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CORPORATE
IDENTITY





GROUP PROFILE

ACEA'S HISTORY

Acea was founded in 1909 as Azienda Elettrica Municipale (AEM) to manage and develop Rome's essential water and electricity infrastructure necessary to guarantee the economic and social growth and environmental balance of Italy's capital city. The Company has been operating in the essential public services sector for over a century, with a growth trajectory that has effectively seized the opportunities presented by the market and the regulatory and social context, expanding and developing its activities and management capacity, as well as its legal composition with the listing on the Stock Exchange in 1999, and opening itself to new 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**, mainly focused on Central Italy, and of its **businesses**, which range from the generation from renewable sources to the environmental sector and the circular economy, and from energy efficiency services to sustainable mobility infrastructure.

In this context, **digitalisation, technological innovation and sustainability** are the levers that enable us to improve operating efficiency, service quality, resilience and grid integration, 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 some sectors, Acea is also expanding itself geographically along the **Adriatic coast of Central Italy and in Northern Italy**.

Table no. 6 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 – 2022

PERSONNEL (number, by % consolidation)	10,455
NET REVENUE (million €)	5,138.2
INVESTED CAPITAL (million €)	7,194.9
<i>net equity debt</i>	4,439.7
<i>shareholders' equity</i>	2,755.2
TOTAL BALANCE SHEET ASSETS (million €)	11,338.5
ELECTRICITY	
generation (GWh) (gross)	940.91
<i>of which from renewable sources</i> (GWh) (gross)	636.1
<i>hydroelectric</i>	335.3
<i>photovoltaic</i>	111.9
<i>waste-to-energy</i>	152.6
<i>biogas</i>	36.3
network demand (GWh)	10,062
sales (GWh) (free and protected market)	7,376
electricity and gas customers (number)	1,420,718
WASTE-TO-ENERGY (WTE)	
electricity generation (GWh) (gross total)	337.1
waste burnt (t)	387,346
<i>SRF</i>	289,550
<i>pulper</i>	97,796
PUBLIC LIGHTING	
bulbs managed in Rome (number)	231,347
WATER (INTEGRATED WATER SERVICE)	
drinking water supplied and billed (Mm ³)	626.9
analytical checks on drinking water (number)	1,538,299
wastewater treatment (Mm ³)	940.0
inhabitants served (million)	8.6

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 companies in the territory



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 89 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 22 municipalities in the Calore Irpino OTA, in the region of Benevento and surrounding province.



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.



ENGINEERING AND SERVICES

Acea Elabori provides laboratory services, research and development and engineering services (design and project management) mainly in water and environmental activities for Acea Group Companies.



COMMERCIAL



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.

Acea Energy manages the sale of electricity and gas on the market (free and more protected), smart services (efficiency improvement and e-mobility).

Acea Innovation manages the activities of technological innovation and the commercialisation of the related services and products for the Acea Group.



NETWORKS

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.



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, legislative 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

Following the conversion into law of Decree Law 183/2020 "Mille-proroghe" (1000 Delays) with Law 21/2021, the termination of the price protection schemes for domestic customers and micro-businesses was extended to 1 January 2023, while the **subsequent law** converting Decree Law 152/2021 implementing the NRRP, which came afterwards, defined the timings and methods for managing the transition to the free market, through a gradual protection regime. In particular, **micro-businesses** will be served through gradual protection as of 1 January 2023, by suppliers identified through auctions held in 2022, while **domestic customers** will be served through gradual protection by suppliers identified through auctions which must be held by 10 January 2024. **Vulnerable and energy poor customers** will be served on the protected market until an ad hoc offer is made available by all the sellers, as defined by ARERA. With regard to energy sales, once the greater protection service is no longer applicable, there will be an increase in **competition** among operators and the search for **distinctive added-value elements**, which are achievable through investments in technological innovation, digitalisation and sustainability. 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

Water and gas distribution are market areas in which Acea intends to play an active role, evaluating and participating in the new tenders called for the **concession of the Integrated Water Service and gas distribution service**, by the various contracting authorities (Regions, Municipalities, Area Authorities) throughout the country. 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, in particular, 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 greater 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 has been investing in the circular economy for years, a commitment made concrete through the recycling and recovery of secondary raw materials, the transformation of organic waste into high quality compost and biogas for electricity production, the integration of sewage sludge treatment into its water services, the treatment of liquid waste, waste disposal, and waste-to-energy services.

The Group is continuing to expand in this sector through the acquisition of existing plants across Italy to consolidate and grow its activities and position in the consortia systems (COMIECO, COREPLA, CORIPET, CONIP, etc.) and progressively improve the performance of its plants.

THE ENGINEERING AND SERVICES MARKET

On the technical services market, Acea Elabiori provides cross-disciplinary services across the three key areas of the Group's operations: Water, Energy, Environment. In particular, it provides engineering services - including project design, project validation verification and construction supervision - analytical laboratory services, innovation research and specialist consultancy 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 a view to expanding its activities on the non-captive market, in 2022 Acea Elabiori participated in tenders for district-planning, surveys and measurements, modelling and plans for water and sewer systems, and plant design and works. 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 is done through temporary joint ventures with other companies, implementing the codes of conduct provided for under the Anti-trust Model and the Organisational Regulation on Anti-trust Compliance and Prevention of Unfair Commercial Practices adopted by Acea.

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. The various developments in 2022, such as the amendment to the deduction rate through the 2023 Budget Law, operational challenges in the sector, low availability of supplies and skilled labour, and problems in the management of tax credits linked to the related tax incentives, reduced the opportunities initially identified and point towards the suspension of activities in the building redevelopment sector.

INSTITUTIONAL INVESTORS

In 2022, **global equity markets** saw a negative trend, in particular affected by the increase in energy prices, in part due to the war in Ukraine and the increase in raw material prices, which led to increased inflation and a weakening in the growth of global GDP. **European countries felt the impact** of the tensions associated with the counter-sanctions adopted by Russia in response to the sanctions imposed by Europe and the change in energy supply policies. In this context, the **NRRP** (National Recovery and Resilience Plan) was confirmed as one of the key growth factors for Italy's economy in 2022. The European Commission disbursed the **first tranche of loans** under the NRRP in response to Italy's progress in implementing reforms and planned investments, including those to promote the **energy transition and the circular economy**. In the current macro-economic situation, **sustainable funds** have proven to be more resilient than conventional funds.

SUSTAINABLE DEVELOPMENT

The war in progress in Ukraine has once again demonstrated the interconnectedness of the global situation, with effects felt throughout the world. In the **energy sector**, the block in supplies had major consequences, acting as a push to reopen plants utilising polluting energy sources. The European Union responded with the **REPower EU** plan, with the aim of reducing dependence on fossil fuels coming from abroad and accelerating the green transition. The situation in 2022 had a major impact on energy costs for businesses and families, with public institutions preparing protective responses.

In terms of **climate**, data from the EU Copernicus observatory recorded extreme climate events, record temperatures and rising greenhouse gases globally in 2022. In Europe, continuing high temperatures had repercussions for agriculture, river transport and energy management. Drought conditions also led to an increased risk of fires, resulting in an unusually high number of incidents in south-west Europe.

The global and national institutional initiatives implemented should be viewed and evaluated in this context. **COP27** on the climate, held in Egypt, and **COP15** on biodiversity, in Montreal, had objectives which included expanded protected areas and regenerating damaged ecosystems (30% by 2030). Domestically, note the **constitutional reform of articles 9 and 41** and the **National Climate Change Adaptation Plan**.

During the year, Europe adopted certain specifications and significant provisions with regards to corporate sustainability. The **Corporate Sustainability Reporting Directive**, was published in the EU Official Journal, an update of the Non-Financial Reporting Directive of 2014, which expands the range of companies subject to reporting requirements and introducing significant changes, for example double materiality, preparation of new standards and the inclusion of a disclosure in the Report on Operations. Institutional work on the **Directive relative to corporate due diligence requirements** on environmental protection and human rights within the value chain continued, which in December led the EU Council to adopt guidelines on the subject. Regulation 2020/852 ("EU Taxonomy") included in 2022 activities associated with nuclear energy and fossil fuel gasses among those potentially environmentally sustainable, governing the criteria for technical screening. Additionally, in the second year of application, it calls for reporting by companies of correlated economic KPIs in addition to eligible activities to those aligned.

ENVIRONMENTAL AND ENERGY IMPACTS

The natural environment is the scenario where the activities of the Group are performed and is to be preserved with a responsible and efficient use of resources, protecting sources, safeguarding the natural areas where the plants and service networks encroach, mitigating the physical and the external impacts generated in the ecological context of the operating processes.

In November 2022, **COP27** was held in Sharm el-Sheikh. Negotiations were focussed on five themes: decarbonisation, climate adaptation, nature, food and water. The Conference ended with the issuing of the *Sharm el-Sheikh Implementation Plan*. This agreement maintains that ratified in the *Glasgow Climate Pact* (COP26), which included the commitment by signatory countries to keep global temperatures below an increase of 1.5°C with respect to pre-industrial levels and highlighted the need for a transition to a system based on renewable sources, with a reduction in the use of fossil fuels. Efforts to gradually eliminate coal were encouraged, favouring low-emission sources and promoting the elimination of fossil fuel subsidies. At the national level (*Nationally Determined Contributions - NDC*), countries which have not yet presented their decarbonisation commitments were encouraged to do so, while those that already have were asked to update them by the end of 2023. The main change involves the introduction of the "loss and damage" principle, which calls for the payment of indemnities to the most vulnerable developing countries for climate damage suffered. This principle will be implemented through the establishment of a specific Fund.

With reference to the issue of greenhouse gas emissions, again in 2022 Acea participated in the **Carbon Disclosure Project - CDP**, receiving a B grade and positioning the Company in the Management class. In 2022, in addition to publishing its first **2021 Climate Disclosure, based on the TCFD recommendations**, Acea moved forward with a new project intended to enrich the identification of risks and medium/long-term climate scenario analysis.

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. Added to such aspects are the specific features of being a listed Company, with the related legal impacts, for example, in terms of regulating communications to the market.

As already noted, tensions on the energy market and the continued COVID-19 health emergency marked the year, above all due to the systemic effects of high energy and raw materials prices, which led to **specific legislative actions**, initiated by the Draghi government and continued by the new one, aimed at mitigating their effects.

The various provisions (Decree Law 21/2022 "Price Cuts Decree Law"; Decree Law 50/2022 "Aid Decree Law"; 2023 Budget Law) that were implemented to govern the **solidarity contributions** mechanism borne by entities in the energy sector to limit the effects of high prices for businesses and consumers are also framed in this way.

Also associated with the extraordinary energy situation and significant for its impacts on energy companies, are the provisions on **excess profits** and **suspension of unilateral changes** to electricity and gas supply contracts. Relative to the former, Decree Law 4/2022, "Supports-ter Decree Law" established compensation mechanisms for producers using renewable sources which, under certain con-

ditions, can lead to excess profits to be paid to the GSE; relative to the latter, Decree Law 115/2022, “Aid-bis Decree Law” called for companies to halt unilateral changes to energy supply contracts with regards to definition of prices, and the subsequent Decree Law 198/2022, “Thousand Extensions Decree Law” extended the period of validity (30 June), excluding application for expiring contracts. In 2022, consultation for implementation of Directive (EU) 2020/2184 was requested, on the **quality of water destined for human consumption**, following which the Council of Ministers in December approved the preliminary examination the Legislative Decree for implementation. Important changes include the revision of regulations intended to **protect health** from negative effects deriving from contamination of water intended for human consumption, guaranteeing “health and cleanliness”, also through revision of the relevant parameters and values, definition of **hygiene requirements for materials** coming into contact with potable water, the introduction of a **risk measurement and management approach** that is more effective in terms of preventive health and environmental protection, also with regard to costs and allocation of resources, strengthening the role of the Water Safety Plans (WSP), and improvement of **equitable access for all to safe potable water** and public **information** on water intended for human consumption. In 2022, the delegated law on **restructuring regulations for local public services** was implemented with Legislative Decree 201/2022, which restructured the regulations, included among the objectives of the National Recovery and Resilience Plan (NRRP), to promote competitive dynamics that help improve the quality of public services and the results of management in the interest of citizens and users.

Also worthy of note is the preliminary approval on 16 December 2022 by the Council of Ministers of the Legislative Decree scheme to renew the **Public Contract Code**, intended to simplify regulations relative to public tenders and concessions to ensure efficient realisation of the same. The Code will apply to new proceedings starting on 1 April 2023. From 1 July 2023, abrogation of the previous Code is envisaged (Legislative Decree 50 of 18 April 2016) and application of the new norms, also for proceedings in progress.

REGULATION OF THE SECTOR AUTHORITY

The Regulatory Authority for Energy, Networks and the Environment (ARERA) intervenes in Acea's business sectors (energy, water and environment) regulating their operation by defining technical and commercial service standards and regulating investment mechanisms.

With regards to **energy distribution**, ARERA defines national electricity service standards for each regulatory cycle which regulate commercial aspects (quotes, works, supply activations/deactivations, complaints procedure) and technical aspects (service and supply continuity). The V regulation period is currently active, which regulates the quality of distribution, metering and transmission services for the years 2016-2023. As of 1 January 2022, Resolution 566/2021/R/eel mandated the application of the new **capacity fee** to **electricity market** customers aimed at remunerating the **capacity market** (the system to make available electricity generation capacity), to ensure adequate production capacity is achieved and maintained to guarantee coverage of national demand as well as the necessary reserve margins.

In the **water sector**, drivers of change include progressive advancement in ARERA regulation, which prioritises operator efficiency,

and the growing importance of **environmental sustainability** issues, which are the subject of political and economic strategies intended above all to fight the impact of climate change.

Resolution 547/2019 amended and supplemented the regulations on **contract quality** with effect from 1 January 2020, establishing an incentive system divided into bonuses and penalties to be attributed from 2022 based on the performance of the operators.

In late 2022, with **Resolution 734/2022** the Authority approved the methodological note on the first preliminary findings of the proceedings for the **quantitative assessments under the contractual quality incentive mechanism** for 2020-2021. With regards to **technical quality**, with **Resolution 183/2022** the Authority approved the ranking of water service operators based on the technical quality performance achieved in the 2018-2019 two-year period, awarding - for the first time since the incentive mechanism was set up - rewards and penalties to sector operators.

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) for the regulatory period 2022-2025, introduces access restrictions on end-of-cycle plants and therefore aims to promote efficient management consistent with the **European waste management hierarchy** (including through an equalisation mechanism, to be adopted in 2023, aimed at providing incentives for plant solutions to recover energy and materials and discourage the use of landfill).

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, academic research and identify 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 project. Also in its relations with public entities collaborative initiatives are promoted to share research and innovation commitments. This includes, for example, the Acea Elabori **Labsharing** project developed in cooperation with ENEA, intended to take advantage of their respective assets and share laboratories technologies and high level know how to support environmental research and monitoring through an approach open to innovation and sustainability.

In 2022, Acea launched and inaugurated, through its partner Mind the Bridge, an **Innovation Antenna** in Silicon Valley with the aim of forging relationships and identifying emerging technology with a significant impact on the sectors in which the Group conducts business.

Acea also works with the **academic world and with specific Observatories**, such as the Observatories for Digital Innovation, Startup Intelligence and Space Economy, all belonging to the Politecnico di Milano.

DEVELOPMENT OF HUMAN CAPITAL

For every organisation people represent a fundamental asset to remain competitive in a changing economic and social context. Acea listens to the needs of its people and develops a **People Strategy**, structured into projects and initiatives.

Every year Acea prepares an Equality & Care Plan that identifies goals and associated projects for **diversity and inclusion** and **corporate welfare**. In 2022, the Group developed an Equality, Diversity and Inclusion Policy and established an Equality, Diversity & Inclusion Committee, which will guide the process of cultural evolution to promote a corporate culture on the subject. It also appointed an Equality, Diversity and Inclusion Manager, responsible for coordinating activities to prepare and monitoring an operating plan for the initiatives and to support the Committee. Acea SpA has also achieved **UNI/PdR 125:2022 certification** on gender equality.

Acea has developed 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 support these pillars, including preventive medicine campaigns, support services for psycho/physical well-being and support for parents. These areas are shared with a **Bilateral Committee**, consisting of representatives from Group companies and the Unions.

As part of its **training processes**, the Group has established the *Acea Business School Academy* that provides courses on managerial, position, governance and digital issues, serving the entire group and designed with qualified partners (universities, business schools, research centres, etc.). Additionally, investment in digital skills continued in 2022.

SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN

Aware of the positive contribution that **sustainable supply chain management** can offer to protecting the environment, Acea is committed to defining purchasing methods that include intrinsic characteristics of the products and aspects of the process that limit environmental impact and foster initiatives aimed at minimising waste, reusing resources and protecting the social aspects involved in the procurement of goods, services and works. In tackling this **green procurement** issue, Acea has been using the **Minimum Environmental Criteria** in force for several years, including non-compulsory bonus 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 audits on its suppliers to raise awareness and support **continuous improvement of the supply chain**. The direct involvement of suppliers and the opportunities for discussion created during periodic audits make it possible to measure the level of awareness of emerging sustainability issues and provide an opportunity to jointly consider paths to improvement. 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.

As part of increased monitoring of its supply chain, in 2022 Acea extended the **Group Vendor Rating** system, which includes a **bonus indicator** for aspects associated with social and environmental sustainability (Ecovadis), as a tool for analysing, assessing and monitoring supplier performance. In 2022, the number of suppliers evaluated with Ecovadis increased significantly.

SAFETY AND HEALTH IN THE WORKPLACE

Safety as a strategy, not to be observed only for compliance purposes, is based on the desire to promote the widespread dissemination of a safety culture, involving all employees, and on the possibility of **measuring and monitoring results**. To this end, Acea runs awareness-raising campaigns on the issue and has adopted an advanced risk assessment model and implemented control and mitigation measures. ACEA has also launched a number of initiatives to raise awareness of and involvement in the issues discussed above with **its contractors and sub-contractors**, key business partners throughout the entire value chain. A Group **RSPP Coordination Committee** is active, with the aim of sharing the results of safety performance, experiences, good practices and sustainable solutions to prevent accidents in the company. The Group has adopted the *H&S (Health and Safety) Dashboard* as a tool to obtain data on workplace health and safety performance. It is updated constantly with graphs that improve analysis of the data provided by the companies of the Group.

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.

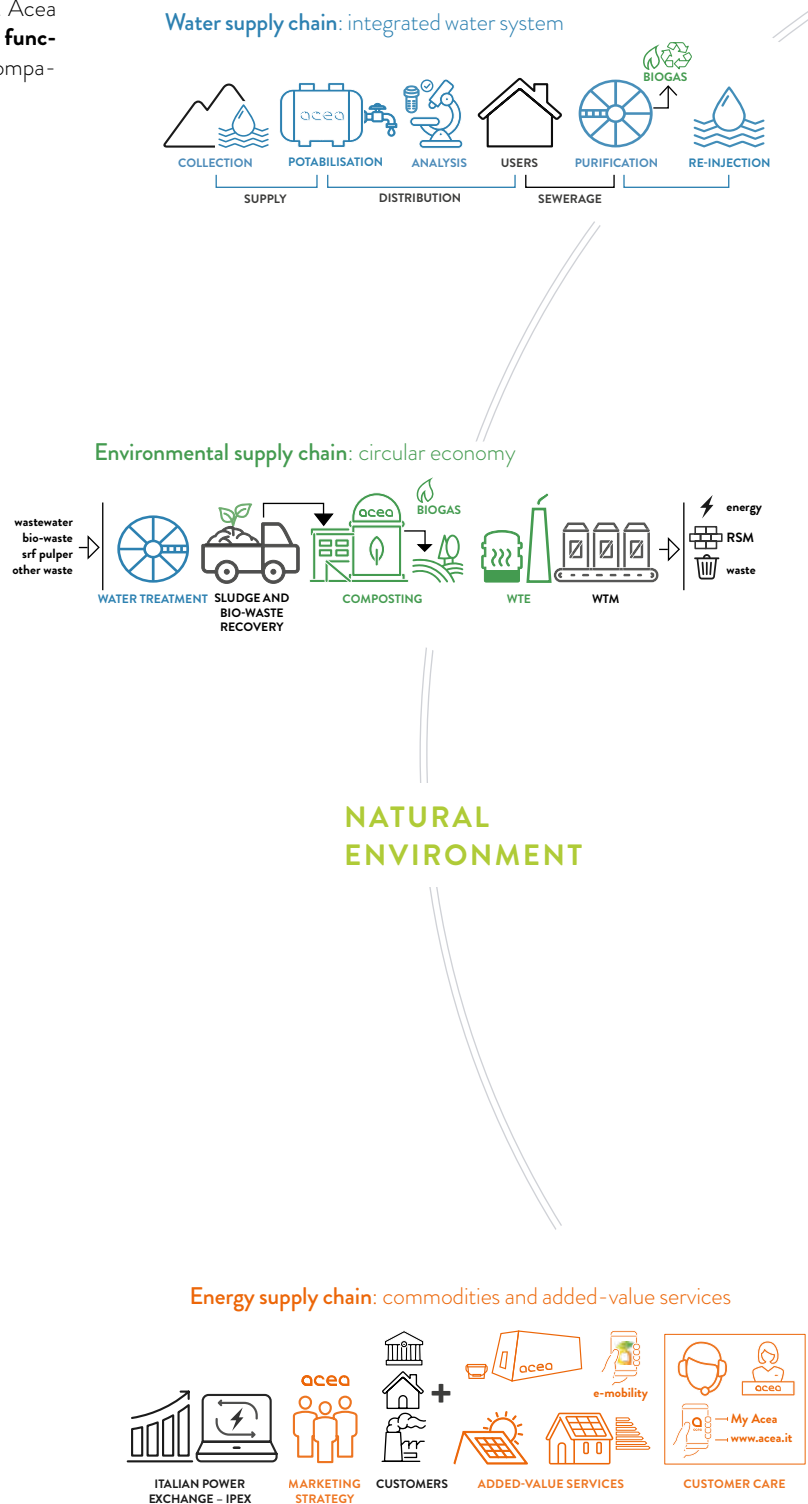
The **Coronavirus Prevention Committee** has been active since 2020, the Group body responsible for carefully monitoring the epidemiological situation and developments in the emergency situation, evaluating the most appropriate actions in the exclusive interest of health, safety and prevention for all employees of the Acea Group.

THE BUSINESS MODEL

The organisational structure (Chart no. 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 macrostructure** consists of **corporate functions, departments and operating segments** the operating companies report to (see Chart no. 4).

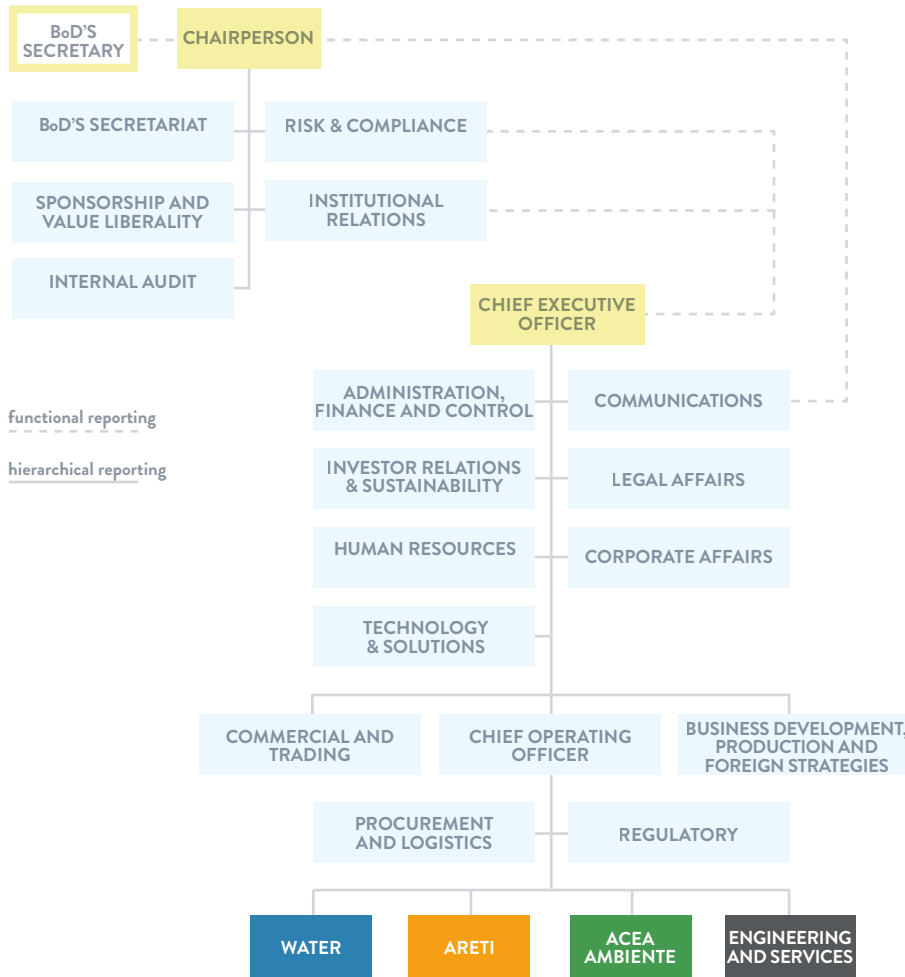
Chart no. 3 – Acea's Business Model



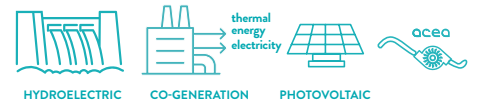
SCENARIO:
national policies, market, economy, innovation, sustainability,...

GOVERNANCE POLICY STRATEGY

BOARD OF DIRECTORS



Energy supply chain: generation



STAKEHOLDERS

COMPLIANCE OF RISK ASSESSMENT

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

Energy supply chain: distribution

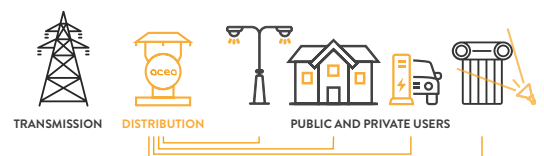
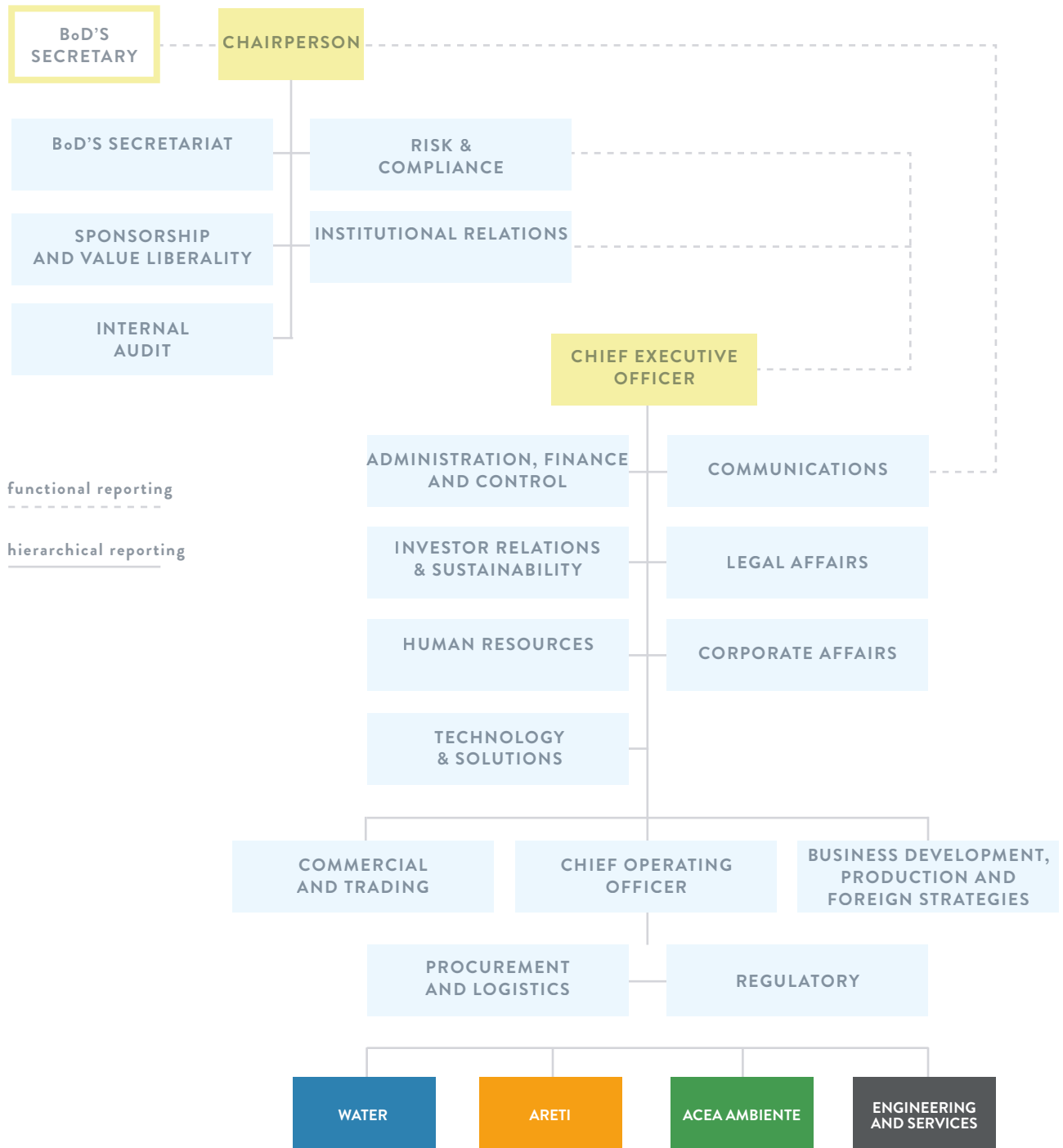


Chart no. 4 – Acea SpA organisation chart as at 31.12.2022

BOARD OF DIRECTORS

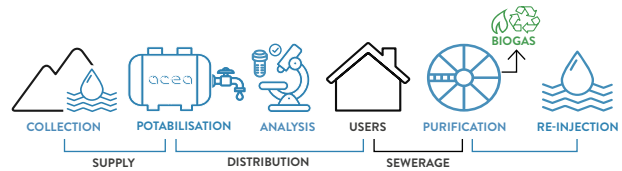


Through Companies that it has equity investments in and for which it plays the role of industrial entity of reference, the Acea Group is involved in the chains of activities shown below. The business activities are broken down in the Strategic Plan (see the section titled *Strategy and Sustainability*), 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

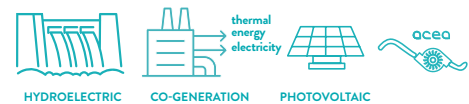
The water supply chain: starting from a careful analysis of springs and groundwater and the potential impacts of operational processes thereupon – for example, by defining and monitoring water districts and preparing water balances to protect resources and balance their vital flows with the needs of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



The same care is devoted to wastewater collection and treatment phases, useful to returning the resource to the environment in the best possible conditions for its natural cycle to resume. A huge effort has been made to increase 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

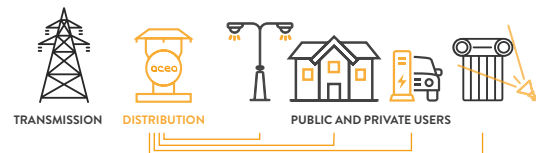
Electricity production: Through the business unit dedicated to production, Acea generates energy at hydroelectric power plants, thermoelectric power plants (high-yield cogeneration) and photovoltaic plants. In particular, Acea is strategically developing its



position in the solar generation segment, including through partnership agreements with major financial operators to support the investment plan, with the aim of significantly increasing its installed 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.



The digital and innovative development in the services, stimulated and required by a constantly evolving market, 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

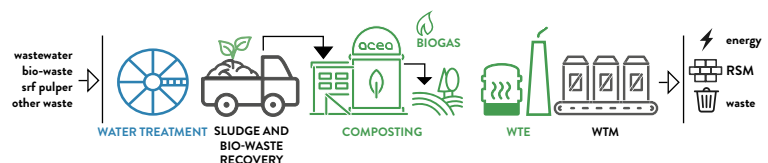
Sale of energy, gas and added-value services: commodities (energy and gas) are purchased via bilateral contracts or exchanges on market platforms (Electronic stock exchange) where Acea Energia procures supplies for itself in order to supply clients according to its commercial policies. The Company develops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

GENERATION AND NETWORKS: CIRCULAR ECONOMY

Efficient use of waste and the circular economy: the environmental supply chain is active in efficiently using waste by reducing waste volumes, treatment, conversion into biogas, transformation into compost for agriculture and floriculture, 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, also committing itself to the growth of its market position and operational capacity. The ongoing development involves the expansion of volumes and operating capacity, 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 2022**, 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 no. 5).

The portion of floating capital on the market is worth 20.2%, with **institutional investors** controlling approximately 13% of the share capital, with a geographical distribution indicating a predominance of Italian shareholders, followed by North American and British interests (see Chart no. 6).

Retail investors hold 5.5% of the share capital.

The year under review was characterised by pronounced geopolitical instability, which generated inflationary effects and volatility in the energy markets. The Group also recorded a positive performance due to cost-cutting measures, the operational efficiency achieved and the recovery of margins. **Revenues** amounted to **€ 5,138 million** while **gross operating income (EBITDA)** came to **€ 1,305 million** (approx. +4% compared to 2021). **Group profit** totalled approximately **€280 million** (approx. -11% on 2021).

Consolidated revenues in 2022, which amounted to **€5,138.2 million**, increased by 29.4% (€3,972 million in 2021). **External costs** increased by around 44% to approximately **€ 3.55 billion** (€2.46 billion in 2021) mainly due to electricity procurement on the free market and the gradual protection market, for the purchase of materials and services, in line with the increase in revenues and the growth in the corporate scope.

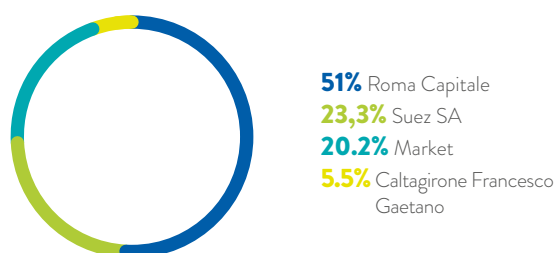
The **gross operating income (EBITDA)** of **€1,305 million** is up compared to €1,256.1 million in 2021 (approx. +4%), with regulated activities contributing 86% (including the Environment sector).

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

- **Water** at 51%, with €669 million, a 2.1% increase compared to 2021 (€655.3 million). This growth is due to more efficient operational management, the contribution of Group companies to Shareholders' Equity and the technical quality performance bonus received by companies consolidated on a line-by-line basis;
- **Energy infrastructure** for 27%, with €352.2 million, down 5.2% compared to the previous year (€371.6 million) due to a reduction in the WACC which was partially offset by lower operating costs and the positive effects of the resilience plan;
- the **Production** for 7%, with €89.8 million, a 13% increase compared to the previous year (€79.5 million). This result reflects pricing trends on the energy market, as well as the lower hydroelectric production, deconsolidation of the photovoltaic business and the price caps introduced by Decree Law "Sostegni ter";
- **Commercial and trading** for 7% at €90 million, up 11.8% (€80.5 million in 2021), mainly due to energy efficiency activities, partly offset by lower margins on the free energy market;
- **Environment** for 8%, with €101.6 million, a 59.5% increase compared to the previous year (€63.7 million). This data reflects the positive effects of the price of energy sold from WTE, the exemption of the Terni plan from the obligation to purchase CO₂ quotas, and the change in the scope of consolidation.

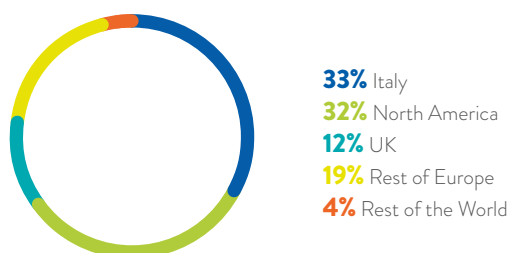
The **Foreign** and **Engineering and Services** areas and the **Parent Company** had a neutral effect on Group EBITDA.

Chart no. 5 – Ownership structure as at 31.12.2022



Source: CONSOB

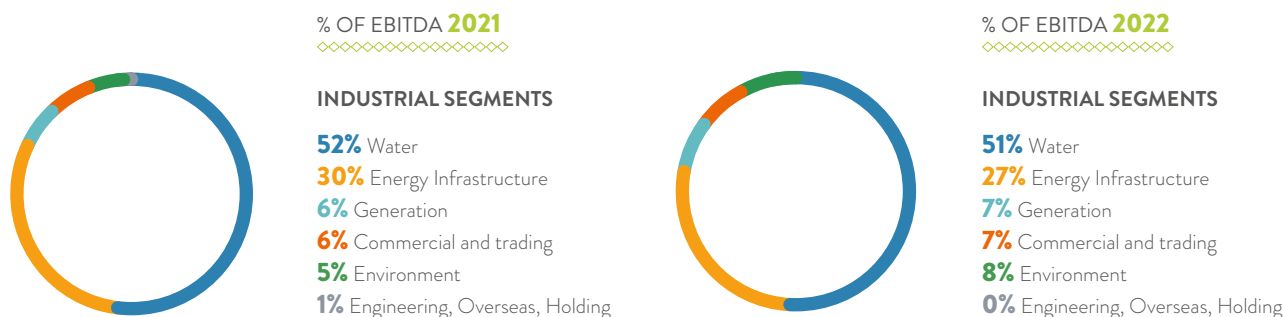
Chart no. 6 – Geographical representation of Acea institutional investors



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

Table no. 5 – The main economic and equity data of the Acea Group (2021-2022)

(in € million)	2021	2022
net revenues	3,972	5,138.2
operating costs	2,737	3,861
staff costs	275.8	305.1
external costs	2,461.2	3,556.1
income/(expense) from non-financial investments	21.0	27.9
gross operating margin (EBITDA)	1,256.1	1,305
gross operating margin (EBIT)	581.1	565.9
financial management	(85.9)	(85.7)
investments management	7.8	17.8
profit/(loss) before tax	503	498
income tax	150.7	186.8
net profit/loss	352.3	311.2
profit/loss attributable to third parties	39	31
net profit/(loss) of the Group	313.3	279.7

Chart no. 7 – Contribution of the industrial segments to overall EBITDA (2021-2022)

The **operating result (EBIT)** was **€565.9** million (-2.6% on 2020). The value reflects the increase in amortisation and depreciation related to investments for the period, write-downs of receivables

attributable to business growth, and the introduction of a stress scenario for the Group's main companies.

INFORMATION REQUIRED BY THE EUROPEAN TAXONOMY

As noted in *Disclosing sustainability: methodological note*, to which reference should be made, 2023 marked the second year of application, in the context of non-financial reporting for 2022, 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 Commission²⁵ in 2018. The purpose 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 objectives** — 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 Act²⁷ which defines the **first two climate objectives** (mitigation and adaptation), establishing technical screening criteria for economic activities that can substantially contribute to their achievement while causing no significant harm to the other environmental objectives. In 2022 the Commission published the *Complementary*

Delegated Act, modifying the Climate Delegated Act²⁸ by introducing activities and the relative technical screening criteria for **natural gas** and **nuclear energy**. As a result of that integration, **the Taxonomy now identifies 13 sectors** that include a total of **109 economic activities**, of which 86 are able to substantially contribute to both the climate change mitigation and adaptation objectives, 8 contribute to mitigation only and 15 contribute to adaptation only.

For financial year 2022, non-financial undertakings subject to the Regulation, such as Acea, are required to publish information²⁹ on the **percentage proportion** of certain **quantitative economic performance indicators (KPIs)** - turnover, capital expenditure (CapEx) and operating expenditure (OpEx) - **attributable to the economic activities managed that are eligible and aligned³⁰ or not aligned to the Taxonomy**, with reference to the first two climate objectives³¹.

ANALYSIS OF ELIGIBILITY AND ALIGNMENT

In 2022 Acea carried out the preliminary activities required under the reporting obligations defined by the *Disclosures Delegated Act*, developing a **cross-disciplinary and synergetic project** involving the

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 *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.

30 Including partial alignment.

31 The full application of the Regulation, presumably from 2024 for the 2023 reporting year, will provide for the assessment of the eligibility and alignment of the economic activities identified by the Taxonomy for the remaining four environmental objectives which have not yet been regulated.

Administration, Finance and Control Department, the Investor Relations and Sustainability Department and the Companies included within the reporting boundary of the *Consolidated Non-Financial Statement*³².

Specifically, the **eligibility analysis** was updated for this year, with the aim of identifying the activities conducted by the Group that correspond to those listed and described in Annexes I and II of the *Climate Delegated Act* – focused respectively on the climate change mitigation and adaptation objectives – and taking into account the Complementary Delegated Act. This analysis led to a slight reduction in the number of eligible **activities** from **27** to **22**, associated with **5 sectors** identified by the Regulation³³. Of these eligible activities, **20** may contribute to the achievement of **both the climate change mitigation and adaptation objectives**, while **2 contribute to the mitigation objective only**.

The reduction in the number of eligible activities is attributable to the exclusion of activities potentially carried out by the Group but not actually conducted in the year under review, which therefore were not associated with economic KPIs during the reporting year, and activities which, on closer analysis, were not in fact applicable or were more appropriately associated with another operating area described by the Regulation.

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:

- **substantial contribution criteria**³⁴: for each eligible activity, the compliance with the technical screening criteria was verified to establish its substantial contribution to achieving the mitigation and/or adaptation objective;
- **Do No Significant Harm (DNSH)** criteria³⁵: analysis of the technical and regulatory requirements to ensure that the activity not only substantially contributes to at least one Taxonomy objective but also does not cause any significant harm to any of

the other environmental objectives;

- **minimum safeguards**³⁶: analysis to verify that the activities that contribute substantially to at least one environmental objective 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.

With regard to the DNSH criteria, please note that Annexes I and II of the *Climate Delegated Act* define the **conditions under which eligible activities do no harm to the other environmental objectives**. These criteria 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. Recurring criteria, however, are outlined in the five Appendices to Annexes I and II of the *Climate Delegated Act*, which mostly refer to compliance with European or national standards or the performance of assessment activities. 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 Area 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 standards³⁷ (see the dedicated 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 enshrined in the Group *Code of Ethics*, the most recently updated version of which was produced in collaboration with internal resources and external consultants specialised in corporate ethics, and approved by the Acea Board of Directors on 9 November 2022. The *Code of Ethics* states 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.”

Acea monitors the topics that underpin the minimum safeguards of the Regulation through the use of prescriptive instruments (such as Group policies, Guidelines, etc.) and organisational and operating models (appointed units, procedures, management and control systems).

32 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, 91% of the turnover, 95% of the CapEx and 94% of the OpEx of the full list of companies consolidated on a line-by-line basis.

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

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

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

36 Article 18, section 1 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.

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

These include:

Code of Ethics: a set of principles and rules of conduct that underpin the Organisation, Management and Control Model and apply to "all persons who, in any capacity, directly or indirectly, permanently or temporarily, in Italy or abroad, operate in the interest of Acea and its subsidiaries", which guide all corporate practices "towards all stakeholders", also with the help of contractual clauses for adherence to specific social obligations for those who work on behalf of the company.

Whistleblowing: a confidential and restricted channel for employees and external parties to report potential conduct in breach of the *Code of Ethics*, supported by an ad hoc procedure for handling such reports;

Ethics Officer: a collegiate body that manages the reporting system and monitors compliance with the values expressed in the *Code of Ethics* in relations with all Group stakeholders.

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 Programme, Antitrust and Consumer Protection Compliance Manual, Organisational Regulations for Antitrust Compliance and Unfair Commercial Practices and Guidelines for Antitrust Compliance and Consumer Protection: rules and safeguards to prevent and counteract anti-competitive behaviour and to protect the consumer and the principle of fair competition, which must be adhered to by Group personnel, com-

mercial partners, suppliers and partners.

Anti-corruption Policy: set of rules, controls and safeguards to prevent corruption and bribery offences against the public and private individuals, supported by the Corruption Prevention Management System (ISO 37001, in the process of being adopted).

Privacy Governance Guidelines: guidelines for implementing policies to protect the personal data of employees, customers, suppliers, shareholders, partners and persons whose personal data are processed by the Group and that ensure the application of the 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, Procedure on the Protection, Inclusion, Promotion of the Diversity and Well-being of Workers, Diversity & Inclusion Plan and Dashboard: initiatives to assess risks and actions to be taken to promote diversity, inclusion and equal opportunities, also engaging with employees to consider their opinions and proposals.

Health and Safety Management System, QASER questionnaire, Vendor rating, Ecovadis model: tools for managing the health and safety of people both within the organisation - specific training, risk assessment and continuous monitoring - and outside the Group, as in the case of contracted works and services, to oversee every phase of the relationship between supplier and company, including assessing suppliers' performance on indicators relating to punctuality, quality and safety, and ESG criteria.

Tax Management Procedure: outlines and regulates the roles and responsibilities of the parties involved as well as the tax management auditing activities³⁸.

Based on the analyses, in 2022 Acea identified, out of a total of **22 eligible activities, 14 fully aligned activities, 6 partially aligned activities**³⁹ and **2 non-aligned activities**. For all eligible activities, the substantial contribution to the climate change **mitigation** objective was evaluated (see Tables 6, 7, 8 and 9).

In particular, observing the **distribution of eligible and aligned activities, including only partially aligned activities, for each business area**⁴⁰, and considering that certain activities are eligible for several operating sectors, in the **water** business area there are 6 eligible activities in the "Water supply, sewerage, waste management and remediation" sector, and, following the verification of the Substantial Contribution and DNSH criteria, there are three fully aligned activities and three partially aligned activities. CapEx associated with the activity "Material recovery from non-hazardous waste", coupled with the climate change mitigation objective, were valued 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 80% of the solid input material. Total CapEx sustained during the year was €0.05 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.

In the **Environment** business area, which operates in the waste processing sector, there are six eligible activities (attributable to the "Energy" and "Water supply, sewerage, waste treatment and remediation" sectors), of which 4 were aligned, 1 partially aligned and 1 not aligned; in the **Generation** business area, which operates in the field of electricity production, there are 8 eligible activities (attributable to the "Energy" (including "Gas"), "Transport", "Construction and real estate activities" and "Professional, scientific and technical activities" sectors), of which 6 are fully aligned, 1 partially aligned and 1 not aligned; in the **Energy Infrastructures** business area, operating in the electricity transmission and distribution sector, there are 3 eligible activities (attributable to the "Energy" and "Construction and real estate activities" sectors), 2 of which, following verification of the substantial contribution and DNSH

38 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 the Company for more details).

39 Partial alignment may occur in the case that for the same activity, certain Companies in the business area are aligned and others are not aligned, or when for certain companies in the area, the activity meets the technical screening criteria only for a portion of the plants/infrastructure.

40 Companies belonging to several business areas may be eligible for the same activity; consequently, the total number of eligible activities in the sector is higher than the number of eligible activities at Group level. See The Corporate Identity and the Relations with the Environment section of this document for more details of the activities in each business area.

criteria, were fully aligned and 1 partially aligned (only marginally misaligned); in the **Engineering and Services** business area, which operates in a range of research, innovation, design and laboratory activities for Group companies⁴¹, there is 1 aligned activity (in the "Water supply, sewerage, waste treatment and remediation" sector); finally, in the **Energy** business area (commercial and trading activities) there are 6 eligible activities (in the "Water supply, sewerage, waste treatment and remediation"⁴², "Transport", "Construction and real estate activities" and "Professional, scientific and technical activities" sectors), **all of which are aligned**. Electricity sales, which represent the Group's core business and accounted for 52% of the Group's turnover in 2022, are excluded, as sales are not currently included in the list of activities listed in Annexes I and II of the Climate Delegated Act for the first two climate targets.

ECONOMIC AND FINANCIAL KPIs

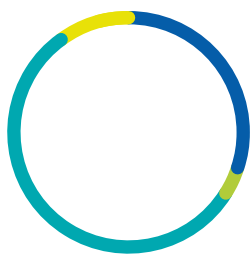
In accordance with the applicable reporting obligations, and in line with the "Accounting standards and supplementary information pursuant to Regulation 852/2020", the Group has calculated the percentages of **turnover, CapEx and OpEx related to its Taxonomy-aligned activities, and eligible but not aligned activities** (see Tables 6, 7, 8 and 9 for details).

In this context, it is important to emphasise that the percentages reported below do not represent a summary of the Group's sustainability performance, as reported in this document, but correspond to the specific disclosure required by Regulation 852/2020 on the environmental goals defined therein (specifically the climate change objectives). 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 2022, **aligned turnover** amounted to **30%** of the total, while eligible but not aligned turnover was **4%**. **72%** of Acea's total **CapEx** is aligned (**5%** eligible but not aligned) with the Taxonomy, while **68%** of **OpEx** is Taxonomy-aligned (**12%** eligible but not aligned). Please note that a residual part of the three KPIs (**9%** of turnover, **5%** of total CapEx and **6%** of OpEx considered under the Taxonomy⁴³ and attributable to the companies outside the reporting boundary of the NFS) is not subject to assessment.

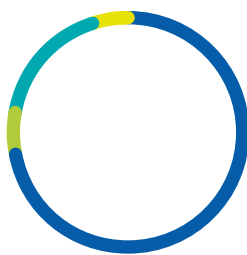
Chart no. 8 – Percentage turnover, CapEx and OpEx attributable to Group activities that are aligned, eligible but not aligned, not eligible and not assessed

Turnover
€5,138 million of which
€1,542 million aligned



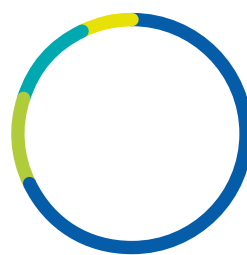
30% Aligned
4% Eligible but not aligned
57% Non eligible
9% Not assessed

CapEx
€1,115 million of which
€801 million aligned



72% Aligned
5% Eligible but not aligned
18% Non eligible
5% Not assessed

OpEx
€164 million of which
€112 million aligned



68% Aligned
12% Eligible but not aligned
14% Non eligible
6% Not assessed

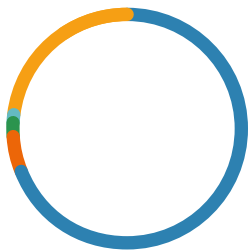
⁴¹ Intercompany activities are removed from the accounting of the KPIs, in accordance with the Regulation.

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.

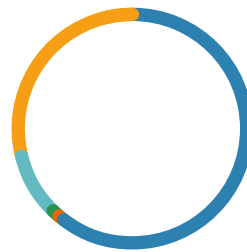
Chart no. 9 – Percentage turnover, CapEx and OpEx aligned to the Taxonomy, by Business Area

Aligned turnover
€1,542 million



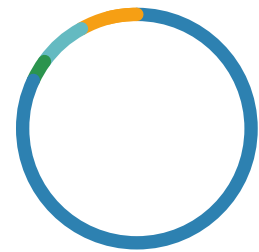
0% Holding
69% Water
5% Commercial and trading
2% Environment
1% Generation
23% Energy Infrastructure
0% Engineering and services

Aligned CapEx
€801 million



0% Holding
61% Water
1% Commercial and trading
1% Environment
9% Generation
29% Energy Infrastructure
0% Engineering and services

Aligned OpEx
€112 million



0% Holding
82% Water
0% Commercial and trading
3% Environment
7% Generation
8% Energy Infrastructure
0% Engineering and services

The interpretation of the data by Industrial Segment shows the unique contributions to the Group's alignment, in particular:

- out of total Group turnover in 2022, which amounted to **€5,138 million**, **€1,726 million** are attributable to **eligible** activities, of which **€1,542 million** are **Taxonomy-aligned**. The two Business Areas that contribute the most to alignment are **Water** with **69%** of the total aligned turnover (€1,062 million) and **Energy Infrastructure** with **23%** (€360 million);
- out of total Group **CapEx** in 2022 considered for the purposes of the Taxonomy, which amounted to **€1,115 million**, **€864 million** are attributable to **eligible** activities, of which **€801 million** are **Taxonomy-aligned**. The two Business Areas that contribute the most to alignment are Water and Energy Infrastructure; specifically, investments in the Water area represent **61%** of total aligned CapEx (€488 million) and **29%** in the **Energy Infrastructure** area (€299 million);
- out of total Group **OpEx** in 2022 considered for the purposes of the Taxonomy, which amounted to **€164 million**, **€131 million** are attributable to **eligible** activities, of which **€112 million** are **Taxonomy-aligned**. In this case, the two Business Areas that contribute the most to alignment are the **Water** area at **82%** of total aligned OpEx (€91 million) and the **Energy Infrastructure** area at **8%** (€9 million).

Acea has drawn up a **Green Financing Framework** and, on the basis of this, in January 2021 issued the Group's first **Green Bond**, totaling **€900 million** to support initiatives focused on **four main areas**: water resource management; energy efficiency; circular economy; and green energy. With reference to the KPIs on CapEx and turnover described above, the **contribution of green bond issues in 2022** was 18% of aligned CapEx and 0.4% of aligned turnover.

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 9% of the turnover, 5% of the CapEx and 6% 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 2022 **from products or services associated with Taxonomy-aligned economic activities** are reported below.

⁴⁴ Pursuant to art. 2, point 5 of Directive 2013/34/EU.

Table no. 6 – Percentage turnover of the Acea Group from products or services associated with Taxonomy-aligned economic activities - disclosure for 2022

				Substantial contribution criteria						DNSH criteria											
Economic activities	Code(s)	Absolute turnover	Percentage of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems		Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Percentage turnover aligned to the taxonomy, 2022	Percentage turnover aligned to the taxonomy, year N-1	Category (enabling activity) ¹⁵	Category (transitioning activity) ¹⁶
		(€000)	%	%	%	%	%	%	%		Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES			36.91																		
A.1 Environmentally sustainable activities (Taxonomy-aligned)																					
Electricity generation using solar photovoltaic technology	4.1	5,627	0.12	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.12	N/A		
Electricity generation from hydropower	4.5	3,865	0.08	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.08	N/A		
Transmission and distribution of electricity	4.9	352,484	7.54	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	7.54	N/A	E	
District heating/cooling distribution	4.15	11,000	0.24	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.24	N/A		
Construction, extension and operation of water collection, treatment and supply systems	5.1	680,789	14.56	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	14.56	N/A		
Renewal of water collection, treatment and supply systems	5.2	-	0.00	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.00	N/A		
Construction, extension and operation of waste water collection and treatment	5.3	381,511	8.16	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	8.16	N/A		
Renewal of waste water collection and treatment	5.4	-	0.00	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.00	N/A		
Collection and transport of non-hazardous waste in source segregated fractions	5.5	15,188	0.32	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.32	N/A		
Anaerobic digestion of sewage sludge	5.6	-	0.00	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.00	N/A		
Anaerobic digestion of bio-waste	5.7	9,212	0.20	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.20	N/A		
Composting of bio-waste	5.8	57	0.00	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.00	N/A		
Material recovery from non-hazardous waste	5.9	-	0.00	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.00	N/A		
Landfill gas capture and utilisation	5.10	836	0.02	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.02	N/A		
Infrastructure enabling low-carbon road transport and public transport	6.15	1,089	0.02	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.02	N/A	E	
Installation, maintenance and repair of energy efficiency equipment	7.3	72,352	1.55	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	1.55	N/A	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	-	0.00	100	0	0	0	0	0		Y	Y	Y	Y	Y	Y	Y	0.00	N/A	E	

45 Pursuant to article 16 of Regulation 2020/852, an economic activity that contributes substantially to one or more of the environmental objectives specified in Article 9 by directly enabling other activities to make a substantial contribution to one or more of those objectives, provided that such economic activity: (a) does not lead to a lock-in of assets that undermine long-term environmental goals, considering the economic lifetime of those assets; and (b) has a substantial positive environmental impact, on the basis of life-cycle considerations.

46 Pursuant to article 10, section 2 of Regulation 2020/852, an economic activity for which there is no technologically and economically feasible low-carbon alternative that contributes substantially to climate change mitigation where it supports the transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1,5 OC above pre-industrial levels, including by phasing out greenhouse gas emissions, in particular emissions from solid fossil fuels, and where that activity: (a) has greenhouse gas emission levels that correspond to the best performance in the sector or industry; (b) does not hamper the development and deployment of low-carbon alternatives; and (c) does not lead to a lock-in of carbon-intensive assets, considering the economic lifetime of those assets.

Economic activities	Code(s)	Absolute turnover (€000)	Percentage of turnover (%)	Substantial contribution criteria						DNSH criteria						Percentage turnover aligned to the taxonomy, year N-1	Percentage turnover aligned to the taxonomy, 2022	Category (enabling activity) ⁴⁵	Category (transitioning activity) ⁴⁶
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				
				%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	7,621	0.16	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	0.16	N/A	E	
Installation, maintenance and repair of renewable energy technologies	7.6	506	0.01	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	0.01	N/A	E	
Professional services related to energy performance of buildings	9.3	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	0.00	N/A		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		1,542,137	32.98	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	32.98	N/A		
A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities)																			
Electricity generation from bioenergy	4.8	969	0.02																
Transmission and distribution of electricity (*) ⁴⁷	4.9	2	0.00																
District heating/cooling distribution (*)	4.15	8,110	0.17																
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	2,212	0.05																
Construction, extension and operation of waste water collection and treatment (*)	5.3	169,189	3.62																
Renewal of waste water collection and treatment (*)	5.4	-	0.00																
Collection and transport of non-hazardous waste in source segregated fractions (*)	5.5	3,614	0.08																
Anaerobic digestion of sewage sludge (*)	5.6	-	0.00																
Turnover of activities that are taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities)		184,095	3.94																
Total (A1 + A2)		1,726,231	36.91														32.98		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B)		2,950,147	63.09																
Total (A+B)		4,676,379	100																

47 In Tables 6, 7 and 8, activities marked by an asterisk (*) are partially aligned.

Table no. 7 – Percentage CapEx of the Acea Group from products or services associated with Taxonomy-aligned economic activities - disclosure for 2022

Substantial contribution criteria										DNSH criteria												
Economic activities	Code(s)	Absolute CapEx	Percentage CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Percentage turnover aligned to the taxonomy, 2022	Percentage CapEx aligned to the taxonomy, year N+1	Category (enabling activity)	Category (transitioning activity)		
	(€000)	%	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T		
A. TAXONOMY ELIGIBLE ACTIVITIES		81.54																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																						
Electricity generation using solar photovoltaic technology	4.1	62,810	5.93	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	5.93	N/A				
Electricity generation from hydropower	4.5	4,847	0.46	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.46	N/A				
Transmission and distribution of electricity	4.9	198,133	18.70	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	18.70	N/A	E			
District heating/cooling distribution	4.15	2,934	0.28	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.28	N/A				
Construction, extension and operation of water collection, treatment and supply systems	5.1	214,674	20.26	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	20.26	N/A				
Renewal of water collection, treatment and supply systems	5.2	93,263	8.80	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	8.80	N/A				
Construction, extension and operation of waste water collection and treatment	5.3	171,909	16.23	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	16.23	N/A				
Renewal of waste water collection and treatment	5.4	7,583	0.72	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.72	N/A				
Collection and transport of non-hazardous waste in source segregated fractions	5.5	482	0.05	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.05	N/A				
Anaerobic digestion of sewage sludge	5.6	365	0.03	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.03	N/A				
Anaerobic digestion of bio-waste	5.7	7,979	0.75	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.75	N/A				
Composting of bio-waste	5.8	517	0.05	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.05	N/A				
Material recovery from non-hazardous waste	5.9	47	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A				
Sostituire con: Landfill gas capture and utilisation	5.10	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A				
Infrastructure enabling low-carbon road transport and public transport	6.15	4,771	0.45	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.45	N/A	E			
Installation, maintenance and repair of energy efficiency equipment	7.3	79	0.01	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.01	N/A	E			
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	7	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A	E			
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	30,572	2.89	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	2.89	N/A	E			

		Substantial contribution criteria								DNSH criteria									
Economic activities	Code(s)	Absolute CapEx (€000)	Percentage CapEx %	Climate change mitigation %	Climate change adaptation %	Water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystems %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystems Y/N	Minimum safeguards Y/N	Percentage turnover aligned to the taxonomy, 2022 %	Percentage CapEx aligned to the taxonomy, year N-1 %	Category (enabling activity)
																			T
Installation, maintenance and repair of renewable energy technologies	7.6	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A	E
Professional services related to energy performance of buildings	9.3	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		800,970	75.60	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	75.60	N/A	
A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities)																			
Electricity generation from bioenergy	4.8	81	0.01																
Transmission and distribution of electricity (*)	4.9	-	0.00																
District heating/cooling distribution (*)	4.15	96	0.01																
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30	2,716	0.26																
Construction, extension and operation of waste water collection and treatment (*)	5.3	39,027	3.68																
Renewal of waste water collection and treatment (*)	5.4	20,756	1.96																
Collection and transport of non-hazardous waste in source segregated fractions (*)	5.5	148	0.01																
Anaerobic digestion of sewage sludge (*)	5.6	11	0.00																
CapEx of activities that are taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities)		62,835	5.93																
Total (A1 + A2)		863,806	81.54																
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities (B)		195,619	18.46																
Total (A+B)		1,059,425	100																

B. TAXONOMY NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy non-eligible activities (B)	195,619	18.46
Total (A+B)	1,059,425	100

Table no. 8 – Percentage OpEx of the Acea Group, considered pursuant to the Disclosures Delegated Act, from products or services associated with Taxonomy-aligned economic activities - disclosure for 2022

Economic activities	Code(s)	Absolute OpEx	Percentage OpEx	Substantial contribution criteria						DNSH criteria										Percentage turnover aligned to the taxonomy, 2022	Percentage OpEx aligned to the taxonomy, year N-1	Category (enabling activity)	Category (transitioning activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards							
		(€000)	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T			
A. TAXONOMY ELIGIBLE ACTIVITIES			85.21																				
A.1 Environmentally sustainable activities (Taxonomy-aligned)																							
Electricity generation using solar photovoltaic technology	4.1	2,837	1.85	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	1.85	N/A					
Electricity generation from hydropower	4.5	3,050	1.99	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	1.99	N/A					
Transmission and distribution of electricity	4.9	8,630	5.63	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	5.63	N/A	E				
District heating/cooling distribution	4.15	819	0.53	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.53	N/A					
Construction, extension and operation of water collection, treatment and supply systems	5.1	60,193	39.29	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	39.29	N/A					
Renewal of water collection, treatment and supply systems	5.2	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A					
Construction, extension and operation of waste water collection and treatment	5.3	30,987	20.23	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	20.23	N/A					
Renewal of waste water collection and treatment	5.4	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A					
Collection and transport of non-hazardous waste in source segregated fractions	5.5	41	0.03	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.03	N/A					
Anaerobic digestion of sewage sludge	5.6	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A					
Anaerobic digestion of bio-waste	5.7	2,710	1.77	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	1.77	N/A					
Composting of bio-waste	5.8	117	0.08	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.08	N/A					
Material recovery from non-hazardous waste	5.9	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A					
Landfill gas capture and utilisation	5.10	15	0.01	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.01	N/A					
Infrastructure enabling low-carbon road transport and public transport	6.15	812	0.53	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.53	N/A	E				
Installation, maintenance and repair of energy efficiency equipment	7.3	991	0.65	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.65	N/A	E				
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A	E				
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	7.5	477	0.31	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.31	N/A	E				

Economic activities		Code(s)	Absolute OpEx	Percentage OpEx	Substantial contribution criteria					DNSH criteria										Category (transitioning activity)	
					Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Percentage turnover aligned to the taxonomy, 2022	Percentage OpEx aligned to the taxonomy, year N-1	Category (enabling activity)	
			(€000)	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
Installation, maintenance and repair of renewable energy technologies		7.6	129	0.08	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.08	N/A	A	
Professional services related to energy performance of buildings		9.3	-	0.00	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	0.00	N/A		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			111,808	72.99	100	0	0	0	0	0	Y	Y	Y	Y	Y	Y	Y	72.99	N/A		
A.2 Activities that are Taxonomy-eligible but not environmentally sustainable (not taxonomy-aligned activities)																					
Electricity generation from bioenergy		4.8	114	0.07																	
Transmission and distribution of electricity (*)		4.9	0	0.00																	
District heating/cooling distribution (*)		4.15	412	0.27																	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels		4.30	2,754	1.80																	
Construction, extension and operation of waste water collection and treatment systems (*)		5.3	15,427	10.07																	
Renewal of waste water collection and treatment systems (*)		5.4	-	0.00																	
Collection and transport of non-hazardous waste in source segregated fractions (*)		5.5	13	0.01																	
Anaerobic digestion of sewage sludge (*)		5.6	-	0.00																	
OpEx of activities that are Taxonomy-aligned but not environmentally sustainable (not taxonomy-aligned activities)			18,721	12.22																	
Total (A1 + A2)			130,529	85.21															72.99		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																					
OpEx of Taxonomy non-eligible activities (B)			22,657	14.79																	
Total (A+B)			153,186	100																	

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"⁴⁸ 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. 9 – 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 (€000)	%	amount (€000)	%	amount (€000)	%
Turnover							
(...)							
5	Amount and proportion of taxonomy eligible but not 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	2,212	0.05	2,212	0.05	-	0
(...)							
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the turnover	1,724,020	36.87	1,724,020	36.87	-	0
8	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of the turnover	4,676,379	100	4,676,379	100	-	0
CapEx							
(...)							
5	Amount and proportion of taxonomy eligible but not 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	2,716	0.26	2,716	0.26	-	0
(...)							
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of CapEx	861,090	81.28	861,090	81.28	-	0
8	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of CapEx	1,059,425	100.00	1,059,425	100.00	-	0
OpEx							
(...)							
5	Amount and proportion of taxonomy eligible but not 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	2,754	1.81	2,754	1.80	-	0
(...)							
7	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in denominator of the OpEx	127,775	83.41	127,775	83.41	-	0
8	Total amount and proportion of taxonomy eligible but not taxonomy aligned economic activities in the denominator of OpEx	153,186	100.00	153,186	100.00	-	0

48 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

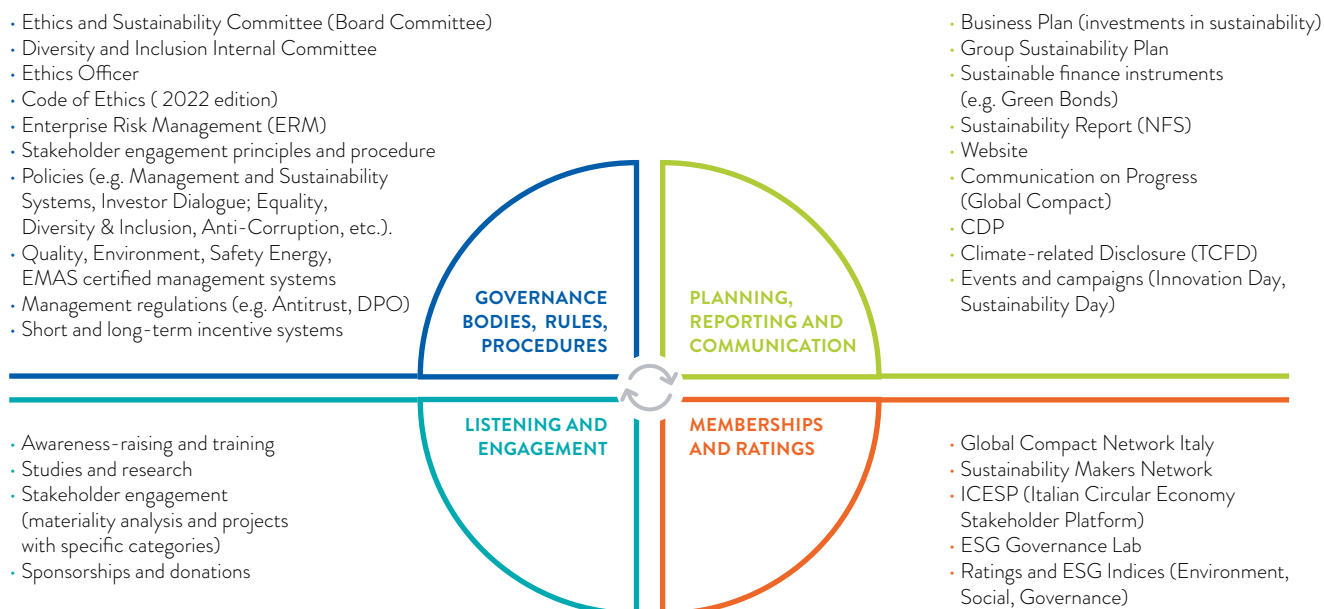
INTEGRATED STRATEGY OVERVIEW

The core values and principles enshrined in the Code of Ethics of the Acea Group, updated at the end of 2022, highlight the link between business strategy and sustainability. In particular, the Code emphasises 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) (...) 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 (...) and works to integrate care for the social and environmental aspects of its business with corporate growth strategies (...)”⁴⁹.

Therefore, Acea's strategic planning seizes the opportunities offered by the evolution of the reference framework and the new economic, social and environmental challenges, reconciling the industrial dimension and the sustainability aspects with the business objectives.

The concept of a **business management strategy oriented towards “sustainable success”**, which Acea also pursues through the use of tools and policies (see Chart no. 10), is also studied extensively through discussions with the **institutional sphere, experts and other companies**. Acea promotes this dialogue directly through initiatives such as the Innovation Day event (see box in the chapter on Institutions and the Company), which included in-depth studies on Smart Cities, Open Innovation and the ecological transition, or otherwise as an active participant in other events such as Ecomondo, Maker Faire, the Water Festival, etc.

Chart no. 10 – Sustainability tools



Acea's commitment is appreciated by external observers, analysts specialised in ESG and the market. In this sense, Acea's strong positioning in the **Integrated Governance Index** (see the chapter *Corporate governance and management systems*) is demonstrated by the improving trend in the Group's rating by the Gender Equality Index of Bloomberg (see the chapter *Personnel*), the “innovation”

awards received (see the chapter *Institutions and the Company*), the positioning in the ratings of the CDP - Carbon Disclosure Project, the improvement in the rating outlook given by Standard Ethics, the entry onto the ESG MIB Index and the assessments issued by ESG analysts (see the chapter *Shareholders and Investors*).

⁴⁹ Acea Group Code of Ethics (2022 edition), Sustainability, Responsibility to Stakeholders and Environmental Protection, in the section Core Values and Principles

ACEA SUSTAINABILITY LEADER IN 2022

Acea was named on the list of the 200 most sustainable Italian companies published by Sole24Ore and Statista. The evaluation process was carried out on a sample of 1,500 publicly traded companies with the highest turnovers in Italy that publish a sustainability report, and analysed **40 environmental, social and governance in-**

dicators included in the reports. The analysis generated a score for each of the three areas on a scale from 0-100, and these were used to calculate the final score, also out of 100. The 200 companies with the highest final score were published in the Sole24Ore "Sustainability Leaders" dossier.

The **2020-2024 Business Plan**, which guides the Group, was defined by taking into consideration **5 mega trends** which mark the evolution of utilities: **sustainability and circular economy; customer focus; energy transition; innovation and digitisation; increased competitiveness on the market.**

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 Companies⁵⁰), 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 2022 materiality analysis, alignment with the most relevant topics identified during the multi-stakeholder engagement process was verified and confirmed.

The investments envisaged in the 2020-2024 Business Plan related to sustainability targets totalling **€2.1 billion**. In 2022, 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 2022, was around **€437 million**; in total, in the 2020-2022 three-year period, the Business Plan investments related to sustainability targets amounted to **around €1.2 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
SUSTAINABILITY CULTURE SPREAD	<ul style="list-style-type: none"> • involving internal and external stakeholders in the matter by disseminating the "sustainability culture"
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

⁵⁰ 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	 <ul style="list-style-type: none"> 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	 <ul style="list-style-type: none"> 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	 <ul style="list-style-type: none"> 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	 <ul style="list-style-type: none"> 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	 <ul style="list-style-type: none"> 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

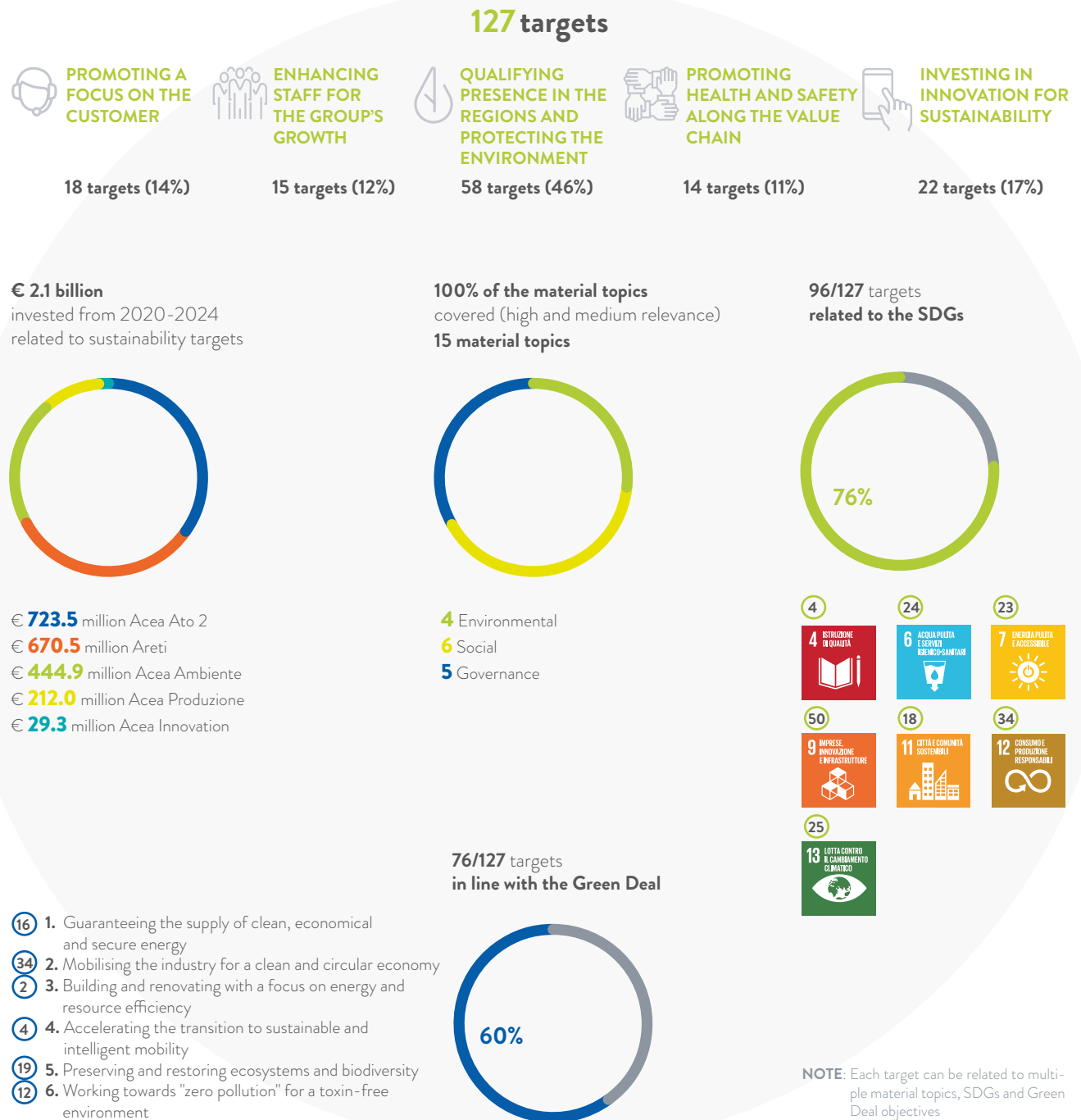
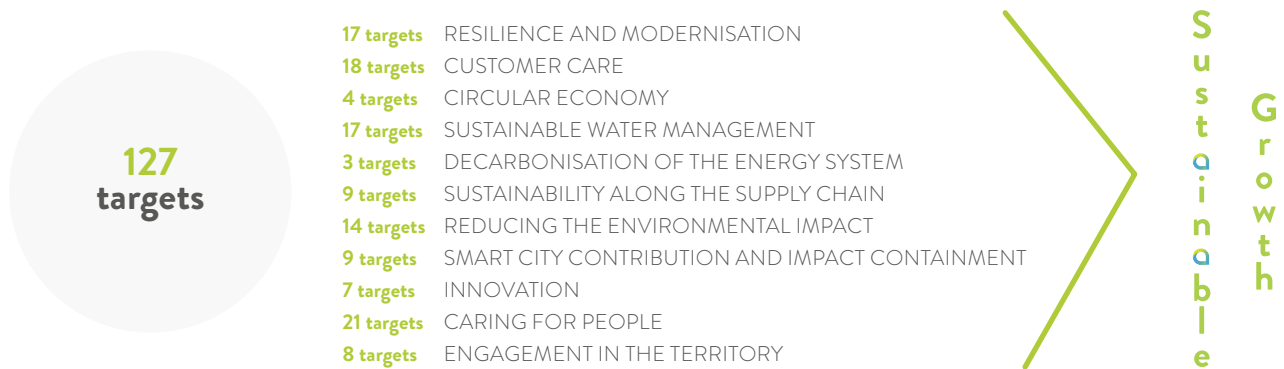


Chart no. 12 – The sustainability strategy guidelines

The **Management and Sustainability Systems Policy**⁵¹ 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**.



⁵¹ 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.



GOVERNANCE LEVEL THE 8 OBJECTIVES

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 2022



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

OPERATIONAL OBJECTIVES	TARGET FOR 2024 - FUNCTIONS/OWNER COMPANIES OF THE PROCESS	KEY PERFORMANCE INDICATORS	2022 ACTIONS
SCOPE OF ACTION 1: IMPROVING COMMUNICATION WITH CUSTOMERS			
Developing web presence and digital channels in compliance with the Group's communication and positioning needs	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 (digital and corporate media)	Acknowledgements in sector analyses/rankings during the year: Yes/No= Yes Annual target reached	Acea received the Fortune Italia Best in Communication 2022 for the effectiveness and quality of its communications about the Group's projects and values to the media and on its website. During the year, the website content was updated in line with the Consolidated Financial Statements and Sustainability Reports produced in 2021, and new editorial content about the main company projects was added, emphasising the focus on promoting human capital, the commitment to improving the efficiency of the services it provides, and local and community initiatives. Meanwhile, the website design was updated, new Homepage navigation features were added and the Stories and Events sections were redesigned. Moreover, three dynamic contact forms were added and the Acea Innovation mini website went live.
	Creation of a website for Areti with effective, useful information intended for users of electricity distribution (intermediate target to 2021). ACEA SpA – COMMUNICATION (digital and corporate media)	Site realisation: Yes/No= Yes Target for 2021 achieved	Target for 2021 achieved in 2021 with the creation of the website.
	Consolidation of presence on social channels with increased brand awareness through effective and engaging communication. ACEA SpA – COMMUNICATION (digital and corporate media)	No. of social media followers in the reporting year > no. of social media followers in the reporting year -1= 93,789>77,001 Annual target reached	During the year specific content was posted on each social media channel, highlighting Acea's commitment to the local region, to sustainability, to innovation and to people. Ad hoc editorial plans and marketing influencer projects increased the visibility of events and sponsorships. In line with the company's strategy and brand proposition, the Areti LinkedIn page and Waidy Wow Instagram channels were developed and managed.
	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= 409,787/1,021,647= 40.1% (average across the two markets: 41.0% ML and 39.5% SMT) Annual target reached	Acea Energia is implementing a multichannel platform model that, thanks to simplified processes, aims to provide a high quality, personalised customer experience. The new MyAcea Energia app was developed with a new chat function, the member's area of the MyAcea Energia website was redesigned and the Acea Con Te loyalty programme was updated, improving the engagement mechanisms and increasing the functions of the Business Portal.
	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 (communication planning & portfolio management)	Implementation of a communication campaign: Yes/No= Yes Annual target reached	The My Acea app ad campaign ran in April and May 2022 on digital and radio channels, and was repeated in June and July on the radio.

SCOPE OF ACTION 2: IMPROVING THE QUALITY OF SERVICES

Improve the sales quality of services	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%. ACEA ENERGIA	NPS courtesy/professionalism indicator = 81.9% NPS perceived service quality indicator = 60.5% (average between the two markets; in detail ML 60% and SMT 64%) Annual target reached	During the year the Company assigned management contracts to several suppliers to minimise inefficiency risks, and began to consistently benchmark KPIs and qualitative/commercial performance. It also extended the service hours and outsourced the Unregulated Market chat service to increase service accessibility and omnichannelity.
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Improve the sales quality of services	<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: 3 days; Acea Ato 5: 4.75 days. Annual target reached</p>	<p>The Digital Service Point service was consolidated in 2022. Acea Ato 2 insourced the service in June, improving service quality and the ability to resolve customer queries in the first instance. As of December 2022 there are 20 Waidy Points across Italy that enable customers to manage their commercial activities by video call, supported by a digital facilitator. Acea Ato 5 adopted technological systems and solutions to improve communication and increase the effectiveness of the digital contact channels by offering new services (digital switching and takeover).</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 = 22,961/21,000, i.e. 109% Annual target reached</p>	<p>Over 22,900 meters were replaced during the year, giving priority to the oldest meters.</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 = 80,607/317,000, equal to 25% (54,431 in 2020, 13,257 in 2021 and 12,919 in 2022)</p>	<p>During the year, around 12,900 meters were replaced; the slower replacement rate was influenced by the rescheduling of a number of projects.</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 reporting year < missed appointments/total appointments year 2019 = 3,102/23,243, or 13.3% > 11.45% in 2019 (increase of 3%)</p>	<p>As of 2022, the computer systems allow the preparation of up-to-date reports that are made available to operators responsible for scheduling appointments, allowing them to classify users by category. Furthermore, as of October Areti manages the appointment diary of external companies directly. Despite this, the percentage of missed appointments rose compared to 2019.</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 ELABORI</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>A Sustainability Report on the new upper section of the Peschiera Aqueduct was prepared in line with the relevant NRRP regulations, and the authorisation process was launched in compliance with Decree Law 77/21. For the Marcio Aqueduct, the document on the application of the Minimum Environmental Criteria has been finalised and the authorisation process in compliance with Decree Law 77/21 is in its final stages. The formal receipt of the Final Assessment of the Services Conference and the Environmental Impact Assessment is pending.</p>
	<p>Increase the Group's operational capacity in the execution of works (from design to construction), implementing the contracts managed by Acea Elabiori 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 ELABORI</p>	<p>Obtaining SOA certification for Acea Elabiori: Yes/No= Yes Annual amount of construction activities managed under EPC Contract = €11.6 M</p>	<p>8 tender procedures for the supply of goods and services were launched; in 2022, 5 projects were launched and 7 are in completion, managed under EPC Contract.</p>
	<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) = 18,800/8,000, equal to an increase of +2.35 times PE</p>	<p>In 2022 work on the Roccasecca Scalo treatment plant was completed; work on the Monte San Giovanni Campano Colli treatment plant is in progress; work on the Fontana Liri and Villa Latina Pontecorvo treatment plants is in various stages of the planning phase.</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 potential in PE/ purification potential in PE in 2019 (target scope) = 170,171/164,175, equal to an increase of 3.7% Decommissioned/centralised treatment plants= 17 (7 in 2020, 6 in 2021, 4 in 2022) PEs affected by the centralisation of treatment plants= 59,370 (15,730 in 2020, 26,540 in 2021 and 17,100 in 2022)</p>	<p>During the year a further four treatment plants were decommissioned: Carchitti, Morosina, Parco della Tiburtina, Santa Palomba.</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).

AdF

Purification capacity in PE/
purification capacity in PE in 2019
% users covered by sewage service/
% users covered by sewage service 2019

In 2022, project design activities continued, leading to the preparation of 5 final projects and 2 executive projects; the works implementation phase at the Montiano plant was launched.

Replacing 40 of the current 361 thermal substations serving the remote-heating network (11%), for greater service efficiency and service reliability.

ACEA PRODUZIONE

No. of thermal substations replaced/total district heating substations= **35/361, i.e. 10% (of which 30 in 2020 and 5 in 2021)**

Activities were postponed to give priority to more urgent projects.

Improving the technical quality of services

Replacement/installation of 18 valves on the district heating distribution network to perform out-of-service interventions, thus reducing the impact on serviced utilities.

ACEA PRODUZIONE

No. of valves replaced or installed/No. valves to be replaced or installed= **12/18 (of which 8 in 2020 and 4 in 2021)**

Activities were postponed to give priority to more urgent projects.

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. 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.

ARETI (Public Lighting)

CRITICAL relevance
HIGH relevance
MEDIUM relevance
LOW relevance

The target and related KPIs are currently being revised to take into account the updated operating methods.



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

OPERATIONAL OBJECTIVES

TARGET FOR 2024 - FUNCTIONS/OWNER COMPANIES OF THE PROCESS

KEY PERFORMANCE INDICATORS

2022 ACTIONS

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

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.

ACEA SpA – HUMAN RESOURCES (Talent acquisition & people development)

No. initiatives activated/initiatives to be activated per year = **4/1**
No. employees involved in the reporting year > no. employees involved in the reporting year 1 = **4,259 > 3,249 in 2021**
Annual target reached

In 2022 the second edition of "Sustainable Action" was published, involving 42 colleagues; the "Company 2030" training programme aimed at raising awareness of the Sustainable Development Goals of the UN 2030 Agenda continued and the "Sustainability and Digital" webinar was delivered as part of the "Being Digital" programme.

Enhancing and boosting Human Capital skills

Raise the level of digitisation through the implementation of at least 1 awareness/ skills orientation campaign 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).

ACEA SpA – HUMAN RESOURCES (Talent acquisition & people development)

No. campaigns launched = **1 survey and 28 courses**
No. of persons involved/ total persons informed = **6,763/6,763**

28 courses were launched/implemented during the year (16 digital, 6 vocational) as part of the Digital Area Training Plan with over 2,000 participants; a communication campaign (on the intranet) was carried out to inform Group employees on the evolution of Acea's Digital Mindset and video recordings of the courses were made available. A new survey was carried out, confirming the overall increase in the Group's digital skills with an average of +13% achieved on across the Digital DNA skill set.

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.

ACEA SpA – HUMAN RESOURCES (Talent acquisition & people development)

No. of initiatives to be launched/ total initiatives launched= **3/2**
No. of people involved in the reporting year > no. of people involved in the reporting year -1 = **863 in the training courses and approx. 400 in the webinars**
Note: Due to the nature of the initiatives implemented, which are aimed at different target groups and use different methodologies, it is not always possible to calculate the second KPI, i.e. progressively increase the population involved.

In 2022 three training courses were launched (new trainers, on-the-job trainers and "expert" trainers) as part of the "Trainer Training" project. Furthermore, as part of the Corporate Family Responsibility 2022 project, a webinar open to the entire company workforce and focused on the topic of generational exchange was launched.

Investing in the development and improvement of the staff assessment and recruitment system	<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 – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>No. of external selection processes activated through dedicated tools/total external selection processes activated = 256/256</p> <p>Annual target reached</p>	<p>Acea increased the number of agreements with undergraduate and masters programmes aimed at recruiting new graduates to the Company, and attended 19 Career Days, meeting more than 3,500 students. A paragraph on Diversity and Inclusion was added to the staff recruitment procedure and a training course was delivered to all recruiters; the selection process involved tools such as challenges, Digital Mindset tests and personality tests linked to the Acea leadership model, video interviews and business case analyses. The “candidate experience” and “Careers” sections of the Group website were updated. Job advertisements were distributed on the Instagram and Tiktok social media channels.</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 – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>No. of resources with sustainability target in MBO/total resources in MBO = composite target: = 578/578, 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. A composite sustainability target was also continued for the second cycle of the 2022-2024 Long-Term Incentives Plan.</p>
SCOPE OF ACTION 2: INVOLVING PEOPLE IN THE GROUP'S IDENTITY			
Boosting the level of engagement of the company population	<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 and internal communications)</p>	<p>% of the company population reached by the information = 100%</p> <p>No. of initiatives carried out during the year/ initiatives to be carried out = at least 6/6</p> <p>Annual target reached</p>	<p>In 2022 3 “Connected with Acea” events were held and 6 associations were hosted as part of the “Acea Solidarity Mondays” programme. An awareness-raising campaign on the Code of Ethics was continued, and other communication campaigns about the Leadership and Performance Management Model were developed. In September the Acea Green Cup was held, involving all Group Companies in a sports event and a Sustainability Contest. Meanwhile, support for company welfare initiatives continued, such as Acea Camp, Orientiamoci, Out of Office, Sostegno Donna, and Previeni con Acea.</p>
	<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 – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>No. of initiatives launched/total initiatives to be launched = 3/2</p> <p>Annual target reached</p>	<p>The “GenerAzione Connessa” School-Work Project was held during the year, involving 15 schools and around 300 fourth-grade students (10 Professional Technical Colleges and 5 Colleges) in Lazio, Tuscany, Umbria and Campania, through 14 Sustainability Ambassadors and 9 Acea STEM women. Acea also took part in Race for the Cure with a team of 100 colleagues and family members to support research and raise awareness about prevention. Finally, Acea participated in the food support project “Solidarity Taxi” throughout the Rome region in collaboration with the Christian Associations of Italian Workers 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 – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>Implementation of internal investigations: Yes/No = Yes</p> <p>No. of initiatives launched/no. of initiatives to be launched = 1/1</p> <p>No. of employees who responded to surveys and/or joined initiatives/no. of employees involved = 250</p> <p>people involved in writing the Manifesto</p> <p>Annual target reached</p>	<p>A Diversity&Inclusion survey entitled “La Diversità secondo noi” was conducted, involving the entire company workforce. The results of the survey fed into the development of a number of initiatives, such as the definition of the Equality Manifesto - “Diversity and Inclusion in the Acea Group”, developed with contributions from more than 250 people, produced in both paper format and as a video, and shared with the entire corporate population and on the Group's YouTube channel.</p>

SCOPE OF ACTION 3: ORGANISATIONAL INCLUSION AND WELL-BEING

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 – HUMAN RESOURCES (Workplace safety)</p>	<p>Designing the training course: Yes/No= Yes No. trained employees/total employees (Acea SpA target perimeter)= 100/703, i.e. 14% Target for 2024 achieved</p>	<p>Target for 2024 achieved in 2021; however, in 2022 other training initiatives were carried out, with 4,040 hours of training devoted to the “I-Care Professional – Mirroring” project, which involved 295 people.</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 – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>No. information actions with periodic follow-up (surveys) and/or prevention campaigns carried out/No. information actions and/or prevention campaigns to be carried out = 6/2 No. of participating employees /total company population= 2,390(*)/6,763 (*) the figure may include employees who took part in several initiatives Annual target reached</p>	<p>In 2022 a number of programmes were held: “Preveni con Acea” (4 days of endocrinological, dermatological and breast screening); “Wellness” (a platform promoting discounted entry at a network of sports facilities, live streaming courses, nutritional courses); “Out of Office” (a street-gym event to promote the adoption of healthy physical routines); and “Bike sharing” with 20 e-bikes for work-related travel. A support channel was also established for female employees: “Sostegno donna”. Finally, a survey was conducted to identify the emerging needs in the fields of prevention and well-being, and to collect feedback on the initiatives implemented.</p>
	<p>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.</p> <p>ACEA SpA – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>No. of information campaigns carried out/No. of information campaigns to be carried out = 2/2 No. of employees participating in welfare services/company population = 392(*)/6,763 (*) the figure may include employees who took part in several initiatives</p>	<p>During the year two information campaigns were carried out, aimed at promoting the importance of supplementary healthcare within the Group's welfare plan and to raise awareness about the health insurance services: remote medical and pharmacy services, health check-ups, and orthodontic treatment.</p>
	<p>Improving work-life balance for parents and caregivers by promoting 3 initiatives per year to support employees with children and elderly parents.</p> <p>ACEA SpA – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>No. of initiatives launched/total initiatives to be launched = 3/3 Annual target reached</p>	<p>A free care giver service was established, aimed at providing personalised consultancy services and guidance to support the management of educational and/or social and care needs; furthermore, a careers guidance service (“Orientamoci”) was set up for employees' children, as well as the Acea Camp summer camp for younger children.</p>
Enhancing diversity and promoting inclusion	<p>Inform 100% of employees about 2 initiatives/year aimed at raising awareness of diversity and inclusion issues.</p> <p>ACEA SpA – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>No. of informed employees/no. of employees to be informed= 6,763/6,763 No. of initiatives launched/total initiatives to be launched = 6/2 Annual target reached</p>	<p>In 2022 the Equality Diversity and Inclusion policy was defined, the Group Equality, Diversity and Inclusion Committee was established, the Equality, Diversity and Inclusion Manager was appointed and certification UNI/PdR 125:2022 on gender equality was obtained.</p>
	<p>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.</p> <p>ACEA SpA – HUMAN RESOURCES (Talent acquisition & people development)</p>	<p>Training action planning: Yes/No= Yes No. of employees involved in the training project/no. of employees to be involved= 33/33 Target for 2024 achieved</p>	<p>During the year a training course on D&I in the employee recruitment process was delivered to all Group recruiters, focusing on aspects such as how to value each resource without unconscious bias. In particular, the course explored issues surrounding the assessment tools used, the interview process, job adverts and recruitment channels.</p>
	<p>Ensure supervision of the process of integration and reintegration of sensitive resources with congenital and acquired disabilities in the company.</p> <p>Acea SpA – HUMAN RESOURCES (Workplace safety)</p>	<p>Cases handled by the disability unit: Yes/No= Yes Annual target reached</p>	<p>Once the most critical phase of the Covid-19 pandemic was over, partial return to work for employees with disabilities was authorised to enable participation in health and safety training projects. The training course “La Gestione delle Emergenze – Conoscenze e Consapevolezza” (Emergency Management – Knowledge and Awareness) was delivered to around 600 employees, addressing the topic of “Emergency and Disabilities” and illustrating the most efficient evacuation assistance measures for the various “categories” of disabilities (motor, sensory, cognitive), including temporary disabilities.</p>



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

OPERATIONAL OBJECTIVES	TARGET FOR 2024 - FUNCTIONS/OWNER COMPANIES OF THE PROCESS	KEY PERFORMANCE INDICATORS	2022 ACTIONS
SCOPE OF ACTION 1: REDUCING THE ENVIRONMENTAL IMPACT			
	<p>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 CO₂/kWh (-55% compared to 89 g CO₂/kWh in 2019).</p> <p>ACEA PRODUZIONE</p>	<p>MW installed/MW to be installed= 101/747 (*) gCO₂/kWh produced (and percentage reduction compared to 2019)= 100.9 gCO₂/kWh (+ 13%)</p> <p>Increase in the coefficient due to the significant reduction in hydroelectric production as a result of historically low water contributions (contributions 23% lower than the historical average) (*) the figure includes the capacity of the investee company not consolidated on a line-by-line basis.</p>	<p>The installed photovoltaic power and production capacity of Acea Produzione and its indirectly and directly associated companies is 101 MW; the energy produced by the plants, which amounted to 111,939, enabled a saving of 40,298 tonnes of CO₂.</p>
	<p>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 Sm³ compared to pre-construction consumption (equal to 118,500 Sm³/y).</p> <p>ACEA SpA (Energy Manager)</p>	<p>MWh pre-construction – MWh post-construction= 7,435 - 6,503 = 932 MWh saved (*)</p> <p>Sm³ pre-construction – Sm³ post-construction= 118,500 - 103,985 = 14,515 (*)</p> <p>(*) estimated figures</p>	<p>A photovoltaic plant is currently being designed for the company headquarters, and restructuring works to improve the efficiency of Floor 9, Building C and install window films on part of the building are being developed. A project to replace the UPS at the Data Center is being developed.</p>
Planning and implementing actions aimed at fighting climate change (mitigation and adaptation)	<p>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 CO₂ emissions and saving around 1,589 TOE over the course of the Plan.</p> <p>ARETI</p> <p>Note: the 2021 target has been revised in light of the reduction in electricity consumption in both 2020 and 2021 following the pandemic</p>	<p>MWh saved/MWh net distributed= 744/9,408,392 (for a total of 3,641 MWh saved of which 1,770 in 2020 and 1,127 in 2021)</p> <p>t of CO₂ not emitted= 1,311 (637 in 2020, 406 in 2021 and 268 in 2022) (*)</p> <p>TOE saved= 681 (331 in 2020, 211 in 2021 and 139 in 2022) (*)</p> <p>(*) calculation made with the 2019 location-based conversion factor, the same one used to define the target</p>	<p>The main energy efficiency measures carried out in 2022 concerned: the installation of around 170 transformers with very low losses, the reclassification of 85 substations and the abolition of 4.6 km of reduced section cable.</p>
	<p>Reduction by around 200 tonnes of CO₂ emissions through vehicle fleet renewal with the introduction of electric cars.</p> <p>ARETI</p>	<p>t of CO₂ not emitted= 55.9 (5.2 in 2020, 26.6 in 2021 and 24.1 in 2022) (*)</p> <p>(*) value net of energy consumed, calculated with the 2019 location-based conversion factor, the same one used to define the target</p>	<p>Around a dozen electric Kangoo vehicles were deployed as research laboratories to detect faults on public and private lighting systems.</p>
	<p>Increasing the resilience of the electrical system through maintenance/network development projects with a consequent reduction of the intervention risk index (IRI) by 40% and the involvement of approximately 2,600 secondary substations by 2022.</p> <p>ARETI</p>	<p>No. of substations involved in the interventions= 2,219 (635 in 2020, 1,099 in 2021 and 237 in 2022)</p> <p>Change in the annual percentage of the IRI (post-intervention value/pre-intervention value)= - 17%, i.e. - 63% accumulated with the value from 2020-2021 (*)</p> <p>(*) ratio between the change in the IRI associated with the projects concluded in 2020-2021-2022 included in the Resilience Plan (presented to ARERA in June 2021) and the pre-intervention IRI on the network involved</p>	<p>Works were completed to improve grid resilience on 33 lines for the critical factor "Flooding" and the same number for the critical factor "Heatwaves".</p>

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

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.	MWh/year from renewable sources of biogas = 36,315 MWh Conversion of Aprilia Plant: Yes/No= No	In 2022 the ordinary management of the Oriveto, Monterotondo Marittimo, Aprilia and Deco plants continued. Progress on the authorisation procedure for biomethane production at the Aprilia plant is pending.
ACEA AMBIENTE and DECO		
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.	% of progress of Peschiera Aqueduct construction work= 0% % of progress of Marcio Aqueduct design/authorisation phase= 60%	The project integration for the works on the Peschiera Aqueduct was completed, in line with Decree Law 77/2021 on the NRRP Governance, and the other authorisation procedures have begun; for the Marcio Aqueduct, the Technical and Economic Feasibility Study drawn up according to the same standards was completed. With regard to the Marcio Aqueduct, the tender procedures for an Integrated Contract were started.
ACEA ATO 2		
Designing and constructing 11 strategic works in order to increase the water supply safety and the resilience of the aqueduct system serving OTA 2 Central Lazio and the surrounding OTAs.	No. of works initiated: 1	The planning reports for 9 works were developed during the year. For 4 of these, funded under the NRRP, a Technical and Economic Feasibility Study was developed and the procedures and tenders for an Integrated Contract are underway. Works are also in progress for the restoration and renovation of the Monte Mario Water Centre.
ACEA ATO 2		
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.	km verified sewerage system/ km total managed sewerage system= 876/2,646, equal to approximately 33% (of which 34 in 2022, 571 in 2021 and 271 in 2020)	The Water Parasite study on the Roma Sud plant was completed, including studies on water from channel ditching, white and grey water, and seepage water from surface water tables.
ACEA ATO 2		
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%.	No. of municipalities covered by the water supply plan= 5 % of inhabitants served covered by the water supply plan/ inhabitants served 2019= 87,577/386,123, equal to 22.7% Water delivered in the municipalities included within the scope of the Plan (Mm ³)/ demand identified through forecasting models (Mm ³)= 11,721/13,394 (87.5%) (maximum difference between the volume actually delivered and the volume forecast by model = 12.5%)	In 2022, the Supply Plan was refined and rolled out to three municipalities according to a structured plan, which includes a monthly supply model per municipal area, classified by user categories; a rainfall and source data monitoring dashboard; a remote user data dashboard to monitor for consumption curves; and a model for forecasting flow rates.
AdF		
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 MSm ³ of biomethane.	% of progress of upgrading works in Rome North and Rome East= 70% Sm ³ of biomethane fed into the network	The authorisation process for the construction of the Biogas Upgrading plants for the Roma Nord and Roma Est treatment plants was completed in 2022 with the granting of the authorisations by Roma Capitale. While neither project received grants as the maximum limit had already been met, the projects were both included in the final ranking of Proposals accepted for funding under the NRRP.
ACEA ATO 2		
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).	% of target achieved= 55%, equal to around 6.57 GWh (1.86 in 2020, 2.61 in 2021 and 2.10 in 2022) GWh certified EEC/GWh total greater efficiency	During the year, energy efficiency works were carried out (including the replacement of the control dashboards at the La Storta and Santa Palomba water centres and the optimisation of the control automation system of the blowers in the oxidation section of the Cerquette treatment plant). The documentation for the approval of EECs is being processed by the GSE.
ACEA ATO 2		
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.	kWh saved estimated from efficiency improvement/consumption 2019= 1,678,933/77,707,000, equal to 2.2% (410,600 in 2020, 456,663 in 2021 and 811,670 in 2022)	In 2022, works were conducted to improve the efficiency at 17 water sites (wells, aqueduct connections, lifting systems) and at the Ceccano treatment plant.
ACEA ATO 5		

Planning and implementing actions aimed at fighting climate change (mitigation and adaptation)	<p>Increasing customer awareness of the sustainability of electricity consumption through specific initiatives aimed at promoting and increasing the purchase of “green” energy.</p> <p>ACEA ENERGIA</p>	<p>Awareness-raising activities: Yes/No= Yes MWh of green energy sold to customers on the free market (reporting year) > MWh of green energy sold to customers on the free market (previous year) = 2,536,000 > 2,196,000 (*) (*) the 2022 figure is estimated; the 2021 figure was rectified following consolidation</p> <p>Annual target reached</p>	<p>As of 2021, Acea Energia has offered new domestic and SME customers on the unregulated market the 100% ECO tariff, which provides for the supply of electricity certified with a “guarantee of origin” and gas with emissions that are offset by purchasing VER (Verified Emission Reduction) certified carbon credits. The Company also promotes the installation of high energy efficiency products (boilers, air conditioning units) and e-mobility services for recharging electric vehicles at domestic customers' homes through awareness-raising campaigns on digital channels and social media.</p>
	<p>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.</p> <p>ECOGENA</p>	<p>MW installed TOE saved</p>	<p>Offers were made to prospective customers for the construction of cogeneration or trigeneration plants. In particular, Ecogena was included in the final selection phase for the award of a contract for the construction of a 3.3 MW plant. A 2 MW trigeneration plant is under construction. Scouting activities continued.</p>
	<p>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.</p> <p>ACEA ENERGY and ACEA ENERGY MANAGEMENT</p>	<p>MWh (domestic consumption) supplied with green energy = 350,000 (*) t CO₂ avoided = 126,000 (**) (*) estimated figures; (**) the calculation was made with the 2019 location-based conversion factor, the same one used to define the target</p>	<p>Despite the rising costs of electricity and GOs, in 2022 most Group Companies continued to procure green energy for consumption in 2022, for a total of about 350 GWh (equivalent to about 126,000 tonnes of CO₂ avoided).</p>
	<p>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/m³; Luco 1.28 kWh/m³).</p> <p>AdF</p>	<p>(Consumption of kWh/m³ in reporting year/ consumption of kWh/m³ pre-construction at the Saltatoi plant) -1= 1.18/1.92 kWh/m³ for a reduction of 39%. (Consumption of kWh/m³ in reporting year /consumption of kWh/m³ pre-construction at Luco plant) - 1 (from 2023)</p>	<p>For the “Luco” pump, an application for access to the energy savings certification mechanism (Energy Efficiency Certificates-EECs) was submitted to the GSE in 2022 and subsequently accepted. In addition, works to improve energy efficiency were started. For the “Saltatoi” plant, the first post-intervention report on energy savings achieved through the improvement of the EnPI indicator [kWh/m³] was submitted to the GSE, with the issue of EECs still pending.</p>
Promoting an efficient use of resources, thus facilitating circular economy	<p>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.</p> <p>GORI</p>	<p>% of progress of network design = 100% % of progress of aquifer hydrogeological analysis, measurements and physical modelling = 50% No. of flow gauges installed/no. of flow gauges to be installed = 5/5</p>	<p>Collaboration continued during the year 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.</p>
	<p>Reducing lost volumes of water by 27% compared to 2019 (2019 figure: 308.5 Mm³ in lost volume) including through the installation of 2,500 pressure and flow gauges for remote monitoring of the water districts.</p> <p>ACEA ATO 2</p>	<p>% reduction in lost volume of water compared to the 2019 value = 17%, reaching 255.4 Mm³ of lost volume (*) No. of pressure meters and installed capacity = 1,450 (354 in 2020, 641 in 2021 and 455 in 2022) (*) estimated data; the 2022 data are consistent with the calculation methods indicated by the Authority and do not include the municipalities of Civitavecchia and Percile, in order to maintain the reporting boundary used in 2019 and to allow verification of the achievement of the improvement targets.</p>	<p>In 2022, 1,373 km of water network was divided into districts and an additional 455 meters were installed.</p>
	<p>Reducing lost volumes of water by 29.5% compared to 2019 (2019 figure: 92.8 Mm³ in lost volume).</p> <p>ACEA ATO 5</p>	<p>% reduction in lost volume of water compared to the 2019 value = 24%, reaching 70.7 Mm³ of lost volume (*) (*) estimated figures</p>	<p>As at 31/12/2022, 9 Municipalities have been divided into districts and works to improve the efficiency of the water network are underway in another 4 (Cassino, Frosinone, Ferentino and Sora).</p>

Promoting an efficient use of resources, thus facilitating circular economy	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 value = 20.1%, reaching 21.9 Mm³ of lost volume (*) (*) estimated figures	In the year, interventions were carried out on over 429 km of network for the creation of new remotely controlled water districts, 19,728 meters were installed, and 2,531 km of network was expected.
	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 = 1%, reaching 9.97 Mm³ of lost volume (*) (*) estimated figures	In 2022, an analysis of the most inefficient municipalities was carried out in order to prioritise interventions; production meters and utility meters were installed at sources and certain districts were restructured. The implementation of strategic TLC systems to reduce losses has been launched, while reclamation works, pipeline replacement and the installation of automated systems are underway to avoid wasting water resources.
	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 = 22%, reaching 78.6 Mm³ lost volume km of pipeline replaced/km of pipeline to be replaced = 67.4/148 (49 in 2020, 14 in 2021 and 4.4 in 2022)	4.4 km of the network were replaced, 483 others were districted and 1,528 km were surveyed through leak detection activities.
	Constructing plants for electricity/thermal energy production (1 cogeneration from biogas, 2 photovoltaic, 1 mini-hydroelectric) at Integrated Water Service sites to cover internal consumption for around 2,700 MWh _e of electricity and 2,500 MWh _t of thermal energy produced per year, equal to around 1,550 tCO ₂ avoided in total per year. AdF	Plant Construction: Yes/No= No kWh _e electricity produced and consumed on site kWh _t thermal energy produced and consumed on site tCO ₂ avoided	The executive design of the photovoltaic and mini-hydro plants was started and the construction phases of the anaerobic digesters were for the construction of the biogas cogeneration plant were launched.
	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 reused wastewater= 1.8	The Risk Management Plan for the reuse of water for irrigation purposes from the Fregene treatment plant is currently being drafted; for the project, a funding application has been made for funding from the CIS - Acqua Bene Comune Call by the Consortium that will use the reused water.
	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 Recovered material/incoming material	The process for the Environmental Impact Assessment of the plant was completed during the year and the executive design was launched; the project is currently on schedule.
	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	authorised overall t capacity in reporting year/overall t capacity expected by 2024= 2,562,865/2,900,000, equal to 88% t of treated waste/overall t of treated waste (2019 figure)= 189,717/286,772, equal to 66% (*) (*) figure from scope of consolidation	In 2022, the Group consolidated its position in the waste sector with the acquisitions of the "Grasciano Hub" and the companies Serplast, Tecnoservizi, and Italmacero. The management of the acquired plants continued and two Acque Industriali plants were closed.
	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 RSMs recovered/t waste input= 182,615/246,236 equal to 74% (*) (*) figure from scope of consolidation	The management of the plants continued. In 2022 the Companies Serplast, Tecnoservizi and Italmacero were acquired.

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

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

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

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

GESESA

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

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

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

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

ARETI

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

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

No. of utilities registered on MyAcea/total active utilities of Acea Ato 2 = **362,918/754,569, equal to 48.1%**
No. of active web bills = **385,353**
t paper saved per year = **78.3**

In 2022 the new version of MyAcea Acqua, the MyAcea customer area, was launched on the website and app, offering a clearer and simplified user experience. Works to integrate the new CRM system Salesforce also began.

No. of active web bills = **53,869, increase of 279%**
t paper saved per year = **6.5**
Target for 2024 achieved

In 2022 a campaign to strengthen customer master data was completed, with the aim of collecting digital contact details and facilitating the activation of the interactive billing service.

No. of users with web billing/no. of users with active web billing in 2019 = **87,631/28,192, equal to 211% more**
No. of users with active web billing = **87,631**
t paper saved per year = **10.9**

Two communications campaigns were organised: one integrated and constant campaign on the main contact points (print media, social media, advertising, online newspapers and interactive online banners) and a "Loyalty Bonus" campaign, a one-off incentive of €5 for customers who activate and maintain web & banking membership for one year). The project to restructure business processes using the Salesforce system is also underway, including the simultaneous and immediate activation of online billing.

No. of active web bills = **9,344, around 16% of users**
t paper saved per year = **1.5**

As well as communication campaigns, Gesesa invested in digitalising and revising its processes, and added the option for users to sign up to online billing.

No. of active web bills = **221,408**
t paper saved per year = **30.6**
Target for 2024 achieved

In 2022 the Online Billing service was promoted on the main physical and digital customer contact points.

No. of active supplies with web bill option = **489,146 (322,054 ML and 167,092 SMT)/400,000**
t paper saved per year = **80.7**
Target for 2024 achieved

In 2022 services to promote to improve the customer experience while also protecting the environment, such as online billing. Sustainability is at the heart of Acea Energia's strategy, and was driven through ad hoc communication campaigns and the engagement activities planned as part of the Acea Con Te loyalty programme, with the new Green Lovers section and the increase of sustainability bonuses.

% of contracts digitised = **46.7%**
t paper saved per year = **11.6**

During the year, works were completed to digitalise processes aimed at improving the customer experience, resulting in a steady increase in the percentage of digital contracts.

No. of pylons removed/no. of pylons to be removed = **119/200 (22 in 2020, 48 in 2021 and 49 in 2022)**

Another 49 pylons were demolished, including 9 along the Flaminia - Smistamento Est line and 35 on the Laurentina - Castel Romano (1 and 2) line.

No. of illegal discharges eliminated/ no. of illegal discharges to be eliminated = **8/78**
Inhabitants covered by the sewerage and treatment service/ inhabitants in the target scope

Another outlet in the municipality of Nocera Inferiore, which flowed directly into the Cavaiaola stream, was closed during the year, bringing 30,000 inhabitants into area served by the treatment system.

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

In 2022 revamping works on the Serrone La Mola plant were completed and works on the Anagni Ponte Piano plant are underway.

Taking initiatives to protect the territory and limit impacts on the natural environment	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).	$\frac{(SST_{in} - SST_{out})}{SST_{in}} \times 100 = 89\%, +4\% \text{ compared to 2019}$ Target for 2024 achieved	Targeted interventions to improve treatment efficiency were conducted.
	GORI		
	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.	Plant construction: Yes/No= No t of ash recovered/t of ash produced	The plant authorisation process was completed during the year and an overall technical assessment of the project is being carried out.
	ACEA AMBIENTE		
	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.	% of reduction= 10.2	Different types of plants are being designed/constructed: dryers (work in progress on the Roma Sud and Cobis plants); ozonolysis (activities also started at one treatment plant and planned at three others); dewatered sludge plant at Roma Nord and Roma Est, yet to be built.
Enhancing certified environmental and energy management systems	ACEA ATO 2		
	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).	Design status (0-100%)= 5% Construction status (0-100%) % reduction	The design phase of the dryer is ongoing, with topographical and geological surveys carried out in 2022. However, the authorisation process at the competent bodies is temporarily suspended.
	ACEA ATO 5		
	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.	Plant construction: Yes/No= Yes % of reduction= 45.4 Target for 2024 achieved	Monitoring activities and other works aimed at ensuring that the thermochemical hydrolysis plant continues to operate at full capacity were carried out in the year.
	AdF		
Enhancing certified environmental and energy management systems	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.	Reduction % of non-dehydrated sludge= -7%	Sludge dewatering processes were conducted using the belt press at the San Biase treatment plant in the municipality of Telese Terme, with the centrifuge at the Cagni treatment plant in the municipality of Forchia, and with the filter press installed at the Portelle treatment plant in the municipality of Castelpoto.
	GESESA		
	Obtaining and maintaining ISO 14001 certification for companies with an environmental impact in the scope of the NFS.	ISO 14001 Certified companies/Companies in scope= 15/16 (*)	Of the 16 main operating companies that represent the majority of the Group's impact, 15 are ISO 14001 certified; of the 8 most energy-intensive companies, 7 are ISO 50001 certified. Acque Industriali is no longer considered relevant to the energy certification following certain plant closures.
	Obtaining and maintaining ISO 50001 certification for energy-intensive companies (>10,000 TOE equivalent) in the scope of the NFS.	ISO 50001 Certified companies/Energy-intensive companies in scope= 7/7 (**)	
	ACEA SpA - RISK & COMPLIANCE (Integrated certification systems)	(*) the denominator does not include the companies in the photovoltaic sector that are not yet operational (Ecogena and Acea Innovation), as these are not relevant to the certification. (**) Acque Industriali is no longer considered an energy-intensive business and is excluded from the denominator.	

SCOPE OF ACTION 2: ENCOURAGING SUSTAINABILITY ALONG THE SUPPLY CHAIN

Implementing sustainability logics in procurement procedures	<p>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.</p> <p>ACEA ATO 2; ACEA ATO 5; ARETI</p>	<p>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: 19.49; Areti: 26.87; Acea Ato 5: 33.55</p>	<p>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.</p>
	<p>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.</p> <p>ACEA SpA - PROCUREMENT AND LOGISTICS</p>	<p>No. of suppliers with QESER self-assessment/total suppliers qualified by qualification systems related to the Single Regulations for Goods and Services and Works = 288/288</p> <p>Annual target reached</p>	<p>100% of suppliers registered with qualification systems pertaining to the Single Goods, Services and Works Regulations filled out a QASER self-assessment questionnaire in 2022.</p>
	<p>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.</p> <p>ACEA SpA - PROCUREMENT AND LOGISTICS</p>	<p>No. of technical specifications approved with sustainability criteria/no. of technical specifications approved= 170/170</p> <p>Annual target reached</p>	<p>During the year, 170 technical specifications were validated for materials regarding the supplies of the Group companies and sustainability criteria were introduced in all of them (recycling, reuse, correct WEEE disposal, reparability).</p>
	<p>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).</p> <p>ACEA SpA - PROCUREMENT AND LOGISTICS</p>	<p>Vendor Rating model implementation: Yes/No= Yes</p> <p>No. of suppliers assessed by vendor rating/no. of suppliers in target scope= 900/1,000</p> <p>No. of suppliers involved in the Ecovadis project/no. of suppliers assessed by vendor rating= 339/900</p>	<p>The Ecovadis rating was introduced as a rewarding criterion in tenders awarded on the basis of the most economically attractive offer.</p>
	<p>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.</p> <p>ACEA SpA - PROCUREMENT AND LOGISTICS</p>	<p>No. of calls for tenders and contracts with rewarding criteria of sustainability/no. of calls for tenders awarded with the most competitive bid = 110/112, equal to 98%</p> <p>Annual target reached</p>	<p>Out of the total OEPV tenders launched in 2022, 110 were launched with the introduction of rewarding criteria on Sustainability (Quality, Environment, Safety and Energy) and the Ecovadis rating.</p>

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

Promoting activities with positive impact on the collectivity and on the territories where the company works	<p>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.</p> <p>ACEA SpA - COMMUNICATION (Historical Archives, Event Management)</p>	<p>Acea Museum Construction: Yes/No= Yes</p> <p>No. of events held= at least 5/5</p> <p>No. of industrial sites/plants developed = 3</p> <p>Annual target reached</p>	<p>Print media and digital campaigns were carried out and a partnership agreement was established with the "Roma Capitale Centrale Montemartini" museum organisation to promote the Acea Immersive Museum (Museo Immersivo Acea - MIA). In the first six months of the year the MIA received over 36,500 visits from Italy, USA, South Korea, France, Germany, Switzerland and the United Kingdom. Key events included the Innovation Day and the official opening of the Totem (multimedia display panels) to explore the world of water. Three visits to the hydroelectric plants operated by Acea Produzione were organised, involving a total of 130 visitors.</p>
	<p>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 CO₂ emissions.</p> <p>AdF</p>	<p>No. Water kiosks installed= 21 (of which 14 installed in 2022)</p> <p>Litres of water dispensed in the year= 1,023,302</p> <p>t of plastic saved= 20</p> <p>t of CO₂ not emitted = 59</p>	<p>During the year, 14 water kiosks were installed (of which 10 are always in service), for a total of 21 water kiosks across the managed area.</p>

SCOPE OF ACTION 4: CONSOLIDATING RELATIONS WITH THE TERRITORY

	<p>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).</p> <p>ACEA SpA - SPONSORSHIP AND VALUE LIBERALITY</p>	<p>No. of initiatives supported and/or managed = at least 43/10 Annual target reached</p>	<p>In 2022 several initiatives were carried out, including the Six Nations Rugby Tournament and ASD Pink Basket in Terni; with regard to social interventions, the Group supported the construction of the new oncology centre at Policlinico Umberto I. The Group's projects aimed at young people included Acea Camp, the Volley Scuola tournament and an initiative aimed at preventing and overcoming youth hardship; in the cultural sphere, the Group supported the Rome Film Festival, the 52nd Giffoni Film Festival and the Water festival.</p>
Contributing to create awareness on social and environmental matters	<p>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).</p> <p>ACEA SpA - COMMUNICATION (Event Management)</p>	<p>No. of students and other users involved per year/no. of students and other users to be involved = around 750 NOTE The educational project previewed in November 2022 will be made available to all online users for two weeks in 2023.</p>	<p>The 2022 "Acea Scuola - ProteggiAmo l'ambiente" project is an opportunity to promote the best practices, projects and technologies adopted by the Acea Group to help protect the environment and to raise awareness of the issue among young people. The initiative is sponsored by the Department of School, Work and Professional Training of Roma Capitale. The educational project previewed in November 2022 will be made available to all online users for two weeks in 2023.</p>
	<p>Creating at least 1 campaign per year or awareness initiatives addressing saving water, energy and environmental protection targeting the collectivity.</p> <p>ACEA SpA - COMMUNICATION (Communication Planning & Portfolio Management) and Group companies</p>	<p>No. of campaigns or initiatives carried out during the year = 2 Annual target reached</p>	<p>Acea organised an institutional campaign on the Ecological Transition, aired on print and digital platforms from April 2022, as well a water-saving campaign on print and digital media and billboards in Rome and the surrounding province from June to September 2022.</p>
	<p>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.</p> <p>ACEA SpA - SECRETARY OF THE BOARD OF DIRECTORS Stakeholder Engagement in collaboration with the main operating companies</p>	<p>Group stakeholder mapping status (0/100%) = 100 Method and tool definition (0/100%) = 100 No. of stakeholder engagement initiatives carried out during the year = 13 Target for 2024 achieved</p>	<p>As part of the Group's stakeholder engagement initiatives, in 2022 five meetings with experts were held and eight workshops were organised to develop theoretical and practical skills on stakeholder identification, mapping and weighting, and project planning and implementation. The special section of the intranet was updated, a specific risk metric within the ERM framework was defined, support for stakeholder engagement initiatives at Group Departments/Units and Companies continued, leading to a growing level of participation and interest, and a Report on the Group's stakeholder engagement performance was drafted.</p>
Contributing to create awareness on social and environmental matters	<p>Implementation of the project dedicated to the creation of a "Water Museum".</p> <p>ACEA SpA - COMMUNICATION (Historical Archive)</p>	<p>"Water Museum" Construction: Yes/No = Yes Target for 2024 achieved Note: the target adopted before the pandemic to open a physical museum was redesigned and led to the creation of a virtual museum accessible through the installation of display panels in the Rieti area to offer access to a virtual Acea Museum, including a special feature about water.</p>	<p>In Rieti, ten interactive display panels were opened, providing access to the "Acea Immersive Museum" (MIA). This digital portal is dedicated to the over 110 years of Acea Group history where visitors can take 3D virtual tours to follow the routes of the water, from springs to aqueducts, to the tap in homes. The display panels enable users to connect to an extensive multimedia museum where they can explore the world of water in an interactive and innovative way. The initiative is part of the "Tourist trails to discover Italy's waters" project.</p>
	<p>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.</p> <p>ACEA SpA - SPONSORSHIP AND VALUE LIBERALITY in partnership with Areti and other Group Companies</p>	<p>No. of initiatives carried out during the year = at least 11/3</p>	<p>In 2022 several monuments or institutions were illuminated to raise public awareness about specific events or anniversaries, such as World Multiple Sclerosis and Fibromyalgia Days, as well as to show solidarity with the Ukrainian people or to mark the Sustainable Development Festival organised by ASviS.</p>



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

OPERATIONAL OBJECTIVES	TARGET FOR 2024 - FUNCTIONS/OWNER COMPANIES OF THE PROCESS	KEY PERFORMANCE INDICATORS	2022 ACTIONS
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 – HUMAN RESOURCES (Workplace safety)	SI, FI in reporting year (*) ≤ reporting year -1= SI: 0.23 - FI: 5.22 ≥ SI: 0.20; FI: 5.09 (*) estimated figures	In 2022, in order to pursue the continuous improvement of accident prevention in Group companies, an accident committee was set up to analyse causes and plan corrective actions; a collaboration agreement was signed with INAIL for the analysis of accidents and near misses, and working tables were held with companies in the utilities sector, sharing best practices. In addition, new indicators were introduced in the H&S dashboard, the Regulations for the Prevention of Covid-19 Infection were updated and the Health Emergency Management Advisory Committees were held with the participation of trade union organisations.
	Carrying out at least one health and safety awareness campaign each year involving 100% of Group employees (NFS scope of operating companies). ACEA SpA – HUMAN RESOURCES (Workplace safety) in collaboration with COMMUNICATION (Media relations and internal communications)	No. of employees involved/no. of employees to be involved= 6,763/6,763	To mark the 2022 World Day for Safety and Health at Work, an article was distributed to employees dedicated to the project "STEP - Training programme to develop a culture of safety and facilitate the evolution from Managers and Officers to Safety Leaders", which involved occupational safety officers from Group companies, representatives from Acea's senior management and experts in the field. During the year, information on the practices to be adopted to prevent the spread of Covid-19 was distributed to all employees, based on changes to the epidemiological and regulatory situation.
Promoting a culture of health and safety at workplace	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 - RISK & COMPLIANCE (Integrated certification systems)	Certified companies/companies in scope= 17/18 (*) Obtaining Biosafety Trust Certification: Yes/No= Yes (*) the denominator excludes the 16 companies in the photovoltaic sector and Acea Innovation, not relevant for the purposes of the certification system	17 operating companies have a ISO 45001:2018 certified system, while Acea SpA, Acea Energia, Areti, and Acea Elabiori also hold the Biotrust Safety 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 – HUMAN RESOURCES (Workplace safety)	Employees trained in risks from biological agents/total employees (Acea SpA target scope)= 100% 2024 Target achieved 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

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 practices). ACEA ATO 5	No. of checks carried out/no. of checks to be carried out = 352/24 Engagement initiatives: Yes/No= Yes Annual target reached	Health and safety audits were conducted on contractors in 2022. Six contractors took part in an awareness-raising event on the issue of Safety organised by the Parent Company, while another ten contractors met with members of the Prevention and Protection Service team.
	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 ELABORI	No. of security audits/security audits 2019= 14,724/12,481 (+18%)	In 2022, Acea Elabiori carried out 14,724 safety audits with an increase of 18% compared to the same period of 2019.

Creating awareness among contractors on health and safety at workplace	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 – HUMAN RESOURCES (Workplace safety)	Engagement Plan definition: Yes/No= Yes No. of initiatives launched/no. of initiatives to be launched = 2/5 No. of reports received / no. of contractors involved = 225/411 (55%)	In 2022 tools were developed to facilitate the six-monthly reporting and analysis of accidents occurring to contractor personnel. Furthermore, around 250 contractors were invited to an awareness-raising event at La Fornace conference centre, of which 30 attended in person and the rest via live streaming. During the event, contractors were invited to join Acea on a journey towards the evolution of the Culture of Safety to reduce accidents.
	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 ELABORI	Average contracts inspected/ average contracts that could be inspected = 94/154, equal to 61%	During the year, 94 of 154 contracts were inspected, with an increase of 16 percent compared to the 2019 figures.
SCOPE OF ACTION 3: 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	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 the aqueduct systems with WSP/ total population served by Acea Ato 2 (year 2019)= 3,422,387/3,791,167 = 90.3% The indicator refers to the WSPs implemented and presented to the Ministry of Health for the supply sources (collection and supply) of the water source only. Note: the users affected by the supply system correspond to the users affected by the distribution system.	In 2022 the WSPs for the Doganella aqueduct systems and for the supply and distribution systems of the municipalities of Guidonia Montecelio, Albano Laziale, Marcellina and Manziana were submitted to the Ministry of Health. Work is underway to prepare the Sanitation Safety Plan (SSP) for the Cobis treatment plant.
	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 springs with WSP/population served	The Anagni Tufano spring was selected as the site for the drafting of the pilot WSP and the analysis of available document was started.
	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	WSZs with WSP model/total WSZs= 39 Population served by the aqueduct systems with WSP/ total population served by AdF (year 2019)= 48,403/393,153, equal to 12.3%	The risk analysis model on the supply points was set up (identification of the assessment indices and measurement systems) and the implementation of the WSPs on the water systems fed by the Fiora spring – Central Branch, South Branch and Arbure spring – was completed in 2022. In addition, the implementation of the WSPs was systematised through the creation of a specific management application, structured on a dedicated database and consultation interface on the Grafana platform.
	Drawing up risk prevention/mitigation Plans according to the guidelines of the Water Safety Plan for 100% of sources/population served. GORI	Population served by springs with WSP/total population served	Preliminary activities are ongoing for the implementation of the WSP for the “Sarnese” system of Sources, including the preparation of an operating instruction manual for risk management.
	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 springs with WSP/total population served	In 2022 specific training of additional employees aimed at obtaining safety plan team leader certification was launched, while data collection to identify specific risks and related hazards is ongoing.
	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 ELABORI	% reduction (response time for the year under review/response time in 2019) = 24% (10.18 days/13.41 days) No. techniques/survey systems introduced = 2	The dashboard for monitoring and identifying critical activities and defining corrective actions is operational; a prototype for the construction of an automated robot to analyse TSS in wastewater is under construction. In collaboration with the Istituto Superiore di Sanità, an NTA (No Target Analysis) method to analyse microplastics has been developed and tested on actual samples.



MACRO-OBJECTIVE NO. 5 INVESTING IN INNOVATION FOR SUSTAINABILITY

OPERATIONAL OBJECTIVES	TARGET FOR 2024 - FUNCTIONS/OWNER COMPANIES OF THE PROCESS	KEY PERFORMANCE INDICATORS	2022 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 – HUMAN RESOURCES (Talent acquisition & people development)	% of employees working remotely in the reporting year > % of employees working remotely in the reporting year - 1 = 67% 2022 Note: the 2021 data reflected the situation caused by the pandemic and is not comparable with the 2022 data. The 2022 data refers to companies subject to centralised management by Acea S.p.A. No. of surveys launched = 1/1	The use of remote working was structured and a relative trade union agreement was signed. In 2022 a survey was launched to monitor remote working trends and the related effects.
	Launching at least two co-working spaces per year. ACEA SpA – HUMAN RESOURCES (Talent acquisition & people development in collaboration with Facility Management)	No. of co-working spaces opened/no. of co-working spaces to be opened = 3/2 Annual target reached	In 2022 Acea took part in Smart Alliance - New ways of working and training, promoted by the “Sistema Scuola-Impresa” developed by the ELIS Centre. Under the project, co-working spaces are made available at the offices of Enel X and ELIS, while additional co-working spaces were established at Acea’s headquarters and the Talent Garden.
SCOPE OF ACTION 2: TECHNOLOGICAL AND PROCESS INNOVATION			
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 ARETI (Public Lighting)	No. of poles equipped with intelligent equipment	In 2022, the design and development of the solution and the prototypes reached an advanced stage and the equipment production phase was launched.
	Optimising maintenance on IP infrastructure through the gradual application of Advanced Analytics systems, until 50% of interventions are covered by 2024. ARETI (Public Lighting)	No. of maintenance interventions carried out with the application of Advanced Analytics/ total interventions = 55/170, equal to 32%	A dashboard was created which generates a criticality ranking for the entire public lighting system, based on data including pre-checks, network failures, stress, size, geographical criticality and estimated plant age. The ranking was used to identify priority areas of intervention.
	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 = 4/150	During the year, collaborations with over 150 municipal authorities were launched in order to respond to the NRRP call for tenders, and a composting plant was installed at the Italian ESA office.
	Contributing to making urban sites more sustainable through the offer of services intended to reduce environmental impact: - insulation systems for thermal insulation (thermal cladding) and other energy efficiency services (100 apartment complexes); - residential photovoltaic and solar thermal systems (around 1,000 systems). ACEA INNOVATION	No. of apartment buildings involved in interventions / no. apartment buildings planned = 226/100 (of which 21 in 2021 and 205 in 2022) No. of photovoltaic and solar plants installed / no. of plants to be installed 204/1,000 (of which 21 in 2021 and 183 in 2022)	In 2022 there were 205 interventions to construct more sustainable buildings and around 180 residential photovoltaic systems 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	No. of charging stations installed / no. of charging stations to be installed 423/2,200 (of which 200 in 2021 and 223 in 2022) No. of Acea Energia customers who used the platform in the year = 2,813	During the year, 223 e-vehicle charging stations were installed, of which 213 are for public use and 10 for private use. Over 2,813 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.
	Providing visibility to collaborations with start-ups through the organisation of events/initiatives in synergy with universities, institutions, etc. ACEA SpA – COMMUNICATION (Event Management)	No. of events/initiatives held = 5 Annual target reached	In 2022, the launch event of the “Acea: Together for the ecological transition” project was held, aimed at holding working tables on sustainability in collaboration with universities and research centres. The Terni and Naples stages of the Acea Innovation Tour were held, concluding with the final stage in Rome. Acea renewed its presence at the Ecomondo event and, for the ninth consecutive year, supported “Maker Faire in Rome - the European Edition”, presenting innovative and green solutions.

Promoting the resilience of the urban territory and innovation from a smart city perspective	<p>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.</p> <p>ACEA SpA – Technology & Solutions (Innovation)</p>	<p>No. of innovative ideas/ proposals analysed= 1,500 Trials started (PoC)= 14 Projects industrialised= 2 Annual target reached</p>	<p>Various pilot projects were launched, including: AI for Contact Centres, Smart Image Data Extraction, Drone Autonomo (MIDA), E-Sim, MeGA - Metrics for Grid Automation, Piattaforma OASI. Furthermore, 10 partnerships were established within the innovation ecosystem, such as those with Innovation Antenna San Francisco, Zero Accelerator, Open Italy, Mind The Bridge SEP, Casa delle Tecnologie Emergenti, Osservatorio Startup Intelligence, and Green Hydrogen Tech Accelerator.</p>
	<p>Installation of 400,000 smart meters.</p> <p>ACEA ATO 2</p>	<p>No. of smart meters installed/ no. of smart meters to be installed= 33,822/400,000 (8%) (25,063 in 2020, 2,795 in 2021 and 5,964 in 2022) Note: the figures from the previous two-year period have been adjusted following verification</p>	<p>Acea Ato 2 continued with the installation of some 6,000 "Add-On" NB-IoT devices such as "Proteus", designed in collaboration with Areti.</p>
	<p>Installation of 188,000 smart meters by 2024 which allow for remote readings, covering 80% of AdF users (equal to 231,690 in 2019).</p> <p>AdF</p>	<p>No. of smart meters installed/no. of smart meters to be installed= 134,265/188,000 (82,626 in 2020, 5,168 in 2021 and 46,455 in 2022), 71% No. of users with smart meter/ no. of users of AdF (in 2019) = 134,634/231,690, equal to 58%</p>	<p>The replacement plan had to be redesigned due to the shortage in supply of electronic components for the first half of the year caused by the macroeconomic context. From July onwards installation resumed at a faster pace, and works were completed in the municipalities of Follonica, Orbetello and Castelnovo Berardenga.</p>
	<p>Replacing around 1,300,000 electronic meters with second generation (2G) devices, following a customer communications campaign about the electronic meter replacement plan.</p> <p>ARETI</p>	<p>No. of 2G meters installed/no. of 2G meters to be installed= 648,745/1,300,000 (59,275 in 2020, 316,176 in 2021 and 273,294 in 2022), 49% Customers reached by the campaign ≥ customers whose meters were replaced = 651,849 ≥ 642,206</p>	<p>The major replacement plan to replace 1G meters with 2G meters continued during the year, and specific information was sent to the affected customers.</p>
Implementing remote control systems and remote interventions	<p>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).</p> <p>ARETI</p>	<p>No. of PSs with broadband connection/70 PSs= 30/70, equal to 43% (14 in 2020, 10 in 2021 and 6 in 2022) No. of PSs with broadband connection/250 PSs= 249/250, equal to 99.6% (7 in 2020, 91 in 2021 and 151 in 2022)</p>	<p>Works were conducted to connect primary substations, secondary aggregation substations and secondary access substations to the fibre optic network.</p>
	<p>Remote control of 100% of public lighting systems (intermediate target for 2022).</p> <p>ARETI (Public Lighting)</p>	<p>No. of remote-controlled public lighting control panels/total public lighting control panels= 4,037/4,428, equal to 91% (1,145 in 2020, 885 in 2021 and 300 in 2022)</p>	<p>An additional 300 remote-control panels were activated for a total of 2,330 panels connected via TLC.</p>
	<p>Extending the current remote control system with the aim of reaching a total of 460 plants remotely (2019 figure: 278 plants connected via TLC).</p> <p>ACEA ATO 5</p>	<p>No. of plants controlled remotely/no. of plants to be controlled remotely = 395/460, equal to 86% (9 installed in 2021 and 64 in 2022)</p>	<p>Another 64 remote control systems were installed in 2022.</p>
	<p>Remotely controlling at least 72% and 15% of MV and LV lines respectively of all MV/LV secondary transformer substations (medium and low voltage side).</p> <p>ARETI</p>	<p>No. of remote-controlled MV/ LV transformation SSs on medium voltage side/total MV/ LV transformation SSs in 2019= 8,507/13,238, equal to 64% No. of remote-controlled MV/ LV transformation SSs on low voltage side/total MV/LV transformation SSs in 2019= 384/13,238, equal to 3%</p>	<p>As at 31/12/2022, remote control systems were activated on secondary transformer substations, equating to 64% on medium voltage systems and 3% on low voltage systems.</p>

Implementing remote control systems and remote interventions	<p>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).</p> <p>GESESA</p>	<p>No. of purification plants > 2000 PE remotely controlled/ no. of purification plants > 2000 PE total = 13/13</p> <p>No. of remotely controlled sewerage lifting plants/no. of total sewerage lifting plants = 6/13</p> <p>No. of remotely controlled aqueduct plants/no. of total aqueduct plants = 19/29</p>	<p>Alarms were installed on all sewage treatment plants with a capacity of more than 2,000 PE and remote control systems were installed on water plants.</p>
Applying new technologies in leak detection and other operations	<p>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.</p> <p>ACEA ELABORI</p>	<p>No. of studies introduced= 5</p> <p>Annual target reached</p>	<p>In 2022, four analytical studies were conducted to identify the compounds nonylphenol, 17-beta oestradiol, bisphenol A, Aloacetic acid. The list of PFAS (perfluoroalkyl substances) was extended, in line with the New Drinking Water Directive.</p>
Applying new technologies in leak detection and other operations	<p>Implementing modelling methods, developing platforms and testing highly innovative techniques to support management and decision-making processes.</p> <p>ACEA ELABORI</p>	<p>No. of methods implemented= 1</p> <p>No. of techniques implemented= 1</p> <p>No. of platforms created= 2</p> <p>Annual target reached</p>	<p>The network of specific chemical sensors was expanded to another Acea Ato 2 plant (Roma Nord treatment plant, in addition to those at Roma Est and Roma Sud); the SIFT-MS technology for the rapid measurement of volatile substances was successfully validated and is now able to collect emission and odour impact data; the algorithms for calculating odour reduction gains were validated and the expansion of Smart Odour functions is underway; the PICO platform was updated to promote shared knowledge (with more than 100 publications and conventions on the platform).</p>
Applying new technologies in leak detection and other operations	<p>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.</p> <p>GORI</p>	<p>No. of sensors installed/ no. of sensors to be installed: 316/300</p> <p>(95 in 2020 and 221 in 2021)</p> <p>Target for 2024 achieved</p>	<p>Target for 2024 achieved in 2021 with the installation of peripherals with NB-IoT and LoRa transmission systems on the water and sewerage networks.</p>
SCOPE OF ACTION 3: CREATING AND PROMOTING KNOWLEDGE			
Developing research projects in partnership with other relevant departments	<p>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.</p> <p>ACEA ELABORI</p>	<p>No. of projects funded with Acea participation= (13 projects presented)</p> <p>No. of scientific partnerships established= 20</p> <p>No. of scientific publications or presentations at major conferences= 21</p> <p>Annual target reached</p>	<p>Various projects were presented to the European Horizon, LIFE, FISA and ICLEI calls, for the NRRP and to the Lazio Region. Partnership agreements were signed with academic and business partners. Abstracts for scientific papers were drafted, webinars were held and presentations at various scientific conferences were given.</p>
	<p>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.</p> <p>ACEA SpA – Technology & Solutions (Innovation)</p>	<p>No. of people involved= over 500</p> <p>No. of initiatives carried out/ no. initiatives to be carried out= 32/4</p> <p>Annual target reached</p>	<p>The initiatives conducted in 2022 include: the final event of the Innovation Garage project, the Innovation Day Tour, the InnovAction community, the Innovation Gym, Women's Open Call (3W: Women, Welfare & Worklife balance), and the Digital Innovation Antenna in San Francisco.</p>

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. Three Committees are established within the Board with proposal and consultation responsibilities: the **Control and Risks Committee**, the **Appointments and Remuneration Committee** and the **Ethics and Sustainability Committee**.

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	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 having consulted with the independent auditor and Board of Statutory Auditors, in assessing the correct use of accounting standards adopted in order to draw up the consolidated non-financial statement as per Legislative Decree 254/2016. For the matters within its remit, monitors the adequacy and effective implementation of the Code of Ethics .
	10 MEETINGS IN 2022	
APPOINTMENTS AND REMUNERATION	At least 3 Non-Executive Directors with an independent majority, from whom the Chairman is chosen.	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 .
	11 MEETINGS IN 2022	
ETHICS AND SUSTAINABILITY	At least 3 Non-Executive Directors with an independent majority, from whom the Chairman is chosen.	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 . Supervises the main sustainability issues related to business activities and interactions with stakeholders. 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.
	8 MEETINGS IN 2022	

During the year, the Departments, Functions and Business Units tasked with oversight of relevant topics such as Communication, Administration, Finance and Control, Investor Relations & Sustainability, Procurement and Logistics, Human Resources, Occupational Health and Safety, etc. were **convened as normal by**

the Board Committees of reference. Furthermore, the measures adopted to develop and improve understanding on issues of **sustainability** within the Group's governance bodies include a number of **specific induction initiatives**, such as the detailed study conducted by Directors in June 2022 on the EU Regulation 2020/852 on the

Taxonomy of Environmentally Sustainable Economic Activities and on the Corporate Sustainability Reporting Directive.

The company is managed by the **Board of Directors**, which can have from 5 to 9 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 law⁵².

The Board in office, appointed in May 2020, is composed of 9 directors, 4 of whom are women.

As at 31 December 2022, and considering the date of first appointment of the BoD, Directors have an average term of office of approximately 3.8 years.

The Board of Directors met fifteen times during the year.

The Chief Executive Officer is the only **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 Group's website (www.gruppo.acea.it), provides information about the Directors of Acea SpA: CVs, gender, **qualification of independence, Directors' interests and related party transactions**, presence in meetings of the Board and the Committees they are members of and any positions in other Companies. The Report also describes the appointment and replacement process for members of the Board of Directors as regulated by the Articles of Association.

Table no. 10 – Structure of the Board of Directors and Committees of Acea SpA (as at 31.12.2022)

	Role in the BoD	Appointments and Remuneration Committee	Control and Risks Committee	Ethics and Sustainability Committee	Executive director	Independent director
Michaela Castelli (*)	Chairperson					
Fabrizio Palermo (**)	CEO				X	
Liliana Godino	Director	Member	Chairperson			X
Gabriella Chiellino	Director	Member		Chairperson		X
Massimiliano Capece Minutolo Del Sasso	Director	Chairperson	Member	Member		X
Alessandro Caltagirone	Director					X
Massimiliano Pellegrini (***)	Director	Member				
Giacomo Larocca	Director		Member	Member		X
Francesca Menabuoni (****)	Director		Member	Member		

(*) On 14 February 2023, Director and Chairperson of the Board of Directors Michaela Castelli resigned from her position as Director and Chairperson of the Board of Directors, and on 17 February 2023 Barbara Marinali was appointed as Director and Chairperson of the Board of Directors.

(**) Director and CEO Giuseppe Gola and the Board of Directors of Acea reached an agreement for the consensual termination of the existing relationship on 26 September 2022. On the same date, Fabrizio Palermo was appointed Director and CEO.

(***) Director Giovanni Giani tendered his resignation as Director on 27 June 2022 due to other professional commitments. Director Massimiliano Pellegrini was appointed to replace Giovanni Giani at the board meeting of 18 July 2022.

(****) The Director Diane Galbe, following the new appointment, submitted her resignation to the Acea BoD on 25 February 2022. Director Francesca Menabuoni was appointed to replace Diane Galbe by the Acea Ordinary Shareholders' Meeting of 27 April 2022.

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 (SCIGR), 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.

⁵² 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 31/12/2022, 5 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 ordinary business 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. His/her terms of reference are based on long-term plans and annual budgets approved by the Board of Directors. Moreover, he/she ensures and monitors compliance with operating guidelines, implementing organisational and procedural changes to the Parent Company's activities consistent with the guidelines issued by the Board of Directors.

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 2022 AND ACEA POSITIONING

The **Integrated Governance Index (IGI)** is a consolidated analysis which assesses companies' evolution against **sustainability governance developments**. The questionnaire underlying the index, now in its seventh edition in 2022, 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. In 2022, the extraordinary area focused on the **extended ESG identity**, also considering the supply chain.

The topics examined by the ordinary area range from the Corporate Governance Code to remuneration linked to ESG aspects, from the purpose to ESG digital governance.

Acea, now in its sixth year of participation, **achieved a score of 60.45** (scale of 0-100), coming 16th out of a total of 86 respondents and recording an improvement compared to the previous year (score of 59.23 and 21st place out of 80 respondents). In particular, Acea significantly outperformed other listed companies in areas such as **Board and Sustainability Committees, Human Resources and the integration of ESG issues into strategies**. Areas where Acea performed less well this year were **Succession Plans** and the **integration of ESG into remuneration policies**.

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 right⁵³.

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.

Within the Parent Company there are also several temporary or permanent **Internal Committees** involving representatives from the management team, which handle significant aspects of corporate management, such as the Coronavirus Prevention Committee that was set up at the onset of the pandemic and, in 2022, the Equality, Diversity & Inclusion 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.

Finally, please note that the remuneration of board members remained unchanged from the resolution of 5 June 2014;

For more details see the *Report on the remuneration policy and on the fees paid – 2022* 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).

⁵³ 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 corporate 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 defined by the Board of Directors;
- encourage **the taking of conscious decisions** that are consistent with the company's objectives, within the context of a widespread 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.

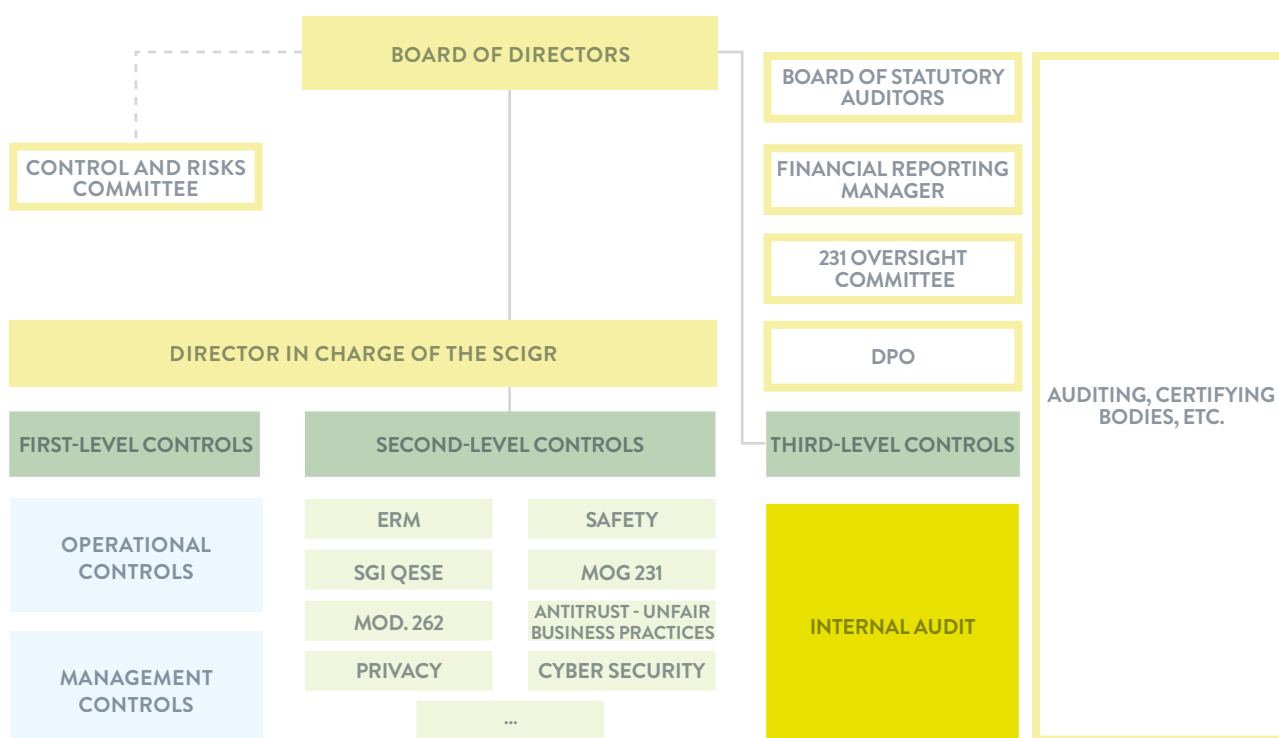
The **Internal Control and Risk Management System Guidelines** promote the sound management of the Group in line with the corporate objectives through a process of identification, measurement, management and monitoring of the main risks and the activation of information flows to ensure sharing and coordination 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 for the actors of the SCIGR, **so that the main risks** pertaining to the Acea Group, including those regarding **sustainability in the medium-long term**, are **correctly identified** and adequately **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 **cross-cutting process** with **widespread responsibilities among all the parties of the company**: the Board of Directors and the Board Committees, the Director in charge of the SCIGR (who is also the Chief Executive Officer), the Board of Statutory Auditors, all the managers and employees, the Manager in charge, the second level Supervisors, the Oversight Committee, Data Protection Officer, the Internal Audit Function and the Risk & Compliance 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 key players 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 & Compliance Departments – of the identification of the main corporate risks, subjecting them periodically to the BoD
	Board of Statutory Auditors: monitors the legislative and procedural conformity and the correctness of the administration
	Company staff: acts with different responsibilities, from management to workers, in maintaining an efficient process of identifying managing risks, operating with respect to the procedures and performing activities of control on the line
	Financial Reporting Officer: is responsible for establishing and maintaining the Internal Control System regarding Financial Statements
	Risk & Compliance – ERM: defines the risk assessment and prioritisation methodology and coordinates the management of the periodic <i>Risk Assessment process</i>
	Oversight Committee: has powers of initiative and action regarding the operation of the 231 Model
	Data Protection Officer: in charge of overseeing company organisation compliance with Reg. EU 679/2016 through guidance, control and monitoring activities
	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

Dedicated corporate structures in the Holding Company oversee specific models for **monitoring risks**, including risks relating to the potential commission of crimes.

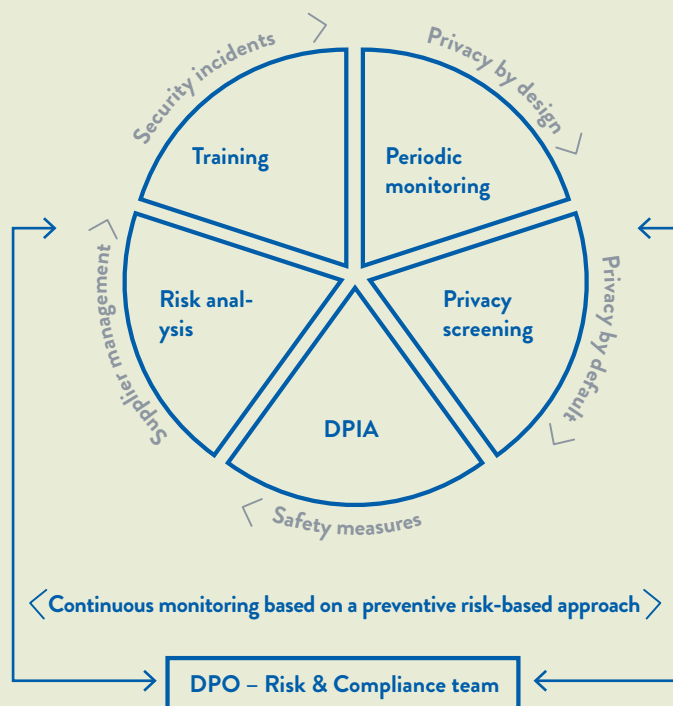
The internal control structures **constantly monitor and adapt** their operating models in order to oversee the relevant risks in the best manner possible.

Table no. 11 – 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	compliance with EU Regulation 2016/679 (GDPR) and other national and European provisions on the protection of personal data
Antitrust Compliance Programme	compliance with antitrust and consumer regulations and development of a corporate culture to ensure the protection of competition and consumers
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

THE ACEA “PRIVACY GOVERNANCE MODEL”

Acea has adopted a **Group Privacy Governance Model**, compliant with the indications of Regulation (EU) 2016/679 on data protection (GDPR), which constitutes the **organisational** and **control framework** in which the roles and responsibilities and the implementing methods of the basic principles of the Privacy regulation are identified, with a **preventive risk-based** approach supported by **continuous monitoring** and periodic reviews.



This Model - which is also adopted by the Subsidiary Companies - is reviewed annually on the basis of the performance in previous years and is amended to strengthen its effectiveness (**Control Framework**).

Acea oversees the **various areas** with an **impact on privacy**, gradually leading to the adoption of policies on remote working, data security management and compliance.

In 2022, the **risk analysis** of all data processing included in the Parent Company's records was completed, aimed at ensuring the constant and prompt update of the associated risks. Processing considered to be potentially high risk, according to the specific situation, is subject to specific analyses such as the **DPIA** (*Data Protection Impact Assessment*), **LIA** (*Legitimate Interest Assessment*) and **TIA** (*Transfer Impact Assessment*). For outsourced activities, specific contractual tools were adopted to govern personal data processing and continuous monitoring of *procurement* activities is ensured.

During the year, the provisions issued by the Italian Data Protection Authority, such as those concerning Google analytics, were implemented, and other initiatives were launched:

- an **internal awareness campaign**, with the promotion on the company intranet of “training pills” on key data protection concepts;
- the development, in collaboration with the physical and cyber security departments of the Parent Company, of a **second-level governance and monitoring tool (PSRC tool)**, consisting of a library of 62 risk-adapted control measures/domains, aimed at overseeing privacy security and data protection risks;
- a **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.

ANTITRUST COMPLIANCE PROGRAMME

Antitrust law and consumer protection regulations represent key compliance areas and are a major focal point for the Acea Group, which has implemented a project to revise and update the existing **Antitrust Compliance Programme**, with the aim of defining and formalising a structured and high-profile Antitrust Compliance Governance Model. Building on its experience and the insights offered by the enforcement practice of the Italian Antitrust Authority, the Group is able to strengthen the internal control system in this area and to refine compliance strategies, in accordance with the

guidelines provided by case law and by the Italian and EU antitrust authorities. In 2022, Acea's Board of Directors approved the “**Antitrust Compliance and Consumer Protection Guidelines**”, which aim to provide subsidiaries with a common framework that outlines the guidelines for the implementation of their own Antitrust Compliance Model, each according to its own specific characteristics. The Subsidiary Companies appoint an Antitrust Officer who is responsible for the implementation of the Model.

CYBER RISK, INFORMATION ASSETS AND ICT SYSTEMS

The development of digital technologies for the management of infrastructure and essential services requires the parallel development of measures to combat **cyber security threats**.

According to scenario data, the number of cyber attacks in the energy sector **in the first half of 2022** was **42% higher than the total number of attacks in 2021**; during the same period, the costs incurred by companies due to cyber damage tripled, and this figure is expected to double again by 2025. At the same time, the European Union intervened on the evolution of the sector's regulations,

while in Italy the Italian Cyber Security Regulatory Authority (ACN - Agenzia per la Cybersecurity Nazionale) became fully operational. **Cyber security** and the **development of skills** in all Information Security domains (technology, legal, risk management, incident management, training, etc.) are therefore becoming highly **strategic areas**.

In 2022, the holding company's **Cyber Security Unit** continued to develop capacities and optimise its technological innovation, processes and organisation, and plays a key role in the security of the

Group's operating companies. In particular, a new strategy, objectives, technologies and processes were defined in the areas of IT, OT and IoT, applying a **holistic and unified approach** to the increasingly challenging issue of **security**. During the year, the second phase of the **cyber risk analysis programme** was conducted, increasing the number of assets in the scope of the analysis and attempting to develop an integrated risk overview in the relevant areas. The **Vulnerability Management Programme**, aimed at researching and mitigating vulnerabilities was consolidated, extending the scope of the analysis and developing the supporting technologies, while the **Security by Design** process, which focuses on **defining IT security requirements** and is fundamental to developing business-oriented technology projects, was also strengthened.

Thanks to the development of **Cyber Threat Intelligence**, the volume of **managed information** deriving from within and outside the Company was significantly **expanded**, laying the foundations for the comprehensive and integrated monitoring of the cyber climate. In addition, the creation of a catalogue of **security services**, delivered as a continuous service or on demand, has improved the efficiency and cost effectiveness of the cyber risk management service, also consolidating cyber security as a competitive advantage for the business. Other measures implemented to improve the Group's cyber resilience, particularly in the **Cyber Legal** area, include a **regulatory monitoring** service aimed at identifying cyber security legislative

initiatives that directly impact the context in which Acea operates, and, in this regard, proactively identifying the necessary compliance measures.

To develop **institutional accreditations**, meetings were held with the main institutions aimed at consolidating Acea's position as a strategic partner in the field of cyber security and as an active participant in the definition and revision of directives and implementing decrees on the subject, establishing the company as a major player both in the protection of critical infrastructures and in the security of the Energy and Water sectors.

Real-Time Security Monitoring and **Incident Management** capabilities were increased tenfold, partly in response to the **current geopolitical scenario** which **strongly impacted the cyberspace in 2022**. For example, in January 2022 there was a marked increase in cyber attacks from Eastern Europe, **peaking in February** when attacks rose from 2 million per month to over 9 million per month. Finally, the **awareness and training campaign** aimed at the entire company workforce to develop knowledge and individual skills on cyber security continued. Acea also continued to take part in the **ECHO programme**, the European network of Cybersecurity centres and competence Hub for innovation and Operations, to establish a Europe-wide network of cybersecurity centres, and in the **H2020 ATENA** project on the security and resilience of digital infrastructures.

PROTECTION OF PHYSICAL AND DIGITAL ASSETS AND MANAGEMENT OF INTERNAL RISKS

The **Security Unit** is part of the Human Resources Department and is responsible for defining the **guidelines** and policies on the safeguarding and protection of the **company's physical assets**, as well as associated actions aimed at **preventing fraudulent conduct** and ensuring compliance with current security regulations. It also oversees the design, installation and maintenance of the Security Systems for the company sites of subsidiary companies and coordinates **the implementation of plans for the continuity of operations and the management of emergencies**.

The Security Unit manages the security and **reception facilities and personnel** and controls the **Security Operating Room (SOS)**, the

video surveillance, anti-intrusion and alarm systems; lastly, in collaboration with the relevant structures and companies of the Group it coordinates the proper performance of the **activities required by judicial authorities, security institutions and the police**.

In 2022, the IT equipment in the **Security Operations Room** was replaced; as part of the project, **PAM systems** using **AI-based** password protection and software encryption technology were developed and installed to mitigate the risks and possible effects of hacker attacks. The Group continued to monitor and manage the risk associated with the Covid-19 pandemic at its sites.

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 response to changes in the organisation or activities carried out, or following the introduction of new cases in the catalogue of predicate offences of the aforementioned Legislative Decree. In 2022, regulatory updates to Legislative Decree no. 231/2001 concerned the entry into force of Law no. 9/2022 containing "Provisions on crimes against cultural heritage", which introduced "Crimes against cultural heritage" (Art. 25-septiesdecies) and "Laundering of cultural assets; destruction and looting of cultural assets and landscape" (art. 25-duodecies) as new offences. For Acea, **the adoption of principles** and compliance with the rules set

out in the Company Code of Ethics – an integral part of the 231 Model and the internal control system – are also relevant to prevent the crimes pursuant to Legislative Decree no. 231/2001, as well as representing a key reference for recipients of the Code. The **Oversight Committee (OC)**, which is designated as a key player under the Decree, **has full and autonomous powers** of initiative, action and control **regarding the operation, effectiveness and observance of the specific Models**. Organisational controls are managed by the **Internal Audit Function**, which ensures the verification and monitoring of certain processes instrumental to Legislative Decree no. 231/2001, such as the circumstances in which the **conditions or means** for the commission of several offences could manifest, on behalf of the Oversight Committee of the subsidiaries that have adopted the Model.

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 2022, **around 91% 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 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

In November 2022, the Board of Directors of Acea SpA adopted the new **Code of Ethics**, revising and updating the 2018 version. In addition to reflecting regulatory and organisational developments, the update aimed to make the Code of Ethics more usable and applicable to the various businesses within the Group, and to enable the **wider dissemination of Acea's principles and values** to all Group companies and individuals.

Meanwhile, references were added to the principles and standards associated with the Group's strategic initiatives, particularly those related to **sustainability**, and the following topics were developed:

- the protection of **human rights** in every operational context, including the supply chain;
- explicit reference to **inclusion**, the **involvement of Acea's personnel**, and **organisational well-being**;
- commitment to preserving **ecosystems** and **biodiversity**;
- commitment to defining a **climate change** mitigation and adaptation strategy;
- the importance of dialogue and discussion with **stakeholders**;
- interacting with sustainability-conscious **suppliers**.

Acea has a procedure **which can be activated by both employees and external parties**, for the receipt, analysis and processing of **reports** – so-called **“whistleblowing”** reports – relating to potential violation of the law, the internal rules and the *Code of Ethics*, as well as issues pertaining to the Internal Control System, corporate information, the Company's administrative responsibility (Legislative Decree no. 231/2001), fraud and conflicts of interest, while ensuring the **maximum level of confidentiality and privacy** when processing the reports received in order to **protect the whistleblower and the reported party**. The **“Comunica Whistleblowing”** company IT platform uses an advanced encryption system for communications and its database to guarantee compliance with required regulatory standards (Law no. 179/2017), **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 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 ob-

servance 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 2022, **38 reports were received by the Ethics Officer**, of which 24 related to alleged violations of the Code of Ethics and 14 to other cases (commercial complaints, reports of alleged abusive connections to the water and electricity networks) and were therefore classified as 'not relevant'; 16 of these reports were sent to the Ethics Officer's e-mail address, 12 by regular mail and 10 by the Whistleblowing Platform.

The **24 “relevant” reports** concerned: 4 on customer relations, 7 on health, safety and environment, 6 on procurement and supplier relations, 2 on human resources, 2 on protection of company assets, 1 on transparency and fairness, and 2 on compliance with company regulations. **At the end of the investigations**, 7 reports were assessed as “justified” and, therefore, the relevant corrective actions were taken, 14 reports were assessed as “unjustified”, 2 were filed as “unsubstantiated” and “unverifiable”, and 1 was classified as “suspended”, pursuant to the Whistleblowing procedure, as it concerned a labour dispute with an employee.

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 also **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 can suggest that the Ethics and Sustainability Committee issue or amend any guidelines and operating procedures in order to reduce the risk of violation of the *Code of Ethics* and indicate opportunities to update it. In 2022, the Ethics Officer periodically monitored the uptake of training on the Code of Ethics and Whistleblowing. Furthermore, two live training sessions on the whistleblowing process were held by the Ethics Officer aimed at managers and senior management.

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 in a consistent manner at a Group level, through the **definition of the Risk Model**, has further focused attention on **ESG aspects** and the risk scenarios associated with the **issues that emerged from the Materiality Analysis** (see “Communicating Sustainability: Methodological Note” for more details). During the Risk Assessment, performed at least once a year at Group level, the Risk Owners identify the risk scenarios related to the **Acea material topics**, highlighting the possible impact and typical control activities implemented in order 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**, drawn up downstream of the activities and according to the schedule defined above, provides the Board of Directors and Committees of Acea SpA with an overview of the Group’s overall risk profile and its evolution over time. Furthermore, at the request of the supervisory and/or administrative bodies, the Risk & Compliance 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 processes allow for constant interaction between the ERM Unit of the Parent Company’s Risk & Compliance Function and the *focal points* in the Risk & Compliance Units of the Operating Companies (see Chart no. 16).

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

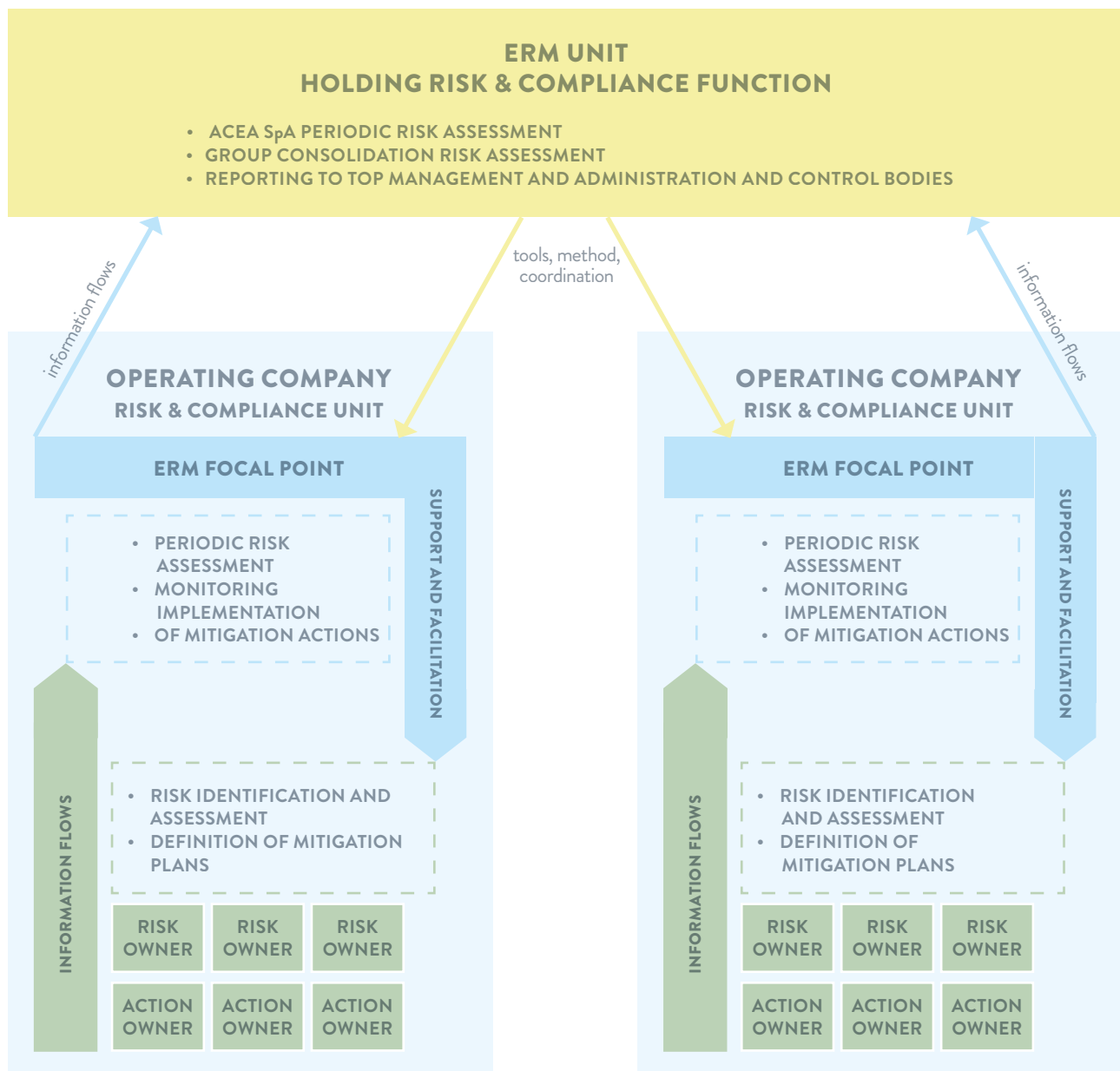


Table no. 12 – Acea material topics, risks and management methods

Highly significant material topic and related risk	Potential impact on Acea	Potential impact on stakeholders	Risk management approach and associated impacts
SUSTAINABLE AND CIRCULAR WATER MANAGEMENT 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 • Business Continuity and Maintenance Plans • Specialist studies and analyses (ISO 17025) • IT security systems
ETHICS AND INTEGRITY IN BUSINESS CONDUCT 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/membership 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) • 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 meet targets to increase renewable energy consumption; 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 • Maintenance 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 • Focus of investments • 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, communities/citizens, new generations, suppliers/production chain, ecosystem innovation and research/business partners/scientific communities/membership bodies</i>	<ul style="list-style-type: none"> • Policies, processes and procedures (ISO 14001 and EMAS) • People and organisation (specific units and training) • Periodic reporting • Audits on customers/suppliers/partners • Consolidation through corporate acquisitions (M&A) • Monitoring and control plans
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, Biosafety Trust, ISO39001) • 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

all stakeholders

- Policies, processes and procedures
- People and organisation (*stakeholder engagement* 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

employees

- 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

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

- Policies, processes and procedures (application of sector *best practice*)
- Monitoring and periodic reporting
- People and organisation (training and skill consolidation)
- Implementation of specific applications
- Maintenance plans

CUSTOMER FOCUS

failure to reach service quality levels; difficulty in meeting customer expectations (*)

economic/financial
reputational

communities/citizens, inhabitants served by the water service, Areti customers, Acea Energia customers

- 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

suppliers/production chain, ecosystem innovation and research/business partners/scientific communities/membership bodies

- Policies, processes and procedures
- Quality monitoring of goods/services received
- Qualified suppliers register
- Specialist *benchmark* studies and analyses

COMPANY WELL-BEING, DIVERSITY AND INCLUSION

increased absenteeism rate; negative company climate; possible lawsuits from employees

reputational

employees

- Policies, processes and procedures
- People and organisation
- 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 *Corporate Governance Code*

reputational

Shareholders and investors, employees, institutions

- Policies, processes and procedures (updating and verification of information systems and the organisation)
- Board committees (Ethics and Sustainability, Control and Risks)
- Certification of data managers and *reporting assurance* 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.

In 2022 a **new materiality analysis cycle** was conducted with the direct involvement of Group managers, aimed at identifying and assessing the main material topics with impacts on the company, its performance and its development. In order to develop greater synergy with the risk assessment sphere, managers were guided by qualified experts to focus on the **main opportunities associated with the identified material topics**. A number of suggestions emerged from the collective discussion, including: **the central role of new technologies and the ability to develop synergies with qualified players in the innovation ecosystem**, not only to improve industrial processes but also to develop innovative services and products for the ecological transition; the importance of **high quality relations with stakeholders**, to be sought through a careful and participatory dialogue, aimed at responding to central needs; and the need to **develop new skills and key areas of expertise for the managed businesses**.

According to the most recent report on global risks, the **Global Risk Report 2023**, published by the World Economic Forum in January 2023, the findings of the 2022-2023 Global Risks Perception Survey again place the **failure to mitigate and adapt to climate**

change at the top of the list of “**top ten global risks**”, which represent the greatest long-term (ten-year) threats, followed by the **risk of natural disasters and extreme weather events**, and **biodiversity loss and ecosystem collapse**.

Acea carefully **monitors this area** and the initiatives undertaken have enabled the Group to maintain a strong position in the CDP (formerly Carbon Disclosure Project) rankings; furthermore, in order to expand on the analysis of the risk factors generated by climate change and their impacts on the businesses managed, the Group has continued its alignment process with the Recommendations defined by the Task Force on Climate-related Financial Disclosures with the **analysis of other potential long-term risks** (for more details see Relations with the Environment, section *Environmental and climate risks: analyses and disclosure*).

The response to the CDP Questionnaire includes an assessment of risks and opportunities associated with the activities over a **short, medium and long-term horizon**, the main results of which are shown in Table no. 13, including the time horizon of the scenario and the most significant implications for the company, in terms of economic-financial, reputational, environmental and customer impact.

Table no. 13 – Risks and opportunities related to climate change: CDP evidence

RISKS			
Risk type	Type details and risk description	Most impacted business areas	Time frame
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
	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
	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
	Market Commercial risks are attributable to the failure to adapt the products/services of the Group companies to the new requirements of customers, who are more aware of the topics of sustainability, or to the increase in poverty, also caused by climate change, which changes the habits of consumers/customers	All businesses and Commercial in particular	medium-long
	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

	<p>Acute</p> <p>Extreme weather events such as 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 overabundance 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.</p>	<p>Electricity grid management</p> <p>Water management</p> <p>Energy production</p>	<p>short-medium-long</p>
	<p>Chronic</p> <p>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.</p> <p>The risk of more frequent lightning strikes can cause interruptions to the distribution of electricity and thus economic damage.</p> <p>Temperature changes can cause variations in the composition of incoming waste (decomposition) in waste-to-energy plants, even changing the technological/operating needs associated with variations in emissions and the necessary processing. Incentives are also linked to the biodegradable quantity of the waste.</p>	<p>Electricity grid management</p> <p>Water management</p> <p>Energy production</p> <p>Environment Segment</p>	<p>short-medium-long</p>
PHYSICAL			
<p>Risks arising from the physical effects of climatic events (acute if related to episodic phenomena, or chronic if related to long-term changes)</p>			
OPPORTUNITIES			
Drivers	Type details and opportunity description	Industrial areas affected	Time frame
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
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.	Production of electricity; technological innovation	medium
Increase in network resilience	Investments to improve the resilience of the electricity grid promoted by ARERA.	Distribution of electricity	medium
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

In June 2022, following a project completed in 2021 aimed at identifying, selecting and analysing the most relevant climate risks for the main Group companies, the **2021 Climate-Related Disclosure of the Acea Group**⁵⁴ was published in accordance with the recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)**, marking the beginning of a journey to improve awareness and financial reporting practices on the most significant aspects of climate change. The climate analysis project continued in 2022, expanding the number of Companies in the water sector involved in

the analysis and increasing the physical and/or transition risks considered. For more details, see the 2022 Acea Project on the TCFD Approach box in the Relations with the Environment chapter.

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*).

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

ANALYSIS OF POTENTIAL ENVIRONMENTAL RISKS

The companies operating in the **water, energy infrastructure and generation and the environment** business areas that have ISO 14001:2015 certified environmental management systems identify the **potential negative environmental impacts** generated by the activities in relation to specific events or operations.

For the **water** sector, the main risks concern: acute or chronic climatic phenomena or seismic events, which could cause structural failure or malfunctions of plants and network systems managed, causing water shortages for users or accidental spillage of pollutants; inefficient operational management of water, which could cause high levels of losses with consequent excessive consumption; water stress; possible breach of water control parameters with environmental consequences; inadequate interventions on the sewage treatment system with possible contamination of the soil and water bodies; risks of fires and explosions in treatment plants related to the production of biogas, with possible impacts in terms of emissions into the atmosphere.

In the context of **energy networks**, the main risks are attributable to the existence of overhead and underground systems with impacts in terms of land use and subsoil, the generation of waste and impacts on ecosystems, the generation of electromagnetic fields with impacts in terms of exposure, the maintenance of transformation plants with potential soil and subsoil contamination with hazardous materials, and the maintenance and construction of plants with impacts in terms of production of special waste.

For the electricity **generation** activities, carried out with renewable and conventional power plants, the potential environmental risks at-

tributable to the ordinary management of the plants or in the event of critical events like fires or explosions may lead to the accidental spillage of pollutants or the exceeding of threshold values in emissions (into the atmosphere, surface water and sewerage). An example of environmental risk derives from the potential dangerousness of structural failure of hydraulic works attributable to critical natural phenomena (such as earthquakes of particular intensity and/or millennial floods), which could affect the territory downstream of the plants (e.g. floods).

The **environment** sector involves the treatment, recovery and disposal of waste, the recovery of materials and energy (waste-to-energy and composting) and the collection, transport, recovery and disposal of non-hazardous waste produced by waste treatment plants. In this context, potential risks for the environment could take the form of spills of hazardous substances and consequent contamination of the soil and aquifers or surface waters, or of emissions into the atmosphere or water above specific prescribed limits, the treatment of waste not compliant with the reference legislation with repercussions on plant operations, unintentional fires that may cause interruptions to plant operations and pollution of the surrounding areas, as well as the failure to make investments or carry out works on the plants, with impact on the company's management due to delays in the issue of authorisations; finally, environmental exposure can be caused by noise, odour and dust produced during extraordinary maintenance of the plants.



MANAGEMENT SYSTEMS

A system of *internal rules* was prepared for the regulation of the organisation, providing both general and specific guidance:

- **Group guidelines:** policies, regulations and management rules with which the Parent Company defines the general guidelines, guiding, coordinating and controlling the Group companies;
- **procedures:** acts governing the way in which a process is implemented, identifying roles and responsibilities.

The **Integrated Certification Systems** Unit within the Risk & Compliance 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 Man-

ager 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.

Acea also appoints an Energy Manager, both at Parent Company and Operating Company level, and a Mobility Manager, to comply with legal requirements and ensure the optimal management of internal energy use and staff mobility. They seek **systemic efficiencies and savings**, creating **positive external effects**, such as lower use of resources and reduction of greenhouse gases, the optimisation of travelling times and routes for employees, also with **positive impacts on road safety and urban traffic**. Through coordination with Energy Managers in the Companies, the Energy Manager has the duty of promoting **energy efficiency**, with actions to reduce consumption and cost control, while optimising the Group's energy costs.

Chart no. 17 – The certified integrated management system



In 2022, **the main operating companies** present in the scope of reporting **adopted certified management systems** (see table 14).

The achievements during the year include the award of **UNI/PdR 125:2022** - Guidelines for gender equality to Acea SpA.

In particular, **of the 18 main operating companies**, which represent the biggest ESG impacts of the Group, **89%** hold a **quality** certification; (the 2 companies that do not yet hold the certification, Acea Produzione and Acea Innovation, began the certification process in 2022, of which the first phase is complete); **89%** hold **envi-**

ronmental certifications (100% of companies in the Environment sector and 80% in the Water sector); **94%** have a **safety** certification; and **45%** have a certified **energy** management system (100% of energy-intensive companies). The **Acea Ambiente** plants located in Terni, San Vittore del Lazio and Orvieto, the **Acque Industriali** site in Pagnana (Empoli), the **Berg**plant and the **Deco** sites are also **EMAS registered**.

Table no. 14 – Certified management systems in the Acea Group (as at 31.12.2022)

	Quality (ISO 9001)	Environment (ISO 14001)	Safety (ISO 45001)	Energy (ISO 50001)	Other
Acea SpA	X	X	X	X	Biosafety trust certification UNI/PdR 125:2022
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 Elabori	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 Biosafety Trust Certification 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	Biosafety Trust Certification
GENERATION					
Acea Produzione		X	X		
Ecogena	X		X	X	UNI CEI 11352:2014
ENERGY (commercial and trading)					
Acea Energia	X	X	X		Biosafety Trust Certification
Acea Innovation					
ENVIRONMENT					
Acea Ambiente	X	X	X	X	EMAS
Aquaser	X	X	X		ISO 39001:2016
Acque Industriali	X	X	X	X	EMAS
Berg	X	X	X		EMAS
Demap	X	X	X		
Deco	X	X	X		EMAS SA 8000

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, attended by the **Top Management and the first line of managers** of the Companies in question, elements are analysed, including: 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 **occupational health and safety, environment and energy**; **supplier** performance; **customer satisfaction** levels; analysis of complaints; **accidents and injuries**. **The results of the review for 2022**, 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.

THE ISO 37001 CERTIFICATION PROCESS OF ACEA SPA

In 2022, after adopting the Anti-Corruption Policy - approved by the Holding Company's Senior Management and distributed at Group level - Acea continued on the path towards obtaining the ISO37001:2016 certification (Anti-bribery management systems).

The management system is a flexible tool that envisages a systemic approach to the **prevention and combating of corruption**, is applied to the prevention of the phenomenon governed by the articles of the **penal and civil code** and provides a guide to implement, maintain, update and improve a **Management System** designed to **promote the transparency of all company processes**.

Creating a management system to prevent corruption is an effective way of implementing **actions that reduce the risk of corruption** in organisations and, as a result, limit the exposure to liability including in terms of the application of the sanctions set out by Italian Legislative Decree no. 231/2001.

GENDER EQUALITY AT ACEA: UNI/PdR 125:2022 CERTIFICATION

In December 2022, Acea became the first listed Italian multiutility to obtain UNI/PdR 125:2022 certification, the only national standard on **gender equality** and recognised in National Recovery and Resilience Plan.

UNI/PdR 125:2022 defines guidelines to support female *empowerment* within company growth paths. This gender equality recognition is a testament to the company's commitment to **diversity** and **inclusion**, as well as its ability to adopt concrete measures to **reduce gender disparities** with respect to opportunities for growth, wage parity, parental protections and work/life balance. The certification body issued a satisfaction score of **90%** and noted in particular the company welfare and work/life balance initiatives adopted. A spe-

cific officer has been appointed to manage and maintain the effectiveness of the system, and Acea is continuing its positive trend in this regard through constant awareness-raising and training campaigns. In this regard, the Acea Group has adopted an **Equality, Diversity and Inclusion Policy** to ensure that these rights are protected and guaranteed in all organisational and management processes. A **Group Equality, Diversity & Inclusion Committee** has also been established to lead the cultural evolution and promote a corporate culture based on knowledge, inclusion and the promotion of diversity and fair treatment of people through the implementation of specific initiatives, coordinated by the **Equality, Diversity & Inclusion Manager**.

STAKEHOLDERS AND ALLOCATION OF GENERATED VALUE

STAKEHOLDERS AND THEIR INVOLVEMENT

Stakeholders are the various parties that play a **key role in making it possible to achieve the company's objectives** and represent the **main recipients, direct or indirect, of the value created, but also the impacts generated**, by the assets managed, according to a principle of mutual influence. For this reason, for example, the natural environmental and the community are also considered stakeholders.

As such, Acea is committed to developing trusting relationships, adopting an inclusive and proactive approach to stakeholders aimed at enhancing the outcomes of dialogue and debate, in line with the commitments expressed in the **Management and Sustainability Systems Policy**, the principles enshrined in the **Code of Ethics**, up-

dated at the end of 2022, and the **Principles and Values of Stakeholder Engagement**.

In the stakeholder engagement process, the **identification** phase identifies the subjects involved in 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

By managing a responsible and long-lasting relationship with stakeholders, based on trust, dialogue and transparency in an ever-changing context, the Group is able to improve decision-making processes by directing its commitment to the most relevant issues, while building a shared path that creates value over time for the community and the market, with greater prospects for stability. In this regard, in 2022 the Acea **Stakeholder Engagement Unit** conducted various measures to **incorporate stakeholder engagement activities into the Group's strategies**, processes and business. In particular, improvements to the tools, methods and stakeholder engagement initiatives and projects were made to further support the Group's Corporate Departments/Functions and Companies, which responded with growing interest and engagement. The **awareness-raising and analysis campaign** launched in 2021 continued: meetings with sector experts were held with the aim of promoting the culture, skills and tools of stakeholder engagement in the various business contexts and increasing awareness of the strategic role of stakeholder engagement.

Workshops were also held to acquire theoretical knowledge and develop applied methodologies through the adoption of operational tools aimed at stakeholder identification, mapping and weighting and the design and implementation of engagement methods. The stakeholder engagement section of the intranet promoted greater awareness within the Group and allowed for the systematised sharing of processes, tools and materials. In particular, in December 2022 the first **video pill** of the stakeholder engagement **awareness-raising module** was posted, aimed at promoting methods for using stakeholder engagement tools and stimulating and strengthening the proactive involvement of Acea Group personnel. Other video pills will be posted in 2023. The **2022 Report on the Group's Stakeholder Engagement Performance** is currently being finalised. Stakeholder Engagement activities are managed in line with the international standards of reference (**AA1000 Stakeholder Engagement Standard** and **Global Reporting Initiative**).

Chart no. 19 – Stakeholder mapping



The boxes below illustrate the most significant interactions between Acea and the main categories of stakeholders in 2022.

CUSTOMERS Acea is one of **Italy's leading multi-utility companies in terms of number of customers and area served**, with around **1.2 million customers in the energy sector**, over **248,000 customers in the gas sector**, over **1.7 million withdrawal points for energy distribution** and **2.8 million water users**, serving a total of **8.6 million inhabitants** in Italy.

The evolution of market demands towards **green and innovative solutions** is monitored by the Group through increasingly specific and broad tariffs and products, such as those launched recently by

Acea Energia on **100% sustainable power and gas**, and the services linked to **electric mobility**. In 2022 **all Group Companies** that manage customer relations improved their remote communication channels and increased the digitalisation of commercial processes, dividing the MyAcea app into **separate apps for each service in order to develop more targeted and personalised methods of communication**. Furthermore, initiatives such as the **Digital Service Point** and **interactive billing** were continued for companies in the Water sector, and Acea Ato 2 and Acea Energia opened the new regional **"Waidy Point"** and **"Acea Energia Point"** service desks. Acea adopts initiatives aimed at maintaining a high level of customer trust and managing relations with **consumer associations**, such as the implementation of targeted awareness-raising actions and the adoption of exclusive digital and telephone communication channels. The Company also monitors critical situations via the activities of the ADR Body for out-of-court settlement of disputes - in 2022, for the managed companies, there were **356 reports** (345 in 2021) - and carries out initiatives to prevent **unfair commercial practices**, with 827 cases reported to sales agencies in 2022, equal to 88% of the cases analysed.



INSTITUTIONS

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 the event of an emergency it provides support to the **authorities responsible for public health, civil protection and public safety**, for example through **plans for managing emergencies** of the water companies, shared with **local Institutions** (such as Governmental Territorial Offices, Local Health Authorities, Area Management Agencies), or the electricity companies, which are essential for restarting the system in the event of a blackout of the National Transmission Grid or re-establishing power for **strategic users or users of social importance**.

Interactions also take place through research projects on matters of **public interest** with bodies such as ENEA, Istituto Superiore di Sanità (ISS) and CNR, with the aim of developing innovative solutions to industrial processes, specifically with regard to the sustainable management of waste and water resources, and the recovery of materials from residues from waste combustion.

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. Also as a result of this commitment, Acea takes part in international programmes (**Horizon2020**), for example through the **PlatOne**, **BeFlexible** and **Promises** projects.



COMPANY



By seizing the opportunities arising from the market and the context of reference, Acea is focused on a process of full integration of sustainability into its strategic decisions, placing sustainable success, as indicated in the Italian Corporate Governance Code, as an objective of its activity.

The Business Plan and the Sustainability Plan 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** in force, 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, **overseeing the innovation ecosystem** is fundamental for accessing ideas and business and technological opportunities. Consequently, the Group has developed partnerships with InnoVUp (formerly Italia Startup), Talent Garden and Open Italy, and has launched collaborations with specialised observatories at Milan Polytechnic University (Digital Innovation, Startup Intelligence and Space Economy).

In 2022 Acea launched **4 Open Calls on smart cities, new sustainable energy sources, critical infrastructures and work/life balance**, as well as the **Digital Innovation Antenna** to boost the scouting of start-ups and innovative solutions in the Silicon Valley ecosystem.

The Group's commitment to research and innovation has been recognised with the award of the **SMAU 2022 Innovation Award**.

In 2022, Acea continued the process to obtain the **ISO 37001:2016 certification** (Anti-bribery management systems).



SHAREHOLDERS AND INVESTORS



The relationship with the **capital markets** guarantees the best conditions thanks to a careful diversification of sources. About 82% of the debt stems from **bond placement** operations. With reference to bank loans, Acea mainly borrows from **institutional operators, such as EIB and Cassa Depositi e Prestiti**, worth around 13%, whose mission is to **support strategic infrastructure**. Acea's **share price fell 31.1%** on the stock market, mainly in line with the performance of other domestic utility companies. The value of each share fell from €18.76 as at 30 December 2021 to €12.92 as at 30 December 2022 (the last stock exchange session of the year) with a capitalisation of **€2,752 million**. The ratings agencies Moody's and Fitch **confirmed the long and short-term rating**.

The interest of "sustainable investors" towards Acea is growing, **from 6.4%** of the share capital and to **around 51% of total institutional investors**.

In August 2022 Acea signed the first **"Sustainability Rating Linked" revolving credit line** with Cassa Depositi e Prestiti, for a value of €200 million and a duration of three years, the pricing of which is linked to the level assigned to Acea by the Standard Ethics rating and the Integrated Governance Index (IGI) ranking classification.

During the year Acea was also included on two benchmark sustainability indices for Italian listed companies: **MIB ESG**, by Euronext, and **SE Mid Italian Index**, by Standard Ethics. These initiatives confirm Acea's growing interest towards sustainable capital markets, and are intended to encourage ESG investors to invest in Acea shares.



SUPPLIERS



In 2022, the value of orders for goods, services and works amounted to approximately **€1.9 billion**, with around **3,780 suppliers** involved. **60% of the total volumes in the year** were procured through the use of **competitive tendering procedures**.

The **protection of staff employed by the suppliers** was subject to specific measures. In particular, several meetings were held with contractors on occupational health and safety, compliance with contractual regulations, and employment protection, and **an event was organised to raise awareness among employers and contractors on accident prevention**.

Workers' safety is a fundamental part of all services provided on behalf of the Group. Consequently, this was monitored through the performance of **14,719 site inspections**, confirming the trend seen in the last three year period of a significant predominance of "non-serious" cases of non-compliance, and a steady decrease in the percentage weight of "serious" cases of non-compliance out of the total cases of non-compliance detected. In 2022, as part of the Safety Check project launched in 2020, Acea Elabiori carried out **in-depth studies on personal data protection**, and a **Data Protection Impact Assessment (DPIA) was conducted with the involvement of the DPO (Data Protection Officer)**. During the year the **Group Vendor Rating** project continued, aimed at analysing, assessing and monitoring supplier performance through indicators relating to punctuality, quality and safety, and the **Ecovadis model** was adopted, which evaluates suppliers on the basis of 21 CSR criteria (environment, employment and human rights, ethics and sustainability in procurement practices); in this regard, **339 suppliers were assessed**, with an average score of 59.5/100 (against an Italian average of 50.4/100), and a further 180 are being assessed.



EMPLOYEES



Employees are the company's most important asset. Acea is committed to promoting the best conditions of **stability**, promoting **safety** and developing a sense of **cohesion** and **participation** in the company's mission. In 2022, the total staff of the companies within the scope of reporting was numbered **6,763 people**, of which **24% women**. **99%** of the company population have a **permanent employment contract**. The professional structure is composed as follows: 60% are employees, 31% are workers, 8% are executives and 1% are managers. **427 people** were **hired**, 44% of which aged 30 years or younger. **253 people left**, 64% aged over 50 years.

During the year particular attention was paid to mitigating the risk of work-related stress, exacerbated by the pandemic, with the launch of the **I-Care Professional - Mirroring project**. **109,979 total hours of occupational health and safety training were provided to Group personnel** in 2022 (58,600 hours in 2021).

Training on digitalisation also continued and the second edition of the “**Agire sostenibile per fare la differenza**” [Sustainable action to make a difference] project, aimed at increasing the **culture of sustainability** within the Group, was completed.

In 2022, at Group level, the **Equality & Care Annual Plan** was adopted, the **Equality, Diversity & Inclusion Manager** was appointed and the **Equality, Diversity & Inclusion Committee** was established.

Also in 2022, Acea became the first listed Italian multi-utility company to obtain the **gender equality certification** (UNI/PdR 125:2022) and received the **Top Employers Italia** award for the second year running.



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. The responses of the European Union with the **Green Deal**, and Italy with the **NRPP**, focus on strategic initiatives in the areas of the circular economy, renewable energy and energy efficiency, land protection and the protection of water resources. As regards climate change, the Group is continuing to develop its executive-level **scenario analyses** and is committed to **lowering GHG emissions** with energy efficiency and energy saving measures, as well as initiatives to promote **adaptation and mitigation processes**. Key actions in this regard include the level of compliance with the requirements of the **EU Taxonomy** on the first two climate targets, and the publication in June 2022 of the first **2021 Group Climate-Related Disclosure** according to the TCFD recommendations. In 2022, the preliminary work aimed at the construction of the New Upper Strand of the **Peschiera-Le Capore Aqueduct** to secure the water supply of Rome and its province continued through the completion of the Technical-Economic Feasibility Studies and the start of the authorisation procedures for a number of sections. The actions carried out by the Group's main water companies to implement the **Water Safety Plans (WSPs)** and **loss recovery programmes** also continued. In 2022, the volume of total lost water resources among the water companies included in the reporting boundary of the NFS fell by 6% compared to 2021 (-14% compared to 2020). The Group conducted a particularly intensive programme of actions to promote the **circular economy**, also through the acquisition of major waste treatment companies such as Deco SpA, with key achievements in this area including the **EMAS circular economy awards** assigned jointly to Acea Ambiente and Berg, for the reuse of ash, and to Acea Ambiente, for the use of compost as fertiliser.

In the energy sector, in order to promote technologies to enable the **increasingly conscious use** of electricity by consumers, **the mass installation campaign of second-generation meters continued**, with over 273,000 installations in the year. Finally, in 2022, as part of the modernisation plan, work continued on increasing resilience to the **critical factors “heat waves” and “flooding”**, which affected 58 km of MV cables and 88 substations.



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. For example, the Group continued to contribute to the fight against the pandemic through the Acea Vaccination Hub, which in 2022 not only administered Covid-19 vaccines but also served as a **welcome area and health facility for Ukrainian refugees**. Also in the health sector, Acea continued to support a number of **hospital facilities**, specifically Policlinico Agostino Gemelli and Policlinico Umberto I. Meanwhile, the “Tourist trails to discover Italy's waters” project, launched to mark World Water Day and connected to the Acea Immersive Museum, represented an innovative tool to **raise local and environmental awareness**. **New generations and schools** have always been a priority focal area for the Group. In 2022, Acea continued its commitment to students with the creation of the “Acea Scuola - Proteggi l'ambiente” training programme and other initiatives focused on the values promoted by sport such as **Valley Scuola - Trofeo Acea and Acea Camp**. There was no shortage of initiatives for the older generations too: the “Acea for the community” project sponsored by the Municipality of Rome, is designed for **residents at senior centres** in Rome and the surrounding province and aims to raise awareness about energy consumption, with a view to making savings and safeguarding natural resources. In the world of **sport**, Acea's prominent support for the Rome Marathon is underscored by tying its name to the event: “Acea Run Rome The Marathon” is the most important and popular race for Italian and international athletes in Italy. The Group also sponsors the **Roma-Ostia Half Marathon**.

MATERIAL TOPICS AND IMPACTS PERCEIVED BY STAKEHOLDERS

During the **process to develop the 2022 materiality analysis** (see Communicating Sustainability: Methodological Note for more details), stakeholders were involved in multi-stakeholder focus groups, and particular emphasis was given to the identification of the **main perceived impacts** regarding the topics of the Acea Group considered to be of “high” or “medium” significance. The results of the engagement activity, specifically the most significant areas of impact for stakeholders and the main positive and negative impacts, both actual or potential, are summarised in Table no. 15.

Table no. 15 – Main impacts perceived by stakeholders, associated with 2022 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 MANAGEMENT	optimisation of infrastructure and networks to increase resilience and guarantee 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 optimising solutions for the circular water resource management (reuse of treated water, sludge, etc. for different purposes)
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
	promotion of a culture of workplace safety along the supply chain (contracts, 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 investment 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 2022 is € **5,209.9 million** (€ 4,012.4 million in 2021).

Below is a breakdown of the above figure amongst the stakeholders: 68.1% to **suppliers**, 16.1% to the **company** as resources to be withheld; 5.9% to **employees**; 4.1% to **shareholders** in the form of dividends; 2.1% to **financiers** in the form of interest on capital provided; 3.6% to the **public administration**⁵⁵ 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. 16 – Economic value directly generated and distributed (2021-2022)

(in € million)	2021	2022
total economic value directly generated	4,012.3	5,209.9
distribution to stakeholders		
operating costs (suppliers)	2,453.3	3,549.8
employees	275.8	305.1
shareholders (*)	219.7	212.1
financiers	97.4	111.7
public administration	150.7	186.7
community	7.9	6.3
company	807.5	838.2

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

Table no. 17 – Breakdown of value generated by stakeholder (2021-2022)

	2021 (%)	2022 (%)
suppliers	61.1	68.1
employees	6.9	5.9
shareholders	5.5	4.1
financiers	2.4	2.1
public administration	3.8	3.6
community	0.2	0.1
company	20.1	16.1

⁵⁵ The amount paid to the public administration net of public contributions which Acea receives (equal to € 17.9 million) is € 168.8 million.