 2020-2024 Business Plan**, was defined taking into account **five key mega trends** that mark the forward development of Utilities: **sustainability and the circular economy, customer centrality, energy transition, innovation and digitalisation** and **better market competitiveness**.

In particular, the **Business Plan** has divided the **Group's growth guidelines** into **5 strategic pillars summarised** by the acronym **GRIDS**:

- **Growth**: Growth driven by the regulated market;
- **Renewables**: investment in renewables;
- **Innovation**: investment in new innovative services;
- **Delivery**: Results exceeded targets;
- **Sustainability**: increasing focus on the environmental impact and circular economy.

The total business investments, envisaged in the Plan, amount to **€4.3 billion**.

MAIN ACTIONS AND STRATEGIC OBJECTIVES OF THE 2020-2024 BUSINESS PLAN BY BUSINESS AREA

business area

strategy

WATER

Development of a Smart Water Company for sustainable use of water by improving the quality and efficiency of the service
Expansion through participation in new tenders in other territories.

- installation of **smart water meters** and **districting** of the network
- virtuous path of **water resource protection with reduction of losses**
- **rationalisation of small treatment plants**
- **optimisation of network performance** through the **Water Management System**
- **securitisation of supply** with work on the **strategic Peschiera and Marcio aqueducts**



NETWORKS

Major player in the energy transition with enabling projects for increased electrification and integration of distributed generation.

- investments for **network resilience** with interventions on specific substations
- **network digitisation** through remote control and IoT solutions
- network maintenance to improve **service continuity**
- **2G smart meter** installation
- new **Network Service** Management Centre



ENVIRONMENT

Consolidation of the market towards the circular economy including in a "one-stop-shop" logic.
Accelerated closing of the waste cycle in Central Italy.

- **consolidation of core business** in energy recovery (WtE) and disposal of unsorted waste and organic fraction
- strengthening **Waste to Material (WtM) supply chains in view of the circular economy** (e.g. plastic, paper)
- further **development in the special waste sector**, also in **synergy with the Group's water** (e.g. sludge) and WtE (e.g. ash) **activities**
- development of **industrial synergies**



ENGINEERING AND SERVICES

Development of a building oriented company for turnkey management of construction and engineering activities.

- focus on **core engineering activities**
- construction of plants through the **internalisation of construction activities** in an EPC perspective
- **reducing construction time** and strengthening **laboratory activities**
- development of a **research centre**



ENERGY (COMMERCIAL AND TRADING)

Commercial growth in central and southern Italy, also supported by the elimination of greater protection and "digital" offers. Development of a Services-Based Company to strengthen customer relations and enhance Acea Group brands.

- reinforcement in the **reference territories** and **growth in Central and Southern Italy**
- **cross-selling and up-selling opportunities** from full market liberalisation and a **push for dual fuel offerings**
- commercial strategy focused on **digital channels, including through a new customer management platform**
- developments of the **segment and mobility** with installation of **columns** and **value-added services**
- **energy efficiency services** offer
- **Smart Comp** installation with system managed remotely through an IoT platform developed by Acea
- installation of residential **photovoltaic** and **solar thermal** systems



GENERATION

Growth of the PV portfolio to seize opportunities from the energy transition and decarbonisation process.

- growth in **generation from renewable sources** to seize opportunities offered by the **decarbonisation process**, whether through the construction of **new PV plants** in industrial and agricultural areas and through M&A transactions



In line with the industrial development guidelines, the **2020-2024 Sustainability Plan**, divided into a **governance level**, intended to consolidate the integration of sustainability into the Company's governance, **and into five operating macro-objectives**, split into **127 targets by 2024** and their KPIs, shows **the unique traits assumed by sustainability for the Group**, in the practical management of production and organisational processes and in relations with stakeholders (see boxes and charts 11 and 12). The 2020-2024 Sustainability Plan was defined with the **involvement of the organisational structures** (internal departments of the Parent Company and Operating Companies⁵³), taking into account the **material topics for 2019** defined by engagement with stakeholders, and remaining in line with the objectives of the **European Green Deal** and the

Agenda 2030 Sustainable Development Goals that are relevant to Acea's businesses. Following the **update of the materiality analysis** in 2022, it was **verified** and confirmed **that it remains in line with the most relevant issues emerging from listening to multistakeholders**.

The investments envisaged in the **2020-2024 Business Plan related to sustainability targets** totalling **€2.1 billion**. In 2023, the **progress of the targets**, illustrated in detail in the following section, **as well as the amount of investments made in the year** was monitored, which, as at 31 December 2023, was around **€290 million**; in total, in the 2020-2023 four-year period, the Business Plan investments related to sustainability targets amounted to around **€1.5 billion**.

THE GOVERNANCE LEVEL OF THE SUSTAINABILITY PLAN 2020-2024: CROSS-CUTTING OBJECTIVES FOR INTEGRATION

| governance areas | strategy |
|--|---|
| SUSTAINABILITY IN THE RISK ASSESSMENT | <ul style="list-style-type: none"> consideration of material ESG topics in the risk management model; assess risks and impacts on safety and the environment and mitigate them, including by adopting certified management systems |
| SUSTAINABILITY IN THE STRATEGY | <ul style="list-style-type: none"> highlighting the total value generated by the Group with an integrated reading of economic and sustainable development |
| SUSTAINABILITY IN THE REMUNERATION POLICY | <ul style="list-style-type: none"> enhancing the objectives aimed at promoting sustainability impacts by integrating them into the performance management models |
| CF SUSTAINABILITY CULTURE SPREAD | <ul style="list-style-type: none"> involving internal and external stakeholders in the matter by disseminating the "sustainability culture" |
| FCR SUSTAINABILITY FOR SHAREHOLDERS AND INVESTORS | <ul style="list-style-type: none"> integrating financial with ESG elements in communications and relations with shareholders and stakeholders |
| SUSTAINABILITY IN THE REGULATION SECTOR | <ul style="list-style-type: none"> identifying sustainability topics in the evolving trends of national and European regulations |
| SUSTAINABILITY IN THE MANAGEMENT OF PEOPLE | <ul style="list-style-type: none"> developing an advanced, collaborative labour-management relations model that meets new social needs |
| SUSTAINABILITY IN PROCUREMENT | <ul style="list-style-type: none"> promoting sustainability along the supply chain, while being mindful of the relevant best practices |

⁵³ A target to increase the amount of energy produced from biogas (renewable source) was also defined for the Company Deco, which entered into the NFS reporting boundary in 2022.

THE OPERATIONAL LEVEL OF THE 2020-2024 SUSTAINABILITY PLAN: SPECIFIC FEATURES OF THE 5 MACRO-OBJECTIVES

macro objective

strategy

PROMOTING A FOCUS ON THE CUSTOMER



- increasing the **technical and commercial quality** of the **services**, while **consolidating digital services**;
- improving the **customer experience** and the **contact channels** so that they fully meet customers' needs;

ENHANCING STAFF FOR THE GROUP'S GROWTH



- **training, employee involvement** and increasing **organisational well-being**, including the protection and promotion of **diversity**;
- enhancing sustainability in **performance management systems**;

QUALIFYING PRESENCE IN THE REGIONS AND PROTECTING THE ENVIRONMENT



- increasing **resilience of water and electricity infrastructure** to ensure security of supply, adaptation to climate change and support for energy transition;
- **limiting impacts** on the natural environment, protecting the land and biodiversity and using resources more efficiently;
- streamlining and **contributing** to the **decarbonisation of the energy system**, with the increase of production from renewable sources and the consequent reduction of CO₂ emissions;
- reducing the **city's environmental impacts** through smart green services for customers and the **development of circular economy initiatives**;
- promoting sustainability along the **supply chain**, raising awareness of customers and students on sustainability issues, with a structured approach to **stakeholder involvement**;

PROMOTING HEALTH AND SAFETY ALONG THE VALUE CHAIN



- **disseminating the culture of safety and prevention along the internal and external value chain**;
- increasing **verification and control activities** and actions to ensure the health and safety of customers;

INVESTING IN INNOVATION FOR SUSTAINABILITY



- applying **innovative technologies** for network management (digitisation, remote control, IoT) in a **smart city** perspective and in other production and organisational processes;
- developing synergies in **research** and **innovation** for **knowledge sharing** as well as **project implementation**, including in association with start-ups and scientific partnerships.



Chart no. 11 – The 2020-2024 Sustainability Plan in numbers

127 targets



**PROMOTING A
FOCUS ON THE
CUSTOMER**

18 targets (14%)



**ENHANCING
STAFF FOR
THE GROUP'S
GROWTH**

15 targets (12%)



**QUALIFYING
PRESENCE IN THE
REGIONS AND
PROTECTING THE
ENVIRONMENT**

58 targets (46%)



**PROMOTING
HEALTH AND
SAFETY ALONG
THE VALUE CHAIN**

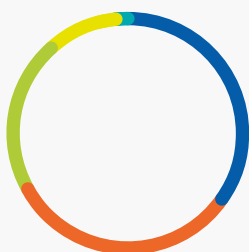
14 targets (11%)



**INVESTING IN
INNOVATION FOR
SUSTAINABILITY**

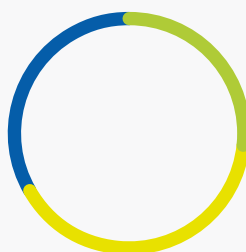
22 targets (17%)

€ 2.1 billion invested
from 2020-2024 related
to sustainability targets



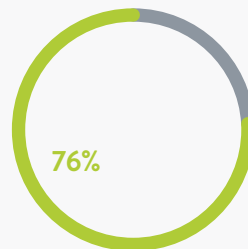
€ 723.5 million Acea Ato 2
€ 670.5 million Areti
€ 444.9 million Acea Ambiente
€ 212.0 million Acea Produzione
€ 29.3 million Acea Innovation

100% of material topics covered
(high and medium relevance)
15 material topics

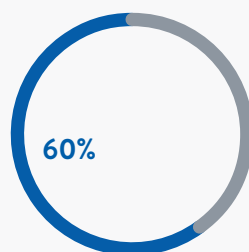


4 Environmental
6 Social
5 Governance

96/127 targets related
to the SDGs



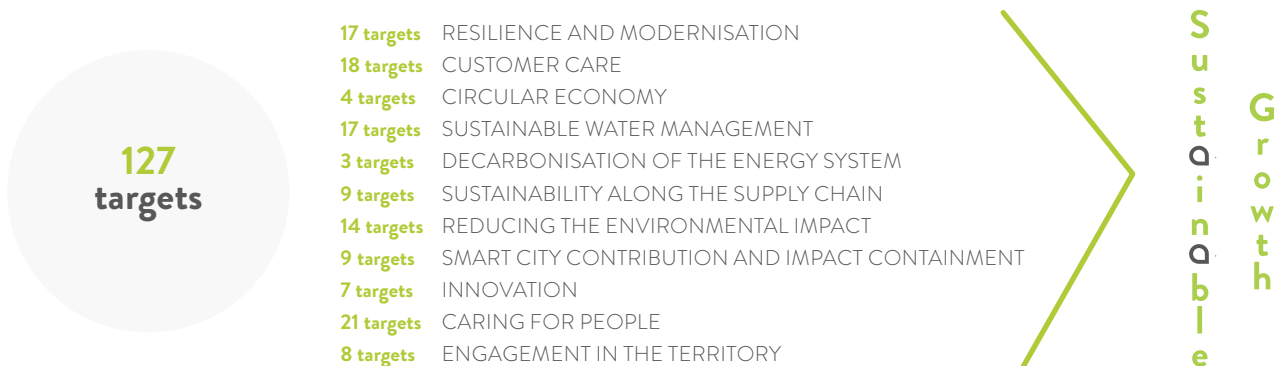
76/127 targets
in line with the Green Deal



- 16 1. Guaranteeing the supply of clean, economical and secure energy
- 34 2. Mobilising the industry for a clean and circular economy
- 2 3. Building and renovating with a focus on energy and resource efficiency
- 4 4. Accelerating the transition to sustainable and intelligent mobility
- 19 5. Preserving and restoring ecosystems and biodiversity
- 12 6. Working towards "zero pollution" for a toxin-free environment

Note: Each target can be related to multiple material topics, SDGs and Green Deal objectives

Chart no. 12 – The sustainability strategy guidelines



The **Management and Sustainability Systems Policy**⁵⁴ adopted by Acea also sets out the **principles, values** and **commitments** made by the Group, and is an **integral part of the Management Systems** in accordance with ISO 9001, ISO 14001, ISO 45001 and ISO 50001 (see also the section *Management Systems*). The Policy sees the following values as **fundamental elements for sustainability**:

- promotion of a **culture of quality**;
- **respect** for the **environment** and **preservation of ecosystems**;
- **fighting climate change**;
- the **development of people** and **safety at workplace**;
- the **efficient management of resources**;
- the **assessment of the risk and the economic, social and environmental impacts**;
- participation in the **well-being of the community** and the development of an **ongoing dialogue with stakeholders**;
- the promotion of creativity and **technological and organisational innovation**.



⁵⁴ The Policy, updated in November 2020, can be found on the institutional website, www.gruppo.acea.it.

THE 2020-2024 SUSTAINABILITY PLAN AND THE OPERATIONAL GOALS

The **2020-2024 Sustainability Plan**, as already mentioned, **acts on governance and operational levels**, identifying 8 cross-cutting objectives aimed at incorporating sustainability into the governance of the company and 5 macro-objectives for the Group. The **5 operational macro objectives** are broken down into **15 frameworks for action**, **25 operational objectives**, as illustrated in the figure, and **127 objectives for 2024** and **related KPIs** that allow the **progressive achievement thereof to be monitored**. Details of the Plan, the KPIs and the actions during the year are shown below; these are described briefly and where necessary described in more detail in the document. It is envisaged that **the Plan will be updated periodically**, especially at an operational level, so that **consistency with changes to the management and strategic industrial guidelines** of the Group is ensured.



Acea is committed to the adequate integration of sustainability in corporate governance by:

- the consideration of material ESG issues in its business risk management model; the assessment of safety and environmental risks and impacts of its activities with the aim of keeping them under control and reducing them also through the adoption of certified management systems;
- the integrated reading of economic, financial and sustainability data so as to present the overall value generated by the Group;
- the enhancement of corporate sustainability objectives within management performance models;
- the dissemination of a “sustainability culture” through initiatives of awareness and engagement of internal and external stakeholders;
- the integration of financial aspects with the Group's sustainability objectives and ESG (Environmental, Social, Governance) aspects in its communication and relations with shareholders and investors;
- the reading of evolutionary trends of regulations both at a national and European level with respect to issues related to sustainability in the areas the company works in;
- the development of an advanced labour-management relations model able to meet new social needs and focused on the well-being of the company and employees;
- sustainable supply chain management, implementing the best procedures in the fields of supply management and circular procurement.

OPERATING LEVEL THE 5 MACRO-OBJECTIVES (*)

1 PROMOTING A FOCUS ON THE CUSTOMER



Improving communication with customers

- Developing web presence and digital channels in compliance with the Group's communication and positioning needs

Improving the quality of services

- Improve the sales quality of services
- Improving the technical quality of services

2 ENHANCING STAFF FOR THE GROUP'S GROWTH



Professional enhancement, training and development of skills

- Enhancing and boosting Human Capital skills
- Investing in the development and improvement of the staff assessment and recruitment system

Involving people in the Group's identity

- Boosting the level of engagement of the company population
- Defining and promoting an employer branding plan

Organisational inclusion and well-being

- Identifying and improving the organisational well-being of the entire company population
- Enhancing diversity and promoting inclusion

3 QUALIFYING PRESENCE IN THE REGIONS AND PROTECTING THE ENVIRONMENT



Reducing the environmental impact

- Planning and implementing actions aimed at fighting climate change (mitigation and adaptation)
- Promoting an efficient use of resources, thus facilitating circular economy
- Taking initiatives to protect the territory and limit impacts on the natural environment
- Enhancing certified environmental and energy management systems

Improving sustainability along the supply chain

- Implementing sustainability logics in procurement procedures

Contributing to the well-being of the community

- Promoting activities with positive impact on the collectivity and on the territories where the company works

Consolidating relations with the territory

- Contributing to create awareness on social and environmental matters
- Facilitating the engagement of stakeholders in company projects with the aim of creating shared values

4 PROMOTING HEALTH AND SAFETY ALONG THE VALUE CHAIN



Health and safety at workplace for Group workers

- Promoting a culture of health and safety at workplace

Health and safety at workplace for contractors and subcontractors

- Creating awareness among contractors on health and safety at workplace

Health and safety of the communities with which the Group operates

- Ensuring the health and safety of the customers of the reference territory for the various services provided

5 INVESTING IN INNOVATION FOR SUSTAINABILITY



Organisational innovation

- Promoting "smart" processes and working methods

Technological and process innovation

- Promoting the resilience of the urban territory and innovation from a smart city perspective
- Implementing remote control systems and remote interventions
- Applying new technologies in leak detection and other operations

Creating and promoting knowledge

- Developing research projects in partnership with other relevant departments

(*) Each objective is divided into multiple targets and KPIs in the detailed Plan to which reference is made.

2020-2024 SUSTAINABILITY PLAN TARGETS: KPIs AND ACTIONS FOR 2023



MACRO-OBJECTIVE NO.1 PROMOTING A FOCUS ON THE CUSTOMER

| OPERATIONAL OBJECTIVES | TARGETS TO 2024 FUNCTIONS/COMPANIES OWNING THE PROCESS | KEY PERFORMANCE INDICATORS | 2023 ACTIONS |
|--|--|---|--|
| SCOPE OF ACTION 1: IMPROVING COMMUNICATION WITH CUSTOMERS | | | |
| | Ensuring alignment between the structure of the website and corporate communication needs in terms of effectiveness, transparency and quality of content, recognised through prominent positions in sector rankings. ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Digital media) | Acknowledgements in sector analyses/rankings during the year: Yes/No= Yes Annual target reached | Fortune Italia honoured Acea with the Best in Communication 2023 award for the efficacy and quality of media communication with which it recounts the group's values and projects. It is back in the .wikipedia and .sustainability rankings with very good scores (in the latter, its total score places it among the best 10 companies). In 2023, the institutional website content – stories, news, events and some sections (the environment area in particular) – was updated or completely renewed. In addition, a Link Building Digital PR scheme was launched to increase the quality traffic on the site and to improve its search engine rankings. The press release section was reorganised with content categorised via a new tagging system for easy reference. |
| Developing web presence and digital channels in compliance with the Group's communication and positioning needs | Creation of a website for Areti with effective, useful information intended for users of electricity distribution (intermediate target to 2021). ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Digital media) | Site realisation: Yes/No= Yes Targets to 2021 reached | Targets to 2021 reached with the creation of the website. |
| | Consolidation of presence on social channels with increased brand awareness through effective and engaging communication. ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Digital media) | No. social media channel followers reporting year > no. social media channel followers reporting year -1= 117,517>95,069 Annual target reached | In 2023, social media content was constantly updated, based on an editorial plan for each channel. Communication focused on sustainability, innovation and people's value. The Group's events and sponsorships have also been enhanced through targeted initiatives. Emphasis was placed on direct interaction with the community and local areas, with the posting of empathetic and timely replies to user comments. Attention was also given to the operational management of the Areti LinkedIn page and the Acea Energia Instagram and Facebook accounts. |
| | Encourage customers to use digital channels and reach, every year, 25% of Acea Energia's consumer and micro-business customer base with at least 1 access per year to the reserved area. ACEA ENERGIA | Customers who have logged in at least 1 time in the last 12 months/"consumer" and "micro-business" customer base= 401,703/1,112,877, equal to 36.1% (average across the two markets: 32.4% Free Market and 41% Protected Market) Annual target reached | Acea Energia continues its policy of digitalisation and simplification, aimed at improving communication with its customers and offering more innovative services that are closer to their needs. With this in mind, the site received a complete makeover in 2023, and processes for customers were streamlined and their user experience improved. Measures were also taken to update and implement new functionalities of the MyAcea Energia App and will be completed in 2024. |
| | Creating at least one communication campaign per year intended for customers regarding the use of the MyAcea and online payment of bills app (reducing the impact of producing paper bills, reducing times, reducing movements, etc.). ACEA SpA - COMMUNICATION & MEDIA RELATIONS (communication planning) | Implementation of a communication campaign: Yes/No= No | The "bill 2.0" campaign, carried out on behalf of Acea Energia, will start in January 2024. |

SCOPE OF ACTION 2: IMPROVING THE QUALITY OF SERVICES

| | | | |
|---|---|--|--|
| Improve the sales quality of services | <p>Improving the real time measurement of the customer experience through the Net Promoter Score (NPS) based on indicators of courtesy/professionalism and perceived service quality. NPS annual target: courtesy/professionalism indicator > 70%; perceived service quality indicator > 50%.</p> <p>ACEA ENERGIA</p> | <p>NPS courtesy/professionalism indicator = 87.3% NPS perceived service quality indicator = 68.7% (average between the two markets: Free 64.8% and Protected 82.3%) Annual target achieved</p> | <p>In 2023, Acea Energia developed in-house monitoring of micro team operators in Qlik. Reporting ensures that the supplier receives constant feedback, allowing it to identify the best practices of the best performing teams and to set up training for the most ineffective teams. Specific tags were also developed on the Free Market IVR to identify particular problems and further improve the customer management and problem resolution process.</p> |
| | <p>Ensure access to the digital service point within 5 working days of booking.</p> <p>ACEA ATO 2 and ACEA ATO 5</p> | <p>Average waiting days for branch appointment (< of 5 days) = Acea Ato 2: 2.2 days; Acea Ato 5: 3.6 days. Annual target reached</p> | <p>During 2023, Acea Ato 2 monitored the performance KPIs of digital service points and Waidy Points; Acea Ato 5 continues to adopt systems and technological solutions to improve communication and make digital contact channels more effective.</p> |
| | <p>Improving the quality of metering systems by replacing 21,000 meters per year.</p> <p>ACEA ATO 5</p> | <p>No. of meters replaced/No. of meters to be replaced = 6,569/21,000, equal to 31% of the annual target</p> | <p>By 31.12.2023, 6,569 meters had been replaced.</p> |
| | <p>Replacing some 317,000 meters to improve the quality of measurement systems.</p> <p>GORI</p> | <p>No. of meters replaced/No. of meters to be replaced = 96,101/317,000, equal to 30% (54,431 in 2020, 13,257 in 2021, 12,919 in 2022, 15,494 in 2023)</p> | <p>In 2023, 15,494 user meters were replaced with internal resources and dedicated contracts. The slow progress of replacement is affected by reprogramming of some services.</p> |
| | <p>Improvement in the management of appointments with the end customer for technical/commercial services and reduction of unfulfilled appointments by 20% (2019 figure: 11%), with the introduction of new operating methods (single freephone number and additional services) that facilitate direct and personalised contact.</p> <p>ARETI</p> | <p>Missed appointments/total appointments in year of reporting < missed appointments/total appointments in year 2019 = 3,008/22,077 equal to 13.6% > 11.45% of 2019</p> | <p>In 2023, the ARIA project was started in order to improve the process. It involves new digital solutions to automatically issue notifications of confirmed appointments, while also allowing the customer to reschedule appointments directly from the Areti site. An outbound campaign was also launched during the year, to again contact the customer to confirm the scheduled appointment and verify the case details.</p> |
| Improving the technical quality of services | <p>Implementing in the design of strategic water infrastructure works (Marcio - Peschiera Aqueducts) of devices, criteria, recognised protocols for the maximization of benefits in sustainable terms (benefits for the protection of the territory, landscape, economic development). Getting Envision certification on at least one strategic works project.</p> <p>ACEA ATO 2 AND ACEA INFRASTRUCTURE</p> | <p>Preliminary assessment of the Marcio and Peschiera aqueducts projects with positive results: Yes/No = Yes on Peschiera Aqueduct (in 2020) Envision certification obtained on the design of at least one strategic work (Marcio and/or Peschiera Aqueducts) = No</p> | <p>New Peschiera Upper Section Project: pursuant to Art. 44 of the former Decree Law 77/2021, L.108/2021, the authorisation process is under way. New Marcio Aqueduct Project: the authorisation process, initiated pursuant to Article 44 of former Decree Law 77/2021, L.108/2021, has been completed. With protocol memo no. 0525021 of 10/08/2023, the Contracting Authority (Acea Ato 2) issued the Final Assessment of the Services Conference that includes the EIA measure (MASE-MIC Decree no. 376 of 2/08/2023). Sustainability aspects have been integrated into the executive design drawings and tender documents. The tender was awarded in July 2023.</p> |
| | <p>Increase the Group's operational capacity in the execution of works (from design to construction), implementing the contracts managed by Acea Infrastructure in EPC Contract up to amounts > € 55M to 2024, with the consequent improvement in the quality of works (centralised coordination of the entire process, reduction in time, optimisation of costs, standardisation of processes).</p> <p>ACEA INFRASTRUCTURE</p> | <p>Obtaining SOA certification for Acea Elabari: Yes/No = Yes (*) Annual amount of construction activities managed under EPC Contract = €12.1 mln (*) SOA certificate updated on 10/4/2022 (three-year interim expiry on 10/4/2025 and five-year expiry on 10/4/2027)</p> | <p>5 Engineering, Procurement and Construction (EPC) contracts launched and 3 EPC contracts completed.</p> |

| | | | |
|---|--|---|---|
| Improving the technical quality of services | <p>Increase in treatment capacity in 13 municipalities by building 8 new treatment plants and upgrading 5 existing ones: +6.9 times more population equivalent (PE) treated than in 2019.</p> <p>ACEA ATO 5</p> | <p>Purification potential in PE/ purification potential in PE in 2019 (target scope)= 18,400/8,000, equal to an increase of +2.3 times PE</p> | <p>In 2023, works on the Monte San Giovanni Campano Colli and Anagni San Bartolomeo sewage treatment plants were nearing completion, and those on the Villa Latina Gargaro site were in the planning phase. Work was also scheduled on the Arce/Fontana Liri plant and the tender for works on the Pontecorvo Capoluogo sewage treatment plant was launched.</p> |
| | <p>Increase in the capacity and efficiency of Acea Ato 2's purification plants through upgrades at 10 plants (+39% of population equivalent treated compared to the 2019 figure, equal to 164,175 PE) and the decommissioning/centralisation of 36 treatment plants, which will affect approximately 188,000 PE.</p> <p>ACEA ATO 2</p> | <p>Purification capacity in PE/ purification capacity in PE in 2019 (target perimeter= 170,171/164,175 equal to +3.7%</p> <p>Decommissioned/centralised treatment plants= 21 (7 in 2020, 6 in 2021, 4 in 2022 and 4 in 2023)</p> <p>PE affected by the centralisation of sewage treatment plants = 129,000 (15,730 in 2020, 26,540 in 2021, 17,100 in 2022 and 69,630 in 2023)</p> | <p>In 2023, the decommissioning of the treatment plants at Giustinianella, Palmarola, Trigoria and Case e Campi was completed.</p> |
| | <p>To expand the treatment capacity and cover the sewage service through 21 interventions on the plants (17 to expand the treatment capacity and 4 to cover the service): + 6% of population equivalent treated and + 6% of users covered by the purification service compared to 2019 data (equivalent to 314,422 PE treated and 184,882 users covered by the service, respectively).</p> <p>AdF</p> | <p>Purification capacity in PE/ purification capacity in PE in 2019= 66,571/314,422, equal to +2.1%</p> <p>% users covered by the purification service/% users covered by the purification service in 2019= 3,864/184,882, equal to +2.1%</p> | <p>In 2023, 10 works authorisation procedures were underway; two plants (the new Arcidosso sewage treatment plant and the Montalcino connection to the Torrenieri sewage treatment plant) are in the commissioning phase (including works and functional and technical-administrative testing), 1 is in the executive design phase and 1 is under construction.</p> |
| | <p>Replacing 40 of the current 361 thermal substations serving the remote-heating network (11%), for greater service efficiency and service reliability.</p> <p>ACEA PRODUZIONE</p> | <p>No. thermal substations replaced/total district heating substations= 40/361, equal to 100% (of which 30 in 2020, 5 in 2021 and 5 in 2023)</p> <p>Target to 2024 reached</p> | <p>Replacement completed; the target was reached on 31/10/2023.</p> |
| | <p>Replacement/installation of 18 valves on the district heating distribution network to perform out-of-service interventions, thus reducing the impact on serviced utilities</p> <p>ACEA PRODUZIONE</p> | <p>No. of valves replaced or installed/No. valves to be replaced or installed= 12/18 (of which 8 in 2020 and 4 in 2021)</p> | <p>The target completion tasks, already at an advanced stage, were postponed in favour of other priorities.</p> |
| | <p>Compared to 2019 base levels, reducing the troubleshooting times of Public Lighting systems in line with the zonal prioritisation defined considering the relevance of the area (e.g. aggregation sites): critical - 6 h; high - 15 h; average - 19 h; low - 23 h.</p> <p>Base levels measured in 2019 by relevance: CRITICAL - 1 day and 12 h, HIGH - 1 day and 7 h, MEDIUM - 1 day and 11 h and LOW - 1 day and 11 h.</p> <p>ARETI (Public Lighting)</p> | <p>CRITICAL relevance HIGH relevance MEDIUM relevance LOW relevance</p> | <p>The target and related KPIs are currently being revised to take into account the updated operating methods.</p> |



MACRO-OBJECTIVE NO. 2 EMPOWERING PEOPLE FOR THE GROUP'S GROWTH

| OPERATIONAL OBJECTIVES | TARGETS TO 2024 FUNCTIONS/COMPANIES OWNING THE PROCESS | KEY PERFORMANCE INDICATORS | 2023 ACTIONS |
|------------------------|--|----------------------------|--------------|
|------------------------|--|----------------------------|--------------|

SCOPE OF ACTION 1: PROFESSIONAL ENHANCEMENT, TRAINING AND DEVELOPMENT OF SKILLS

| | | | |
|---|--|--|--|
| Enhancing and boosting Human Capital skills | <p>Unroll at least one training initiative per year on sustainability issues (e.g. circular economy, SDGs, Green Deal) aimed at 100% of the company population, with the aim of increasing the number of people involved each year.</p> <p>ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)</p> | <p>No. of initiatives activated/ initiatives to be activated per year= 4/1</p> <p>No. of employees involved in reporting year > no. of employees involved in reporting year - 1= 1,255 < 4,259 in 2022</p> | <p>In 2023, four webinars were held as part of the "Being Sustainable" cycle, open to any interested company personnel. An e-learning "Sustainability Awareness" course and an e-learning and experiential course was provided, aiming to strengthen the community of sustainability professionals and guide them to UNI PDR 109 certification.</p> |
| | <p>Raise the level of digitisation through the implementation of at least 1 awareness/skills orientation campaign/ course per year targeting 100% of the company's population, with the aim of involving at least 10% of employees per year (about 500 employees arc Plan).</p> <p>ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)</p> | <p>No. of campaigns launched= 28 courses/at least 1 year</p> <p>No. of persons involved/total number of persons informed: entire workforce</p> <p>Annual target reached</p> | <p>In 2023, 9 digital path courses, 5 vocational courses (on digital and energy transition) and 14 e-learning courses were provided under the New skills Fund.</p> |
| Investing in the development and improvement of the staff assessment and recruitment system | <p>Support Active Ageing policies by carrying out at least two initiatives a year that stimulate the transfer and enhancement of skills between the different generations in the company, involving a greater number of people each year than the previous year.</p> <p>ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)</p> | <p>No. of initiatives to be launched/ initiatives launched= 2/2</p> <p>No. of persons involved in reporting year > no. of persons involved in reporting year -1= 1,152<1,263</p> | <p>The "Passaggio in Acea" scheme was created, aimed at the sharing of colleagues' professions. Two webinars were held as part of the Corporate Family Responsibility 2023 project: <i>New professions, evolving skills and the impact across generations</i>, which examined the impact that new professions can have on relations within organisations and how generational exchange can create value in response to these changes; the second, <i>Leadership: a private or a work matter?</i>, examined the topic of leadership and how it can evolve and be applied today in relation to and between different generations.</p> |
| | <p>Promote in external selection processes the use of tools dedicated to a structured evaluation of the candidate (tests, screening through artificial intelligence and machine learning, virtual tests) enhancing talent and promoting inclusion.</p> <p>ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)</p> | <p>No. of external selection processes activated through dedicated tools/total external selection processes activated = 107/107</p> <p>Annual target reached</p> | <p>Acea augmented its agreements with university placements and master's degrees to help new graduates into work and participated in 12 Career Days in 2023, meeting hundreds of students in the process. Greater use was made of selective tools to enhance individual skills and develop individual characteristics. These included challenges, logic, motivation and personality tests, video interviews and business cases. Greater use was made of various job portals (such as Indeed, Monster, Almalaurea, StepsConnect) to post ads and reach target candidates even in particularly complex territories, and the use of social media channels such as LinkedIn, Instagram and Tik Tok for attraction and recruiting purposes has continued.</p> |
| | <p>Progressive extension of objectives aimed at promoting sustainability impacts to the entire population with respect to MBO assessed with performance management systems.</p> <p>ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)</p> | <p>No. of resources with sustainability target in MBO/ total resources in MBO = composite target: 602/602, equal to 100%</p> <p>Annual target reached</p> | <p>In the MBO incentives scheme, a component open to the entire company workforce registered for the scheme was confirmed; the component is linked to the economic and financial targets at Group level and a composite (four criteria) sustainability target.</p> |

SCOPE OF ACTION 2: INVOLVING PEOPLE IN THE GROUP'S IDENTITY

| | | | |
|--|---|---|---|
| | <p>Ensuring that 100% of the company population is informed of the strategic choices, mission and policies of the Group, and increasing the feeling of aggregation and belonging to the Group, implementing at least 6 initiatives/year to this end.</p> <p>ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Communication)</p> | <p>% of company workforce reached by the information= 100%</p> <p>No. of initiatives launched in the year/no. of initiatives to be launched= 8/6</p> <p>Annual target reached</p> | <p>A number of initiatives were implemented in 2023, including: three meetings of the "Connessi con Acea" (Connected with Acea) scheme, hosted by 11 associations as part of the "Le Giornate solidali di Acea" (Acea Solidarity Days) initiative. Four blood donation days under the "Fai del bene facendoti del bene" (Do good by doing yourself good) initiative, with the involvement of colleagues in solidarity activities for the Community of Sant'Egidio. The Acea Photo Contest was launched in May, aimed at increasing engagement and knowledge of Acea's businesses and was followed by numerous other initiatives in support of the People, Culture and Organisation Department.</p> |
| Boosting the level of engagement of the company population | <p>Increase the sense of belonging to the company by carrying out at least 2 initiatives per year with a social impact on the territory involving the Group employees concerned and informing 100% of the employees about these initiatives.</p> <p>ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)</p> | <p>No. initiatives activated/total initiatives to be activated= 4/2</p> <p>Annual target reached</p> | <p>During the year, 16 colleagues were spokespersons in the "GenerAzione 2030" alternating School work project, which involved about 400 students in classes IV and V in 13 schools in Lazio, Tuscany, Umbria and Campania. In an effort to promote successful female role models in science subjects and to encourage younger people to pursue STEM qualifications, dedicated videos were made for sharing during the career days organised with the Group's female engineers.</p> <p>Acea took part in the Labor Dì event promoted by the Acli del Lazio, giving guidance to local high school leavers and supporting them in their path towards the world of work. During the event, Acea also participated in motivational speeches, presenting its group and current opportunities.</p> <p>The food support project "Taxi Solidale", continued in the Rome area, in collaboration with the ACLI of Rome.</p> |
| Defining and promoting an employer branding plan | <p>Implement at least one initiative per year, identified through internal surveys and aimed at strengthening the employer brand identity, involving 100% of the company population.</p> <p>ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)</p> | <p>Implementation of internal investigations: Yes/No= No</p> <p>No. of initiatives activated/No. Of initiatives to be activated= 1/1</p> <p>No. of employees who responded to surveys and/or joined initiatives/no. of employees involved= 440/6.729</p> | <p>Based on the responses of the "Diversity according to us" survey administered in 2022, the "Antarctic mindset - lessons of Daily life" webinar was held. The witness promoted and shared the message that it is possible to act and support female leadership in highly technical professional environment historically dominated by men.</p> |

SCOPE OF ACTION 3: ORGANISATIONAL INCLUSION AND WELL-BEING

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| Identifying and improving the organisational well-being of the entire company population | <p>Designing and developing a training course related to organisational well-being, also aimed at mitigating any effects of work-related stress (Legislative Decree 81/01), addressed to a significant sample of Acea SpA employees, equal to about 10% of the Acea SpA corporate population.</p> <p>Acea SpA - HEALTH, QUALITY, SAFETY & ENVIRONMENT (Safety at Work)</p> | <p>Designing the training course: Yes/No= Yes</p> <p>No. of trained employees/Total employees (Acea Spa target scope)=100/703, equal to 14%</p> <p>Target to 2024 reached in 2021</p> | <p>2024 Target achieved in 2021.</p> |
| | <p>Involve the entire company population in at least 2 information initiatives, also envisaging periodic follow-ups (surveys) and/or prevention campaigns aimed at promoting primary and secondary prevention, correct lifestyles and psychophysical well-being.</p> <p>ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)</p> | <p>No. of information actions with regular follow-ups (surveys) and/or prevention campaigns carried out/No. Of information actions and/or prevention campaigns to be carried out= 8/2</p> <p>No. of participating employees/ total company workforce= 1,346 (*)/6,729</p> <p>(*) the figure may include employees who have joined more than one initiative</p> | <p>In 2023, the following programmes were run: "Preveni con Acea" (4 days of breast, dermatological and endocrinological screening); "Wellness" (a platform that offers facilitated conditions for doing sports in a network of structures, live streaming courses and nutritional courses); blood donation days and a women's self-defence course. 8 company welfare days for all new hires (welfare day). The "Race for the cure" and "Safe Cup" events were mounted, with the Acea team taking part. The "Sostegno Donna" (Women's support) assistance channel is also active.</p> |

Identifying and improving the organisational well-being of the entire company population

Improving welfare services in the area of health care and supplementary pensions and developing at least 2 information campaigns per year aimed at 100% of employees to increase awareness of the services offered by the company.

ACEA SpA – PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)

No. of information campaigns carried out/No. of information campaigns to be carried out= **2/2**
No. of employees participating in welfare services/company workforce= **690(*)/6,729**
(*) the figure may include employees who have taken part in more than one initiative
Annual target reached

In 2023, the complementary pension campaign was held, with an event centred on health insurance services (telemedicine and telepharmacology, medical check-up deals and dental care).

Improving work-life balance for parents and care givers by promoting 3 initiatives per year to support employees with children and elderly parents.

ACEA SpA – PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)

No. of initiatives activated/total initiatives to be activated= **4/3**
Annual target reached

Four initiatives were organised in 2023: conventions with universities, including colleges online and throughout the country, the Acea Summer Camp, a 3-day obstruction removal course, and an additional convention that includes mobility and the option of access to a family care services platform.

Inform 100% of employees about 2 initiatives/year aimed at raising awareness of diversity and inclusion issues.

ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)

No. of employees informed/No. Of employees to be informed= **6,729/6,729**
No. initiatives activated/No. initiatives to be activated= **6/2**
Annual target reached

Corporate Family Responsibility also continued in 2023. This is a structured programme of webinars and in-depth videos aimed at spreading a culture more open to people's diversity and specificities. Five videos have been made and shared on the intranet with the support of Welfare Come te and WeWorld, investigating the topics of work-life balance, care sharing and gender stereotypes. The "Equality Platform" for the dissemination of the Equality, Diversity & Inclusion culture was designed and launched; for the occasion, a call to action to the entire company population was launched through a communications campaign via email and the Group intranet news. Over 100 people joined the initiative.

Enhancing diversity and promoting inclusion

Designing and developing a training action consisting of in-depth studies on specific diversity-related topics. The aim of the project is to share knowledge aimed at the cultural growth of resources.

ACEA SpA - PEOPLE CULTURE & ORGANISATION (Talent acquisition & people development)

Training action planning: Yes/
No= **Yes**
No. of employees involved in training project/No. of employees to be involved= **200/200**
Target to 2024 reached

200 licenses were issued to colleagues with young children, allowing them to use a self-development platform for enhancing and strengthening parental skills. The platform offers webinars, coaching courses and training activities for developing the soft skills useful for parenting and encouraging their application also in the workplace. The aim of this self-development tool is to empower people, particularly mothers, who often find it more difficult in resuming work effectively or combining child care with work.

Ensure supervision of the process of integration and reintegration of sensitive resources with congenital and acquired disabilities in the company.

ACEA SpA - HEALTH, QUALITY, SAFETY & ENVIRONMENT

Cases handled by the disability unit: Yes/No= **Yes**
Annual target reached

Support for sensitive resources continues via the service point; in 2023 the following activities were also carried out: a low risk course (pursuant to legislative Decree 81/08 for sensitive people; two in-depth training sessions on emergency and disability, one as part of the "Emergency management - knowledge and awareness" course and the other, aimed at emergency and disability teams, as part of the context of the "Psychology of emergencies" course.



MACRO-OBJECTIVE NO. 3 QUALIFYING PRESENCE IN THE REGIONS AND PROTECTING THE ENVIRONMENT

| OPERATIONAL OBJECTIVES | TARGETS TO 2024 FUNCTIONS/COMPANIES OWNING THE PROCESS | KEY PERFORMANCE INDICATORS | 2023 ACTIONS |
|--|---|---|---|
| Planning and implementing actions aimed at fighting climate change (mitigation and adaptation) | Acquisition/construction of photovoltaic plants for a total of 747 MW of installed power with consequent expected reduction of the emission intensity index of plants managed by Acea Produzione up to 40 g CO ₂ /kWh (-55% compared to 89 g CO ₂ /kWh in 2019). ACEA PRODUZIONE | MW installed/MW to be installed= 101/747 (*) gCO ₂ /kWh produced (and percentage reduction compared to 2019)= 76.1 gCO₂/kWh (-14,5%) (*) capacity includes the plants of the non-consolidated investee company | The installed PV capacity is increasing gradually and is affected by the plant authorisation processes. |
| | Reducing energy (electricity and gas) consumption of the company headquarters and other offices through energy efficiency measures with expected savings of over 900 MWh (232 MWh for the headquarters and 700 MWh for the Data Center) compared to pre-construction consumption (equal to 3,320 MWh/y for the headquarters and 4,115 MWh/y for the Data Center) and, for the company headquarters, savings of 13,800 Sm ³ compared to pre-construction consumption (equal to 118,500 Sm ³ /y). ACEA SPA - REAL ESTATE, ENERGY EFFICIENCY & SOLUTION - ENERGY EFFICIENCY & ENVIRONMENTAL SOLUTION | MWh pre-construction – MWh post-construction= 7,435 - 6,675 = 760 MWh Sm ³ pre-construction – Sm ³ post-construction= 118,500 - 119,885 = -1,385 Sm³ | In 2023, solar window films were installed on the south wall of the staircase. There was an increase in methane gas consumption due to the increased use of the premises. |
| | Implementing energy leakage reduction interventions on the grid (voltage change, low-leakage transformers, etc.) and other efficiency enhancement interventions that will enable achieving around 8,500 MWh energy savings, around 2,677 tonnes of reduction of CO ₂ emissions and saving around 1,589 TOE over the course of the Plan. ARETI | MWh saved/MWh net distributed = 514/9,195,590 MWh (for a total of 4,155 MWh saved, of which 1,770 in 2020, 1,127 in 2021 and 744 in 2022) t of CO ₂ unemitted= 1,496 (637 in 2020, 406 in 2021, 268 in 2022 and 185 in 2023) (*) TOE saved= 738 (331 in 2020, 211 in 2021, 139 in 2022 and 57 in 2023) (*) calculation made with the 2019 location-based conversion factor, the same one used in the target definition | During 2023, 105 MV/LV transformers were replaced with ultra-low-loss TRs and the LV voltage changeover was carried out for 16,575 withdrawal points. |
| | Reduction by around 200 tonnes of CO ₂ emissions through vehicle fleet renewal with the introduction of electric cars. ARETI | t di CO ₂ unemitted= 77 (5.2 in 2020, 26.6 in 2021, 24.1 in 2022 and 21.1 in 2023) (*) (*) value net of energy consumed, calculated with the 2019 location-based conversion factor, the same as the one used in setting the target | The savings achieved through the introduction of electric vehicles are being monitored. |

Planning and implementing actions aimed at fighting climate change (mitigation and adaptation)

Increasing the resilience of the electrical system through maintenance/ network development projects with a consequent reduction of the intervention risk index (IRI) by 70% and the involvement of approximately 3,800 secondary substations by 2024.
ARETI

N. SSs involved in interventions= **2,425 (635 in 2020, 1,099 in 2021, 485 in 2022 and 206 in 2023)**
Cumulative percentage change in IRI (post-intervention value/ pre-intervention value))= - **4,5%, equal to - 67% cumulated with 2020-2021-2022 values (*)**
(*) ratio between the change in the IRI associated with the projects concluded in the years 2020-2021-2022-2023 included in the Resilience Plan and the pre-intervention IRI on the part of the network concerned

Work on substations and lines continued in 2023 to improve network resilience.

Optimising biogas cogeneration (44,000 MWh of energy generated from biogas/year) in 3 compost plants, with consequent increase in green energy produced, and converting the Aprilia plant for the production of biomethane.
ACEA AMBIENTE AND DECO

MWh/year from renewable biogas = **50,000 MWh**
Aprilia plant conversion: Yes/ No= **No**

In 2023, the ordinary management of the Orvieto, Monterotondo Marittimo, Aprilia and Deco plants continued. Also included are the work carried out by Ecologica Sangro in the production of biogas from the landfill at Località Cerratina di Lanciano (CH). The authorization procedure for the production of biomethane at the Aprilia plant is under way.

Increasing the resilience of the aqueduct system serving Rome and the Metropolitan City through new strategic works on the Peschiera and Marcio Aqueducts: achievement of 28% progress of the works on the Peschiera Aqueduct and completion (100%) of the authorisation phase for the works on the Marcio Aqueduct.
ACEA ATO 2

% progress of construction work on Peschiera Aqueduct= **0%**
% progress project/authorisation phase Marcio Aqueduct= **100%**

The introduction of the new Procurement Code (Legislative Decree 36/23) has led to the need to review the Technical Specifications and Tender Specifications for the Peschiera aqueduct project. The review will be completed by January 2024 and the call for tenders for works on the Peschiera aqueduct is also expected to be published in 2024. For the Marcio Aqueduct (First LOT), the authorization process and the process of awarding the works, for which the integrated procurement contract was concluded, have been completed.

Designing and constructing 11 strategic works in order to increase the water supply safety and the resilience of the aqueduct system serving ATO 2 Central Lazio and the surrounding OTAs.
ACEA ATO 2

No. of Works initiated: **5**

Integrated procurement contracts were concluded with contractors for 4 works (financed under RRP), and executive design activities were initiated. The renovation and renovation of the Monte Mario Water Centre are also being completed.

Developing a quality-quantity assessment programme for at least 60% of the sewerage system serving the City of Rome to orient actions and mitigate the effects of parasitic water/rainwater and improving the resilience of systems to exceptional weather events.
ACEA ATO 2

km verified sewerage system/ km total managed sewerage system= **876/2,646, equal to approximately 33% (of which 271 in 2020, 571 in 2021 and 34 in 2022)**

During 2023, an organisational structure for sewerage districting plan was created and a dedicated methodology was developed. A report on the parasitic waters of the south Rome sewage treatment plant has been submitted to the competent bodies of the Metropolitan City of Rome and further studies are being carried out.

Defining an annual water supply plan to cover 10 Municipalities (equal to 48% of inhabitants served) which includes climate and regional development predictions in order to identify needs more quickly and improve the service: maximum difference between the volume actually supplied and the volume predicted by the model less than 30%.
AdF

No. of municipalities covered by Water Supply Plan = **9/10**
% inhabitants served covered by Water Supply Plan/ inhabitants served in 2019= **177,358/386,123, equal to 45.9%**
Water supplied in the municipalities within the scope of the Plan (Mm³)/needs identified through forecast models (Mm³) = **19.685 /19.451 (deviation 1.2%)**

During 2023, the Supply Plan was applied to 4 more municipalities than in 2022 (for a total of 9); the Plan includes a monthly disbursement model per municipal area, classified by user categories; a rainfall data and source monitoring dashboard; a remote reading data dashboard for user curves; and a model for forecasting flow rates.

Contributing to the decarbonisation of the energy system through upgrades to the anaerobic digestion sections of the treatment plants in Rome North and Rome East, necessary for the transformation of the biogas produced on site into biomethane for subsequent feeding into the gas network of 1 MSm³ of biomethane.

ACEA ATO 2

% work progress upgrading Roma Nord and Roma Est= **100%**
Sm³ of biomethane fed into the grid

The works for the upgrading sector on the sewage treatment plants in North and East Rome has been completed. The authorisation phase is now underway.

Increasing efficiency of the Company's electricity consumption through the completion of management and structural interventions in the integrated water service plants, with expected increased energy efficiency equal to 12 GWh, 5% of which certified by Energy Efficiency Certificates (white certificates).

ACEA ATO 2

% attainment of target t= **145%, equal to approximately 17.4 GWh (1.86 in 2020, 2.61 in 2021, 3.18 in 2022 and 9.75 in 2023)** The figure for 2022 has been adjusted following consolidation.
EEC Certified GWh/ Total efficient GWh= **0**

In the course of 2023, energy efficiency measures were carried out (e.g. replacement of motors at the Terranova Water Centre, in energy management improvements at the Cecchina Water Centre, oxygen adjustment in tanks with an automatic regulation system at the Sant'Angelo sewage treatment plant in Subiaco). The documentation for the approval of EECs is still being studied at the GSE (C.I. La Storta), which in October 2023 received the first report of the sewer districting project carried out on Genzano Romano.

Overall 2% reduction in total electricity consumption by Acea Ato 5 (2019 figure: 77,707 MWh) through greater efficiency of 10 plants related to the water network and 1 to the water treatment network.

ACEA ATO 5

kWh saved estimated from efficiency improvement/ consumption 2019= **2,695,548/77,707,000, equal to 3.5% (410,600 in 2020, 456, 663 in 2021, 811,670 in 2022 and 1,016,615 in 2023)**
Target to 2024 reached

In 2023, 12 water sites were made more efficient (e.g. wells, pumps); the Monte San Giovanni Campano sewage treatment plant in Ceccano was decommissioned, making an estimated saving of 1,016,615 kWh/year.

Planning and implementing actions aimed at fighting climate change (mitigation and adaptation)

Increasing customer awareness of the sustainability of electricity consumption through specific initiatives aimed at promoting and increasing the purchase of "green" energy.

ACEA ENERGIA

Awareness-raising activities: Yes/No= **Yes**
MWh of green energy sold to free market customers (reporting year)> MWh of green energy sold to free market customers (previous year)= **3,000,000> 2,536,000 (*)**
(*) the 2023 figure is estimated

In 2023, communication activities were implemented to raise awareness of energy saving and to increase consumer awareness. Energy-saving educational materials were created and disseminated through digital touchpoints: a dedicated page on the acea.it website, digital campaigns and 3D animated videos for social campaigns were created. Printed materials such as flyers were also prepared for end customers. Acea Energia also continued to promote web billing, extending the existing service and making it smarter and more customer-oriented to encourage the elimination of paper use and the reduction of CO₂ emissions.

Reducing the consumption of primary energy sources by business customers through the manufacture of combined electrical and thermal energy production plants for a total electrical power of 6 MW and expected savings of approximately 1,500 TOE/year.

ECOGENA

MW installed: **2**
TOE saved: **60**

With the completed construction of a 2 MWe trigeneration plant, scouting work and procedures to select potential customers for the construction of cogeneration or trigeneration plants carried on. Ecogena is now back in the final selection for a contract for the construction of an additional 3.3 MWe plant.

Maintaining full use of "green" energy to meet the internal electricity needs of the main Group Companies, equal to around 400,000 MWh/year and over 140,000 tonnes of CO₂/year avoided.

ACEA ENERGIA AND ACEA SPA - ENERGY EFFICIENCY & ENVIRONMENTAL SOLUTIONS

MWh domestic consumption) supplied with green energy = **363,135 (*)**
t of CO₂ avoided= **124,555 (*)**
(*) 2023 figures are estimated; the calculation of emissions avoided was done with the 2019 location-based conversion factor, the same as the one used in setting the target. For companies in the NFS scope, the figure is 316,135 MWh, or 108,430 tonnes of CO₂ avoided.

The Group's major companies continue to procure green energy for their consumption in 2023, for a total of about 363 GWh (equivalent to about 125,000 thousand tonnes of CO₂ avoided).

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| Planning and implementing actions aimed at fighting climate change (mitigation and adaptation) | Carrying out energy efficiency improvements at the “Saltatoi” and “Luco” water pumping stations, which are particularly energy intensive, with the aim of reducing the specific consumption of electricity by 30% and 4% respectively compared to the pre-construction consumption in 2019 (Saltatoi 1.92 kWh/m ³ ; Luco 1.28 kWh/m ³). AdF | (Consumption kWh/m ³ reporting year / consumption kWh/m ³ pre-construction at Saltatoi plant)-1= 1.15/1.92 kWh/m³ for a reduction of 40% Consumption kWh/m ³ reporting year / consumption kWh/m ³ pre-construction at Luco plant)- 1= 0 | In 2023, at the “Saltatoi” plant, work continued on the monitoring of energy savings resulting from the improvement of the EnPI indicator (kWh/m ³) post-intervention. For the “Luco” pump, the new pumping system was installed and the setting up of the savings detection measuring instruments started. |
| | Design of a quali-quantitative monitoring network of the main local aquifers, hydrogeological analysis, measurements and physical modelling of them and installation of 5 flow gauges, aimed at sustainable resource management and improved prediction of deficits due to climatic variations. GORI | % of progress on network design= 100% % of progress in carrying out hydrogeological analysis, measurements and physical aquifer modelling = 50% No. of flow meters installed/no. flow meters to be installed= 5/5 | Collaboration continued in 2023 with DISTAR - Department of Earth, Environmental and Resource Sciences of the University of Naples Federico II, to conduct studies on the quality of groundwater in the Sarnese Vesuviano district. |
| Promoting an efficient use of resources, thus facilitating circular economy | Reducing lost volumes of water by 27% compared to 2019 (2019 figure: 308.5 Mm ³ in lost volume) including through the installation of 2,500 pressure and flow gauges for remote monitoring of the water districts. ACEA ATO 2 | Reduction in % volume of lost water resources compared to 2019= 19%, reaching 249 Mm³ of lost volume (*) No. of installed pressure and flow meters = 1,979 (354 in 2020, 641 in 2021, 455 in 2022 and 529 in 2023) (*) estimated figures are consistent with the calculation methods referred to by the Authority and exclude the municipalities of Civitavecchia and Percile, in order to keep the scope equivalent to 2019 and to allow verification of the achievement of the improvement targets. | In 2023, two regulation hubs (at Fregene and Castelverde) were built and 529 meters installed. |
| | Reducing lost volumes of water by 29.5% compared to 2019 (2019 figure: 92.8 Mm ³ in lost volume). ACEA ATO 5 | % reduction in lost volume of water compared to 2019= 27.5%, reaching 67.3 Mm³ of lost volume | Efficiency enhancement activities were carried out in the four main municipalities (Cassino, Ferentino, Frosinone and Sora) and districting activities were carried out in nine municipalities for a total districted network of about 405 km. |
| | Reduction in lost volumes of water by around 26% compared to 2019 (2019 figure: 27.4 Mm ³ in lost volume) through district planning interventions and systematic water leak searches. AdF | % reduction in lost volume of water compared to the 2019= 24.1%, reaching 20.8 Mm³ of lost volume (*) estimated figures | In 2023, interventions were carried out on over 227 km of network for the creation of new remotely controlled water districts, 28,705 meters were installed, and 2,036 km of network was expected. A total of 508 spot checks for anomalies in respect of administrative losses were carried out with a success rate of over 70%. |
| | Reducing lost volumes of water by 20% compared to 2019 (2019 figure: 10 Mm ³ in lost volume) GESESA | % reduction in lost volume of water= 2%, reaching 9.8 Mm³ of lost volume | The interventions during the year allowed a slight reduction in volumes lost. |
| | Reducing lost volumes of water by 33% compared to 2019 (2019 figure: 101.0 Mm ³ volume lost) including by replacing 148 km of deteriorated pipelines. GORI | % reduction in lost volume of water= 64%, reaching 36.2 Mm³ of lost volume km of pipeline replaced/ km of pipeline to be replaced= 147.4/148 (49 in 2020, 14 in 2021, 4.4 in 2022 and 80 in 2023) Target to 2024 reached | During 2023, the districting of all municipalities in the REACT EU lots was completed. |

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| Promoting an efficient use of resources, thus facilitating circular economy | Constructing plants for electricity/thermal energy production (1 biogas cogeneration plant, 2 photovoltaic plants, 1 mini-hydroelectric plant) at Integrated Water Service sites to cover internal consumption for approximately 2,700 MWh _e of electricity and 2,500 MWh _t of thermal energy produced per year, equal to a total of approximately 1,550 tCO ₂ per year avoided. AdF | Plant Construction: Yes/No= No kWh _e electricity produced and consumed on-site kWh _t thermal energy produced and consumed on-site t of CO ₂ avoided | Work on the biogas co-generator continues according to schedule; the procedure for the awarding of contracts for the photovoltaic and hydroelectric plant is underway. |
| | Carrying out projects to recycle purified wastewater mainly for irrigation or for production processes up to 8 Mm ³ /year of reused wastewater. ACEA ATO 2 | Mm ³ /year of wastewater reused= 2.1 | During 2023, the drafting of the first version of the Risk Management Plan was completed, concerning water from the Fregene sewage treatment plant to be reused for irrigation purposes was completed; also, the discharge authorisation with the limit for reuse for the CoBIS sewage treatment plant was obtained. Reuse continues in plants already equipped with an industrial network. |
| | Manufacturing a treatment plant for the sand from the treatment processes and from the sewage network cleaning, which will make it possible to recover up to 80% of the solid input material. ACEA ATO 2 | Progress of work execution schedule/expected completion times= in line with programme schedule (50%) Material recovered/incoming material | Construction of the plant started in 2023. |
| | Increasing the overall waste treatment capacity to around 2,900,000 tonnes (equivalent to around 120% more with respect to the 2019 data). ACEA AMBIENTE | t total authorised capacity reporting year/t total expected capacity in 2024= 2,519,990/2,900,000, equal to 87% t waste treated/waste treated (2019 figure)= 1,765,735/1,145,526, equal to 154% more (*) data from scope of consolidation | The management of the acquired facilities continues; the Pontedera and San Jacopo facilities have been closed. It is expected that from 2026 the approval capacity for the SvdL 397,200 t/yr plant, with the construction of line IV, will increase to 447,200 t/yr (an increase of 50,000 t). |
| | Facilitating the circular economy process and strengthening the waste-to-material chain thanks to the recovery of raw and secondary materials from the waste input of dedicated plants (target by 2024: 88% RSMs recovered). ACEA AMBIENTE | t MPS and other waste/t waste input = 264,121 (of which MPS 60,978 and 203,143 waste recovered)/329,314 or 80.2% (*) (*) data from scope of consolidation | The management of the acquired plants continues. |
| Taking initiatives to protect the territory and limit impacts on the natural environment | Raising customer awareness about the use of the digital channels, with the objective of reaching 60% of active users associated with MyAcea and increasing the adoption of web bills: around 400,000 users with digital billing (equal to around 60 t/year of paper saved). ACEA ATO 2 | No. of associated users on MyAcea/total active users of Acea Ato 2 = 392,242/759,268, equal to 51.7% No. of web bills active = 447,124 t paper saved per year = 84.3 | Developments for integration with the new Salesforce CRM system continued throughout 2023. |
| | Increasing the adoption of web bills, reaching around 50,000 users who have chosen the digital bill option (over 250% more compared to the 2019 data, equal to 14,218) with expected paper savings of around 9 t/year. ACEA ATO 5 | No. of web bills active= 58,670, which is 313% more than in 2019 t paper saved per year= 7.1 | During 2023, the competition "Switch to digital billing and win" was launched for Acea Ato 5 customers; they could access the competition after activating the digital bill. |
| | Promoting the digitisation of processes and raising customer awareness about the use of the digital channels with the objective of increasing the number of users with web billing by 229% compared to 2019: around 368,000 digital bills (equal to around 11.04 t/year of paper saved) in relation to 92,000 users. AdF | No. users with web bill / No. users with web bill active in 2019= 98,760/28,192, i.e. 250% more No. of users with web bill active= 98,760 t paper saved per year= 11.3 Target to 2024 reached | In 2023, an integrated, always-on communication campaign was launched on the main touchpoints (print, social, adv, online newspapers and interactive online banners). The digitalisation and re-engineering of business processes to activate the web billing at the same time also continued, with campaigns targeted at specific customer clusters to promote the switch to web billing. |

Taking initiatives to protect the territory and limit impacts on the natural environment

Increasing the number of web bills to 25% of total users (57,142 users in 2019), for around 3 t of paper saved.
GESESA

No. of web bills active= **10,400**, equal to about **18.3% of users**
t paper saved per year= **1.7 t**

Communication campaigns continued, encouraging customers to opt for web billing; items on the web billing option were also included in other business processes.

Increasing the use of web bills: around 150,000 users with digital billing (over 150% more than the 2019 figure of 58,500 users) equal to around 21 t of paper saved per year.
GORI

No. of web bills active= **249,664**
t paper saved per year= **33.0**
Target to 2024 reached

In 2023, a one-to-one communication action was carried out to encourage subscription to the web billing service and a campaign was carried out in December to encourage activation of web billing among users with an email address but without the service active; this initiative resulted in approximately 15,000 registrations in December alone.

Increasing the use of web bills: 400,000 users with the digital bill option (equivalent to around 60 t of paper saved/year).
ACEA ENERGIA

No. active supplies with web billing option= **687,120 (548,004 Free Market and 139,116 Protected Market)/400,000**
tt paper saved per year= **121.2**
Target to 2024 reached

In 2023, Acea Energia also carried out customer education activities on the advantages of adopting the web billing service. At the end of the year, the new web bill was launched, with optimised service in terms of graphics and content. It was also smarter and more customer-oriented: a customised web page offering a navigable extract of the bill.

Increasing the digitisation of processes, specifically in sales relations on the free market: 80% of contracts digitised, equal to 14 t/year of paper saved.
ACEA ENERGIA

% of contracts digitalised= **71.5%**
t paper saved per year = **24.5**

Digitally subscribed contracts continue to grow, reducing the use of paper and confirming the increasingly tangible commitment to digitalisation (around 72% in 2023, +25% compared to 2022). In 2023, the Acea.it website was completely redesigned and the processes available to customers were optimised, thus improving the user experience.

Removing 200 pylons by modernisation of the electrical supply system as well as high voltage transmission.
ARETI

No. of pylons removed/No. of pylons to be removed= **158/200 (22 in 2020, 48 in 2021, 49 in 2022 and 39 in 2023)**

A further 39 pylons were removed, also in the Parco di Veio, Tenuta di Castel Porziano, Statale Litorale Romano and Decima Malafede Nature Reserves.

Contributing to the recovery of the ecosystem and the protection of biodiversity, through functional interventions to remove pollution from the hydrographic basin of the Sarno river, including the construction and/or restoration of function of the sewerage network and the consequent collection and treatment of the area's inhabitants (around 70,500) and the elimination of 78 illegal discharges into the environment.
GORI

No. of illegal discharges eliminated/no. of illegal discharges to be eliminated= **24/78**
Inhabitants covered by sewage treatment service/inhabitants in target scope= **80.027 covered for purification**

During 2023, 24 discharges were eliminated and a total of 80,027 inhabitants were covered.

Increasing treatment efficiency by 6.2% in terms of reduction of BOD₅ on 7 treatment plants being upgraded (purification efficiency of the BOD₅ in 2019 equal to 86.7%).
ACEA ATO 5

$[(BOD_{5in} - BOD_{5out} / BOD_{5in}) \text{ reporting year} - (BOD_{5in} - BOD_{5out} / BOD_{5in}) \text{ year 2019}] * 100 = [(300 - 29.3) / 300 - ((300 - 40) / 300)] * 100 = 3.6\%$

In 2023, work on the Anagni Ponte Piano sewage treatment plant continued and work was planned on the Veroli La Moletta plan, for completion in 2024.

Increasing purification efficiency by 4% with respect to the 2019 figure (year of acquisition of treatment plants > 100,000 inhabitants equivalent treated) in terms of reducing SST of all plants managed (equal to 85% in 2019).
GORI

$(SST_{in} - SST_{out} / SST_{in}) \times 100 = 91\%$, which is **6% higher than in 2019**
Target to 2024 reached

Management interventions continued in order to identify further actions to enhance purification efficiency. New interventions are being considered to optimise the quality of waste output.

Reducing waste from the thermal renewal processes (Terni and San Vittore del Lazio plants) by building a treatment and recovery plant for 100% of the ash produced.
ACEA AMBIENTE

Plant construction: Yes/No= **No**
t recovered ash/t produced ash

In 2023, the project was suspended due to the negative outcome of related technical and economic evaluations.

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| Taking initiatives to protect the territory and limit impacts on the natural environment | Reducing the annual amount of dehydrated/dried sludge leaving the treatment plants managed by Acea Ato 2 by 45% (compared to 2019 volumes equal to 70,505 tonnes) by means of actions aimed at improving the efficiency and industrialisation/innovation of sludge lines. ACEA ATO 2 | % reduction = 17.7 | The Roma Sud thermal dryer was built and put into operation. |
| | Design and installation, following a feasibility study, of a sludge dryer at a treatment plant, in order to reduce the amount of dehydrated/dried sludge produced by the treatment plants managed by Acea Ato 5 by 75% (compared to 2019 volumes, equal to 11,352 tonnes). ACEA ATO 5 | Design progress (0-100%) = 5%. Implementation progress (0-100%) % reduction | In 2023, the construction of the solar dryer was temporarily suspended. |
| | Reduction of the annual amount of sludge disposed of by the treatment plants managed by AdF by 40% (compared to 2019 volumes, equal to 8,975 tonnes) through the construction of the sludge centralisation plant in Grosseto San Giovanni. AdF | Plant construction: Yes/No = Yes % reduction = 1.4 This figure is affected by the suspension of centralisation activities and the acquisition of the Terrarossa plant by the Tuscan Water Authority (AIT) in May 2023. | The centralisation of sludge at the Grosseto San Giovanni sewage treatment plant was suspended during the first half of 2023. In May 2023, the Terrarossa plant (Monte Argentario-Orbetello) with a capacity of 60,000AE, which produced 796 tonnes of sludge, was also acquired for AdF management. This caused delays in the pursuit of the target. |
| | 240 t reduction of non-dehydrated sludge, equal to 35% of the volumes recorded in 2019 (700 t), thanks to the use of centrifuges for sludge dehydration. GESESA | % reduction of non-dehydrated sludge = 24% | The system configurations of the plants currently under management remained unchanged during 2023 compared to the previous year. |
| Enhancing certified environmental and energy management systems | Obtaining and maintaining ISO 14001 certification for companies with an environmental impact in the scope of the NFS. Obtaining and maintaining ISO 50001 certification for energy-intensive companies (>10,000 TOE equivalent) in the scope of the NFS. ACEA SPA - HEALTH, QUALITY, SAFETY & ENVIRONMENT - INTEGRATED CERTIFICATION SYSTEMS | ISO 14001 certified companies/ companies in scope = 17/20 ISO 50001 certified companies/energy-intensive companies in scope = 8/8(*) (*) only energy-intensive companies are considered | Almost all of the operating companies accounting for the Group's major impacts are ISO 14001 certified; all of the eight most energy-intensive companies have obtained ISO 50001. |
| SCOPE OF ACTION 2: ENCOURAGING SUSTAINABILITY ALONG THE SUPPLY CHAIN | | | |
| Implementing sustainability logics in procurement procedures | Achievement of an average of 26 points (20 points for Acea Ato 5) of technical scores referring to green/sustainable criteria (i.e. certifications, high efficiency engines, reuse/ recycling/ recovery of materials used, plastic reduction, eco-friendly product design, eco-friendly packaging, etc.) in tenders carried out with the most competitive bid for the procurement of supplies and services. ACEA ATO 2; ACEA ATO 5; ARETI | Sum of green/sustainable score awarded* tender starting amount/total tender amount for calls carried out with the most competitive bid for the supply of supplies and services = Acea Ato 2: 17.83 Areti: 26.31; Acea Ato 5: 29.0 | Green/sustainable criteria were included in the tenders published with the most competitive bid. For example, the criteria concern the possession of environmental certifications, the use of eco-friendly vehicles and energy efficiency requirements. |
| | Guaranteeing self-assessment in terms of quality, environment, safety, energy and social responsibility (QESER), where relevant, for 100% of the suppliers registered in the qualification systems relating to the Single Regulations for Goods and Services and Works. ACEA SPA - PROCUREMENT & MATERIAL MANAGEMENT | No. of self-assessed QASER suppliers /Total qualified suppliers of qualification systems related to the Single Regulation for Goods and Services and Works = 315/315 Annual target reached | 100% of suppliers registered with qualification systems pertaining to the Single Goods, Services and Works Regulations filled out a QASER self-assessment questionnaire in 2023. The internal unit in charge offers information support to economic operators during the qualification process. |

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| Implementing sustainability logics in procurement procedures | Dissemination of good practice in terms of green purchases through the inclusion of environmental sustainability criteria in the Technical Specifications approved by the A&L Department and used for the purchase of materials by the centrally managed Group companies. ACEA SPA - PROCUREMENT & MATERIAL MANAGEMENT | No. of validated technical specifications with sustainability criteria/no. of validated technical specifications= 109/112 Annual target reached | During 2023, 112 technical specifications for materials were validated for procurement by Group companies, and sustainability criteria were introduced in 109 specifications. |
| | Implementing the Vendor Rating model on the Group's new tender portal which will involve around 1,000 suppliers over the course of the Plan, integrating it with the Sustainability aspect; a portion of the suppliers will also be assessed and monitored on environmental performance (Ecovadis project). ACEA SPA - PROCUREMENT & MATERIAL MANAGEMENT | Vendor Rating model implementation: Yes/No= Yes No. of suppliers rated through vendor rating/no. of suppliers in target scope= 900/1.000 No. of suppliers involved in the Ecovadis project/no. of suppliers assessed through vendor rating= 640/900 | In 2023, the continuous monitoring of supplier performance via the Board platform continued, and the number of suppliers assessed under the EcoVadis sustainability rating increased. |
| | Application of rewarding criteria of sustainability (health and safety, energy and environment, where applicable) in 80% of the calls for tenders and contracts for Works, Goods and Services, assigned with the most competitive bid. ACEA SPA - PROCUREMENT & MATERIAL MANAGEMENT | No. of calls for tenders and contracts with rewarding criteria of sustainability/no. of calls for tenders awarded with the most competitive bid= 93/124 , equal to 75% | In 2023, support activities continued for service companies during the drafting of technical specifications, including the identification of sustainability award criteria and the relative "weight" to be assigned. |

SCOPE OF ACTION 3: CONTRIBUTING TO THE WELL-BEING OF THE COMMUNITY

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| Promoting activities with positive impact on the collectivity and on the territories where the company works | Consolidation and improvement of relations with the local community through the creation of a museum dedicated to Acea and the organisation of at least 5 cultural events/communications initiatives related to the core business, which also envisage the development of industrial sites and facilities of the Group's companies. ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Cultural initiatives and Historical Archive, Events Management) | Acea Museum Construction: Yes/No= Yes - target reached in 2021 No. of events held= 0/5 No. of industrial sites/plants developed= 6 | There were 5 visits to hydroelectric plants of Acea Produzione and one visit to an Acea Ato 2 plant, with a total of about 150 people involved. The Acea Immersive Museum (MIA) has been active since the end of 2021 and is constantly being updated. |
| | Installing 55 Water Kiosks in the territory managed by AdF for dispensing chilled natural or sparkling water to the public and tourists, favouring the reduction of plastic bottle use and CO ₂ emissions. AdF | No. of Water Kiosks installed = 31 (of which 7 in 2021, 14 in 2022 and 10 in 2023) Litres of water supplied in the year= 2,671,541 (1,522,778 sparkling, 1,148,763 natural) t plastic saved= 53 t of CO ₂ not emitted= 155 | In 2023, 10 Water Kiosks were installed for a grand total of 31 in the managed territory. |

SCOPE OF ACTION 4: CONSOLIDATING RELATIONS WITH THE TERRITORY

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| Contributing to create awareness on social and environmental matters | Support or management of at least 10 awareness initiatives per year and promotion of socially useful campaigns (prevention of cancer, women's rights, promoting diversity) or of socio-environmental importance (including the promotion of sport). ACEA SpA - SPONSORSHIP AND VALUE LIBERALITY | No. of initiatives supported and/or managed= 24/10 Annual target achieved | The many initiatives supported in 2023 include, non-exhaustively, the Acea Run Rome Marathon, the San Valentino Marathon in Terni, Pink Basket Terni, Sport Rugby Perugia, Volley Group Roma, ASD Amicacci National A Series Wheelchair Basketball Championship (Coppa Italia-Supercoppa-European Cups); Circolo Ferma Terni Paralympic Fencing World Championship; in the social field support to the Terres des Homes Foundation Italy; Fiaba Onlus; Susan G. Komen Italia Carovana della Prevenzione for the community. Among the projects for young people were the Acea Camp and the Volleyball School tournament. |
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| Contributing to create awareness on social and environmental matters | Planning and implementing awareness campaigns aimed at compulsory school age students present in the territory where the companies of the Group work, as concerns responsible use of natural resources (at least 10,000 students and other users per year). ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Communication) | No. of students and other users involved per year/no. of students and other users to be involved= around 2,000 | The educational event, which premiered in November 2022, had a second slot in February 2023 and included a contest and final award-giving event. The three winning institutions received a voucher for the purchase of teaching materials. |
| | Creating at least 1 campaign per year or awareness initiatives addressing saving water, energy and environmental protection targeting the collectivity. ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Communication planning) and Group companies | No. of campaigns or initiatives carried out in the year= 1 Annual target achieved | In 2023, Acea ran an institutional campaign for Acea Ato 2 water saving, which involved 10 press releases, 30 million impressions, 3,800 posters, 17 large formats. |
| Facilitating the engagement of stakeholders in company projects with the aim of creating shared values | Undertaking the "Acea Group Stakeholder Engagement Project" (stakeholder mapping, methods and operating tools) intended to improve the integration of stakeholder engagement into business processes and activities and to disseminate the stakeholder engagement culture by organising at least 1 initiative per year, including in support of stakeholder engagement of the companies/areas. ACEA SpA - COMMUNICATION & MEDIA RELATIONS (stakeholder and perceived quality) in collaboration with the main operating companies | Stakeholder mapping status in the Group (0/100%)= 100% Definition of methodology and tools (0/100%)= 100% No. of stakeholder engagement initiatives implemented in the year= 13 Target to 2024 reached | Target reached in 2022 with the completion of the "Acea Group Stakeholder Engagement Project". |
| | Implementation of the project for the creation of a "Water Museum" in the Rieti area. ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Cultural initiatives and Historical Archive) | Creation of "Water Museum" Yes/No= Yes Target to 2024 reached | The idea, conceived before the pandemic as a physical museum, was then redesigned and in 2022 resulted in the opening of a virtual and diffuse museum. Totems were installed around the Rieti region to connect to a virtual Acea Museum, which includes an in-depth look at the world of water. |
| | Completion of at least 3 projects per year for the redevelopment and upgrading of urban areas, metropolitan areas and territories where the Group works through public and artistic lighting. ACEA SpA - SPONSORSHIP AND VALUE LIBERALITY in partnership with Areti and other Group Companies | No. of initiatives carried out in the year= 2/3 | In 2023, the lighting of the reopened "Domus Tiberiana" site and the lighting of the Waldensian Church in Rome were completed. In addition, 23 temporary public lighting systems of monuments or institution headquarters were installed to help raise public awareness on special anniversaries. |



MACRO-OBJECTIVE NO. 4 PROMOTING HEALTH AND SAFETY ALONG THE VALUE CHAIN

| OPERATIONAL OBJECTIVES | TARGETS TO 2024 FUNCTIONS/COMPANIES OWNING THE PROCESS | KEY PERFORMANCE INDICATORS | 2023 ACTIONS |
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| SCOPE OF ACTION 1: HEALTH AND SAFETY AT WORKPLACE FOR GROUP WORKERS | | | |
| Promoting a culture of health and safety at workplace | Consolidating the downward trend in the Group's accident indices (SI, FI). Acea SpA - HEALTH, QUALITY, SAFETY & ENVIRONMENT (Safety at Work) | SI, FI in reporting year \leq reporting year -1= SI: 0.26 - FI: 5.61 \geq SI: 0.23; FI: 5.22 | The commitment to accident prevention continued in 2023: 12 Accident Committees were assembled to investigate accidents, with the involvement of the Companies concerned, and five meetings were held with the RSPPs of the Group Companies to coordinate activities in order to improve safety performance. For World Security Day, a workshop on near misses was held; an awareness-raising video on security issues was produced and screened at all the training courses taking place. |

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| Promoting a culture of health and safety at workplace | Carrying out at least one health and safety awareness campaign each year involving 100% of Group employees (NFS scope of operating companies). ACEA SpA – HEALTH, QUALITY, SAFETY & ENVIRONMENT in collaboration with COMMUNICATION & MEDIA RELATIONS (Internal Communications) | No. of employees involved/no. of employees to be involved | The visuals for the launch of the communication campaign were designed and prepared, and the first initiatives (survey and dedicated App) for implementation in 2024 were planned. |
| | Obtaining and maintaining ISO 45001 certifications for the companies in the NFS scope and, for Acea SpA, obtaining the Biosafety Trust Certification, while assessing the possibility to extend it to the operating companies. ACEA SPA -HEALTH, QUALITY, SAFETY & ENVIRONMENT - INTEGRATED CERTIFICATION SYSTEMS | ISO 45001 certified companies/companies in the scope= 19/20 (*) Attainment of Biosafety Trust Certification: Yes/No= Yes (*) the denominator excludes photovoltaic companies not relevant for the certification scheme | 19 operating companies have ISO 45001:2018 certification; Acea Energia still has the Biosafety Trust Certification. |
| | Involving 100% of Acea SpA employees in the “Vademecum” project intended to explore issues of health, safety and well-being, and raise awareness about the correct use of PPE for protection against infection from COVID-19, training and information about infection risks in line with the objectives of the Biosafety certification (2020). Acea SpA – HEALTH, QUALITY, SAFETY & ENVIRONMENT (Safety at Work) | Employees trained on risks from biological agents/total employees (Acea SpA target scope)= 100% Target to 2024 reached in 2021 | Target achieved in 2021 with the conclusion of the training programmes on Safety and measures to limit the spread of Covid-19. |

SCOPE OF ACTION 2: HEALTH AND SAFETY AT WORKPLACE FOR CONTRACTORS AND SUBCONTRACTORS

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| Creating awareness among contractors on health and safety at workplace | Creating awareness among contractors on health and safety, implementing a programme of supplier checks (24 per year) and carrying out engagement initiatives (video tutorials on safety best practice). ACEA ATO 5 | No. of checks carried out/no. of checks to be carried out= 745/24 Involvement initiatives: Yes/No= Yes Annual target reached | Carried out 745 inspections of contractors for Safety aspects and also Environment and Quality aspects. |
| | 30% increase in the number of inspections (12,481 in 2019) intended to check the application of safety standards and procedures on the contracts assigned to the control of the Procurement Safety Unit and creating awareness among suppliers on the culture of safety. ACEA INFRASTRUCTURE | No. of inspections as at 31/12/2023 /no. of inspections as at 31/12/2019= 14,252/12,481 = 14.19% more | During 2023, 14,252 safety inspections were carried out at the construction sites. |
| | Defining and implementing a Supplier Engagement Plan (at least 5 initiatives over the 2020-2024 Plan), in synergy with the Group companies, on health and safety issues also by producing more detailed reporting on the injury prevention performance of contractors. Acea SpA – HEALTH, QUALITY, SAFETY & ENVIRONMENT (Safety at Work) | Engagement Plan definition: Yes/No= Yes No. initiatives activated/No. initiatives to be activated= 2/5 No. of reports received/No. of contractors involved= 100% | The collection of data on accidents happening to contractors working on Acea jobs was started, via quarterly feedback for safety performance reporting. The data was transmitted and compiled by the company RSPPs and approved by employers. The data submitted covered a total of 14,877 employees in companies undertaking the main works and services in the year. |
| | Up to 70% increase in the percentage of contracts inspected for daily safety checks out of the total contracts that could be inspected by the Procurement Safety Unit (45% in 2019). ACEA INFRASTRUCTURE | Average contracts inspected/average contracts that could be inspected = 86/164, equal to 52% | During 2023, an average of 86 contracts were inspected out of an average of 164 inspectable ones, representing a 7% increase compared to the 2019 figures. |

SCOPE OF ACTION 3: HEALTH AND SAFETY OF THE COMMUNITIES WITH WHICH THE GROUP OPERATES

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| Ensuring the health and safety of the customers of the reference territory for the various services provided | Drawing up risk prevention/mitigation plans according to the guidelines of the Water Safety Plan for 100% of the population served by the aqueduct systems managed by Acea Ato 2. ACEA ATO 2 | Population served by aqueduct systems with WSPsA/total population served by Acea Ato 2 = 3,619,974/3,993,230 equal to 90.65% | Work on the implementation of the Water Safety Plans of the municipalities of Grottaferrata, Palestrina and Rignano Flaminio was completed. |
| | Drawing up risk prevention/mitigation plans according to the guidelines of the Water Safety Plan for 2 sources serving 15% of the population served. ACEA ATO 5 | Population served by sources with WSPs/population served = 11% | In 2023, the WSP for the Anagni Tufano source was developed. |
| | Developing and implementing the Water Safety Plan (WSP) model on 150 of the 265 Water Supply Zones (WSZs), covering 55% of the population served. AdF | WSP with WSP/WSZ model totals= 78/265 Population served by water systems with WSP/total population served by AdF (year 2019)= 163,444 /386,123, equal to 42.3% | The implementation of WSPs continued. A dedicated management application was also developed for managing WSPs, featuring an integrated quality monitoring data analysis dashboard. The Improvement Plan for the reduction of priority risks underlying investment planning is being finalised. |
| | Risk Prevention/Mitigation Plans are being prepared in accordance with the Water Safety Plan guidelines, applicable to 100% of the supply sources/population served of 3 target municipalities. GORI | Population served by sources with WSP/total population served (in 3 target municipalities)= 100% Target to 2024 reached | As planned, the WSP was executed at the Municipality of Siano, Castel San Giorgio, Braccigliano. |
| | Drawing up risk prevention/mitigation Plans according to the guidelines of the Water Safety Plan for sources that serve at least 55% of the total population. GESESA | Population served by sources with WSP/total population served | As a result of the investment freeze imposed by the Government Agency (EIC) in 2023, the activities were postponed. |
| | Reducing laboratory analysis response times by 25% (compared to 2019) through implementation of analytical screening and/or high automation (robotics and early warning) and/or high-tech techniques. ACEA INFRASTRUCTURE | % reduction (reporting year response times/ 2019 response times)= 25.5% (9.99 days/ 13.41 days) No. of survey techniques/ systems introduced= 4 Target to 2024 reached | The control of laboratory activities via the dashboard for monitoring and identifying critical activities and defining corrective actions is now continuous. A pre-prototype of an automated robot for the determination of SST in wastewater has been developed and tested. A version of a robotic arm for the execution of operations has been approved. In cooperation with the Istituto Superiore di Sanità, a microplastics analysis method was tested on real samples of water for human consumption, surface water and sea water. The method has been successfully applied in the analysis of marine waters under the international SEA-CARE project. |

MACRO-OBJECTIVE NO. 5 INVESTING IN INNOVATION FOR SUSTAINABILITY

| OPERATIONAL OBJECTIVES | TARGETS TO 2024 FUNCTIONS/COMPANIES OWNING THE PROCESS | KEY PERFORMANCE INDICATORS | 2023 ACTIONS |
|---|--|---|---|
| SCOPE OF ACTION 1: ORGANISATIONAL INNOVATION | | | |
| Promoting "smart" processes and working methods | Consolidating and incrementing the % of employees each year who work remotely and preparing at least one survey per year to monitor expectations and satisfaction in relation to the process. ACEA SpA - PEOPLE CULTURE & ORGANISATION (Time Management) | % of employees in smart working in reporting year > % of employees in smart working in reporting year - 1= 63% in 2023 (67% in 2022) No. of surveys activated= 0 | The use of smart working was structured and defined by a special trade union agreement, renewed in August 2023 and subsequently extended to December 2023. No dedicated surveys were conducted among employees during 2023. |
| | Launching at least two co-working spaces per year. ACEA SpA - REAL ESTATE, ENERGY EFFICIENCY & SOLUTIONS | No. of co-working spaces activated/no. of co-working spaces to be activated= 2/2 Annual target reached | Co-working spaces are available at Acea headquarters and at the Talent Garden in Via Ostiense. |



SCOPE OF ACTION 2: TECHNOLOGICAL AND PROCESS INNOVATION

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| Promoting the resilience of the urban territory and innovation from a smart city perspective | Equipping 1,000 IP supports with video cameras, communication devices and/or environmental sensors. ACEA SpA - SMART SOLUTIONS INFRASTRUCTURES | No. of poles equipped with intelligent equipment | 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. Prototypes of various versions of the device were produced and delivered, and tests and certifications were made to obtain appropriate evaluations before the start of production. |
| | Optimise of IP infrastructure maintenance through the progressive application of Advanced Analytics systems, working towards coverage, by 2024, of 50% of the interventions identified by the system. ARETI (Public Lighting) | No. of maintenance interventions carried out/ total interventions identified with application of Advanced Analytics= 240/200 Target to 2024 reached | The dashboard was released in 2022 with the capability to create a criticality ranking of the whole IP plant fleet (based on pre-verification drivers, network failures, reminders, magnitude, geographical criticality and estimation of the plant's age). The system was used to perform 200 interventions identified as priorities, all of which were carried out. |
| | Smart services applied to the organic fraction of waste: industrialisation and installation of 150 local composting systems for the transformation of organic fraction in compost. ACEA INNOVATION | No. of structures installed/no. of structures to be installed= 5/150 | In June 2023, a contract was signed for the activation of a small-scale smart comp for the Carabinieri, and in December 2023 a new agreement was signed with Thales Alenia Space for the installation of a large composting bin in early 2024. |
| | Contributing to making urban sites more sustainable through the offer of services intended to reduce environmental impact: - thermal insulation systems (termed thermal coats) and other energy efficiency services (100 apartment blocks); - photovoltaic and solar thermal residential systems (around 1,000 installations). ACEA INNOVATION | No. of apartment blocks involved in interventions/No. of apartment blocks envisaged = 215/100 (of which 21 in 2021, 184 in 2022 and 10 in 2023) No. of PV and solar PV systems installed/no. systems to be installed= 183/1,000 (of which 21 in 2021, 159 in 2022 and 3 in 2023) | In 2023, a further 10 interventions were started for the construction of more sustainable buildings, making a total of 215 interventions, and an additional three residential PV plants were installed. |
| | Installation of at least 2,200 electric vehicle charging points and development of a platform for the management of mobility services. ACEA INNOVATION and ACEA ENERGIA | Columns installed /columns to be installed= 571/2,200 (of which 200 in 2021, 223 in 2022 and 148 in 2023) No. of Acea Energia customers who used the platform in the year= 7,638 (customers with electronic payment method) | During 2023, 148 electric charging infrastructure units were installed for private and public use. Over 7,600 users used the Acea e-mobility app, which can be used to quickly locate the closest charging point (including those managed by other operators), reserve it, check the car's charging status in real time and pay for the service. Acea Innovation also manages the car sharing service at the Luiss University of Rome, with 894 annual rentals. |
| Implementing remote control systems and remote interventions | Giving visibility to collaborations with start-ups through the organisation of events/initiatives, also in synergy with universities, institutions, etc. ACEA SpA - COMMUNICATION & MEDIA RELATIONS (Events Management) | No. of events/initiatives carried out= 4 Annual target achieved | In 2023, Acea helped mount the “Arte nell'acqua” exhibition in collaboration with the European Tourism Centre and the Ministry of Culture. Acea also organised the Aquae event in collaboration with the University of Rome Foro Italico. The company again took part in Ecomondo and was present with an exhibition space at Anci, the National Association of Italian Municipalities. |
| | In collaboration with start-ups, innovative SMEs, universities, research centres, hubs, business incubators and other innovation players, developing innovative projects linked to the Group's core and non-core businesses, for at least 100 innovative proposals/year analysed, 10 trials/year (PoCs) launched and 1 industrialised process/year. ACEA SpA – Technologies function | No. of innovative ideas/proposals analysed= 500 Trials initiated (PoC)= 4 Projects industrialised = 1 | During 2023, 4 innovative experiments and 1 industrialised project were launched. There was also participation in four programmes (Zero Accelerator, House of Emerging Technologies, ROAD and the Startup Intelligence Observatory of the Politecnico di Milano). Some 500 innovative proposals were also analysed. |
| | Installation of 400,000 smart meters. ACEA ATO 2 | No. of smart meters installed/ no. of smart meters to be installed= 38,380/400,000, equal to 9.6% (25,063 in 2020, 2,795 in 2021, 5,964 in 2022 and 4,558 in 2023) | During 2023, Acea Ato 2 continued the installation of approximately 4,558 NB-IoT Add-on devices, such as Proteus. |

| | | | |
|--|---|--|--|
| Implementing remote control systems and remote interventions | Installation of 188,000 smart meters by 2024 which allow for remote readings, covering 80% of AdF users (equal to 231,690 in 2019). AdF | No. of smart meters installed/ No. of smart meters to be installed= 166,227/188,000, (82,626 in 2020, 5,168 in 2021, 47,893 in 2022 and 31,996 in 2023), equal to 88.4% No. of smart meter users/no. of AdF users (year 2019)= 161,964/231,690, equal to 70%. | About 32,000 smart meters were installed during 2023, of which about 29,000 were for replacements and about 3,000 new poses. |
| | Replacing around 1,300,000 electronic meters with second generation (2G) devices, following a customer communications campaign about the electronic meter replacement plan. ARETI | No. of 2G meters installed/ No. of 2G meters to be installed= 982,409/1,300,000 (59,275 in 2020, 316,176 in 2021, 273,294 in 2022 and 333,664 in 2023), equal to 76%. Customers reached by the campaign≥customers whose meters were replaced= 1,015,393≥982,409 | The major replacement plan to replace 1G meters with 2G meters continued during the year, and specific information was sent to the affected customers. |
| | Implementing broadband connectivity on an optical fibre network owned by the company (or any other broadband connection) serving the operation of the power supply network covering all 70 Primary Substations (PSs) and 250 Secondary Substations (SSs). ARETI | No. of PSs connected to broadband/70 PSs= 67/70, equal to 64% (14 in 2020, 10 in 2021, 6 in 2022 and 37 in 2023) No. of SSs connected to broadband/250 SSs= 431/250, equal to 99.6% (7 in 2020, 91 in 2021, 151 in 2022 and 182 in 2023) | The implementation of broadband interventions continued in 2023. |
| | Remote control of 100% of public lighting systems. ARETI (Public Lighting) | No. of remote controlled IP control panels/total IP control panels= 4,182/4,323, equal to 97% (1,145 in 2020, 885 in 2021, 300 in 2022 and 145 in 2023) | In 2023, a further 145 remote control panels were activated. |
| | Extending the current remote control system with the aim of reaching a total of 460 plants remotely (2019 figure: 278 plants connected via TLC). ACEA ATO 5 | No. of remotely controlled systems/no. of systems to be remotely controlled = 457/460, equal to 99.3% (9 installed in 2021, 64 in 2022 and 62 in 2023) | In 2023, a further 62 remote controlled systems were installed. |
| | Remotely controlling at least 72% and 15% of MV and LV lines respectively of all MV/LV remotely controlled Secondary Transformer Substations (medium and low voltage side). ARETI | No. of remote-controlled MV/LV transformer SSs / total remote-controlled SSs on medium voltage side= 8.667/12.985, equal to 67% No. of remote-controlled SSs /total remote-controlled SSs on low voltage side with MV/LV transformation = 581/11,797, equal to 5% | During 2023, remote-controlled systems were activated on secondary transformer substations. |
| | Remote control/measurement of 100% of the purification plants with capacity > 2000 PE (equal to 13 plants), 100% of the sewerage lifting plants (13 plants) and 100% of the aqueduct plants of the Cities of Benevento and Telesse Terme (29 plants). GESESA | No. of treatment plants >2,000 PE remote-controlled/no. of treatment plants >2,000 PE total= 13/13 No. of remote-controlled sewage pumping plants/total sewage pumping plants= 6/13 No. of remote-controlled aqueduct systems/total aqueduct systems= 19/29 | Work was suspended during the year under review. |

| | | | |
|--|---|---|--|
| Applying new technologies in leak detection and other operations | Expanding the analytical survey spectrum on the matrices managed (waste, water, emissions) with reference to new contaminants reported by the scientific community and the regulator. ACEA INFRASTRUCTURE | No. of investigations launched = 4 Annual target achieved | In 2023, three analytical methods were implemented for the detection of PFAS (perfluoroalkyl substances) in the sediment, sludge and landfill leachate matrices, and an additional method was applied to the analysis of benzotriazoles in waste water. |
| | Implementing modelling methods, developing platforms and testing highly innovative techniques to support management and decision-making processes. ACEA INFRASTRUCTURE | No. of techniques implemented = 1 No. of implemented methodologies = 3 No. of platforms created = 1 Annual target achieved | SIFT-MS technology for immediate measurement of volatile substances was field-tested for long-term monitoring at source, boundary and receptor, with tracking of the time trend of the detected concentration of chemicals causing the odour. Smart Odour's odour abatement efficiency calculation algorithms were extended, validated and made operational. |
| | Application of new IoT technologies and advanced sensors with the installation of 300 sensors for the development of remote monitoring systems for water and sewerage networks. GORI | No. of sensors installed/no. of sensors to be installed = 316/300 (95 in 2020 and 221 in 2021) Target to 2024 reached | Target for 2024 achieved in 2021 with the installation of peripherals with NB-IoT and LoRa transmission systems on the water and sewerage networks. |

SCOPE OF ACTION 3: CREATING AND PROMOTING KNOWLEDGE

| | | | |
|--|--|--|---|
| Developing research projects in partnership with other competent organisations | Developing the research hub (Campus Grottarossa) by reinforcing collaborations/framework agreements with the scientific community on research, technological innovation and environmental sustainability, promoting synergies with the academic and institutional world and start-ups in order to identify development opportunities and applications for the Group. ACEA INFRASTRUCTURE | No. of projects financed with Acea participation = 5 (of which 2 projects presented) No. of scientific partnerships formalised = 6 No. scientific publications or presentations at major conferences = 15 Annual target reached | In 2023, the PROMISCES project continued and the "COSMOS" and "URBI et ORBI" research projects, drawn up in collaboration with the CNR, qualified for funding under the FISA (Italian Fund for Applied Sciences) call. A proposal was also submitted for two projects, dealing with advanced hydrogen production and recovery of bio-based plastics. There were also five webinars on environmental and regulatory topics, eight presentations at national and international public events (ICEE, RENTECH and ECOMONDO) and seven studies for publication in national and international journals. |
| | Promoting innovation with at least 4 initiatives per year, internal and external, intended to promote scouting, idea generation, entrepreneurship and the culture of innovation, involving at least 200 people from the Acea Group. ACEA SpA – Open Innovation function | No. of persons involved = 90 No. of initiatives completed/No. initiatives to be completed = 3/4 | During 2023, the InnovAction project, started in 2022, was concluded and a thematic panel on energy communities was launched. Acea also took part in the ROAD project. |

CORPORATE GOVERNANCE AND MANAGEMENT SYSTEMS

CORPORATE GOVERNANCE AT ACEA

The governance model adopted by Acea complies with the recommendations of the *Corporate Governance Code* and with the principles of **transparency, balance and separation between guidance, management and control activities**.

The Acea SpA Board of Directors **establishes the strategic guidelines of the Group** and is responsible for corporate governance. Within the Council, three committees were set up with a proposal and advisory function: the **Control and Risk Committee**, the **Appointments and Remuneration Committee** and the **Ethics, Sustainability and inclusion Committee**⁵⁵.

There is also a **Related-Party Transactions Committee**, in implementation of CONSOB regulations, composed of independent Directors, and a **Committee for the Region**, which is entrusted with investigative, advisory and monitoring tasks, particularly for the management of sponsorships and donations granted by Acea, in compliance with the Company's prerogative rights and the regulatory and legal constraints applicable to individual subsidiaries, aimed at ensuring the development of healthy and virtuous relations with the regions in which the Group operates.

Lastly, the **Board of Statutory Auditors** performs supervisory duties, according to the traditional model in force.

Chart no. 13 – Activities of the Corporate Governance Committees

| COMMITTEE | COMPOSITION | TASKS |
|--------------------------------------|---|--|
| CONTROL AND RISKS | At least 3 Independent Directors or, alternatively, Non-Executive Directors with an independent majority, from whom the Chairman is chosen 12 MEETINGS IN 2023 | Issues a prior opinion to the BoD regarding the definition of the Guidelines for the Internal Control and Risk Management System for the Group companies, including those relevant for medium/long-term sustainability , so that they are correctly identified, measured, managed and monitored. Supports the assessments and decisions of the Board of Directors on these issues. Assists the Board of Directors, together with the competent Function and in consultation with the statutory auditor and the Board of Statutory Auditors, in assessing the correct application of legislation in force and standards adopted, for the drafting of non-financial reporting . For the matters within its remit, monitors the adequacy and effective implementation of the Code of Ethics . |
| APPOINTMENTS AND REMUNERATION | At least 3 Non-Executive Directors with an independent majority, from whom the Chairman is chosen 13 MEETINGS IN 2023 | Provides opinions to the Board of Directors regarding its composition: size, adequacy of skills, compatibility of positions . Proposes the remuneration policy for Directors and Executives to the Board of Directors, promoting medium-long term sustainability . |
| ETHICS, SUSTAINABILITY AND INCLUSION | At least 3 Non-Executive Directors with an independent majority, from whom the Chairman is chosen 13 MEETINGS IN 2023 | In a proactive and advisory manner, supports the Board of Directors in the context of corporate ethics and environmental, social and governance topics . Promotes the integration of sustainability into the corporate strategy and culture . Oversees the key sustainability issues related to mandatory sustainability reporting, business activities and stakeholder interactions. Examines the guidelines of the Sustainability Plan and, once approved by the Board of Directors, supervises its monitoring. Checks the adequacy and implementation of the Code of Ethics . Promotes a culture of diversity and fighting discrimination in the company. |

During the year, the directorates, functions and organisational units overseeing relevant issues such as Communication & Media Relations, Technology & Solutions, Risk Management, Compliance & Sustainability, People Culture & Organisation, Ethics Officer, etc.

were **regularly convened by the relevant inter-board committees**. In addition, measures taken to develop and improve knowledge on **sustainability issues** include opportunities for Directors to keep up to date, through speeches by company or external experts or the

⁵⁵ The Committee, previously the Ethics and Sustainability, was renamed in May 2023.

presentation of documentary reports. In this regard, for example, discussions were held on adapting the **functioning of the Ethics, Sustainability and Inclusion Committee** in the light of the regulatory changes currently underway. Inductions were held for the business sectors relevant to Acea, and these included information on **risks and sustainability**; in-depth studies were conducted **on some of the sustainability-related activities implemented by the Company**, including the expected regulatory changes, **and on specific projects, such as the definition of the Human Rights Policy**.

The company is managed by the **Board of Directors**, which can have from 7 to 13 members depending on the decision of the Shareholders' Meeting. Board members remain in office for three financial years and can be re-elected. The method for selecting the members of the Board guarantees **gender representation**, an adequate number of **Directors representing minorities** and **Independent Directors** in accordance with the law⁵⁶.

The current Board, appointed in April 2023, consists of 13 directors, of whom, as at 31 December 2023, seven were women. Referring to the date of first appointment to the Board of Directors,

on average, directors have a term of office of approximately 1 year and 9 months at the end of 2023.

The Board of Directors met twenty-four times during the year.

The Chief Executive Officer/General Manager is the sole **Executive Director**.

In accordance with the *Corporate Governance Code*, **Acea carries out a board evaluation annually**, availing of an external advisor in order to assess the adequacy of the **dimension, composition and function of the BoD and its internal Committees**, as well as the issues discussed.

The **Report on Corporate Governance and Shareholders' Structure**, available on the institutional website (www.gruppo.acea.it), provides information on the Directors of Acea SpA: **CVs, gender, independence qualifications, directors' interests and transactions with related parties**, attendance at meetings of the Board and Committees of which they are members, and any positions held in other companies. This *Report* also sets out the process for the appointment and replacement of Board members, governed by the Articles of Association, as amended at the Shareholders' Meeting of 18 April 2023.

Table no. 13 – Structure of the Board of Directors and Committees of Acea SpA (as at 31.12.2023)

| | Role in the BoD | Appointments and Remuneration Committee | Control and Risks Committee | Ethics, Sustainability and Inclusion Committee | Executive director | Independent director |
|--|-----------------|---|-----------------------------|--|--------------------|----------------------|
| Barbara Marinali | Chairperson | | | | | X |
| Fabrizio Palermo | CEO | | | | X | |
| Nathalie Tocci | Director | Member | | | | X |
| Elisabetta Maggini | Director | | Member | Chairperson | | X |
| Massimiliano Capece Minutolo Del Sasso | Director | Chairperson | Member | Member | | X |
| Alessandro Caltagirone | Director | | | | | X |
| Angelo Piazza | Director | Member | | | | X |
| Alessandro Picardi | Director | | Chairperson | | | X |
| Luisa Melara | Director | | | Member | | X |
| Vincenza Patrizia Rutigliano | Director | Member | | Member | | X |
| Francesca Menabuoni (*) | Director | | Member | | | |
| Antonino Cusimano | Director | | Member | | | X |
| Antonella Rosa Bianchessi | Director | | | Member | | X |

(*) Director Thomas Claude Devedjian resigned on 31 October 2023. Director Francesca Menabuoni was appointed to replace Director Thomas Claude Devedjian at the Board meeting of 10 November 2023.

THE ROLE AND POWERS OF THE BOARD OF DIRECTORS IN ACEA

The **duties lying with the Board of Directors** pursuant to the law provisions, the Articles of Association and in compliance with the recommendations provided in the *Corporate Governance Code* include:

- definition of the strategic direction;
- economic and financial coordination of the Group's activities;
- definition of the guidelines of the Internal Control and Risk Management System (SCI GR), nature and level of risk compatible with the Company's strategic objectives, including **significant risks for medium-long term sustainability**;
- establishing the Committees required by the *Corporate Governance Code* and appointing their members;
- adopting the *Organisation, management and control model* as pursuant to Legislative Decree no. 231/01;
- assessing the adequacy of the organisational, administrative and accounting structure of Acea and its strategic subsidiaries;
- interacting with the shareholders, encouraging their participation and enabling them to exercise their rights;
- evaluating the independence of its non-executive members at least on a yearly basis.

⁵⁶ Pursuant to art. 147-ter., para. 4 of Legislative Decree 58/98, so-called Finance Act (TUF), the minimum number of independent Directors must be 1 in the case of a BoD up to 7 members, 2 in the case of BoD exceeding 7 members. During the year the BoD verified that the Directors met the conditions required to qualify as independent. As at 31/12/2023, 11 Directors are effectively independent.

FUNCTIONS OF THE CHAIRPERSON AND CHIEF EXECUTIVE OFFICER

The **Chairman** is the legal representative of the Company and is vested with powers of signature. He/she also convenes and chairs the Board of Directors and Shareholders' meetings. The Chairman supervises the secretariat of the Board of Directors of the Parent Company and oversees the proceedings of the Board of Directors, ensuring the timeliness and completeness of the meeting and pre-meeting information; ensures that appropriate information flows are in place between Acea and the Group companies in order to monitor the consistency between the strategic guidelines and the performance; verifies the implementation of the resolutions adopted by the Board of Directors and the rules and principles of Corporate Governance, also in implementation of the powers reserved to the Board of Directors. He also presides over the topics of **corporate social responsibility**.

The **Chief Executive Officer** is entrusted with the day-to-day and extraordinary management of the Company. He/she has signing powers for the company and legal and procedural representation and any other powers delegated to him/her within the limits of the law and the By-laws. He/she draws up proposals on annual budgets and multi-year business plans for submission to and approval of the Board of Directors, ensuring and verifying compliance with management guidelines.

The Chairperson and the Chief Executive Officer may jointly implement acts reserved for the Board of Directors concerning contracts, purchases, participation in tenders, issue of sureties, appointment of members of the Board of Directors and Boards of Statutory Auditors of the most significant subsidiaries and affiliates when the urgency of the matter does not allow their convocation, informing the Board at its first subsequent meeting, which shall establish the existence of proven urgency and need.

MANAGEMENT AND COORDINATION OF THE ACEA GROUP

The **Acea Group Management and Coordination Regulation**, approved by the Board of Directors of Acea SpA, defines the general rules that regulate **governance relations** between the Parent Company and the **Companies directly or indirectly controlled by it** and subject to its **management and coordination**. The Regulation establishes the Acea Group's organisational guidelines and code of conduct, aimed at guaranteeing and guiding the management of the subsidiary Companies **towards common Group objectives**, consistent with the **strategic guidelines defined by the Parent Company**, to achieve a more effective **risk monitoring process** to maximise shareholder value, as well as to ensure effective **focus on stakeholders** in the areas in which Acea operates.

When conducting its business, the Parent Company seeks to **balance the interests involved**, drawing inspiration from the principle of "compensatory advantage", according to which individual transactions must be examined and assessed *ex ante* by each Company in the light of any other advantage (real or potential) derived by the same Company from the pursuit of Group interests and policy. The transactions carried out by each Subsidiary **must therefore not be considered solely in the interest of the Company itself, but in the broader context** of the economic, asset-related and financial expectations, directly or indirectly deriving from the economic, asset-related and financial strategies of **the entire Group**.

INTEGRATED GOVERNANCE INDEX 2023 AND ACEA POSITIONING

The **Integrated Governance Index (IGI)** is a well-established and accredited analysis that assesses the evolution of companies in relation to **developments in sustainable corporate governance**. The questionnaire underlying the index, now in its eighth edition in 2023, is addressed to the top 100 Companies listed on the Italian Stock Exchange, to the Companies that publish a Non-Financial Statement pursuant to Legislative Decree no. 254/2016, and to the top 50 non-listed financial and industrial Companies in the Mediobanca classification. The **questionnaire** consists of **an ordinary area, divided into ten areas of analysis**, and **an extraordinary area, which varies each year**, and explores particularly significant issues. The topics investigated by the ordinary area range from adherence to the *Corporate Governance Code* to variable remunera-

tion linked to ESG aspects, from *purpose* to *ESG digital governance*. **Acea**, in its seventh year of participation, **achieved a score of 60.90**, (on a scale of 0-100), ranking 16th out of a total of 98 respondents and recording an improvement in score and equal ranking despite the increased number of participants (in 2022, it scores 60.45 and ranked 16th out of 86 respondents). In particular, the areas in which Acea shows significantly better performance, compared to the sample of listed companies, are **Board and Sustainability Committees, Human Resources and Finance**. The aspects in which, for the edition under review, there are areas for improvement considering current trends are **Purpose, Materiality and Stakeholders and integration of ESG into strategies**.

In accordance with current legislation, the Ordinary and Extraordinary **Shareholders' Meeting may be called up by the Board of Directors** and **at the request of shareholders** representing at least 5% of the share capital. Furthermore, in compliance with such provisions, the shareholders representing at least 2.5% of the share capital may request the addition of new topics be added to those to be discussed and submit resolution proposals for matters already included in the agenda of the Meeting.

Shareholder participation is facilitated by technology-based interactions (electronic notice of proxies; notice of call posted on the website). Prior to the date set for the meeting, the shareholders may submit enquiries regarding topics on the agenda, also by email. There are no shares with limited voting rights or devoid of such right⁵⁷.

Except for the shareholder Roma Capitale, restrictions shall apply to the voting right of shares exceeding 8% of the share capital, as laid down by the Articles of Association. Neither shareholders' agreements nor special rights of veto or in any way affecting the decision-making process exist other than as a result of the equity interest held.

A number of **managerial committees** are operational in the Parent Company. They oversee specific aspects of business or represent forms of coordination and policy sharing, **facilitating decision-making processes** and increasing the capacity for prompt and coordinated integrated responses, such as the Executive Committee, the Equality, Diversity & Inclusion Committee, and the Purchasing Committee.

TOP MANAGEMENT REMUNERATION DETERMINATION PROCESS

A **Remuneration policy** is in place in Acea concerning top management, directors tasked with specific duties and executives holding key positions. The remuneration system regarding these individuals is based on a **clear and transparent process**, with a key role being played by **the Appointment and Remuneration Committee** which formulates proposals regarding the remuneration Policy and the **Board of Directors** of the Company which approves them. The role of the two main corporate governance bodies ensures the observance of rules which avoid producing conflicts of interest and ensuring clarity through adequate information.

The Shareholders' Meeting, pursuant to art. 2389 of the Civil Code, may decide not to intervene in determining the remuneration of the executive directors and members of the Committees, or may establish the maximum threshold, leaving the Board to decide on how to allocate it. It also resolves in favour of or against (binding resolution, pursuant to article 123-ter of the Consolidated Law on Finance, paragraph 3-ter), the first section of the Remuneration Report (paragraph 3 of the same article) and in favour of or against

(non-binding resolution, pursuant to article 123-ter of the Consolidated Law on Finance, paragraph 6) the second section of the Remuneration Report (paragraph 4 of the same article). The Board of Directors determines the remuneration of the Chairperson, Chief Executive Officer and other Directors with specific duties, on proposal by the Appointments and Remuneration Committee, and also the remuneration due to the members of the Committees within the Board of Directors and the remuneration of the Executives with strategic responsibilities. The BoD, unless the Shareholders' Meeting has already done so, determines the breakdown of the overall remuneration among the individual Board members.

Lastly, it should be noted that the remuneration for the members of the Board of Directors, to be determined by the Shareholders' Meeting at the time of renewal of the Board of Directors, was set at € 45,000 at the Shareholders' Meeting of 18 April 2023.

For more details see the Report on the remuneration policy and on the fees paid – 2023 available on the website www.gruppo.acea.it.

Under the regulations in force (CONSOB Issuers' Regulations), the *Report on the Remuneration Policy and on the Fees Paid* must include information on the shareholdings of members of the Board of Directors and Board of Statutory Auditors, General Managers and other Executives with strategic responsibilities; therefore, the shares held at the end of the reference year are reported, as well

as details of those purchased and/or sold during the year. There are no specific requirements for the ownership of shares by Acea SpA Directors, but under Acea's Internal Dealing regulation, in line with market abuse regulations, transactions must comply with certain obligations (over-the-limit transactions and blackout periods).

⁵⁷ With the exception of 416,993 own shares (corresponding to about 0.2% of the total shares) for which the right of vote is suspended pursuant to art. 2357-ter Civil Code. See also the *Report on corporate governance and the shareholders' structure*.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Acea's Internal Control and Risk Management System (SCIGR), which plays a central role in the Group's governance structure, consists of a set of people, tools and organisational structures intended to:

- **identify the risks** that can affect the pursuit of the objectives established by the Board of Directors;
- encourage **the taking of conscious decisions** that are consistent with the company's objectives, within the context of a knowledge of the risks and the level of tolerance to them, legality and company values;
- **safeguard the company's assets, the efficiency and effectiveness of its processes, the reliability of the information** provided to corporate bodies and the market and compliance with internal and external regulations.

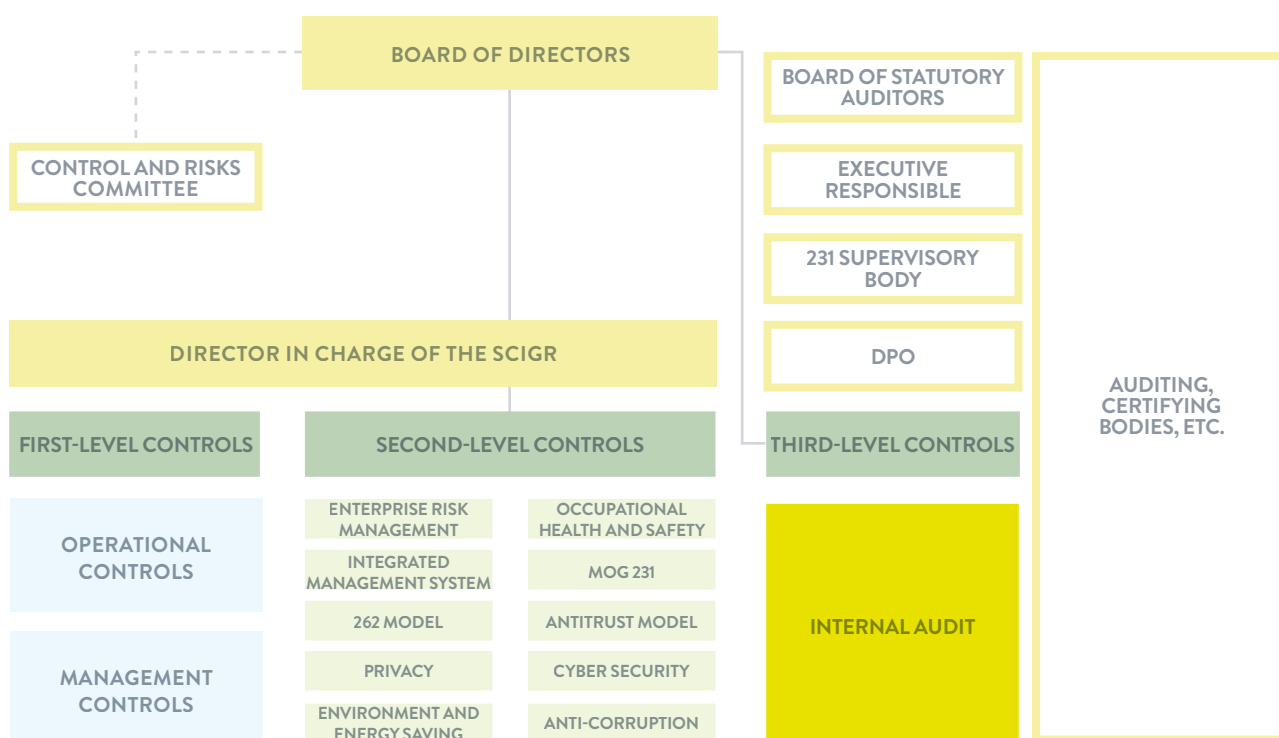
The **Internal Control and Risk Management System Guidelines** promote the sound management of the Group in line with the corporate objectives through a process of **identification, measurement, management and monitoring of the main risks** and the activation of information flows to ensure sharing and coordination

between the various actors involved. The Guidelines take into account the recommendations of the *Corporate Governance Code* of Borsa Italiana and are inspired by existing *best practices*, in particular **COSO – Internal Control – Integrated Framework** (*Committee of Sponsoring Organisations of the Treadway Commission*) and are intended to:

- provide guidance **to ensure that the main risks** related to the Acea Group, including **medium to long-term sustainability risks**, are **properly identified, measured, managed and monitored**;
- **identify principles and responsibilities** with regards to governing, managing and monitoring risks linked to company activities;
- Provide for **control activities** at all operational levels and identify tasks and responsibilities to ensure coordination between the main subjects involved in the System.

Risk management is a **transversal process**, with **responsibilities spread over all the company bodies**: the Board of Directors and the internal Board Committees, the Director in charge of the SCIGR (coinciding with the Chief Executive Officer), the Board of statutory Auditors, all managers and employees, the Executive Responsible, the second-level principals within the risk Management, Compliance & Sustainability function, the Supervisory Body and the Internal Audit function.

Chart no. 14 – The architecture of the SCIGR











Employees and operating structures responsible for risks and their daily management

Corporate functions which supervise management of certain risks through control and monitoring

Functions which ensure and independently check the SCIGR's adequacy

Chart no. 15 – The main actors of the SCIGR

| | |
|---|--|
|  | BoD: determines the guidelines of the SCIGR so that the main risks for Acea and its subsidiaries are identified, measured and managed |
|  | Appointed Director: implements the SCIGR guidelines and takes care – also by using the Audit and Risk Management, Compliance & Sustainability Departments – of the identification of the main corporate risks, subjecting them periodically to the BoD |
|  | Internal Board Committees: ensure appropriate advisory, proposal and investigation work to support the Board of Directors' assessments and decisions on the SCIGR |
|  | Board of Statutory Auditors: monitors the legislative and procedural conformity and the correctness of the administration |
|  | Company personnel: intervenes with various responsibilities, from management to employees, in maintaining an effective risk identification and management process, operating in accordance with procedures and performing line control activities |
|  | Financial Reporting Manager: is responsible for establishing and maintaining the Internal control system for financial reporting |
|  | Risk Management, Compliance & Sustainability- ERM: defines the risk assessment and prioritisation methodology, and coordinates the management of the periodic Risk Assessment process |
|  | Oversight Committee: has powers of initiative and action regarding the operation of the 231 Model |
|  | Specific oversight structures: e.g. the DPO, who supervises the corporate organisation's compliance with EU Reg 679/2016; the Anti-Corruption Officer responsible for coordinating, developing, and maintaining the Corruption Prevention Framework and Management System, the Antitrust Contact responsible for designing, implementing, and monitoring the Antitrust Compliance Programme |
|  | Internal Audit: carries out independent audits on the operations and suitability of the SCIGR using an audit plan (risk based) approved by the BoD and monitors the execution of the action plans issued following the audits performed |

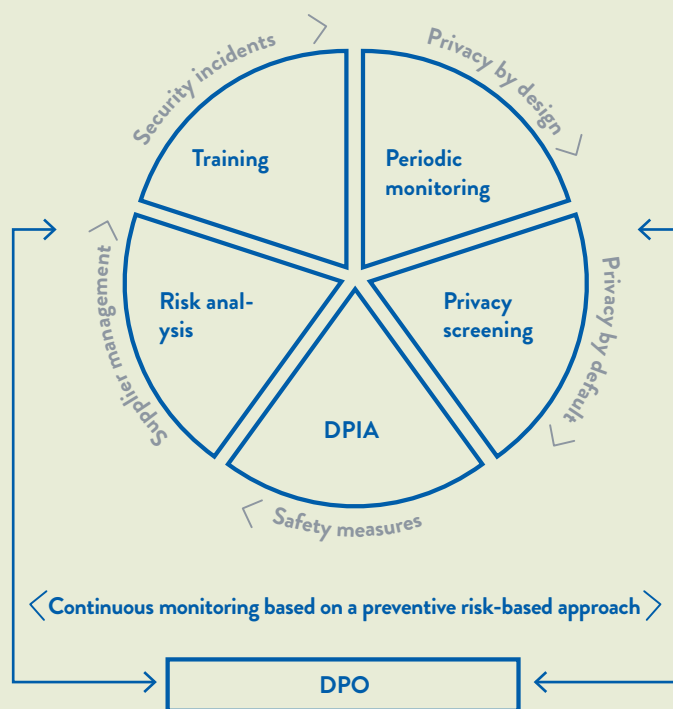
The Parent Company's internal control structures **constantly monitor and adapt** their operating models in order to oversee the relevant risks in the best manner possible.

Table no. 14 – Models and controls

| Models and controls | Oversight areas |
|---|--|
| Guidelines of the Management and Control Model pursuant to Law 262/2005 | Risks connected with the Group's Financial Reporting |
| Privacy Governance Guidelines | risks concerning the protection of personal data in compliance with EU Regulation 2016/679 (GDPR) and other national and European provisions and definition of the privacy model |
| Antitrust Compliance Programme | risks arising from the breach of antitrust law and consumer law, and the development of a business culture to ensure the protection of competition and the consumer |
| Oversight of Cyber Security | cyber risk, also in compliance with EU Directive 2016/1148 on European Information Systems and Networks (NIS) |
| Oversight of ISO45001 and ISO14001 | occupational health and safety risks and environmental risks |
| Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 | risk of commission of administrative offences and crimes in the areas covered by Legislative Decree 231/2001 |
| Anti-Corruption Compliance Programme | risk of commission of bribery offences (active or passive) |

THE ACEA “PRIVACY GOVERNANCE MODEL”

Acea operates a **Group Privacy Governance Model** in compliance with the EU Regulation 2016/679 on data protection (GDPR), in which roles, responsibilities and implementation methods of the basic principles of privacy protection regulations are identified, using a **preventive risk-based** approach supported by **continuous monitoring** and periodic reviews.



This Model is also implemented in the Subsidiaries and is annually reviewed and adjusted to strengthen its application effectiveness (**Control Framework**).

Acea oversees **several emerging areas** with an **impact on privacy**, such as data security management and **smart working** compliance. In 2023, work was completed on the programme of **risk analysis**, including IT risks, for the processing of data in the parent company's register. Specific analyses are carried out on potentially high-risk processing operations such as **DPIA** (Data Protection Impact Assessment), **LIA** (Legitimate Interest Assessment) and **TIA** (Transfer Impact Assessment), depending on the case, in order to assess the multiple interests and impacts that affect both the data controller and the rights of the data subjects, including in relations with third parties. For outsourced activities, specific contractual tools were adopted to govern personal data processing and continuous monitoring of *procurement* activities is ensured.

The following were also carried out in 2023:

- an **in-company awareness** campaign on key *data protection concepts*; mini-training videos posted on the company intranet;
- an online **training** campaign for *privacy specialists*, to provide expertise on GDPR and the Group Privacy Governance Model;
- a **second GDPR compliance pilot project for suppliers**, appointed as data controllers, in order to comply with the obligations of supervision and control over the processing of personal data for the Acea Group;
- a privacy support activity implementing the **Whistleblowing legislation**.

ANTITRUST COMPLIANCE PROGRAMME

Compliance with antitrust law and adherence to **consumer protection legislation** are core values for the Acea Group, which for years has had an **Antitrust Compliance Programme** to prevent unlawful conduct. The Programme, also implemented in the Subsidiaries, makes it possible to make use not only regulatory developments, but also the insights available from the application practices of the national and European Competition Authorities and the guidance of case law, thus helping to strengthen the internal control system and refine compliance strategies with a view to risk prevention and continuous improvement.

Acea provides its subsidiaries, through the “**Antitrust Compliance and Consumer Protection Guidelines**”, with guidelines for the im-

plementation, within a common framework, of their specific Antitrust Compliance Models. In December 2023, by resolution of the Board of Directors, Acea also approved **the updating of the “Antitrust and Consumer Protection Regulation Compliance Manual”**, which is the main regulatory tool of the Antitrust Compliance Programme. In addition to reporting the main elements of the regulations provided to protect Competition and Consumers, the Manual sets out the relevant cases and conducts and the main rules of conduct to be observed by all addressees, and recalls and applies the principles of the Acea Group **Code of Ethics**, which enshrines the protection of competition and consumers as founding values of Acea's and the Group's Companies' business.

CYBER RISK, INFORMATION ASSETS AND ICT SYSTEMS

The **development of digitalisation** in the management of essential infrastructures and services continues to drive the evolution of the business environment, and concomitantly creates a need to effectively address the growth of **cyber threats**.

According to the most recent figures, Italy has witnessed a steady increase in **cyber attacks**, with an **86% increase** in the first half of 2023 compared to 2018. The frequency and severity of attacks have increased, due also to the Russia-Ukraine conflict, **and in the year under review Italy experienced a significant increase** in cyber crime incidents (+40%) compared to 2022, which was above the global average. The European Union has continued to contribute to the development of industry legislation and the National Cybersecurity regulatory Authority (ACN) is operational nationally.

Cybersecurity and skills development are crucial in all areas of Information Security, so a continuous improvement process is underway, fuelled by analysis of the external environment and the *lessons learned* from the various incidents.

During 2023, the Acea **Cyber Security Unit** continued to consolidate its role as **linchpin for the security of the Group's operating companies**. New strategies, goals, technologies and processes were set in the IT, OT and IoT sectors, based on a holistic and unified

approach to security. **Real Time Security Monitoring and Incident Management** capabilities have been increased tenfold, in response to the challenges of the current geopolitical environment that continues to influence the cyber landscape. The **Vulnerability Management** was further strengthened, emphasising vulnerability research and mitigation, together with the **Security by Design** process, which is crucial for defining cybersecurity requirements in business-oriented technology projects. The development of **Cyber Threat Intelligence** has led to a significantly increase in the volume of information managed, allowing the integrated monitoring of the "cyber climate". Other interventions aim to improve the Group's *cyber resilience*, such as the **Cyber Legal** area, with a regulatory monitoring service to identify cybersecurity legislative initiatives that directly impact the Acea environment.

In 2023, the **awareness & training** campaign to raise individual cybersecurity awareness and skills continued, as did Acea's participation in the **European ECHO programme** (*European network of cybersecurity centres and competence hub for innovation and operations*), which contributes to the security of digital infrastructures at European level.

PROTECTION OF PHYSICAL AND DIGITAL ASSETS AND MANAGEMENT OF INTERNAL RISKS

The mission of the **Security & Cyber Defence** function is to protect **tangible and intangible corporate assets**, and to ensure the definition, implementation and control of activated policies for the **physical protection** of the Group's real estate assets. It also oversees the Security Operations Room (Control Room), the security and reception staff and video surveillance/intrusion systems, and coor-

dinates **the implementation of business continuity and emergency management plans**.

Finally, the Function cooperates with the competent structures and Group Companies in coordinating the correct performance of **activities required by judicial authorities, security institutions and law enforcement agencies**.

Within the framework of the **Internal Control and Risk Management System**, Group companies adopt their own **Organisation, management and control models pursuant to Legislative Decree no. 231/2001** to prevent the risk of certain crimes or administrative offences committed in their interest or benefit by senior management or subject to the management or supervision of the latter. The development of the Models is preceded by a **mapping of the business areas concerned** (so-called "risk areas") and the **identification of sensitive activities and potential offences**. The Models are promptly **updated** in the event of changes in the organisational arrangement or activities carried out, or following the introduction of new offences in the catalogue of predicate offences.

In 2023 Acea SpA carried out a **complete revision of the Model** as regards the risk assessment methodology, in order to **bring it into line with the other methodologies used in the company** (e.g. ERM, antitrust, anti-corruption), and reworked the Special Section using a "process driven" approach to make the document more usable and

facilitate its application. The new Acea Spa model will constitute the reference framework for the models of the Group companies.

The **Supervisory Body (SB)**, envisaged as an essential actor by Legislative Decree 231/2001, **has full and autonomous powers** of initiative, intervention and control **in the functioning, effectiveness of and compliance with the specific Models**. An organisational control mechanism is active in the **Internal Audit Function** and ensures, for the companies that have mandated it, the verification and monitoring of certain processes that are instrumental under the Decree, i.e. in whose scope the **conditions or means** for the commission of a multiplicity of offences could be created, on behalf of the Supervisory Board of the subsidiaries.

The adoption of the principles and the observance of the rules provided by the company's *Code of Ethics* – an integral part of the 231 Model and the Internal Control System – are also relevant for preventing the offences referred to in the Decree.

ANTI-CORRUPTION COMPLIANCE PROGRAMME

The Group is pursuing the implementation of an **anti-corruption compliance programme**, which was launched via the definition of a Group framework. The first pillar of the framework (Values and Regulatory System) includes the **Acea Group's Anti-corruption Guidelines**, adopted by the Board of Directors of Acea SpA. It standardises and integrates the anti-corruption compliance measures already widespread within the internal Regulatory System (Code of Ethics, 231 Model, regulatory system, etc.) into an organic framework of rules and principles aimed at countering the risks of unlawful practices. The Anti-Bribery Guideline regulates roles, responsibilities and control activities relating to anti-corruption, such as the principles of conduct to be observed in sensitive areas that may be most exposed to corruption

The **Internal Audit** function carries out the controls envisaged in the **Audit Plan**, approved by the Board of Directors and subject to the opinion of the Control and Risk Committee. The Plan is drawn up **on the basis of the analysis and prioritisation of the main risks for Acea and its subsidiaries**, carried out during the *Risk Assessment*, also thanks to the monitoring carried out by the corporate Functions responsible for second-level controls. In 2023, **around 99% of the Plan activities** concerned **corporate processes deemed as exposed to the risks as per Legislative Decree no. 231/2001**, amongst which the crimes regarding **corruption**, the **environment**, and in violation of **injury prevention laws and the laws**

risk, the applicable controls and the information and reporting flows relating to the implementation and monitoring of the framework. The Guidelines apply to the **Group Companies and to suppliers, partners, business associates and more generally all parties who act in the name and on behalf of Acea** or the Group Companies, or the parties they come into contact with in the course of their business. In each company, an "Anti-Corruption Manager" (ACM) is appointed to ensure compliance oversight for the prevention of corruption. The role also reports to the corporate control bodies. The Parent Company also implemented a **Corruption prevention management system**, which obtained **UNI ISO 37001:2016** certification in 2023 and adopted a specific Anti-Corruption Policy, approved by the Board of Directors in March.

safeguarding occupational health.

With regard to audits of processes **related to corruption risks**, there are, in particular, periodic audits of sponsorships, consulting, personnel selection, purchasing and payments, and out-of-court settlements for all subsidiaries that adopted the Model pursuant to Legislative Decree no. 231/2001.

As required by the professional standards of the **Institute of Internal Auditors (IIA)**, the audits also assess the specific fraud risks of the process analysed and test the operation of the related controls. With reference to **detection audit** activities, **23 Key Risk Indicators** have been adopted for the purchasing area, which are analysed periodically.

REPORTS RECEIVED ON THE CODE OF ETHICS AND THE ROLE OF THE ETHICS OFFICER

The Code of Ethics, revised and updated in 2022, is conceived to allow the **widespread dissemination of Acea principles and values** to all the Companies and people of the Group. The Code incorporates references to principles and standards underlying the strategic initiatives for the Group, in particular with regard to **sustainability** and the valorisation of issues such as the safeguarding of **human rights** in every operating context, including the supply chain; **people's involvement** and **organisational wellbeing; inclusion**; the safeguarding of **ecosystems and biodiversity**; the commitment to **climate change** mitigation and adaptation; dialogue with **stakeholders**; and the promotion of sustainability with regard to **suppliers**.

In November 2023, the Board of Directors of Acea SpA adopted the new "**Acea Group Whistleblowing Policy**", in compliance with Legislative Decree no. 24 of 10 March 2023, transposing EU Directive 2019/1937, and with the indications of the "**Guidelines on the protection of persons who report breaches of Union law and protection of persons who report breaches of national regulatory provisions**" approved by ANAC Resolution no. 311 of 12 July 2023. Acea has a consolidated **system for receiving and managing reports** ("Whistleblowing"), which can be used **both by employees and external parties**, in connection with the commission of administrative, accounting, civil or criminal offences, non-compliance with the law, internal rules and the Code of Ethics, as well as issues related to the Internal Control System, Corporate Reporting, the company's administrative liability (Legislative Decree no. 231/2001), fraud and conflicts of interest. The system **ensures the highest degree of confidentiality and privacy** in the processing of reports, to protect the whistleblower, the reported person and the persons involved.

The "**Comunica Whistleblowing**" company IT platform uses an

advanced encryption system for communications and its database to guarantee compliance with required regulatory standards (Legislative Decree no. 24/2023), **confidentiality** for whistleblowers, secure filing of documents sent and uploaded to the system and confidential management of analysis and other processes.

The reports related to alleged violations of the *Code of Ethics* and the SCIGR of the Group companies are sent **to the Ethics Officer, the autonomous collegial body within the Group that manages the system for reporting alleged violations** due to non-compliance with the law, the internal regulations and the *Code of Ethics* and monitors observance of the values of transparency, legality, fairness and ethical integrity in relations with all stakeholders. The Ethics Officer also prepares **periodic reports** on the main findings to company top management and the supervisory bodies.

In 2023, with reference to the scope under review⁵⁸, the **Ethics Officer received 42 reports**, of which 15 related to alleged breaches of the *Code of Ethics*, 14 concerned alleged breaches of the SCIGR and 13 related to other cases (commercial complaints, reports of alleged unauthorised water and electricity connections, etc.) and therefore, these were qualified under the procedure as "**not relevant**". As regards the acquisition channels, 20 reports were received through the "Comunica Whistleblowing" platform, 15 by ordinary mail, 5 by the Ethics Officer's email address and 2 by email to entities other than the Ethics Officer.

The **24 "relevant" reports** concerned: 11 Human resources, 4 Supplier relationships, 2 potential conflicts of interest, 2 Privacy, 1 Health, Security and Environment (HSE), 1 Procurement, 1 Business, 1 Corporate assets and 1 other areas.

58 Gori and ADFare excluded with their own reporting systems; please refer to the sustainability reports prepared by the companies for further information.

At the end of the investigations, 15 reports were assessed as “unjustified”, 1 was “filed” as “unsubstantiated and unverifiable”, and 1 was “suspended”, pursuant to the Whistleblowing procedure, as the Company had filed a complaint with the competent authorities with reference to the reported facts.

Regarding the remaining 7 reports outstanding, the preliminary verifications and ascertainties have been completed by the Technical Secretariat, which will then suggest that the Ethics Officer assess them, pursuant to the procedure in force, with 2 of them to be “filed” as generic and unsubstantiated, 1 as “justified” with improvement actions partly already implemented by the Company and 4 as “unjustified”.

Note that, following the publication of press articles in February 2023 relating to alleged conduct contrary to the provisions of the company’s *Code of Ethics*, the Board of Directors instructed the Ethics Officer to carry out the necessary investigations. It was found that the matters investigated did not constitute breaches of

the *Code of Ethics* and were classed as unjustified.

Failure to comply with the Code of Ethics by employees may result in disciplinary measures, as defined in the Code itself and in the OMC Model 231 adopted by Group companies, such as fines or suspension from service which may affect remuneration.

The Ethics Officer is **tasked with supporting** the company departments appointed to **Code of Ethics training**, by promoting **communication programmes and activities intended for their maximum dissemination**, in addition to the Ethics and Sustainability Committee in monitoring the adequacy and implementation of the *Code of Ethics*, for the matter within its remit. To this end, the Ethics Officer may propose that the Committee issue or amend any guidelines and operating procedures to reduce the risk of breaches of the *Code of Ethics* and indicate whether they should be updated. In 2023, the Ethics Officer periodically monitored the **use of training on the Code of Ethics** and on *Whistleblowing*.

HUMAN RIGHTS POLICY

The protection of human rights is of central importance in responsibly-run business, especially for **companies whose activities affect a wide range of stakeholders**. Institutions and civil society are increasingly asking organisations to take **more responsibility for the protection of human rights**. This trend is fuelled also by evidence highlighted in the press, not only in relation to developing countries or countries with limited democratic structures. The matter is also carefully considered by markets and analysts as an **aspect of risk management** of organisations. Strengthened by this awareness, which is **based on the Group’s already consolidated values and systems**, including the Code of Ethics, the Equality, Diversity and Inclusion Policy, stakeholder engagement principles and tools, as well as the occupational health and safety management systems, the **Acea Board of Directors approved the Human Rights Policy** in

December 2023.

The Policy, which refers to the international and national regulatory framework, sets out **20 principles** relating to human rights in two fundamental contexts: the internal **work environment** and the wider outside **community and the environment**. It is directed at the members of the management and control bodies of Acea SpA and other Group companies, including those abroad, as well as managers, employees, collaborators and suppliers contractually linked to the Group for any reason, with regard to their activities and within the limits of their responsibilities. The implementation of the Policy rests on a structured governance process through which Acea undertakes training and dissemination actions, monitoring of risks and impacts, and reporting through the “*Comunica whistleblowing*” platform.

INTEGRATED ANALYSIS AND RISK MANAGEMENT METHOD

Thanks to the **ERM Programme**, based on the **COSO framework** “*Enterprise Risk Management (ERM) - Integrating with Strategy and Performance*” 2017, the Acea Group is **improving the integrated vision and proactive management of risks**. The aim of the ERM process is to:

- represent the **type and significance** (probability and economic -financial and/or reputational impact) **of the main risks, also with impacts on sustainability**, that may jeopardize the achievement of the Group’s strategic and business objectives;
- addressing response strategies and subsequent additional mitigation actions.

The methodology and tools used to identify risks and assess their severity consistently at Group level through the **established Risk Model**, are developed with increasing attention towards **ESG aspects**. During the *risk assessment* process, carried out at least annually, the “*risk owners*” identify risk scenarios related to **Acea’s**

material issues and pinpoint possible impacts and the control measures to manage and mitigate them. The results of the ERM Process are also taken into account when **planning actions to mitigate risks and seize opportunities** by Group companies with certified Management Systems.

The **Group Risk Assessment Report** provides the Board of Directors of Acea SpA and the Committees with a summary view of the Group’s overall risk profile and how it evolves over time. At the request of the supervisory and/or administrative bodies, the Risk Management, Compliance & Sustainability Function may be called upon to produce specific reports associated with *risk assessments* on particular areas, including ESG topics, in line with the methodology and ERM framework.

The ERM process involves constant interaction between the ERM Unit of the Parent Company’s Risk Management, Compliance & Sustainability and the *focal points* of the corresponding Units in the operating companies (see Chart 16).

Chart no. 16 – The ERM Unit and the corporate focal points

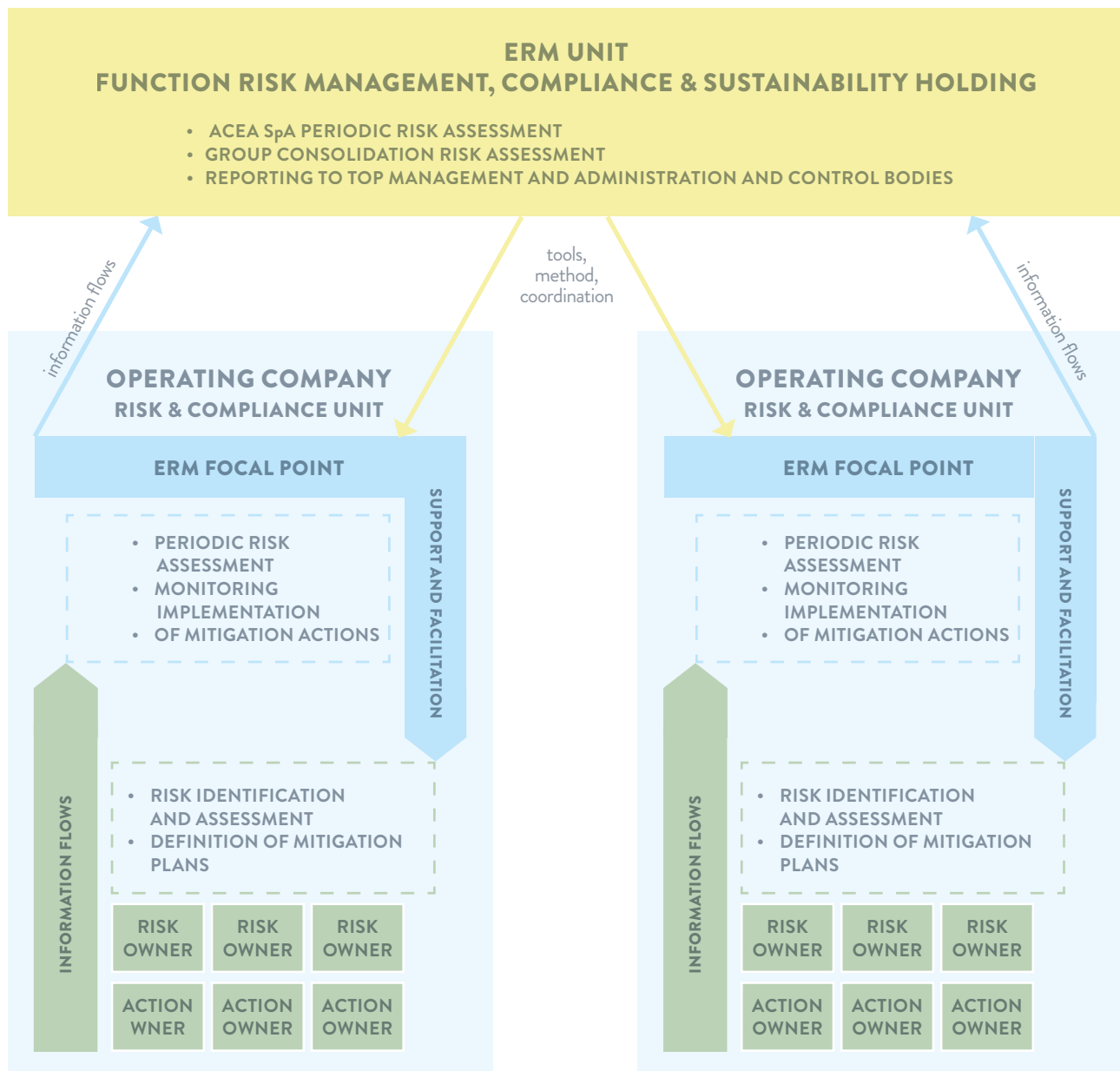


Table no. 15 – Acea material topics, risks and management methods

| Highly significant material topic and related risk | Potential impact on Acea | Potential impact on stakeholders | Risk management approach and associated impacts |
|---|------------------------------------|---|--|
| SUSTAINABLE MANAGEMENT OF THE WATER RESOURCE CYCLE adverse natural events and/or climate change (*); authorisation delays impacting on optimal management conditions | economic/financial reputational | <i>natural environment, communities/citizens, inhabitants served by the water service, ecosystem innovation and research/ business partners/scientific communities/membership bodies, institutions</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (relations with institutional representatives and authorisation bodies) • Dedicated organisational structures • Focus of investments • Regular adjustment of rate cards • Business Continuity and Maintenance Plans • Water safety plans (WSPs) • Water network districting • Specialist studies and analyses (ISO 17025) • IT security systems |
| BUSINESS ETHICS AND INTEGRITY conduct contrary to binding regulations, internal rules and standards of reference | economic/financial reputational | <i>communities/citizens, inhabitants served by the water service, Areti users, Acea Energia customers, shareholders and investors, employees, suppliers/production chain, innovation and research ecosystem/ business partners/scientific community/ associate bodies, institutions</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (Code of Ethics - Organisation, Management and Control Model 231/2001 - whistleblowing system, Antitrust Compliance Programme) • People and organisation (training and communication plans) • Monitoring and periodic reporting |
| PROTECTION OF ECOSYSTEMS AND BIODIVERSITY exceeding the emission limits envisaged by laws and authorisation decrees; failure to achieve the dissemination objectives of consumption from renewable sources; impacts on environmental balance conditions caused by plants that unexpectedly do not comply with legal limits | economic/financial reputational | <i>all stakeholders</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (ISO 14001 and EMAS) • People and organisation (dedicated structures and training) • Focus of investments • Monitoring and support tools • Specialist studies and analyses • Periodic reporting • Upgrade service plans • Remote control and remote management applications |
| CLIMATE CHANGE AND ENERGY TRANSITION failure to build sustainable plants and to adapt operating practices to the evolution of climate change and to achieve the dissemination objectives of consumption from renewable sources (production of energy from renewable sources, resilience of the electricity grid, availability of water) | economic/financial reputational | <i>all stakeholders</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (ISO 50001, ISO 14001, UNI 11352 and EMAS) • Dedicated organisational structure • Specialist studies and analyses • Focusing investments (interconnecting districts) • Periodic reporting |
| TECHNOLOGICAL INNOVATION AND DIGITAL TRANSFORMATION operational inefficiency due to technological and innovative inadequacy; cyber risk/Operational Technology (*) | economic/financial reputational | <i>all stakeholders</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (dialogue with institutional counterparts) • Monitoring and periodic reporting • People and organisation (training and skill consolidation) • IT security systems |
| MANAGEMENT AND TREATMENT OF WASTE FOR A CIRCULAR ECONOMY failure to comply with regulations; obstacles in the waste treatment and delivery market (*) | economic/financial | <i>natural environment, community/citizens, new generations, suppliers/production chain, innovation and research ecosystem/business partners/scientific communities/associate bodies</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (ISO 14001 and EMAS) • People and organisation (dedicated structures and training) • Periodic reporting • Audits on customers/suppliers/partners • Consolidation through corporate acquisitions (M&A) • Monitoring and control plans • Innovative waste handling solutions |
| OCCUPATIONAL HEALTH AND SAFETY accidents at work, risk of spreading disease | economic/financial reputational | <i>employees</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (ISO 45001, ISO 39001) • People and organisation (dedicated structure, training and communication plans) • Supplier checks • Extraordinary maintenance on plants serving the offices, office sanitisation • Monitoring and periodic reporting |

| | | | |
|---|------------------------------------|---|---|
| DIALOGUE AND ENGAGEMENT WITH STAKEHOLDERS AND TERRITORY tensions with stakeholder representatives in the region with negative effects on the development of activities (*) | economic/financial reputational | <i>all stakeholders</i> | <ul style="list-style-type: none"> • Policies, processes and procedures • People and organisation (<i>stakeholder engagement</i> oversight activities, training and skill consolidation) • Dialogue with counterparties |
| SKILLS DEVELOPMENT AND EVOLUTION OF THE WORKING ENVIRONMENT lack of adequacy both in terms of skills and composition of company workforce | economic/financial reputational | <i>employees</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (remuneration and incentive policies) • People and organisation (dedicated structures and training) • Performance evaluation system • Monitoring and periodic reporting |
| SUSTAINABILITY IN INFRASTRUCTURE DESIGN, CONSTRUCTION AND MANAGEMENT environmental and social impacts from inadequate and failed design, construction and/or management of plants/ networks (*) | economic/financial reputational | <i>natural environment, communities/citizens, new generations, inhabitants served by the water service, Areti users, Acea Energia customers, shareholders and investors, suppliers/production chain, innovation and research ecosystem/business partners/scientific community/membership bodies, institutions</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (application of sector <i>best practice</i>) • Periodic monitoring of project implementation programmes and reporting • People and organisation (training and skill consolidation) • Implementation of specific applications • Maintenance plans and actions for securing infrastructure |
| CUSTOMER FOCUS failure to reach service quality levels; difficulty in meeting customer expectations (*) | economic/financial reputational | <i>communities/citizens, inhabitants served by the water service, Areti customers, Acea Energia customers</i> | <ul style="list-style-type: none"> • Policies, processes and procedures • Dedicated organisational structure • Periodic reporting (analysis of customers and services) • Regulatory framework and reference legislation monitoring • Investment in customer care software |
| SUSTAINABILITY AND CIRCULARITY ALONG THE SUPPLY CHAIN failure to audit the procurement process; failure of suppliers to comply with the requirements (health and safety, environmental, anti-corruption) | economic/financial reputational | <i>suppliers/production chain, ecosystem innovation and research/business partners/scientific communities/membership bodies</i> | <ul style="list-style-type: none"> • Policies, processes and procedures • Quality monitoring of work and goods/services received • Qualified suppliers register • Specialist <i>benchmark</i> studies and analyses |
| CORPORATE WELFARE, DIVERSITY AND INCLUSION increased absenteeism rate; negative company climate; possible lawsuits by employees | economic/financial reputational | <i>employees</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (Equality Manifesto, Human Rights Policy, Employee and Participation Charter) • Persons and organisation (UNI/PDR Gender Equality Certification 125:2022) • Training and communication plans • Corporate welfare initiatives (e.g. flexible benefits, health check-ups) |
| GOVERNANCE FOR SUSTAINABLE SUCCESS non-compliance with Legislative Decree no. 254/2016; inadequacy of the internal regulatory system with respect to the guidelines of the <i>Corporate Governance Code</i> | economic/financial reputational | <i>Shareholders and investors, employees, institutions</i> | <ul style="list-style-type: none"> • Policies, processes and procedures (updating and verification of information systems and the organisation) • Tax control framework • Board committees (Ethics and Sustainability, Control and Risks) • Certification of data managers and <i>reporting assurance</i> by the auditor • Monitoring and periodic reporting |

- ECONOMIC GOVERNANCE TOPICS - SOCIAL TOPICS - ENVIRONMENTAL TOPICS

Note: the complete list of stakeholders includes: natural environment, communities/citizens, new generations, inhabitants served by the companies of the Water area within the NFS reporting boundary, Areti users (energy distribution), Acea Energia customers (protected market, free market, gas), shareholders and investors, employees (companies in the NFS reporting boundary), suppliers/production chain, innovation and research ecosystem/business partners/scientific community/membership bodies, and institutions.

(*) Risks marked with an asterisk correspond to the main emerging risks that may have a significant impact on the Acea Group.

The **Global Risks Report 2024**, a World Economic Forum document published in January 2024, confirms that over the next ten years, attention will remain on **climate** risks, broken down into specific impact scenarios. The top four risks are considered to be: **extreme weather events, critical changes to earth systems, biodiversity loss and ecosystem collapse, natural resource scarcity**.

Acea is attentive to the **monitoring of climate issues** and its initiatives, such as the progressive implementation of the analysis of climate-related risk factors, in line with the recommendations of the

Task Force on Climate-related Financial Disclosures, have resulted in an **improvement in its ranking** in the CDP assessment (formerly the *Carbon Disclosure Project*), moving from B to A-. For more details, see in the *The relationship with the environment*, the paragraph entitled *Risks: Insights and Disclosure*.

The response to the CDP Questionnaire includes an assessment of risks and opportunities related to activities, over the **the short, medium and long term**. Table 16 shows the main findings.

Table no. 16 – Risks and opportunities related to climate change: CDP evidence

RISKS

| Drivers | Risk type and description | Industrial areas affected | Time frame | Potential financial impacts |
|--|--|---|-------------------|--|
| TRANSITION Risks arising from the ongoing transition to a decarbonised economic system (e.g. regulatory, technological, market) | Legislative/Regulatory These risks may manifest in the following ways: higher carbon tax policies and white certificates; changes to incentive schemes; tightening of the values linked to the Emission Trading Scheme (both in terms of emissions allowed and the cost of actual emission allowances); regulatory developments that require the reduction of impacts in the conduct of business operations. | Energy production (thermoelectric and waste-to-energy) Electricity grid management Water management | short-medium-long | Increased direct costs Increase in indirect (operating) costs Decrease in asset value or useful life of assets |
| | Technology Technological evolution may impose the reconversion of the design of processes in order to make them less polluting (for example replacing existing plants or parts thereof with other low-emission technologies). | Energy production (thermoelectric and waste-to-energy) Electricity grid management Water management | medium | Increased direct costs Increase in indirect (operating) costs Decrease in asset value or useful life of assets |
| | Legal These include risks related to the worsening of legal and economic sanctions for failure to comply with technical quality and performance standards in the electricity and water services (fines and incremental compliance costs). | Electricity grid management Water management | medium-long | Legal action Sanctions |
| | Market Commercial risks can be attributed to a failure to adapt Group companies' products/services to the new needs of customers – who are more attentive to sustainability issues – or to rising poverty, also caused by climate change, which alters consumer/customer habits; or it can also be due to higher demand for certain components related to ecological transition investments, with impacts on procurement and prices. | All businesses and Commercial in particular | medium-long | Reduction in turnover |
| | Reputational Reputation risk derives from a negative perception of the company's image by its stakeholders as a result of negative events/conditions associated with climate change (e.g. interruption in services caused by the scarcity of water or by extreme weather events). | The Acea Group | short/medium term | Reduction in revenue due to (disrupted services, loss of customers) |

| | | | | |
|--|--|---|---------------------------|--|
| PHYSICAL Risks arising from the physical effects of climatic events (acute if related to episodic phenomena, or chronic if related to long-term changes) | Acute Extreme weather events such as thunderstorms and lightning, heavy rainfall and cloudbursts place stress on the resilience of the electricity grid (interruption to power supply) but also create difficulties in the normal management of over-abundance of water in the water service: cloudbursts can also cause a temporary service disruption in wastewater treatment plants or the entire sewerage network service. Heat waves cause peaks in demand for energy/water on the electricity distribution grid/water network. Drought events are analysed for impacts on service. | Electricity grid management Water management Energy production | short- medium- long | Increased capital expenditures reduced revenue |
| | Chronic The reduction in rainfall can have a negative impact on the electricity distribution service, the production of electricity by the hydroelectric plants and the availability of water for human consumption, thus causing an increase in energy consumption for the withdrawal of water. The risk of more frequent lightning strikes can cause interruptions to the distribution of electricity and thus economic damage. | Electricity grid management Water management Energy production Environment Segment | short- medium- long | Increased direct costs Decrease in revenue due to reduced production capacity |
| OPPORTUNITIES | | | | |
| Drivers | Opportunity type and description | Industrial areas affected | Time frame | Potential financial impacts |
| Circular economy | Promotion of circular economy models and waste recovery projects, for example with waste-to-energy processes combined with material recovery (for example: bottom and fly ash recovery). | Environment Segment | medium | Decrease in indirect (operating) costs |
| Development of photovoltaic plants | Diversification of production facilities with the acquisition and/or construction of photovoltaic plants that, in addition to receiving incentives for the feeding of electricity produced into the grid, allow balancing any reductions in hydroelectric production. | Energy production; technological innovation | medium | Increased revenue due to an increase in customers |
| Increase in network resilience | Investments to improve the resilience of the electricity grid promoted by ARERA. | Distribution of electricity | medium | Increased revenues and reduced operating costs |
| Market and services | Opportunities arising from the change in energy demand related to changes in peak ambient temperatures and the increase of the average temperature, with an impact on price growth and volumes sold. | Energy sales | short/ medium term | Increased revenues from increased demand for products and services |

Moreover, in 2023, following the second year of the initiative aimed at identifying, selecting and analysing the most relevant climate risks for the main Group companies, the **Acea Group 2022 Climate Disclosure**⁵⁹ was published according to the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**. In this context, the continuous improvement effort for developing awareness on the subject continued, with an increase in the number of water companies involved and the range of risks investigated

(physical and/or transition), and with improved reporting practices. For more details see the Box – *Climate reporting according to the TCFD approach in The Relationship with the Environment*.

Lastly, in relation to the management of **operational risks in case of emergency** and the **preventive and operational initiatives defined by the Group companies**, refer to the chapter *Institutions and the Company* (paragraph *Plans for emergency management*).

59 The document is available online at the website www.gruppo.acea.it.

ANALYSIS OF POTENTIAL ENVIRONMENTAL RISKS

companies that operate in the **water, infrastructure and energy generation and environment** sectors and have ISO 14001:2015 certified Environmental Management Systems, identify **potential negative environmental impacts generated by their activities** in relation to specific events or occurrences.

In the **water** sector, the main risks relate to: acute or chronic climatic phenomena or seismic events, causing structural failure or malfunctioning of plants and systems, and from there leading to water shortages or accidental pollutant spills; inefficient operational water resource management, with leaks and consequent excessive consumption; water stress; possible overrunning of resource control parameters with environmental impacts; inadequate work done on the sewage network with contamination of soil and water bodies; risk of fires and explosions at biogas production plants with emissions into the atmosphere.

In the **energy infrastructure** area, the main risks relate to: the presence of overhead and underground installations and possible impacts on the land and subsoil; generation of waste and its impact on ecosystems; generation of electromagnetic fields and related radiation; transformer plant maintenance with contamination of the soil and subsoil with hazardous materials; and plant maintenance

and construction, with impacts in terms of the production of special waste.

In power **generation** activities, the main risks relate to routine plant operation or the occurrence of critical events, such as fires or explosions, accidental pollutant spills or exceedance of threshold values of emissions (into the atmosphere, surface water and sewage); structural failures of hydraulic works resulting from critical natural events (such as high-intensity earthquakes and/or millenary rainfall), which could have effects on territory downstream of plants (such as flooding).

In the **environmental** sector, the potential risks relate to plant management, with hazardous substance spills and consequent contamination of the soil and aquifers or surface water, or with excess emissions into the atmosphere or into water; waste treatment not in compliance with regulations, leading to repercussions on plant operations; accidental fires that may lead to disrupted operations and pollution of the surrounding areas; failure to invest in or maintain on plants, with subsequent impact on company management due to delays in issuing authorisations; noise, smells and dust produced during extraordinary plant maintenance with consequent environmental exposure.

MANAGEMENT SYSTEMS

A system of *internal rules* govern all the Group's operating processes, in general and in specific management areas. The Holding Company carries out its **management and coordination** activities via its internal regulatory system, guaranteeing **autonomy and accountability** to the Group Companies.

The regulatory system comprises the following hierarchical levels:

- **ethical principles, codes and regulations:** these set the corporate governance rules, ethical principles, rules of good conduct, regulations and values that Group companies and different stakeholders must adhere to;
- **Group guidelines:** these identify the principles of conduct and control and the best practices to be adopted for the macro-processes of governance and compliance and for operating the business process model; the Parent Company uses these processes to direct, coordinate and control the Group Companies;
- **operating procedures and instructions:** they govern how a process is carried out operationally, by identifying roles, information flows and responsibilities, and are particularised through instructions.

The **Integrated Certification Systems** Unit within the Health, Quality, Safety & Environment Function of the Parent Company defines the methods and standards of reference for **the implementation of QESE (Quality, Environment, Safety and Energy) certified management systems**, as well as for further certifications and accreditations of interest to the Group, and operates in synergy with the same Units of the Operating Companies. These Units collaborate with the Energy Manager for the development and management of the **Energy Management System** and with the Head of the

Prevention and Protection Service (RSPP) and the emergency coordinator for the **Workplace Health and Safety Management System**. The management of health, safety and environmental emergencies is handled by means of a specific procedure.

The **Energy manager**, in the parent company and in the operating companies, and of the **Mobility manager** have consolidated roles in responding to requests, including regulatory demands, for the optimal management of internal energy use and staff mobility. Their tasks include detecting **systemic efficiencies and savings** that can produce **positive external outcomes**, such as the reduction of consumption and greenhouse gas emissions, optimisation of workers' routes and travel times, with **positive impacts** also on **road safety and urban traffic**. The parent company's energy manager coordinates the companies' energy managers and is responsible for promoting **energy efficiency**, reducing consumption and impacts and optimising the Group's energy spending.

The management systems constitute a second-level **tier of the risk management internal control system**. The results of the annual verifications carried out by the auditors are also examined by the **control bodies**.

In 2023 Acea SpA obtained **ISO 37001:2016 Anti-Corruption Management System** certification and attestation of compliance with the **ISO 10004 Customer Satisfaction Guidelines** for the definition and implementation of processes to monitor and measure customer satisfaction, based on the sampling of activities carried out for some Group Companies.

Chart no. 17 – The certified integrated management system

In 2023, **the main operating companies** present in the scope of reporting **adopted certified management systems** (see table No. 17). In particular, **of the 20 main operating companies**, which represent the biggest ESG impacts of the Group, **100%** have **quality** certification; **85%** have **environmental** certification (100% of companies in the Environment sector and 80% in the Water sector);

95% have **safety** certification; **40%** have a certified **energy** management system (100% of the energy-intensive companies). The **Acea Ambiente** plants in Terni and San Vittore del Lazio, the **Orvieto Ambiente** plant, the **Acque Industriali** site in Pagnana (Empoli), the **Berg** company plant and the **Deco** sites are **EMAS-registered**.

Table no. 17 – Certified management systems in the Acea Group (as at 31/12/2023)

| | Quality (ISO 9001) | Environment (ISO 14001) | Safety (ISO 45001) | Energy (ISO 50001) | Other |
|---------------------------------|-----------------------|----------------------------|-----------------------|-----------------------|---|
| Acea SpA | X | X | X | X | UNI/PdR 125:2022 ISO 37001:2016 |
| WATER | | | | | |
| Acea Ato 2 | X | X | X | X | |
| Acea Ato 5 | X | X | X | X | |
| Gesesa | X | X | X | X | |
| Gori | X | X | X | | |
| AdF | X | | X | | |
| ENGINEERING AND SERVICES | | | | | |
| Acea Infrastructure | X | X | X | | UNI CEI EN ISO/IEC 17025:2005 Accreditation of analysis laboratories UNI CEI EN ISO/IEC 17020:2012 Accreditation of inspection bodies BIM UNI/PdR 74:2019 system certification and BIM UNI 11337-7 professional certification: 2018 UNI/PdR 78:2020 |
| ENERGY INFRASTRUCTURES | | | | | |
| Areti | X | X | X | X | |
| GENERATION | | | | | |
| Acea Produzione | X | X | X | | |
| Ecogena | X | | X | X | UNI CEI 11352:2014 |

| | Quality (ISO 9001) | Environment (ISO 14001) | Safety (ISO 45001) | Energy (ISO 50001) | Other |
|--|-----------------------|----------------------------|-----------------------|-----------------------|-------------------------------|
| ENERGY (commercial and trading) | | | | | |
| Acea Energia | X | X | X | | Biosafety Trust Certification |
| Acea Innovation | X | | | | |
| ENVIRONMENT | | | | | |
| Acea Ambiente | X | X | X | X | EMAS |
| Aquaser | X | X | X | | ISO 39001:2016 |
| Acque Industriali | X | X | X | | EMAS |
| Berg | X | X | X | | EMAS |
| Demap | X | X | X | | |
| Deco | X | X | X | | EMAS SA 8000 |
| Ecologia Sangro | X | X | X | | |
| Orvieto Ambiente | X | X | X | X | EMAS |

The companies with certified management systems **carry out an annual Management Review** to assess **the effectiveness of the systems**, propose possible improvements and verify the progress of activities. On these occasions, in the presence of Top Management and the first line of managers of the Companies in question, the results of the auditors' annual checks are shared, covering elements such as: policy; context analysis and **materiality analysis** at Group level; **Group sustainability targets** and their monitoring; **risk assessment**; process performance; **significant environmental and energy aspects**; changes in legal requirements and those relating to **occu-**

pational health and safety and **environment and energy**; **supplier performance**; **customer satisfaction** levels; complaints analysis; **accidents and injuries**. **The results of the review for 2023**, finding no criticalities, **confirmed the adequacy and efficiency of the management Systems**.

In line with the current *Management Systems and Sustainability Policies*, Acea **monitors the objectives required by the Management system in an integrated manner with the objectives of the 2020-2024 Sustainability Plan** approved by the Board of Directors.

ACEA SPA'S ISO 37001 CERTIFICATION

In 2023 Acea SpA **obtained ISO 37001:2016 certification**, having passed the audits required by the Certification Body. The management system is a flexible tool that provides a systemic approach to **preventing and combating corruption**. It aims to effectively combat the problem, which is governed by the articles of the **Criminal and Civil Codes**, and provides a guide for implementing,

maintaining, updating and improving a system designed to **promote transparency in business processes**, by implementing **actions to reduce the risk of corruption** in organisations and, consequently, reducing exposure to liability, also in terms of the application of the sanctions provided for by Legislative Decree 231/2001.

GENDER EQUALITY IN ACEA (UNI/PdR 125:2022): A JOURNEY OF CONTINUOUS IMPROVEMENT

Also in 2023, Acea **confirmed its UNI/PdR 125:2022 certification**, the national gender equality standard, which sets guidelines to support **women's empowerment** within corporate career paths. This demonstrates the Company's commitment to **Equality, Diversity & Inclusion** and its ability to take concrete measures to reduce the gender gap in growth opportunities, equal pay, parenting and work-life balance.

The continuance of the certification highlights the work done in recent years on these issues, also due to the **higher score obtained in 2023**, as a result of improved results in the various areas under analysis. The Certification Body, in fact, found a **95/100** level of compliance, with the fulfilment of 30/31 indicators, reaching 100% in 5 of the 6 areas covered.

STAKEHOLDERS AND ALLOCATION OF GENERATED VALUE

STAKEHOLDERS AND THEIR INVOLVEMENT

Stakeholders are the various entities that help **achieve the company's goals** and are the **direct or indirect recipients of the value created and also of the impacts generated** by the company's activities, based on a principle of mutual influence.

Acea is committed to developing relationships of trust and adopting an inclusive and proactive approach to stakeholders. It aims to enhance the outcomes of dialogue and debate, in line with the commitments of the **Management and Sustainability Systems Policy**, with the principles expressed in the **Code of Ethics** and the **Human Rights Policy**, adopted in 2023, and with the **Stakeholder Engagement Principles and Values**.

In the stakeholder engagement process, the **identification** phase identifies the subjects involved in and/or affected by the company's activities, assessing the level of mutual influence at both qualitative and quantitative levels. The **analysis** phase examines **the interactions** between the company and the stakeholders and between different categories of stakeholders in order to develop opportunities for dialogue (**engagement**) and shared responsibilities. Finally, the **management** phase **establishes the responses** to the identified needs of stakeholders or the company itself, in order to pursue the achievement of the company's objectives while also meeting stakeholder expectations.

Chart no. 18 – Stakeholders and their involvement



STAKEHOLDER ENGAGEMENT IN THE ACEA GROUP

Stakeholder engagement is essential if the Group is to truly create shared value and at the same time benefit from how stakeholders contribution to the business, making legitimate demands and expressing views that enhance Acea's ability to prevent and manage risks and identify opportunities.

In 2023, **Acea's Stakeholder and Perceived Quality Unit** continued its work of integrating stakeholder engagement within the Group's strategies, processes and business activities, also for the purpose of reporting and for leveraging the best practices implemented.

The **awareness-raising and further study process** undertaken is aimed at disseminating stakeholder engagement culture in the various corporate contexts, while making use of relevant skills and tools, and increasing awareness of its strategic role. The **Intranet** section was renewed during the year. Dedicated to stakeholder engagement, it helps systematise and share processes, tools and in-depth materials and also foster greater internal participation. During the year, further **mini-videos for the stakeholder engagement aware-**

ness module launched in 2022 were published, aiming to publicise the methodology and modalities of stakeholder engagement and to stimulate and strengthen the proactivity of Acea Group people.

In 2023, the **first Report on the Group's Stakeholder Engagement Performance** was published, summarising the main projects/initiatives carried out during the previous year by departments, corporate functions and companies. The report will be replicated annually. Stakeholder Engagement activities are managed in line with the international standards of reference (**AA1000** Stakeholder Engagement Standard and **Global Reporting Initiative**).

An **internal survey was conducted with Stakeholder Engagement contacts**, aimed at obtaining a true picture of the consolidation of knowledge and skills acquired so far and the needs still to be met. The survey helped to map out the most appropriate measures to support the company structures as they build better relationships with internal and external stakeholders.

Chart no. 19 – Stakeholder mapping



The most significant evidence of Acea's interactions with the main stakeholder categories in 2023 is provided below.



Acea is one of **Italy's leading multi-utility companies in terms of territory and customers served**, with over **1.5 million energy and gas sales customers**, over **1.6 million energy distribution withdrawal points** and around **2.8 million water users**, representing **8.8 million inhabitants served** in Italy.

The market's evolution towards demand for **innovative, green solutions** is met by the Group through increasingly specific and wide-ranging offers, such as the Acea Energia offer of **100% sustainable light and gas**, which led to an 18% increase in green energy sold on the free market in 2023. Also on offer are **electric mobility** services, enhanced by an interoperability agreement with Plenitude in the year under review. In 2023, **all Group companies** that manage customer relations focused on **improving the customer experience during the use of digital channels** (web areas, apps, chat, digital counters) and worked on targeted communications. Awareness-raising initiatives also continued, such as Acea Ato 2's **water-saving campaign** – *Ogni goccia d'Acqua* – which received the 20th Press, Outdoor & Promotion Key Award. Acea adopts initiatives to help keep maintain customer loyalty, for example by **training sales agents** that operate on behalf of the Company and **checking their work**. The company also conducts nurtures relations with **Consumer Associations**. The company has long turned to the ADR body for the out-of-court settlement of disputes. In 2023, **288 requests** were received for the managed companies, a decrease of 19% compared to 2022.



For Acea, as a provider of essential public services that are mainly subject to **regulation by the public authorities**, the relationship with institutions is of fundamental importance both for planning and performing the company activities. In this context, in concert with the relevant institutions, the Group continued actions to develop the infrastructure works within its remit, also within the framework of the National Recovery and Resilience Plan (NRRP).

Acea is active in the prevention and management of critical events, and, in emergencies, provides support to **the competent public health, civil protection and public safety authorities**, for example through the water companies' **emergency management plans**, shared with **local institutions** (such as Prefectures, Local Health Authorities, Area Management Bodies), or through the electricity companies, which are essential for restarting the system after National Transmission Grid outages or for the re-powering of utilities of **strategic or social importance**.

In 2023, given Acea's important role in the construction of major infrastructure works, the company signed a **National Framework Protocol for the protection of legality** with the Ministry of the Interior to strengthen cooperation on public safety and legality, with a view to bringing social and economic benefits.

Acea participates in **research centres, standard-setting bodies and industry associations**, acting as promoter or contributing to research and experimentation in the businesses in which it operates. Acea also takes part in international programmes (**Horizon2020**), for example through the **PlatOne, BeFlexible, Flow and LIFE TURBINES** projects.



Acea, seizing the opportunities emerging from the market and its operating context, is guided along a path of full sustainability integration in its strategic choices, as also indicated by the Italian *Corporate Governance Code*. The Business Plan and the Sustainability Plan currently in place are both projected to run over the 2020-2024 horizon, and investments to 2024 amount to €4.3 billion, of which **€2.1 billion relate to sustainability targets**.

The **performance management system**, as an integrated governance instrument in the long term (LTIP) and in the medium term (MBO), provides for a **composite sustainability indicator**, which includes targets aligned with the Group's business and sustainability plans.

For Acea, **monitoring the innovation ecosystem** is crucial for access to ideas, business and technology opportunities, so the Group has therefore set up collaborations with specialised partners, including Startup Intelligence and Zero Accelerator.

In 2023, **Acea won the iF DESIGN AWARD 2023**, in the Service Design category, for the **Waidy® Management System (WMS)** project, the technological platform designed by Acea in collaboration with NTT DATA Italia. The system facilitates the management of water resources throughout their life cycle.

Also in the same year, Acea obtained **ISO 37001:2016** (Management System for the Prevention of Corruption) certification.



SHAREHOLDERS AND INVESTORS



The relationship with the **capital markets** guarantees the best conditions thanks to a careful diversification of sources. About 84% of medium- to long-term debt comes from **bond placements**. With reference to bank loans, Acea mainly borrows from **institutional operators**, such as **EIB** and **Cassa di Risparmio di Roma**, worth around 11%, whose mission is to **support strategic infrastructure**. Acea reported a **14.1% stock market increase**. The value of each share rose from €12.92 on 30 December 2022 to €13.83 on 30 December 2023 (the last stock exchange session of the year) corresponding to a market capitalisation of **€2,945 million** (€2,752 million in 2022). The ratings agencies Moody's and Fitch **confirmed the long and short-term rating**.

"Sustainable investors" have an evident interest in Acea, holding **6.1%** of the share capital and representing about **45% of the total amount of institutional investors**.

Acea has launched the following **sustainable finance** instruments: two **green bonds**, the first for €900 million and the second, issued in 2023, for €700 million, and a **sustainability rating-linked credit line** for €200 million.

Acea is included in the **MIB ESG** index, supervised by Euronext, and in the **SE Mid Italian Index** and the **SE European Multi-Utilities Index**, by Standard Ethics.



SUPPLIERS



The value of the Order for Goods, Services and Works in 2023 remains stable at about **€1,9 billion** and involves more than **3,500 suppliers**. A **70% portion of the total volumes in the year**, which were managed centrally, were procured via **competitive tendering procedures**.

In October 2023 a **Contracts Protocol** was signed between Acea and the trade unions to ensure the highest levels of **legality and efficiency in the handling of contracts**, to **strengthen the protection of occupational health and safety** and to support **stable, quality employment**.

The end of the year saw the updating of the **Single Regulation for Qualification Systems of European relevance** (Works and Goods and Services), **introducing**, among the **specific requirements** from suppliers wishing to qualify in certain Lists, a **cyber security self-assessment questionnaire** developed by Acea and called "ACEA - Third Party Cyber Security Assessment Tool", aimed at identifying supply chain cyber risks.

Acea Infrastructure's Work Safety Unit is responsible for managing and supervising the **safety of contracted works and services** for the main Group companies, as a basic measure for increasing worker protection and preventing accidents. It has carried out **14,252 worksite safety inspections**, whose results confirm a **constant decline** in the percentage of "**serious non-compliances**" (7%) out of the total number of non-compliances detected.

The **Group's Vendor Rating** project continued, with the purpose of assessing and monitoring supplier performance on punctuality, quality and safety indicators (index formulated in 2023 on 900 suppliers). The **Ecovadis model** was adopted, evaluating supplier companies on the basis of **21 CSR criteria**, such as environment, labour and human rights, ethics and sustainability in purchasing, with **640 suppliers assessed during the year (+89%** compared to 2022). The average score achieved was 61.9/100 (compared to an Italian average of 45/100 and a utilities sector average of 56.5/100).



EMPLOYEES



Employees are the company's most important asset. Acea is committed to fostering the best conditions of **stability**, promoting **safety**, developing a sense of **cohesion** and **participating** in the corporate mission. In 2023, the total staff of the companies within the scope of reporting was numbered **6,729 people**, of which **24% women**. **99%** of the company workforce has a **permanent employment contract**. The professional structure is composed as follows: 60.1% are employees, 30.2% are workers, 8.1% are executives and 1.5% are managers. **Incomers** totalled **216 people**, 30% of whom were aged 30 or under. A total of **267 people left**, 61% of them being over 50 years old.

In 2023, the **Employee and Participation Charter** was signed with the trade unions, the **Code for Responsible Companies to Support Natality** was signed, promoted by the Ministry of Family, Natality and Equal Opportunities, and the **Equality Platform** was launched, conceived as a physical and virtual place for the dissemination of the **Equality Diversity & Inclusion culture**.

Aimed at increasing and enhancing internal sustainability skills, the **Sustainability Professionals** course was designed and implemented during the year for the certification of professionals in line with discipline-specific practice.

In 2023 Acea also obtained **gender equality certification** (UNI/PdR 125:2022) and received certification from **Top Employers Italia**.



ENVIRONMENT



Countering rising **global temperatures** and the related effects of **climate change**, **land use**, and declining **biodiversity** represent the main challenges faced by the world at large. Acea operates in a context of interdependence between the environment, the territory and the community.

It duly takes into account the UN Sustainable Development Goals and plays a significant role as an **actor in ecological transition**, implementing development projects for the circular economy, promoting the use of renewable energy sources, increasing the resilience of electricity and water distribution infrastructures, protecting water resources and promoting technological innovation applied to processes. In 2023, Acea published the **second Group climate-related disclosure**, in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures, and obtained **validation of its climate-driven emissions (GHG) from Science Based Targets initiative (SBTi)**.

The Group pursued its climate change **mitigation and adaptation strategy** with **energy efficiency improvements** within the companies, promoting the **reuse of purified wastewater** as process water within the plants. It developed a plan to **increase production from renewable energy sources** with the dual aim of achieving high **efficiency in internal end-use** and in energy **process use**, and with the further goal of **reducing carbon intensity**.

The environmental indicator related to **local area protection**, representative of the underground high-voltage network part of the total operating network, also improved to 50% in 2023. Similarly, energy losses on the grid improved to about 6.2% of the total input. There was an improvement in the indicators relating to **management of the companies' final outputs**: the amount of waste recovered out of the total waste produced rose to 52%; in the water sector in particular, the volume of sewage sludge recovered increased significantly to 81% (from 66% last year).



COMMUNITY



Acea pursues its own commitment to corporate social responsibility through a range of community initiatives, from promoting sport and supporting social and cultural campaigns to providing aid in health crises. Continued support was given to **hospital facilities**, in particular, the Policlinico Umberto I, where a new cancer centre has been under construction since 2022, with completion due in 2024. **New generations and schools** have always been a priority focal area for the Group. In 2023 the commitment to students continued with the creation of the **Acea Scuola - ProteggiAmo l'ambiente** educational programme and with other initiatives such as **Volley Scuola - Trofeo Acea** and **Acea Camp**, which combine the dissemination of the **educational value of sport** through sports practice, and **raising awareness of social issues** such as bullying, safety, respect for the environment. Attention was given also to the more mature generations: during the year, the **Acea per la Comunità** (Acea for the Community) project was mounted, sponsored by the Municipality of Rome, for the benefit of **members of the senior citizens' centres in Rome and Province**. The aim was to make them more aware of their own consumption, both with a view to saving and safeguarding resources and to raising awareness of the social water bonus and how to use digital channels.

In **sports**, Acea links its name in a major way with the **Rome Marathon – Acea Run Rome The Marathon**. This is the running event with the biggest following and participation by Italian and foreign athletes in our country. Among the year's main supported events in terms of **cultural initiatives**, was the **Atlante femminile** photographic exhibition at the MAXXI Museum. Finally, Acea, as a private partner, once again joined with the **Fondazione Teatro dell'Opera di Roma** in sponsoring the 2023 edition of the **Festa del Cinema** at the Auditorium Parco della Musica in Rome. It also supported numerous other initiatives taking place in the various territories where the Group operates.

MATERIAL TOPICS AND IMPACTS PERCEIVED BY STAKEHOLDERS

With the final **materiality analysis**, carried out in 2022 and still referenced in 2023, particular emphasis was placed on identifying the **main impacts perceived in association with the high and medium materiality issues** of the Acea Group. The evidence found, in terms of the highest impact areas for stakeholders and current/potential main impacts, both positive and negative, is summarised in Table 18.

Table no. 18 – Main impacts perceived by stakeholders, associated with 2023 material issues with high and medium significance

| MATERIAL TOPICS | most significant areas of impact for stakeholders | main (actual/potential) ● negative and ● positive impacts perceived by stakeholders |
|---|---|---|
| SUSTAINABLE AND CIRCULAR WATER CYCLE MANAGEMENT | infrastructure and network optimization, to increase their resilience and secure their water supply | <ul style="list-style-type: none"> ● reduced access to high-quality water due to system inefficiencies related to water stress and extreme weather events ● safeguarding the water supply through the development of new infrastructural and technological solutions |
| | evolution towards a circular water resource management model (including water reuse, sewage sludge recovery and reuse, etc.) | <ul style="list-style-type: none"> ● failure to reduce pressures on water resources due to limited reuse of treated water ● contribution to the improvement of environmental and social contexts by strengthening solutions for the circular management of water resources (reuse for different purposes of purified water, sludge, etc.) |
| ETHICS AND INTEGRITY IN BUSINESS CONDUCT | compliance of company performance with industry standards | <ul style="list-style-type: none"> ● deterioration of contextual conditions (quality of life, relations between the company and stakeholders, etc.) due to non-compliance, disputes and litigation ● greater guarantee of access to high-quality services that meet standards |
| | promotion of ethical values, including combating unlawful conduct and corruption, throughout the value chain | <ul style="list-style-type: none"> ● weakening of action to promote ethical principles in the relevant contexts due to bureaucratic-administrative barriers and cultural resistance ● contribution to the development of a healthy socio-economic system guided by ethical principles and respect for rules; |
| PROTECTION OF ECOSYSTEMS AND BIODIVERSITY | reduction of pressure on ecosystems (e.g. reduced emissions, efficient use of natural resources, reduction of land use, etc.) to protect ecosystem health and preserve natural cycles | <ul style="list-style-type: none"> ● inability of infrastructures to adapt to their host ecosystems ● increased awareness of the impact of activities on biodiversity and the ecosystem through the development of specific analysis models |
| | interventions aimed at protecting the ecosystems in areas in which the company operates (protection of springs, natural heritage, protected areas and animal and plant species, etc.) | <ul style="list-style-type: none"> ● failure to formalise specific commitments to protect biodiversity and ecosystems ● development of synergies with scientific partners and institutions to monitor biodiversity-rich areas and create ecological corridors |

| | | |
|---|--|---|
| CLIMATE CHANGE AND ENERGY TRANSITION | adoption of energy models with a low environmental impact (generation from renewable sources, energy efficiency, cogeneration, green energy consumption, etc.) | <ul style="list-style-type: none"> ● slow development of low environmental impact solutions due to bureaucratic and authorisation constraints ● contribution to the sustainable development of regions and socio-economic contexts through climate action |
| | development of value-added services related to energy transition | <ul style="list-style-type: none"> ● low scalability of green technologies for the community ● improvement of environmental and social contexts through the development of decarbonisation solutions in different contexts (smart cities, sustainable mobility, building efficiency, etc.) |
| TECHNOLOGICAL INNOVATION AND DIGITAL TRANSFORMATION | development of innovative and environmentally sustainable services and products in response to the changing needs of the environment and people | <ul style="list-style-type: none"> ● increased inequalities caused by services provided in a predominantly digital mode (elderly, poorly digitised population, etc.) ● improvement in the quality of life of the community through the availability of services and products in line with emerging needs |
| | creation of an high-quality, open and interconnected innovation and research ecosystem | <ul style="list-style-type: none"> ● missed opportunities for innovative development due to lack of qualified skills and dedicated investment ● contribution to social progress and cultural growth |
| MANAGEMENT AND TREATMENT OF WASTE FOR A CIRCULAR ECONOMY | management and reduction of waste produced by communities through its energy and material recovery (e.g. compost) | <ul style="list-style-type: none"> ● possible community resistance to new facilities ● contribution to the resolution of critical issues related to mass waste production |
| | strengthening of secondary raw material recovery chains from waste materials (plastic, paper, etc.) | <ul style="list-style-type: none"> ● possible challenges in the proper management of supply chains ● reduction of environmental changes caused by the use of raw materials |
| OCCUPATIONAL HEALTH AND SAFETY | building safe and secure working environments, starting with accident prevention | <ul style="list-style-type: none"> ● occurrence of occupational accidents, with possible effects on public safety ● increase in safety and consequent improvement of service levels |
| | promoting a culture of safety at work along the supply chain (procurement, etc.) | <ul style="list-style-type: none"> ● weakened action of promoting a culture of workplace safety in less well-equipped contexts such as small and very small businesses ● contribution to the improvement of the occupational health and safety conditions of supplier personnel |
| DIALOGUE AND ENGAGEMENT WITH STAKEHOLDERS AND TERRITORY | responses to multi-stakeholder requirements, with shared value projects and co-design initiatives | <ul style="list-style-type: none"> ● increased disputes with stakeholders due to their ineffective involvement in projects with a high impact on the region ● synergetic development of projects and initiatives that better respond to genuine stakeholder needs |
| | specific identification and consideration of minorities and vulnerable stakeholders | <ul style="list-style-type: none"> ● insufficient implementation of initiatives for families and businesses in economic difficulty that reflect the challenging context (high bills, inflation, etc.) ● community support through the promotion of targeted initiatives, also in synergy with local institutions and associations (new forms of poverty, energy crisis, etc.) |
| SKILLS DEVELOPMENT AND EVOLUTION OF THE WORKING ENVIRONMENT | promotion of meritocratic working contexts able to optimise and increase skills and abilities | <ul style="list-style-type: none"> ● resistance to cultural and professional change ● increase in skills, greater job satisfaction and creation of new jobs |
| | adoption of new work models capable of responding to the needs of digital transformation, also with agile logic, based on collaboration and flexibility | <ul style="list-style-type: none"> ● shortage of new key skills (tech jobs, etc.) ● improvement of work/life balance and work contexts |
| SUSTAINABILITY IN INFRASTRUCTURE DESIGN, CONSTRUCTION AND MANAGEMENT | creation of high-quality and environmentally and socially sustainable infrastructures and projects | <ul style="list-style-type: none"> ● possible implementation difficulties caused by a lack of design models and expertise that incorporate sustainability ● development of a long-term design approach, capable of incorporating sustainability and "just transition" logics |
| | adoption of a design approach that integrates the genuine needs of stakeholders and promotes the acceptance of projects and infrastructures by the community | <ul style="list-style-type: none"> ● reduced social acceptability of infrastructures due to inadequate management of participatory processes ● contribution to sustainable regional development |
| CUSTOMER FOCUS | availability of easily accessible and customised customer care services, also thanks to the increasing use of digital channels | <ul style="list-style-type: none"> ● decrease in the level of customer trust due to lack of clear communication and transparency ● improvement of the customer experience and relationship with the company |
| | availability of services in line with emerging customer needs and lifestyles | <ul style="list-style-type: none"> ● insufficient attention to the growing difficulties faced by customers in the current context (war, energy crisis, high bills, inflation, etc.) ● increasing sustainability in practices and consumption styles |

| | | |
|--|---|---|
| SUSTAINABILITY AND CIRCULARITY ALONG THE SUPPLY CHAIN | implementation of procurement processes that prioritise the use of products and services that combine quality, eco-compatibility (recycled, reusable, etc.) and social responsibility | <ul style="list-style-type: none"> ● possible exclusion of small and very small businesses that are less structured in terms of sustainability ● reduction of the socio-environmental impact of goods and services |
| | increasing supply chain certification, also in relation to social aspects (protection of employment rights, human rights, quality of supplies, etc.) and environmental aspects (emissions, pollution, etc.) | <ul style="list-style-type: none"> ● increased initial burdens on suppliers who are required to make greater commitments to sustainability ● support for the promotion of sustainability among suppliers |
| COMPANY WELL-BEING, DIVERSITY AND INCLUSION | creation of inclusive and diverse models and workplaces that respect people | <ul style="list-style-type: none"> ● failure to reduce cultural and organisational barriers to promoting diversity ● development of social and professional inclusion paths and projects |
| | promotion of a workplace culture oriented towards preserving the well-being of people within the organisation and respecting their private lives (welfare, work/life balance initiatives, etc.) | <ul style="list-style-type: none"> ● reduced effectiveness of promotion initiatives due to cultural resistance caused by a "traditional" view of work ● development of the concept of well-being, which is extended to workers, the community and the region ("all-round" well-being) |
| GOVERNANCE FOR SUSTAINABLE SUCCESS | long-term value creation through the integration of sustainable success (social and environmental dimensions) into strategic objectives, management remuneration policies and internal control systems | <ul style="list-style-type: none"> ● incomplete and non-transparent information available to stakeholders ● effective incentive systems linked to sustainability targets; |
| | construction of governance models capable of developing long-term strategies that consider sustainability guidelines | <ul style="list-style-type: none"> ● greenwashing ● lasting contribution to the social, environmental and economic development of the local context |
| SUSTAINABLE FINANCE | promotion of environmental and social elements in business financing decisions (Green Bonds, etc.) | <ul style="list-style-type: none"> ● lack of development of socio-economic contexts due to difficulties in managing public funding ● increased investments in sustainable development (ecological transition, social inclusion, etc.) |

DISTRIBUTION OF THE VALUE GENERATED BY ACEA

The overall economic value generated by the Acea Group in 2023 is **€ 4,702.5 million** (€ 5,209.9 million in 2022). Below is a breakdown of the above figure amongst the stakeholders: 62.4% to **suppliers**, 18.8% to the **company** as resources to be withheld; 7.1% to **employees**; 4.7% to **shareholders** in the form of

dividends; 3.7% to **financiers** in the form of interest on capital provided; 3.2% to the **public administration**⁶⁰ in the form of taxes paid and 0.1% to the **community** by way of sponsorships and donations for events and similar endeavours.

Table no. 19 – Economic value directly generated and distributed (2022-2023)

| (in € million) | 2022 | 2023 |
|--|----------------|----------------|
| total economic value directly generated | 5,209.9 | 4,702.5 |
| distribution to stakeholders | | |
| operating costs (suppliers) | 3,549.8 | 2,933.7 |
| employees | 305.1 | 334.5 |
| shareholders (*) | 212.1 | 220.9 |
| financiers | 111.7 | 176 |
| public administration | 186.7 | 147.7 |
| community | 6.3 | 4.7 |
| company (total retention value) | 838.2 | 885 |

Table no. 20 – Breakdown of value generated by stakeholder (2022-2023)

| | 2022 (%) | 2023 (%) |
|---------------------------------|----------|-------------|
| suppliers | 68.1 | 62.4 |
| employees | 5.9 | 7.1 |
| shareholders | 4.1 | 4.7 |
| financiers | 2.1 | 3.7 |
| public administration | 3.6 | 3.2 |
| community | 0.1 | 0.1 |
| company (total retention value) | 16.1 | 18.8 |

(*) Includes dividends for the financial year proposed by the BoD, any dividends from reserves and minority interests.

60 The amount paid to the public administration net of public contributions which Acea receives (equal to € 23.3 million) is € 124.4 million