

# Introduction

Developing and operating safe and sustainable infrastructure. With our People, ensuring access and circularity to fundamental resources for citizens, businesses and the territory"; this is the claim of the Acea Group defined in the 2024-2028 Industrial Plan "Green Diligent Growth", which traces the path of the Group's business in coming years with a strategic vision that integrates sustainability as a transversal guideline to operational and business choices.

In 2024, the Acea Group celebrated its first 115 years of operations, starting with the construction and management of the electricity network for the capital, with the activation of the first hydroelectric power stations, the management of Rome's aqueducts, and the construction of the Peschiera-Capore aqueduct, currently representing the largest aqueduct investment in Italy and among

the first in Europe, essential to securing the Capital's water supply. Water and energy, more recently joined by the environment area for waste management, to guarantee the management of these fundamental resources in a logic of efficiency and innovation, integrated with Acea's vocation of service to the territories and communities in which it operates, from the perspective of corporate responsibility towards the creation of shared value.

Attention to the environment, resources, territories and people, therefore form the basis for Acea's operations, where, in a nutshell, sustainability is a fundamental and unavoidable premise, and which the Group is committed to consistently pursuing with a strong strategic vision.

## 1. General information

### 1.1 GENERAL CRITERIA FOR SUSTAINABILITY REPORTING AND DISCLOSURES RELATING TO SPECIFIC CIRCUMSTANCES

**ESRS 2 BP-1; ESRS 2 BP-2** The Acea Group's 2024 Sustainability Report is prepared in accordance with the reporting standards applied pursuant to the CSRD 2013/34/EU "Corporate Sustainability Reporting Directive" and Italian Legislative Decree 125/2024 transposing this nationally, and with the specifications adopted pursuant to Article 8 of the European Taxonomy Regulation 2020/852/EU.

The Report is prepared on a consolidated basis, approved by the Board of Directors of Acea SpA and subject to a limited review.

The scope of reporting includes the Parent Company and the companies consolidated on a line-by-line basis in the annual Financial Statements.

In the last quarter of 2024, corporate changes took place that led to a change in the scope of consolidation with reference to four Group companies (Acquedotto del Fiora SpA, Agile Academy Srl, Acea Renewable Srl, Fergas Solar 2 Srl, Berg SpA). as described in the Consolidated Financial Statements.

For sustainability reporting purposes, this change was managed as follows:

- technical data (consumption, energy production, emissions, pollution, resource inflows, resource outflows): the total annual figure is shown, given that the portion for the deconsolidated months is not significant in relation to the Group total;
- personnel data: the total number of employees as at 31 December does not include the staff from the deconsolidated companies; average figures for the year include all companies.

Consistent with the ESRS standards, the Report covers the thematic content of environmental, social and governance standards. With reference to the value chain, the main information on upstream and downstream players is provided, relating to:

- the double materiality analysis process, with specific reference to identifying impacts, risks and opportunities;
- the Group's policies, actions and objectives, with a level of detail that varies according to the degree of control and influence;

- the identification of metrics, with specific reference to Scope 3 emissions reporting.

Furthermore, it is specified that in the Report:

- no information has been omitted that forms the subject of intellectual property, the result of innovation and referring to imminent developments or issues subject to negotiation;
- the phase-in provisions listed in Appendix C of ESRS 1 applicable to Acea have been adopted, with the exception of the requirements related to ESRS S1-15 Work-Life Balance Metrics, ESRS S1-12 Persons with Disabilities and ESRS S1-13 Training and Skills Development Metrics.

To avoid the duplication of data and information, the Sustainability Report refers to other sections of the Report on Operations regarding the information already contained therein, such as the business model, or for more in-depth information. The Report on Operations also describes the Group's reference context and the main risks and uncertainties from a market risk perspective, to which reference is made in the respective paragraphs. Any information referencing other corporate documentary sources is clearly specified in this document. As established by ESRS 1, Acea has defined time horizons corresponding to the Group's Enterprise Risk Management (ERM): short term (1 year), medium term (1-5 years, consistent with the coverage of the Business Plan, long term (over 5 years, namely, beyond the time frame of the Business Plan).

Regarding the use of estimates for the data published in the document, it is specified that no estimates were made for its own workforce. With reference to the value chain, it is noted that data on climate-changing emissions outlined hereunder in paragraph 2.2.4, is collected from a representative sample of Group suppliers based on a specific questionnaire. The figure is estimated by readjusting the consumption recorded relative to the total purchased during the year.

This questionnaire was also used to collect data on water consumption.



Because 2024 is the first year when ESRS standards were applied, and the Sustainability Report does not include comparative data with the previous year. Therefore, any information changes relating to previous periods or reporting errors, which could affect a comparison across several financial years, are not applicable. It is further noted that the scope for the Company's 2024 reporting

differs from last year as a result of the increased perimeter, in compliance with the new reference legislation. For 2024, the first year of reporting under the new regulations, information on the following ESRS/data points has been omitted, using the phase-in option: SBM-1 paragraph 40 (b) and (c); SBM-3 paragraph 48 (e), E1-9, E2-6, E3-5, E4-6, E5-6, S1-7, S1-11, S1-14.

## 1.2 GOVERNANCE ESRS GOV-1; ESRS GOV-2; ESRS GOV-3

ESRS 2 GOV-1; ESRS 2 GOV-2 The Acea SpA Board of Directors consists of 13 members: 7 men (54%) and 6 women (46%); 12 board members are Italian citizens and 1 is French; 3 board members are between 30 and 50 years old, 10 are over 50; 10 board members (77%) qualify as being independent. Only one board member, the Chief Executive Officer, holds executive positions. Board members generally have experience in the Group's business sectors, specifically in the energy, water and environmental sectors, with national and international experience, as shown in the CVs included in the Annexes.

### Corporate Governance

Acea adheres to the Corporate Governance Code of Borsa Italiana, ensuring that its corporate governance system complies with the Code's principles and recommendations.

Specifically, the Board of Directors' actions are characterised by the pursuit of sustainable success, understood as the objective of creating long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the Group. The Chairperson of the Board of Directors is assigned a central role by the Board in overseeing issues related to the environmental impact and social sustainability of the Group's operations and processes.

The Board of Directors is tasked, *inter alia*, with defining the guidelines of the Internal Control and Risk Management System based on a proposal from the Control and Risks Committee, so that the main risks, including the risks that could become relevant from a sustainability perspective over the medium-long term, are correctly identified and adequately measured, managed and monitored.

The Board of Directors has set up three internal Committees to provide preliminary, propositional and advisory support to the administrative Body, namely: the Appointments and Remuneration Committee, the Control and Risks Committee and the Ethics, Sustainability and Inclusion Committee. The committees meet to deal with the issues falling within their remit, according to a schedule approved by each committee, based on the proposals of the respective chairpersons. This schedule is updated when deemed opportune or necessary according to developments in corporate operations. Based on the specific invitation of the respective chairperson, the meetings of each committee may be attended by other members of the Board of Directors or by representatives of company departments or third parties whose presence may be of assistance in the best performance of the committee's functions. At the meetings, committees are updated on sustainability issues relevant to the Group, ongoing actions and developments such as the adoption of policies and the implementation of operational plans.

During the year, the Ethics, Sustainability and Inclusion Committee and the Control and Risks Committee dealt with the following topics, also in terms of impacts, risks and opportunities: equality, diversity & inclusion; occupational health and safety; business ethics; sustainability in the supply chain; corporate welfare; sustainability plan; double materiality analysis; sustainability reporting processes; integrated management systems reporting; anti-corruption; anti-trust and consumerism.

The Ethics, Sustainability and Inclusion Committee (ESIC) is a collegial body with full and autonomous powers of action and control designated with providing preliminary, propositional and advisory support to the Board of Directors within the context of corporate ethics and environmental, social and governance topics. The Committee is tasked, *inter alia*, with the following:

- promoting the integration of sustainability in the strategies and culture of the company and encouraging its dissemination among employees, shareholders, users, clients, the territory and all stakeholders in general;
- overseeing the sustainability topics associated with the exercising of business activities and interaction dynamics between the company and all stakeholders and examine the main corporate rules and procedures proving to be of relevance upon comparison;
- examining the guidelines of the sustainability plan and the implementation procedures;
- monitoring the implementation of the sustainability plan approved by the Board of Directors;
- expressing, on the request of the Board of Directors, opinions on other matters regarding sustainability;
- liaising with the pertinent corporate structures and bodies in relation to aspects of ethics and sustainability;
- promoting, in light of international best practices, a culture of valuing diversity, avoiding and countering all forms of discrimination, to encourage the adoption of a diverse approach to people management, spreading sensitivity and awareness of the value of differences at all levels of the organisation and monitoring overall development.

The Control and Risks Committee was established to assist the Board of Directors, ensuring adequate preliminary investigations and support in the assessments and the decisions related to the Control System, as well as the approval of the financial and non-financial reports.

The Code of Ethics sets out the general ethical principles that all company practices must be linked to, specifying the criteria of conduct towards each category of stakeholder and defining the mechanisms for implementing the principles and controlling the behaviour of the people who work in the Group's interest.

The Code is adopted by a resolution of the Acea Board of Directors and periodically updated on the basis of the suggestions and proposals received from the Ethics, Sustainability and Inclusion Committee and the Control and Risks Committee.

The Ethics, Sustainability and Inclusion Committee, in connection with the tasks assigned by the Board of Directors, monitors the adequacy of the Code of Ethics and its effective implementation, also with the support of the Ethics Officer.

The Ethics Officer prepares a periodical report on the reports, the in-depth analyses carried out and the initiatives undertaken in the field of training and communication, which is sent to the Chairperson, the CEO and the Control Bodies of Acea S.p.A. (the Control and Risk Committee, the Ethics and Sustainability Committee, the Board of Auditors and the Supervisory Body of Acea, and the Supervisory Bodies of the Group companies).

The Board of Directors approves, reviews and updates the corporate sustainability policies, defined in line with the Code of Ethics, including: the Human Rights Policy, the Integrated Management Systems and Sustainability Policy, the Anti-Corruption Policy, and the Equality, Diversity & Inclusion Policy.

The Internal Control and Risk Management System is designed to identify, measure, manage and monitor key business risks, ensuring that the organisation operates effectively and in compliance with regulations. The SCIGR contributes to company management aimed at sustainable development, maximising the value of the company and in line with the company objectives defined by the Board of Directors of each Company, supporting Management in informed decision-making where the main risks are identified, assessed, managed and monitored, in relation to their ability to influence the achievement of the objectives and impact the value of the company.

Within the framework of the functions covered and in the achievement of the related objectives, Management ensures the SCIGR is appropriate for the activities within its remit, actively participating in its proper functioning. To this end and also depending on the risks being managed, Management establishes specific control activities and monitoring processes to ensure the effectiveness and efficiency of the SCIGR.

Within the system of controls for the governance and management of the SCIGR and sustainability issues, we note the Risk Management, Compliance & Sustainability structure, with the mission, inter alia, of ensuring the valorisation of ESG aspects in the Acea Group, integrating sustainability principles and issues into corporate management, coordinating the planning and monitoring of sustainability objectives, and attending to ESG reporting. This structure, which reports in hierarchical terms to the Chief Executive Officer, interacts, discusses promotes and analyses the relevant sustainability issues on an ongoing basis with Group functions and companies.

Acea's Board of Directors defines the Group's strategic objectives, formalised through the Strategic Plan, in order to guide corporate management over the medium term. Management defines the company's operational, compliance and reporting objectives in line with the strategic objectives defined in the Business Plan and in accordance with the corporate mission. These objectives reflect the choices, according to which the company intends creating and preserving value for all stakeholders. This is the context for the Sustainability Plan which, defined with the contribution of the operating companies and various functions, highlights the consistency between the Group's development guidelines outlined in the Business Plan and the socio-environmental impact of business operations. The strategic planning process envisages the approval of the Plan by the Board of Directors and its subsequent monitoring, with a six-monthly review and an annual report included in the Sustainability Report, as well as a periodic review and update to maintain its consistency with business developments and strategic orientations.

Several management systems at Acea are implemented for sustainability relevant issues, from the environmental (environment, energy, etc.) to the social (diversity and inclusion, occupational safety). The functioning of these systems involves, among other activities,

identifying and evaluating the relevant aspects and impacts and continuous monitoring, including reviews by Management to assess the degree to which the systems are being applied and are effective in achieving corporate objectives.

During 2024, the Chairperson, together with the Chief Executive Officer, prepared a training programme for the Board that was also attended by the Board of Statutory Auditors, aimed at providing the Directors with a thorough knowledge of the company's activities and organisation, its sector and the regulatory framework and self-regulatory framework, the company dynamics and their evolution and the role to be performed with respect to the specific nature of Acea, from the perspective of sustainability issues. With regard to the latter, two Induction initiatives were carried out in the reporting period, with the support of external experts, focusing on the Corporate Sustainability Reporting Directive and its impact on the Acea Group. The Board of Directors also has specific competencies in the field of sustainability, with reference to management areas in the energy-utility sectors, e.g. the energy transition and climate impacts.

For its current three-year term of office, the Board resolved to carry out an evaluation of its size, composition and functioning (Board Evaluation), with the assistance of Crisci & Partners, in the role of independent external consultant. This project includes assessments of the onboarding activities and Induction needs, as well as useful recommendations on developing them over time, with reference to the methods and content, to better tailor them to the mix of skills held by individual Board of Directors members, in terms of the governance, strategy, risk and control aspects specific to Acea.

## 1.2.1 SUSTAINABLE REMUNERATION SYSTEMS

### ESRS 2 GOV-3

Acea defines its sustainability model making reference to Agenda 2030 for sustainable development, adopted by the UN Assembly since 2015. This is a globally shared action plan to foster development potential and wellbeing of individuals in harmony with the environment and its resources, making it possible to guarantee shared, long-term progress.

In a market context in which there is an increasingly widespread connection between variable remuneration mechanisms and the achievement of social and environmental results, the Acea Group has confirmed its path of increasing the integration of sustainability into business activities, adopted over the years, also by strengthening of its own commitment.

This aim is also implemented through Group incentive plans, with the importance of sustainability issues highlighted once again in 2025 – in both the short-term and long-term incentive plans – and adequately balanced with economic and financial objectives.

The short-term variable incentive (MBO) scheme and the second cycle of the 2024-2026 Long-Term Incentive Plan have a composite sustainability objective, broken down into the following indicators:



**2025 MBO PLAN**

**▶ Composite sustainability objective**

-  ▶ Reduction in Accident Frequency Index (excluding commuting accidents)
-  ▶ Organization of sewage and water treatment through measures aimed at strengthening and decommissioning/centralisation of plants
-  ▶ Increase in remote control of MV secondary cabins
-  ▶ Increase in plastic sent for recovery (circular economy in the Environment segment)

**2025-2027 LONG-TERM INCENTIVE PLAN**

**▶ Composite sustainability objective**

-  ▶ Equal representation of gender diversity in Acea structures
-  ▶ Reduction in % water leaks (on volumes issued) compared to the base-year value
-  ▶ Reduction in production of sludge compared to the base-year value
-  ▶ Increase in resilience and upgrade to LV Network

The objectives set out in the 2024-2028 Sustainability Plan were developed in close alignment with the investments envisaged by the Business Plan. This integrated approach not only ensures that the sustainability initiatives respond to environmental and social requirements, but that they are also aligned with the medium-term growth strategy. In this way the creation of sustainable value is ensured for all stakeholders, while promoting the Company’s innovation and competitiveness.

A 20% percentage share is linked to the composite sustainability target for MbO 2025 and the second cycle of the 2024-2026 plan. The final figures for the 2024 MbO and the second cycle of the 2021-2023 LTIP for the composite sustainability target are shown below, with the corresponding remuneration shares. The final results are presented at the Nomination and Remuneration Committee before being approved by the Board of Directors.

**2024 MBO Final Plan**

KPIS	Weighting	Target	Balance 2024	% Achieved
<b>▶ COMPOSITE SUSTAINABILITY OBJECTIVE</b>	<b>WEIGHTING 20%</b>			
 <b>▶ PEOPLE</b> Reduction in accident frequency index	5%	5.44	5.31	130.6%
 <b>▶ WATER</b> Optimisation of sewage and water treatment through measures aimed at strengthening and decommissioning/centralisation of plants	5%	3	4	140%
 <b>▶ NETWORKS</b> Increase in remote control of MV secondary substations	5%	71%	76.70%	140%
 <b>▶ ENVIRONMENT</b> Increase in MWh produced from biogas (Environment area renewable source)	5%	+6%	5.76%*	98.4%

\* The data related to the Environmental Area objective has been adjusted to manage the effects of a critical plant issue at the Aprilia plant, an external event that could not have been foreseen by the company’s management team.

**2021-2023 LTI Final Plan – II cycle 2022-2024**

KPIS	Weighting	Target	Balance 2024	% Achieved
<b>▶ SUSTAINABILITY</b>	<b>WEIGHTING 10%</b>			
▶ Cumulative percentage change to IRI (post-intervention value/pre-intervention value)	2%	-70.0%	-70.0%	40%
▶ % reduction in volume of water lost compared to the base-year value (2019)	2%	32.0%	27.0%	30%
▶ % reduction in production of dewatered/dried sludge compared to the base-year value (2019)	2%	45.7%	36.2%	0%
▶ Reduction of CO <sub>2</sub> emission intensity index at Acea Produzione (gCO <sub>2</sub> /kWh produced, and reduction as a percentage compared to the 2019 figure: 89 gCO <sub>2</sub> /kWh)	2%	55	91.0	0%
▶ Reduction in injury-related indices (Acea Group severity index on average 2022-24 ≤ 2021) (using the same scope as the 2021 NFS)	2%	-7.5%	20.0%	0%

**1.2.2 THE DUTY OF CARE STATEMENT**

**ESRS 2 - GOV- 4** Acea is committed to implementing the duty of care to identify, prevent and mitigate the effective and potential negative impacts generated by the operations and business relations of Group companies.

Specifically, the Human Rights Policy includes Acea's commitment to adopting a due diligence process, which, based on the implementation of dedicated tools (second-level controls, risk mitigation measures, etc.), aims to integrate human rights issues into the risk assessment and management model, strengthening the Internal Control System with a specific focus on the issue.

The Management and Sustainability Systems Policy reaffirms the Group's commitment to identifying, preventing, mitigating and stopping negative impacts on human rights and the environment relating to the Group's operations.

As part of its impact analysis (Materiality Impact), Acea involves stakeholders from different categories in the assessment of impacts, including actual or potential negative impacts generated externally by its operations.

With reference to business processes that are sensitive to ethical and professional risks linked to inter-relationships with third parties (e.g. suppliers, customers, partners, etc.), reputational verification activities are carried out based mainly on searches on ad hoc databases and OSINT methodology, i.e. intelligence analysis on public sources.



Fundamental elements of the duty of care	Paragraphs of the sustainability report
Integrating the duty of care into governance, strategy and the business model	1.2 Governance; 1.5 Policies; 1.7 Double materiality process: impacts, risks and opportunities; 2.2.1 Climate change strategy, 2.2.2 Climate change
Involving stakeholders during all key duty of care stages	Paragraphs 3.1.1 and 3.1.2 of ESRS S1 Own Workforce; paragraphs 3.2.1 and 3.2.2 of ESRS S2 Workers in the value chain; paragraphs 3.3.1 and 3.3.2 of ESRS S3 Communities involved; paragraphs 3.4.1 and 3.4.2 of ESRS S4 Consumers and end users
Identifying and assessing negative impacts	1.5 Double materiality process: impacts, risks and opportunities; paragraphs 3.1.1 and 3.1.2 of ESRS section S1 Own workforce; paragraphs 3.2.1 and 3.2.2 of ESRS section S2 Workers in the value chain; paragraphs 3.3.1 and 3.3.2 of ESRS section S3 Communities involved; paragraphs 3.4.1 and 3.4.2 of ESRS section S4 Consumers and end users
Intervening to address negative impacts	paragraph 2.2.3 of ESRS Section E1 Climate Change; paragraph 2.3.2 of ESRS section E2 Pollution; paragraph 2.4.2 of ESRS section E3 Water and marine resources; paragraph 2.5.3 of ESRS section E4 Biodiversity and ecosystems; paragraph 2.6.2 of ESRS section E5 Use of resources and the circular economy; paragraphs 3.1.1 and 3.1.2 of ESRS section S1 Own Workforce; paragraphs 3.2.1 and 3.2.2 of ESRS section S2 Workers in the value chain; paragraphs 3.3.1 and 3.3.2 of ESRS section S3 Communities involved; paragraphs 3.4.1 and 3.4.2 of ESRS section S4 Consumers and end users; paragraph 4.2 of ESRS section G1 Business conduct
Monitoring the effectiveness of interventions and communicating	paragraph 2.2.4 of ESRS Section E1 Climate Change; paragraph 2.3.3 of section ESRS E2 Pollution; paragraph 2.4.3 of section ESRS E3 Water and marine resources; paragraph 2.5.4 of section ESRS E4 Biodiversity and ecosystems; paragraph 2.6.3 of section ESRS E5 Use of resources and the circular economy; paragraph 3.1.3 of ESRS section S1 Own Workforce; paragraph 3.2.3 of ESRS section S2 Workers in the value chain; paragraph 3.3.3 of ESRS section S3 Communities involved; paragraph 3.4.3 of ESRS section S4 Consumers and end-users

## 1.2.3 RISK MANAGEMENT AND INTERNAL CONTROLS FOR SUSTAINABILITY REPORTING

**ESRS 2 GOV-5** In 2024, Acea started a process to adapt to the requirements set out in Italian Legislative Decree 125/2024, through the definition and gradual implementation of a risk management and internal controls model on sustainability reporting, aimed at ensuring the reliability of such reporting and its compliance with reporting standards.

The risk management and internal controls model on sustainability reporting also aims to support the CEO and the Financial Reporting Officer in issuing declarations to the market on the compliance of Acea's Sustainability Reporting with the reporting standards provided at European level (ESRS) and the specifications adopted pursuant to Regulation (EU) 2020/852 (the EU taxonomy).

The project launched by Acea to define the Internal Control System on Sustainability Reporting ("SCIIS"), has the following main objectives:

- define the risk management and internal controls model on Sustainability Reporting (the "SCIIS Model");
- define the methodological approach for assessing and prioritising risks and for identifying the scope of analysis of the SCIIS, and apply this methodology to draw up a roadmap for implementation for the coming years;
- analyse risks, and define and implement controls of the Sustainability Reporting process;
- conduct a pilot implementation of the SCIIS Model on certain priority indicators (KPIs), based on a benchmarking analysis and the most relevant issues for the Group, aimed at defining a methodological approach that suits the characteristics of the company;
- define the information flow towards the Chief Executive Officer

and the Financial Reporting Officer, as well as towards the administration, management and control bodies.

The defined SCIIS Model is developed on the basis of the framework prepared by the Committee of Sponsoring Organisations of the Treadway Commission (the "CoSO Report") which, in March 2023, published a specific supplementary guide dedicated to sustainability reporting, entitled "Achieving Effective Internal Control of Sustainability Reporting" (ICSR).

Consistent with the principles of the CoSo Report, the methodology adopted for assessing and prioritising risks on Sustainability Reporting is based on the following approach aimed at identifying the scope of analysis of the SCIIS:

- Identification of the analysis universe comprising the data points subject to disclosure by Acea, within the scope of Sustainability Reporting. Specifically, the data points feed into the plan of indicators (KPIs) defined by the Acea Sustainability Department following the double materiality analysis carried out pursuant to ESRS 1 "General Principles" to identify sustainability issues relevant to the Acea Group through the mapping of impacts, risks and opportunities (IRO);
- assessment and prioritisation of KPIs on the basis of a risk/relevance analysis, carried out by means of assessment drivers representing a combination of external and internal factors, in order to obtain a risk assessment that balances external expectations and the internal connotations and characteristics of the business processes from which the data disclosed in the sustainability report originates. The main drivers adopted concern consistency and relevance to sustainability policies, managerial incentives, sustainable finance instruments and rating agency assessments.

For the KPIs assessed as most at-risk/material and for the Group companies that contribute significantly to them, the approach adopted by Acea involves analysing the business processes, identifying the risks and controls aimed at ensuring that the data and in-

formation included in the Sustainability Report meet the qualitative characteristics of relevance, faithful representation, comparability, verifiability and comprehensibility. This analysis forms the basis for the procedures adopted to prepare and communicate sustainability data and information.

The development of the system included an analysis of Acea's Sustainability Reporting process, defining the activities and the roles and responsibilities of the parties involved.

In addition, the digitisation of the process was started during the year with a view to integrated reporting, by adopting the same computer application already used to prepare Acea's Consolidated Financial Statements. The digitisation of the process of collecting and consolidating sustainability data and information is an enabling factor to optimise and strengthen the control system through accountability, traceability, automated controls and monitoring dashboards.

Since the implementation phase of the SCIIS, carried out in the financial year 2024, the main risks identified, taking into account the "qualitative characteristics of information" governed by ESRS 1 - Appendix B, concerned

- the completeness and integrity of the data;
- the accuracy of estimates;
- the accuracy and completeness of descriptions;
- the availability and timeliness of data;
- the authorisation of data and information;
- compliance with the relevant legislation.

The following main types of controls are provided for to safeguard against these risks:

- approval and management review controls;
- data reconciliation checks;
- automatic checks to ensure the calculation and correct imputation of data in computer systems;
- controls on logical access to the systems and traceability of operations performed on the system used for Sustainability Reporting;

- consistency checks of sustainability reporting against ESRS reference standards and further regulations;
- analysis of the deviation of the data from the available time series.

Finally, as a further risk mitigation measure within the sustainability reporting process, Acea has implemented an internal control environment consisting of a set of different elements, consistent with each other, which contribute in an integrated manner to establishing the environment Acea's people operate in, directing their activities within their assigned responsibilities and encouraging the taking of conscious decisions aimed at achieving corporate objectives. The constituent elements of the internal control environment are:

- the adoption of ethical principles and standards of conduct;
- the adoption of regulatory instruments;
- the promotion of a risk management culture to support growth;
- system of delegations and powers and the development of skills among Acea personnel.

Given the current organisational set-up, an internal certification process was defined by the management and Delegated Administrative Bodies of the companies included within the scope of the Sustainability Reporting, concerning the correctness and authenticity of the sustainability data and information managed by them and the application of adequate internal control processes.

An internal certification on these aspects is also provided by the Head of Risk Management, Compliance & Sustainability Department of Acea to the Acea Chief Executive Officer and the Financial Reporting Officer.

During 2024, specific information flows were addressed to the Board of Directors, Management and Control Bodies and the independent auditors to illustrate the progress of Acea's programme in complying with the CSRD Directive, including the results and the development activities of internal control and risk management processes related to Sustainability Reporting.

### 1.3 BUSINESS MODEL AND VALUE CHAIN

**ESRS 2 SBM-1** Acea's activities and business focus on the pursuit of "sustainable success" and to this end, the Group adopts appropriate policies and management systems, as well as planning and reporting tools. Of equal importance in the pursuit of continuously improving sustainability, are the initiatives of discussion, listening and sharing with the Group's various stakeholders, institutions, experts, companies, customers, suppliers, citizens, new generations, and generally, all interested parties.

The relationship between industrial strategy and sustainability is recognised in the Acea Group's Code of Ethics, which states that: "Acea intends conducting its business while respecting the principles of sustainable development and contributing to the pursuit of the UN Sustainable Development Goals (2030 Agenda) (...) 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 attention to the social and environmental aspects of operations with corporate growth strategies (...)."*

At 31.12.24, the Group had 8,715 employees, of which 7,376 were in Italy and 1,339 in Latin America, as detailed in the Own Workforce paragraph.



### 1.3.1 THE BUSINESS MODEL

Acea is one of the leading Italian industrial groups and has been listed on the stock exchange since 1999. It has adopted an organisational structure and operating model that support its strategic lines based on:

- growth in the water market through infrastructure developments, geographic expansion, strategic partnerships, strengthening technology and protecting water resources;
- the resilience of the electricity grid and service quality in the city of Rome;
- the development of renewable capacity for the energy transition;
- the push towards the circular economy with geographical expansion, also in synergy with other businesses.

**ESRS 2 SBM-1** The organisational structure tasks the Parent Company with the role of guidance and coordination of the operating companies, to whom the Holding Company offers management support through managerial, legal, logistical, technical, financial and administrative services.

The Group, through companies where the Holding has equity investments and plays the role of industrial entity of reference, the Parent Company is involved in the following industrial chains: water, networks & public lighting, environment and energy. The business operations and objectives are broken down in the Business Plan, which defines the development guidelines for the different chains based on an assessment of the 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 could impact on achieving these objectives.

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.

For a full description of the services offered and markets served, see the section “Organisational Model” in the Report on Operations. For the value relative to net revenue, reference is made to the item “Consolidated Net Revenue” in the “Notes to the Consolidated Income Statement”. For the value relative to gas sales, reference is made to the relative item “Revenues from gas sales” in the “Revenues from sales and services” table of the “Notes to the Consolidated Income Statement”.

### 1.3.2 THE VALUE CHAIN

**ESRS 2 SBM-1** With reference to the value chain, as the first year of CSRD application, qualitative mapping was carried out of the main relationships and activities between the Group and the upstream and downstream parties enabling the transformation of production factors into services/products, to the benefit of customers and end users.

The mapping of the value chain was divided into business areas - Environment, Water, Networks and Public Lighting, Production, Commercial - within which the characteristic operational activities (own operations) and the main categories of parties involved upstream or downstream were mapped.

Specifically, upstream activities refer to the following procurement areas and product categories: supply of goods/materials, provision of services, execution of works.

In order to identify the main impacts, risks and opportunities connected to the Acea Group's value chain, the information made available by the relevant corporate structures was analysed, taking into account the results from the context analysis carried out as part of the double materiality process. The main impacts related to the value chain were identified and analysed, based on discussion with the internal experts who manage the processes associated with the impacts, and assessed, within the framework of the double materiality process, by representative stakeholders from the partner, supplier and customer categories or their representatives.

In the future, Acea will formulate a more granular analysis, with specific insights into the activities of the different business segments.

## UPSTREAM

- Supply of raw materials and functional services for first and second tier supplier goods
- Network maintenance works (contractors and sub-contractors)
- Supply of goods and materials for water service processes (gas, chemicals, components, diesel, etc.)
- Intercompany services (e.g. waste treatment laboratory analysis etc.)
- Supply of water resources from Sub-distributors
- Logistics services (transport of materials and waste), various services (e.g. surveillance, consultancy, etc.)



WATER

- Supply of raw materials and functional services for first and second tier supplier goods
- Supplies of goods and materials for the construction of raw material processing machinery
- Logistics services (disposal, transport, brokerage, etc.)
- Supply of materials from separate collection (pulper, plastic, organic, etc.)
- Supply of sludge, liquid waste, process water, waste by Group companies
- Supply of goods and materials for industrial processes (gas, diesel, chemicals, components, etc.)
- Works for plant construction (contractors and sub-contractors)



ENVIRONMENT

- Supply of raw materials and functional services for first and second tier supplier goods
- Network maintenance works (contractors and sub-contractors)
- Supply of goods and materials for operations (electromechanical equipment, components, gas, diesel, oils, etc.)
- Plant design, installation, operations and maintenance activities
- Various services (e.g. surveillance, consultancy, logistics, etc.)



NETWORK AND PUBLIC LIGHTING

- Supply of raw materials and functional services for first and second tier supplier goods
- Network maintenance works (contractors and sub-contractors)
- Supply of goods and materials for processes (e.g. panels, turbines, fuels, etc.)
- Intercompany supply of water resources for hydroelectric production (Acea Ato 2 for Peschiera aqueduct)
- Various services (e.g. surveillance, consultancy, logistics, etc.)



PRODUCTION

- Supply of raw materials and functional services for first and second tier supplier goods
- Supply of goods and services for process management (software etc.)
- Energy supply from wholesalers, traders, GME
- Intercompany supply of electricity
- Various services (e.g. surveillance, consultancy, logistics, etc.)



COMMERCIAL

### Additional Group operations include:

- **Engineering & Infrastructure Projects**, which deal with plant design, construction management, safety coordination and inspections, research and development, etc.

#### UPSTREAM

- Supply of goods and materials for the management of engineering services
- Supply of goods and services for research and analysis activities (laboratory devices, chemicals, etc.)
- Provision of services for engineering activities
- Execution of works (contractors)
- Supply of goods and services for plant operations

#### DOWNSTREAM

- Main Intercompany water, environment and electricity companies



## OWN OPERATIONS

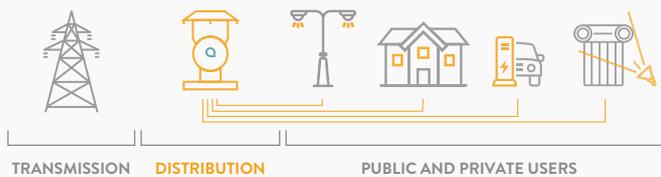


## DOWNSTREAM

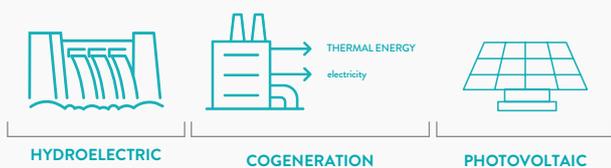
- Users of integrated water service (drinking water, sewerage and purification)
- Sub-distributors to whom the water resource is supplied
- Intercompany companies present in the territories served by Acea water companies (e.g. Acea SpA served by Acea Ato 2, Acea Ambiente served by Acea Ato 5)
- Business partners and system entities (ARERA, water governing bodies, etc.).



- Intercompany companies in the environment, water and energy areas receiving energy and waste management and disposal services
- Municipalities and public administration for the disposal of their waste
- Consortia and producers of secondary raw materials
- End of Waste user companies
- Nursery sector and agriculture consortia
- Business partners and system entities (ARERA, GSE etc.)



- Domestic e-business users for electricity distribution service provision
- Production plants for grid connection
- Large utilities and institutions serviced on medium voltage network
- Communities in the territories where Acea operates (public lighting)
- Business partners and system entities (ARERA, TERNA, etc.).



- Intercompany company (Efficient utility systems for Acea Ato 2 (purifier))
- Acea Energia as a Trader
- Photovoltaic companies for operation & management services and asset management
- Business partners and system entities (GME, TERNA, GSE, etc.).



- Free market customers (domestic and business)
- Protected market customers
- Intercompany following selection (Environment companies, water companies, etc.)
- Business partners and system entities (Sales agents, ARERA, etc.).

**Acea SpA** which centrally administers management, coordination and administrative services (human resources management, procurement, facilities) in favour of Group's subsidiaries.

### UPSTREAM

- Supply of goods and materials for business process management
- Consultancy and specialised services
- Various services

### DOWNSTREAM

- Subsidiaries

## 1.4 THE STRATEGY OF SUSTAINABILITY

**ESRS 2 MDR-T** In March 2024, the 2024-2028 "Green Diligent Growth" Business Plan was approved, which reaffirms Acea's leadership role as an infrastructure operator in the regulated Water, Electricity and Environment sectors, increasingly integrating ESG criteria into business decisions and reinforcing its commitment to valuing people. The Plan allocates EUR 7.6 billion in investments to support Italy's development, to make managed infrastructure increasingly sustainable and resilient with a focus on the energy transition, starting with water, decarbonisation and the development of energy from renewable sources, and the valorisation of the territory, from the perspective of a circular economy. Focusing on people, strong cost and investment discipline and optimisation of the financial structure complete the pillars of the Plan. The principles guiding the Green Diligent Growth Plan are: Developing and operating safe and sustainable infrastructure Ensuring, thanks to our people access and circularity to fundamental resources for Citizens, Businesses and the Territory.

### The 2024-2028 Sustainability Plan

Consistent with the industrial development guidelines, the objectives of having a positive impact on people and the environment that Acea pursues in its operations are formalised in the 2024-2028 Sustainability Plan approved by the Board of Directors.

The Plan was defined with the involvement of the Functions of the Parent Company and operating companies, and taking into consideration the material issues and associated impacts, risks and opportunities identified by listening to external and internal stakeholders, and consistent with the objectives of the European Green Deal and the Agenda 2030 Sustainable Development Goals relevant to the businesses managed.

The Plan includes the formalisation of the Group's governance commitments, in line with policies, to ensure that business choices and execution methods are environmentally, socially and economically sustainable, and to ensure that the principles of sustainable development are progressively integrated into corporate governance.

<p>▶ <b>Promoting the ethical dimension of the business</b></p>	<ul style="list-style-type: none"> <li>▶ Definition and updating of <b>value codes and policies</b> code of ethics, human rights policy, anti-corruption policy, integrated quality policy, etc.</li> <li>▶ <b>Training</b> and monitoring of policy implementation</li> </ul>
<p>▶ <b>Integrating sustainability in business</b></p>	<ul style="list-style-type: none"> <li>▶ Alignment of organisational structure with committees and <b>specific responsibilities</b> on sustainability</li> <li>▶ Inclusion of <b>ESG objectives in performance management models</b> (Long Term, MBO)</li> <li>▶ Monitoring and reporting on <b>public sustainability commitments</b> (e.g. targets validated by SBTi)</li> <li>▶ Integration of sustainability aspects in the risks <b>assessment process</b></li> <li>▶ Increasing the use of <b>green/blue finance instruments</b> and strengthening relations with shareholders, investors and the financial community from an ESG perspective</li> </ul>
<p>▶ <b>Dissemination of sustainability culture and involvement</b></p>	<ul style="list-style-type: none"> <li>▶ <b>Training</b> of employees and valorisation of "sustainability professionals"</li> <li>▶ Involvement of internal/external <b>stakeholders</b> in sustainability decisions</li> <li>▶ Development of a <b>sustainable value chain</b></li> </ul>

The Plan formalises the 6 strategic sustainability objectives divided into 20 lines of action and 87 targets associated with specific actions, with progress monitoring KPIs defined for each one.



Strategic objectives	Infrastructure resilience and security	Water protection	Environmental protection	Centrality of people	Evolution in the supply chain	Value for the community
Action lines	<ul style="list-style-type: none"> <li>▸ Strategic aqueduct works</li> <li>▸ Optimisation of the sewage treatment system</li> <li>▸ Strengthening the power grid</li> <li>▸ Digitalisation</li> </ul>	<ul style="list-style-type: none"> <li>▸ Reduction in losses</li> <li>▸ Water resilience</li> <li>▸ Water quality</li> </ul>	<ul style="list-style-type: none"> <li>▸ Circularity of resources</li> <li>▸ Decarbonisation</li> <li>▸ Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>▸ Employees' well-being</li> <li>▸ Skills development</li> <li>▸ Diversity and inclusion</li> <li>▸ People Engagement</li> <li>▸ Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>▸ Sustainable procurement</li> <li>▸ Supplier health and safety</li> </ul>	<ul style="list-style-type: none"> <li>▸ Innovation in the territory</li> <li>▸ Stakeholder engagement</li> <li>▸ Supporting local communities</li> </ul>
Target	17 targets	6 targets	19 targets	20 targets	8 targets	17 targets

The first three strategic objectives are business-related and generate obvious environmental benefits, as well as effects on the overall improvement of the services rendered to the territory, through the upgrading and securing of water and electricity infrastructure and increasing their resilience, also for the purposes of mitigation or adaptation to climate change, in addition to the adoption of digital technologies for remote control and network demarcation, with a view to increasing their flexibility. The other three objectives focus more on people, from a perspective of creating shared value, well-being and the growth of People in the Group, suppliers, and communities.

The Plan was developed on a perimeter that includes the Group's main companies: Acea Ato 2, Acea Ato 5, Gori, AdF, Gesesa; Areti, Acea Energia, Ecogena (merged into a.cities), Acea Ambiente, Acea Infrastruttura, Acea Produzione, and abroad Aguas

De San Pedro and Consorcio Agua Azul, not corresponding to the CSRD perimeter however. At the time the Plan was formalised, it is noted that these companies accounted for 96% of capex, 91% of opex and 89% of turnover (2023 figures). The Plan will be updated during 2025, which will include aligning the planning perimeter to the CSRD perimeter.

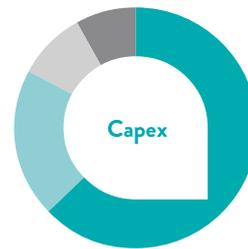
For the first time, the Sustainability Plan involved the Group's foreign companies operating in Honduras and Peru, with the provision of specific lines of action for environmental protection and the growth of the Group's people and communities involved, also considering the different geo-political situation of the areas in which Acea operates. Specifically, the objectives relating to people were defined with a view to ensuring standard treatment and working conditions for all People in the Group.

Strategic objectives	Action lines	Target @2028	company
Environmental protection	Biodiversity	Árboles para el Merendón <ul style="list-style-type: none"> <li>▶ Planting of 350,000 new trees, in addition to the one million already planted, with protection and safeguarding of resident species and increasing employment in the area</li> </ul>	Aguas de San Pedro
Centrality of people	Health and safety	Safety and prevention training <ul style="list-style-type: none"> <li>▶ 90% of employees involved in training</li> </ul>	Aguas de San Pedro
	Skills development	Specialised training <ul style="list-style-type: none"> <li>▶ 95% sectors covered</li> <li>▶ 97% course attendance</li> </ul>	Aguas de San Pedro Consorcio Agua Azul
	Diversity and inclusion	Improving the D&I culture <ul style="list-style-type: none"> <li>▶ 1 initiative per year</li> <li>▶ 90% participation rate</li> </ul>	
Evolution in the supply chain	Health and safety	Safety and prevention training <ul style="list-style-type: none"> <li>▶ 90% attendance for supplier courses</li> </ul>	Consorcio Agua Azul
Value for the community	Supporting local communities	Training in schools <ul style="list-style-type: none"> <li>▶ At least 1 campaign per year</li> <li>▶ 2,780 school kits distributed in poorer areas</li> </ul>	Consorcio Agua Azul
		Hygiene-health training <ul style="list-style-type: none"> <li>▶ 25 workshops/year for local communities</li> </ul>	Aguas de San Pedro Consorcio Agua Azul
		Fire prevention <ul style="list-style-type: none"> <li>▶ Training of 1 fire-fighting team</li> <li>▶ 30 new hydrants installed</li> </ul>	

Finally, the Plan details the investments linked to the various lines of action, consistent with the Business Plan, totalling around EUR 5.4 billion to 2028.

### STRATEGIC OBJECTIVES

Strategic objectives	Infrastructure resilience and security	Water protection	Environmental protection
	2,870EURM	1,183EURM	1,277EURM



**ESRS 2 MDR-T** During 2024, progress on the targets was monitored both with regard to the actions implemented in the year and the investments made in the various lines of action, which at 31.12.2024, totalled EUR 950 million. In the following section of the Report, the progress of the different lines of action is detailed with an indication of the actions completed in 2024 and the related investments with any opex recorded during the year.

It is specified that the action lines for the plan, which may contribute to more than one environmental objective, have been included in the dominant ESRS. For example, water recovery and reuse projects contributing to both ESRS E3 “Water and Marine Resources” and ESRS E5 “Use of Resources and Circular Economy” were reported in ESRS E3.



## 1.5 GROUP POLICIES

**ESRS 2 MDR-P** The Group conducts its business from the perspective of sustainable growth, taking into account the strategic, regulatory and main standards defined at international level when defining its internal rules. Specifically, Acea operates in line with the principles issued by the UN Global Compact, to which it has formally subscribed, on human rights, working standards, environmental protection and the fight against corruption.

To ensure the relevant sustainability issues are properly managed in the social, environmental and governance contexts, Acea adopts the policies and guidelines listed below, which are approved by the Parent Company's Board of Directors, implemented by the subsidiaries, and monitored regarding their application and adequacy in relation to the objectives pursued and updated periodically. Specifically, the governance system envisages a specific intra-Board committee, the Ethics, Sustainability and Inclusion Committee which, among the tasks assigned to it by the Board of Directors, oversees the correct implementation of sustainability policies, with specific reference to the Code of Ethics and the Human Rights Policy, also with the support of the Ethics Officer. All internal and external persons, working in the interest of Acea, within the context of their respective structures, functions and responsibilities are committed to implementing the principles set out in the corporate regulatory systems.

The Human Rights Policy and the Anti-Corruption Guideline also apply to suppliers, partners and, more generally, to all those who have contract-based relationships with or act in the name and on behalf of Acea.

Acea disseminates information of the corporate regulatory system to stakeholders, providing information in this regard on this on the institutional website.

The main contents of the regulatory instruments that apply to relevant sustainability issues are outlined below.

### Code of Ethics

Acea considers as inalienable in the definition of its Code of Ethics, the UN Universal Declaration of Human Rights, the International Labour Conventions and Recommendations issued by the ILO, the Charter of Fundamental Rights of the European Union and the Italian Constitution.

The Code establishes the principles and rules of conduct that must guide the Company in its behaviour in respect of stakeholders, pursuing the optimal management of impacts, risks and opportunities, and declares Acea's commitment to:

- enhancing the value of the **Group's people** in improving their well-being, protecting their health and safeguarding their working conditions;
- with regard to the **environment**, with the prevention of pollution, the sustainable management of natural resources, the protection of ecosystems, the fight against climate change and the promotion of the circular economy;
- to the **territory**, by supporting cultural and socially utility initiatives and those that promote the well-being of the community;
- to **customers**, protecting them with correct business conduct.

The Code of Ethics also requires **suppliers** to adopt behaviour protecting the human rights of their employees, with specific regard to dignified working conditions and the protection of health and safety.

### Principles and values of Stakeholder Engagement

Acea has published its statement and formulated a procedure so as to involve **stakeholders**, including representatives from the **communities involved**, with the aim of creating relationships based on listening, dialogue, and the mutual understanding of points of view and expectations, with the goal of encouraging wider stakeholder engagement in defining the Group's strategic priorities as well as its business operations.

### Human Rights Policy

Acea promotes human rights in their broadest sense, with a particular focus on aspects relevant to the areas of managed operations, in the areas of **community, work** and **customers**. The protection of fundamental workers' rights (combating forced and child labour, adequate working and wage conditions, etc.) extends across the **supply chain**. The protection of the community and customers manifests in the commitment to accessibility to adequate services, to developments in innovation and digitisation as an evolutionary function of the different businesses managed. The commitment to promoting human rights is also emphasised through responsible behaviour in respect of customers and the fight against all forms of corruption to protect the legality and correct economic and social development of the reference context. Human rights also include the sustainable management of natural resources, in particular water, by valuing its proper use and paying attention to waste reduction, rational use and reuse. The Group's commitment is expressed in the protection of the territories in which it operates, safeguarding ecosystems, protecting biodiversity and combating deforestation, and containing the phenomenon of climate change and its effects with mitigation and adaptation measures, such as infrastructure resilience, the efficient use of energy and increased production from renewable sources. The Policy has been defined in compliance with the main references on the subject, including the International Charter of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the ILO Core Conventions and the Global Compact, and with the internal regulatory assumptions already existing in Acea, including those on anti-corruption, fair competition, protection of privacy, etc.

### Integrated management and sustainability systems policy

In carrying out its operations, the Acea Group has made a series of commitments with a view to the synergistic development of management systems and pursuit of strategic sustainability objectives. Acea therefore enhances its commitments to quality and **customer satisfaction**, offering quality services that increase satisfaction, by responsibly managing the economic, social and environmental impacts of operations; for the **environment**, through the sustainable management of energy, water and the other natural resources used, enhancing their uses and strengthening the processes of reuse and recovery with a view to the circular economy and rationalisation of their end uses, protecting the environment and countering climate change for **workers' health and safety**, maintaining safe and healthy working conditions, pursuing the protection, inclusion and enhancement of workers' diversity and well-being as an integral part of health and safety management; finally for **energy management**, structuring a process that allows efficient energy management, with the definition and monitoring of objectives with a view to continuous improvement. Specifically, Acea is committed to the integration of

sustainability logics in corporate structures, processes and activities to ensure the pursuit of sustainable success and to the identification, prevention, mitigation and stopping of negative impacts on **human rights and the environment** related to its operations.

#### Equality, Diversity & Inclusion Policy

The Acea Group promotes the principles of inclusion and the enhancement of diversity, prevention and combating all forms of discrimination and the pursuit of fair treatment among the **People of Acea** in the selection, training, development and remuneration processes. The Group's commitment to gender equity and overcoming stereotypes is also realised through policies and actions aimed at promoting a work-life balance.

#### Anti-Corruption guidelines

Acea has defined its commitment to preventing **corruption risks** in an organic framework of rules and principles. The Group is committed to constantly implementing sustainable business combining results and performance with compliance with rules and values, to make the Group ethically virtuous based on the supposition that "illicit" profit is not acceptable. Acea SpA has also adopted an anti-corruption policy, which resulted in the certification of the UNI ISO management system ISO37001:2016.

#### Antitrust and consumer protection guidelines

In order to responsibly manage its behaviour towards its customers, Acea has defined a set of rules, organisational and procedural measures aimed at ensuring that corporate activities comply with antitrust legislation, as well as preventing, managing and mitigating the risks arising from potentially anti-competitive behaviour or the **breach of consumers' rights**.

#### Privacy guidelines

Acea is committed to the creation and implementation of effective policies to protect the personal data of its employees, customers, suppliers, shareholders, stakeholders, partners, as well as the persons whose personal data, for various reasons, is processed by the company, with the aim of ensuring the application of the GDPR and other national and European regulations on the protection of personal data.

#### Policy for the management of reports

Finally, Acea has drawn up and implemented a Whistleblowing Management Policy to implement the requirements of Italian Legislative Decree No. 24 of 10 March 2023, the Code of Ethics, the Organisational, Management and Control Model pursuant to Legislative Decree no. 231/2001, the Anti-Corruption Guideline, the Antitrust and Consumer Protection Compliance Guideline and the Equality, Diversity & Inclusion Policy.

#### Strategy for the correct management of variable and fiscal risks

The Acea Group considers the correct management of the tax variable to be of essential value. For this reason, the Group has adopted a tax policy with the aim of reducing the tax risks to which Group companies are exposed in the achievement of its statutory objectives, ensuring compliance with tax obligations and promoting a relationship of transparency and loyal cooperation with the tax authorities and third parties.

Acea has also made use of the following instruments to better regulate relations with workers and suppliers.

#### Charter of the Person and Participation

The Protocol between Acea and the trade unions aims to support involvement and participation in the life of the company, focusing on the **people in their individual, social, professional dimension**, and integrated with the environment and territory. The aim is to create value for the territory, strengthen the quality of service, develop and increase company professionalism and individual and collective well-being. The common and values that bind the parties are the enhancement of a healthy working environment, both in terms of safety and the corporate climate, the protection and quality of work also in the **procurement** chain, the care of professional skills, work-life balance, the promotion of well-being and a culture of safety.

#### Sustainable procurement policy

Acea promotes the involvement of its **suppliers** in a partnership relationship, with the aim of identifying aspects that can reduce any negative environmental and social impacts linked to the supply chain. Acea's commitment to various issues, including labour rights, health and safety, and environmental protection, is also a requirement to be shared along the **supplier value chain itself**, involving sub-contractors and sub-suppliers.

## 1.6 STAKEHOLDER ENGAGEMENT

**ESRS 2 SBM-2** Acea's organisational structure is based on the principles and values of stakeholder engagement and serves as a centre of specialist competence and know-how at Group level. This is also facilitated through awareness-raising actions and the development of methodological models and tools to promote the implementation and management of stakeholder engagement activities by Acea structures and Group companies, which are responsible for managing their own stakeholders, ensuring reporting at Group level.

These tools include the Stakeholder Tree, a mapping of the relevant stakeholders for Acea, developed through an in-depth analysis of the Group's relational network and the involvement of both senior figures and those with operational responsibilities. The Stakeholder Tree is divided into categories and sub-categories, which are also subdivided according to issues of relevance for the different busi-

nesses. The stakeholder macro-categories are shown on the next page.

The stakeholder engagement process is regulated by a Group procedure and adheres to the Global Reporting Initiative Standards and AA1000 SES on stakeholder engagement. Owners of a stakeholder engagement process are the figures responsible for the design, implementation, realisation and management of a stakeholder engagement programme, project or initiative within Acea structures or Group companies. Approval is always required from the Head of the structure to which the owner belongs, and in the case of initiatives of specific strategic importance and sensitivity, also from higher level managers, up to, if applicable, Acea Top Management. The process is initiated with the definition of the subject and objectives to be achieved through the engagement of the structures of Acea



and Group companies, which are responsible for the management of their stakeholders. The identification of the topic of engagement is aimed at pinpointing the specific issues that will be addressed during the stakeholder engagement process. Subsequently, the stakeholder engagement project owner carries out the identification, analysis and prioritisation of all stakeholders who are interested in or can influence the course of the project at various levels and to varying degrees.

The definition of forms of engagement (e.g. information, consultation, etc.) also takes into account existing stakeholder relations, the subject matter of the initiative, resources and time frame. This phase also defines the operational tools (e.g. work tables, focus groups, etc.) needed to best target the needs, opinions and expectations of stakeholders. Next, a plan is drawn up to involve the relevant stakeholders, also taking into consideration the context. In this context, operational tools are prepared with all useful information, including any correlation with relevant sustainability issues, references to objectives of the Sustainability Plan, etc., for the implementation, realisation and operational management of the stakeholder engagement plan. Once the engagement has been planned, the defined activities are operationalised. Stakeholders are then involved in the manner envisaged by the defined tools.

The engagement initiatives introduced by Holding companies and functions involve various stakeholders. Specifically, initiatives are developed by looking for common benefits for both Acea and its stakeholders. In respect of stakeholders in the communities involved, such as the younger generation and the student population, numerous activities are implemented in the area of training and civic education. In respect of the employee stakeholder, numerous ini-

tiatives are proposed, for instance, to pursue their well-being and skills development. In respect of the supplier stakeholder, initiatives are undertaken to promote compliance with the Group's strategic guidelines, while at the same time protecting working conditions. For details on the initiatives, representative of the application of stakeholder engagement practices, reference is made to the information in paragraphs 3.1.2 of ESRS S1, 3.2.2 of ESRS S2, 3.3.2 of ESRS S3 and 3.4.2 of ESRS S4.

At the end of the process, a review of the activities is carried out involving the other company structures that may be involved, with the aim of learning from successes and mistakes, also for the benefit of future activities to be undertaken, as well as highlighting any new opportunities to be developed. Feedback is also provided to the stakeholders involved, following the principle of inclusiveness and accuracy.

To ensure the integration of stakeholder engagement within the Group's strategies, processes and business activities, also for the purpose of reporting and optimising the best practices implemented, Acea has prepared a report on the status of stakeholder engagement activities in the Group, which summarises the main projects and initiatives implemented during the previous year.

## 1.7 DOUBLE MATERIALITY PROCESS: IMPACTS, RISKS AND OPPORTUNITIES

**ESRS 2 IRO-1** The double materiality analysis guides the Group's sustainability planning, highlighting relevant impacts, risks and opportunities related to strategic objectives along the value chain. This approach makes it possible to pro-actively adapt the company's strategy, anticipating and managing possible critical issues and strengthening the resilience of the business model against potential negative sustainability-related impacts. In 2024, the Acea Group carried out the double materiality analysis process in line with the ESRS standards and the Materiality Assessment Implementation Guidance (MAIG Guidance Line) developed by EFRAG, based on the dual perspective of impact and financial materiality.

The analysis was led by the Parent Company with the involvement of the sustainability and risk owners of the companies involved at each stage of the process.

The process involved the following main steps:

- Understanding the context;
- Identifying potentially relevant issues, impacts, risks and opportunities;
- Impact materiality assessment;
- Financial materiality assessment;
- Aggregation of results and drawing up the list of material IROs.

Understanding the context was carried out by studying external documents (regulatory developments in sustainability, sector, benchmark analysis, etc.) and internal documents (industrial and sustainability strategy, policies, etc.); the evidence that emerged was then traced back to the sub-themes and sub-sub-themes related to the thematic ESRS (governance, environmental and social) and the list of potentially relevant issues and associated impacts, risks and opportunities was drawn up. This activity takes into account the characteristics of the value chain in the geographical reference contexts and both the positive and negative impacts on people and the environment, considering current and future effects over a short, medium or long term time period. The list of impacts analysed includes those related to the company's activities or its business relations.

A multi-stakeholder focus group was organised for the impact materiality assessment, in which 32 persons representing 11 stakeholder categories (employees, peers, research organisations, innovative partners, suppliers, non-profit associations, institutions, consultancy companies, trade unions, consumer associations, new generations) participated. Stakeholders were divided into 6 work tables, coordinated by independent facilitators who guided the reflection, voting and collected the emerging evidence. The event comprised three main phases: the introductory session aimed at explaining the regulatory framework and voting methods to stakeholders, the discussion phase for voting on impacts, and the final phase for sharing results.

To ensure impacts are correctly represented, the outcomes of stakeholder assessments were reviewed based on internal knowledge, to balance any possible bias and overestimates of stakeholders, and were analysed on the basis of updated findings.

Stakeholders involved in the focus group rated the significance of impacts (magnitude, extent, and, for negative impacts, irremediable) on a scale of 1-5, subsequently re-weighted on a 1-4 scale

for consistency with ERM metrics. The probability of occurrence of potential impacts was not measured directly, but rather calculated by considering the Group's level of control over the impacts (also considering the historical data series, where present). The impact materiality threshold was defined by considering the average value of the scores obtained from the product of significance and probability.

For the financial materiality assessment, the methodology used in the Group's risk assessment process (ERM) was adopted, which refers to the parameters of impact and probability. To this end, in the ERM framework, risk scenarios (short and medium term) and opportunity scenarios related to ESG dimensions potentially able to generate a significant impact on the Company (business trend, economic-financial performance, etc.) were identified and, where already present, broken down further, starting from the ESRS analysis (ESRS 1 Application Requirement 16). These scenarios were jointly assessed by risk owners, ERM focal points and corporate sustainability contact persons and validated at senior management level. For long-term risks and opportunities, which go beyond existing strategic planning guidelines, the analysis was based on scenario analyses of climate risks and opportunities. To identify the relevant risks and opportunities, the methodology used in the Group's risk assessment process was adopted, which considers the dimensions of impact and probability (on a scale of 1-4), in the context of the risk matrix, and assesses the impact in reputational or economic-financial terms.

Risks and opportunities with the following gross probability and impact values were considered material: impact 2 and probability 4, impact 3 and probability greater than and equal to 3, impact 4 and any level of probability.

The double materiality process and its outcomes were shared with the Ethics, Sustainability and Inclusion Committee and the Parent Company's Control and Risk Committee and approved by the Board of Directors of Acea S.p.A. As a result of the findings of the analysis, all ESRS environmental, social and governance issues were found to be material. The remainder of the document provides the disclosures for the different topics with details of policies, strategies, objectives, actions, resources and metrics, as required by the ESRS standard.

**ERS 2 SBM-3** In order to quantify the current financial effects of material risks and opportunities, the Acea Group verified the actual occurrence during the year of events corresponding to the scenarios in question and associated cost and revenue items for these scenarios. The current financial effects of these scenarios were assessed in relation to the ERM financial materiality threshold. The representation of material IROs is detailed in each pertinent thematic ESRS.

For 2024, no relevant significant ESG risks and opportunities were found. It is noted that for 2024, the first year when the regulation was adopted, information on the expected financial effects has been omitted.