

# 1

## CORPORATE IDENTITY







# GROUP PROFILE

## ACEA'S HISTORY

Acea was founded in 1909 as Azienda Elettrica Municipale (AEM) to manage and develop Rome's essential public service infrastructure, in the electricity sector then water, required for the growth, social progress and environmental balance of the city. Since it was founded, the Company has seized the opportunities provided by the market, the regulatory and social context, by expanding and developing its activities and managerial skills, as well as its legal set-up with the listing on the Stock Exchange in 1999, and by opening itself up to qualified strategic partners.

Acea is now 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 its leadership position** in the water industry and **the expansion of the territorial area of interest**, which is mainly focused on Central Italy, and of its **businesses**, which range from generation from renewable sources to the circular economy and from energy efficiency services and sustainable mobility to gas distribution.

In this context, **digitalisation, technological innovation and sustainability** are the levers that enable us to increase the efficiency and high quality of our services, improving the **development of modern network infrastructures** so that they are resilient, integrated and able generate value that is shared among all of Acea's stakeholders.

## BUSINESSES AND FUNCTIONS OF THE MAIN GROUP COMPANIES

Today Acea is **one of the main Italian multi-utility companies** operating in the areas of **energy** (production, distribution, including public lighting, and sales), **water** (integrated cycle) and **environmental** services (waste and materials recovery, treatment and composting). 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 and gas sectors. In some sectors, Acea is also positioning 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. 6 – Acea Group in numbers – 2021**

<b>PERSONNEL</b> (number, by % consolidation)	9,348
<b>NET REVENUE</b> (million €)	3,972
<b>INVESTED CAPITAL</b> (million €)	6,504.9
<i>net equity debt</i>	3,988.2
<i>shareholders' equity</i>	2,516.4
<b>TOTAL BALANCE SHEET ASSETS (million €)</b>	<b>10,628.9</b>
<b>ELECTRICITY</b>	
generation (GWh) (gross)	1,009
of which from renewable sources (GWh) (gross)	698.2
<i>hydroelectric</i>	434.7
<i>photovoltaic</i>	78.6
<i>waste-to-energy</i>	153.5
<i>biogas</i>	31.4
network demand (GWh)	9,827
sales (GWh) (free and protected market)	7,768
electricity and gas customers (number)	1,416,524
<b>WASTE-TO-ENERGY (WTE)</b>	
electricity generation (GWh) (gross total)	356.4
waste burnt (t)	407,121
<i>SRF</i>	307,391
<i>pulper</i>	99,730
<b>PUBLIC LIGHTING</b>	
bulbs managed in Rome (number)	227,635
<b>WATER (INTEGRATED WATER SERVICE)</b>	
drinking water supplied and billed (Group) (Mm <sup>3</sup> )	632
<i>of which (Acea Ato 2, Acea Ato 5, AdF, GORI and Gesesa)</i>	481
analytical checks on drinking water (Group) (number)	1,472,131
<i>of which (Acea Ato 2, Acea Ato 5, AdF, GORI and Gesesa)</i>	738,470
wastewater treatment (Group) (Mm <sup>3</sup> )	981
<i>of which (Acea Ato 2, Acea Ato 5, AdF, GORI and Gesesa)</i>	779
inhabitants served (Group) (million)	8.5
<i>of which (Acea Ato 2, Acea Ato 5, AdF, GORI and Gesesa)</i>	6

**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 97 municipalities of ATO 2 Lazio Centrale - Rome.

**Acea Ato 5** is the operator for the 86 towns of the ATO 5 Lazio Meridionale - Frosinone.

**GORI** manages the service for 76 towns located in the Sarnese Vesuviano ATO between the metropolitan city of Naples and the province of Salerno.

**Gesesa** operates in the Calore Irpino ATO covering 22 municipalities in the Province of Benevento.



## 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.



## GENERATION

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

**Acea Sun Capital Acea**, a subsidiary of Acea Produzione, handles the acquisition 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.



## ENVIRONMENT

**Acea Ambiente**, with plants in Latium, 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 is 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.



## COMMERCIAL AND TRADING

**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.



## ENERGY INFRASTRUCTURE

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

### THE ENERGY MARKET AND COMPETITORS

Following the conversion into law of Decree Law 183/2020 (1000 Extensions) through Law 21/2021, the termination of the price protection regimes for domestic and micro-enterprise customers was postponed to 1 January 2023, while with the conversion law for Decree Law 152/2021, implementing the NRRP, which occurred afterwards, the schedules and methods for the management of the transition to a free market, through a gradual protection regime, were defined. In particular, **micro-enterprises** will be served through gradual protection as of 1 January 2023, by suppliers identified through auctions to be held during 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 under greater protection until an ad hoc offer is made available by all the sellers, which ARERA will define by 1 January 2023.

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. In this area, in 2021 Acea Energia proposed new services and offers, marking its entry into the electric mobility sector and energy efficiency services that benefit from tax bonuses and launching new environmentally sustainable energy and gas offers.

### 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 market in which the Acea Group operates through Acea Ambiente involves the collection, selection, treatment, recovery and disposal of **waste through the management of plants** located in Latium, Umbria, Marche, Piedmont, Abruzzo, Veneto and Val d'Aosta.

Each operating centre has its own authorisation regime that also governs the reference market, enabling it to conclude service contracts with public or private entities.

In some plants, the processing of waste produces electricity to be fed into the grid and raw materials to be sold. Many activities carried out by companies in the Environment segment are classified as essential public services.

The Group intends to more frequently seize the growing opportunities in the field of the circular economy.

### THE ENGINEERING AND SERVICES MARKET

With regard to the non-captive market, the company Acea Elabiori aims to expand its activities by continuing to participate in tenders for **districting, surveys and measurements, modelling and plans for water and sewer systems, and plant design and works**. The Principals have mainly been integrated water service operators who require specialised services to support the plans for rationalisation and upgrading integrated water cycle networks and plants. To date Acea Elabiori has been awarded two tenders, while others are in the process of being awarded. Participation is done through temporary joint ventures with other companies, implementing the organisational regulations for anti-trust compliance and prevention of unfair commercial practices. In particular, Acea Elabiori has developed design activities, achieving in 2021 BIM (Building Information Modelling) certification, a digital methodology that makes it possible to acquire and manage all the design information in an integrated manner for the cycle phases of a project, creating economic, time and environmental efficiencies, and explores increasingly more advanced areas in terms of research and technological innovation and the laboratory monitoring sector, with an approach that values partnerships and sharing knowledge.

### THE ENERGY EFFICIENCY MARKET

The energy efficiency market is influenced by updates made to the regulatory framework of incentives. Italian Decree Law 34/2020, no. 34 (Relaunch Decree), converted with Law 77/2020, which introduced **tax subsidies (110% superbonus)** with the possibility of financing and discounts for beneficiaries who carry out energy efficiency and seismic projects on their buildings has led to an increase in demand which offers the Acea Group, through the companies Ecogena, Acea Innovation and Acea Energia, opportunities for business development in the residential sector.

However, this sector is dependent on a regulatory context which means progress will not be linear: in 2021, the activities first experienced a slowdown before growth resumed in August 2021, after the publication of the so-called "Simplification Decree" bis. Additional acceleration will be seen due, among other things, to the expansion of those able to benefit from the measures, introduced in the 2022 Budget Law.

Some operational issues in this growing market are linked to the increase in materials prices (influenced by commodities prices and increased demand), limited availability of companies with qualified workers and the difficulty of obtaining supplies (unavailability of services and delays in the delivery of materials).

### INSTITUTIONAL INVESTORS

**Global stock markets** in 2021 saw overall positive performance, thanks to the economic recovery supported by expansive measures implemented by central banks and the vaccine campaign, despite discontinuities associated with the spread of the Delta and Omicron variants of Covid-19. The vaccine campaign allowed a progressive reduction in the restrictions imposed by governments as well as a consequent recovery in economic and industrial activity.

**Institutional investor interest has strengthened in ESG issues**, which are increasingly integrated into investment decisions. In particular, an increase has been seen in the financial community's sensitivity to social and environmental issues, with a growth in investor awareness of the interesting risk/return profile that can be offered by sustainable investments.

### SUSTAINABLE DEVELOPMENT

2021 saw the **start of the revival of economic-productive systems, the resumption of social relations** towards the "new normal" that follows the discontinuity generated by the health crisis. The pandemic emergency has joined the climate-environmental crisis, in a reciprocal relationship of causes and effects, with repercussions on the social context that still condition the scenario of future sustainability.

This contextual situation is also the key to interpreting numerous **international and national** events. On the political level, it is worth noting the inauguration of the 46th President of the United States of America, Joe Biden, and the re-admission of the USA into the Paris agreements to combat climate change. In the Italian context, with the formation of the new Draghi government, **the NRRP for the post-emergency relaunch of Italy was prepared and initiated**. Through the NRRP, and the related funds provided by the EU (Next Generation), a strategic plan is proposed that revolves around the strategic axes of **digitalisation and innovation; ecological transition; social inclusion**. In Europe, a **climate law** was passed setting the goal of carbon neutrality by 2050, with a milestone of a 55% GHG reduction by 2030 compared to 1990. Together with the "Fit for 55" legislative initiatives proposed by the von der Leyen Commission, the measure is part of the strategic framework of the European Green Deal. The **G20 in Rome** affirmed commitments to food security and adequate nutrition (Matera Declaration) and to gender equality, empowerment and leadership of women and girls at all levels for inclusive and sustainable development. 2021 was characterised by the **careful management of the pandemic** through vaccination campaigns, the continuation of remote work, the introduction of prevention and population monitoring systems to maximise safety while returning to work and social activities. At the environmental level, **extreme events** (hurricanes, floods, fires) have been recorded, with loss of life and economic impacts all over the planet, from the north-west coast of the USA to Europe, from the Henan region in China to India, from Canada to South Sudan. At the end of the year, new criticalities emerged, health, with the spread of new variants of Covid, and social, with the rise in energy prices due to the cost of gas, and environmental, with the recording of increased levels of climate-changing emissions.

In Italy, the Asvis report indicates that progress towards sustainable development is still uneven, despite several important initiatives, such as the project to integrate the **protection of the environment, biodiversity and ecosystems, also in the interest of future generations**, into the fundamental principles of the Constitution and the regulation at national level in relation to **equal pay for men and women**.

In this context, essential service companies, close to the dynamics experienced by the territory, feel the solicitations and suggestions emerging from regulatory frameworks, such as the European Environmental Taxonomy, and managerial frameworks, with the spread of concepts such as *stakeholder capitalism* or "sustainable success" for listed companies.

### 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. Despite the global adoption of periods of economic downtime or slowdown to limit the spread of Covid-19, **Overshoot Day**, when the Earth depletes its available renewable resources for the current year, arrived on 29 July in 2021, as it did in 2019, compared to a later arrival in 2020 (22 August). Nationally, this limit was reached on 13 May 2021, one day earlier than the previous year.

The global environmental outlook was the subject of **COP26** in Glasgow. In this meeting, in which Italy served as a guide and co-leader, critical issues were examined and important decisions were taken. The 196 countries adhering to the UN Convention on Climate Change, although with results lower than expected, shared important goals, such as **keeping the temperature increase to within 1.5° compared to the pre-industrial period**, new and binding commitments towards decarbonisation, the cessation of deforestation by 2030 and the reduction of methane losses by 30%. It was also decided to double international funding for adaptation projects, especially in countries most vulnerable to the impacts of climate change, and a programme to define the "Global Goal on Adaptation" was approved, which will identify indicators to monitor the adaptation projects of individual countries. The European Union has continued its work to regulate, through Regulation 852/2020, the **Taxonomy of eco-compatible activities** with the aim of guiding private investment towards the promotion of an environmentally sustainable economy.

In 2021, the work of the **Taskforce on climate-related financial disclosure** (hereafter TCFD) continued, which promotes companies' reporting on climate change-related risks and opportunities and the description of impacts that these have on the company, so as to meet the expectations and needs of investors. Of particular importance in this context are the scenario analyses that companies are called upon to perform in order to assess the future impacts that the climate-related risks/opportunities generate on the company's business.

### 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 is the peculiarity of the nature of listed Company, with the related legal impacts, for example, in terms of regulating communications to the market. The regulatory scenario is therefore analysed from a multidisciplinary viewpoint, applying a 360° overview and continuous interpretative analysis, in order to detect developments of particular significance, thus identifying and assessing risks and opportunities in terms of strategy and operating management.

Among the issues worthy of mention, note should be taken of the measures introduced through Italian Decree Law 77/2021, the so-called “Simplification Decree Bis”, containing “**governance for the National Recovery and Resilience Plan (NRRP) and initial measures to strengthen administrative structures and accelerate and streamline procedures**”, converted by Italian Law 108/2021. This is a package of structural reforms and investments for 2021-2026, intended to accelerate the implementation of the work called for in the Recovery Plan, strengthening administrative structures, streamlining procedures and establishing governance rules for the same.

The Decree also makes **changes with regards to public tenders**, in that the provisions do not exclusively affect the ordinary regulatory framework for public contracts (Code of Public Contracts, Italian Legislative Decree 50/2016), but also amend **the emergency derogation rules** such as “Reopen Building Sites” (Italian Decree Law 32/2019) – and the “Simplification Decree” (Italian Decree Law 76/2020), established to respond to the crisis caused by the pandemic. Finally, special attention was paid to Decree Law 2469 “Draft 2021 annual market and competition law” with provisions to promote the development of competition, remove obstacles to opening markets and guarantee consumer protection.

### 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.

For **energy distribution**, ARERA defines quality standard parameters for the electricity service at the national level, for each regulation cycle. These parameters are commercial (estimates, work, supply activation/deactivation, complaint response) and technical (continuity of service supply). We are currently in the V regulation period for the quality of distribution, metering and transmission services for the years 2016-2023. In 2021, resolution 566/2021/R/eeel was published on the application of the new capacity price for **electricity market** customers, which applies from 1 January 2022 with the aim of 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.

Regarding the **two-year limit** on the seller's right to payment for the electricity consumption of customers, with resolution 603/2021/R/com, the Authority amended resolution 569/2018/R/com on the invoicing of amounts for amounts dating back two years, clarifying that the two year limitation did not apply if the distributor had communicated the existence of obstructive conditions pursuant to the primary regulations.

In the **water sector**, the evolutionary drivers of regulation push operators towards efficiency in the commercial and technical quality and place greater emphasis on environmental sustainability issues. In 2021 the Authority released the fifth edition of the **IWS Contractual Quality Data Collection**, which provides information and analysis of the data underlying future regulatory activities. From 2022, a system of bonuses and penalties on operator performance will be launched and, in light of the payment of incentives, the Authority, in late 2021, issued its guidelines for consultation on the update of the methods for verifying contractual quality data and provided for related checks on operators. With resolution 639/2021 on the “Criteria for the biennial update (2022-2023) of the tariff arrangements for the Integrated Water Service”, the Authority introduced elements of flexibility into the **contractual and technical performance** assessment mechanisms, such as the cumulative two-year analysis (2022-2023) of the quality targets. With resolution 311/2019, ARERA identified at national level the measures to contain **arrears** in the sector with respect to user rights and taking into account the economic/financial balance of management. In addition to identifying end users who cannot be disconnected, the resolution governs the process of classifying non-paying users as in arrears, regulating limitation, suspension and supply deactivation procedures, establishing conditions, methods and schedules. On this matter, in amendment of resolution 311/2019, in 2021 resolution 610/2021 was passed, which also impacts contractual quality (RQSII) and the transparency of invoicing documents.

### DEVELOPMENT AND TECHNOLOGICAL INNOVATION

In ACEA, the Innovation, Technology & Solutions Function reports directly to the CEO and has the task of ensuring **a model of innovation for the Group through the adoption of processes and approaches typical of open innovation**, with the involvement of internal and external stakeholders as defined by the Industrial Plan. The search for innovative solutions to achieve long-term goals for **a decarbonised economy and smart urban infrastructures** continues to be a central theme in the general technological scenario. In this context it is worth mentioning the participation of Acea in **Zero Accelerator**, created from the collaboration of key operators, to support innovative startups and SMEs engaged in reducing greenhouse gas emissions, optimisation of the waste cycle etc., and the **Casa delle Tecnologie Emergenti** in Rome, the first permanent living lab for ideas relating to the future Rome Smart City. Collaborative networks and partnership development to explore **innovative solutions, business and technology opportunities** and attract talent are a focal driver for Acea's positioning in the **innovation ecosystem**. To this end, it has adhered to initiatives such as **InnovUp** (formerly Italia Startup), **SEP** (Startup Europe Partnership), the Open Innovation programme that connects European scaleups with corporations, and **Open Italy**. 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. The Group's industrial areas are committed to identifying innovative and technological approaches to **improve industrial processes with a view to social and environmental sustainability**. This commitment is also recognised at European level, there is already access to **Horizon 2020 funding** programmes for the PlatOne project, in the area of power grids, to develop cutting-edge technological solutions capable of enabling energy flexibility mechanisms, and in 2021 for the **Promises** project aimed at removing very persistent, mobile and potentially toxic substances in the soil-sediment-water system (identified within the European REACH Regulation) and contributing to the goal of zero pollution and improving the protection of human health.

### DEVELOPMENT OF HUMAN CAPITAL

For every organisation people represent a fundamental asset to remain competitive in a changing economic and social context. During the period in which the pandemic continued to represent the most complex challenge, the ongoing commitment of people allowed the Group to manage its services at a high level, providing continuity to the business with zero interruptions and in complete safety. Acea listens to the needs of its people and develops a **People Strategy** based on projects and initiatives that, by enhancing the main assets of the Business Plan, meet the needs of technological innovation, corporate culture, data analysis and monitoring, full utilisation of skills and development of well-being. The issues of **Diversity & Inclusion** has become increasingly important for organisations and Acea promotes greater sensitivity at all organisational levels through projects, initiatives and tools for the integration of these issues in the modus operandi of the Company and its stakeholders: in 2021 it defined a **Diversity & Inclusion Plan** and a Dashboard in relation to people strategy. Through **training**, the main lever for personal growth, Acea values the skills and talents of every individual and is continuously improving managerial and digital skills. Taking care of people's **well-being** forms part of the Company's awareness of its responsibilities towards its employees, especially within contexts, such as those still ongoing, of specific health and social emergencies. With reference to this, Acea has developed an integrated corporate **welfare system**, based on listening to employees and their needs and divided into six areas: health, psycho/physical well-being, family, reconciliation measures, income support measures and complementary social security.

### 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. In order to monitor the supply chain, Acea continued to develop the **Group's Vendor Rating sys-**

**tem** aimed at analysing, assessing and monitoring the performance of suppliers of goods, services and works to increase the quality of the services rendered. Each company can contribute to promote **sustainability along the supply chain**, to this end Acea has undertaken a collaboration with Ecovadis, to carry out a performance assessment on specific sustainability criteria of its partners, with the prospect of integrating the sustainability indicator within the Vendor Rating model.

### 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. The Group's contractors and sub-contractors, who are key partners in the implementation of its businesses, are also involved in awareness-raising and safety initiatives. Acea promotes **active participation in analysing indicator trends**; this aspect is often considered to be suggestive of the level of maturity of the safety culture and the culture of improvement in an organisation. An **RSPP Coordination Committee** is active within the Group. Its purpose is to share the results of safety performance, experiences, good practices and sustainable solutions to prevent accidents in the company. Safety is at the centre of numerous innovative experiments. Projects aimed at making operations in the field increasingly safe continued in 2021, such as the development of personal protective equipment with sensors that can signal proper usage (**Smart PPE**). During the year, comprehensive monitoring continued for the **prevention and protection from the risk of infection by Covid-19**, through: reorganisation of work activities and smart working, training courses, definition of specific protocols, dedicated communication channels, revision of risk assessment documents and health emergency plans, vaccination and screening campaigns for Acea personnel and activation of dedicated insurance coverage.

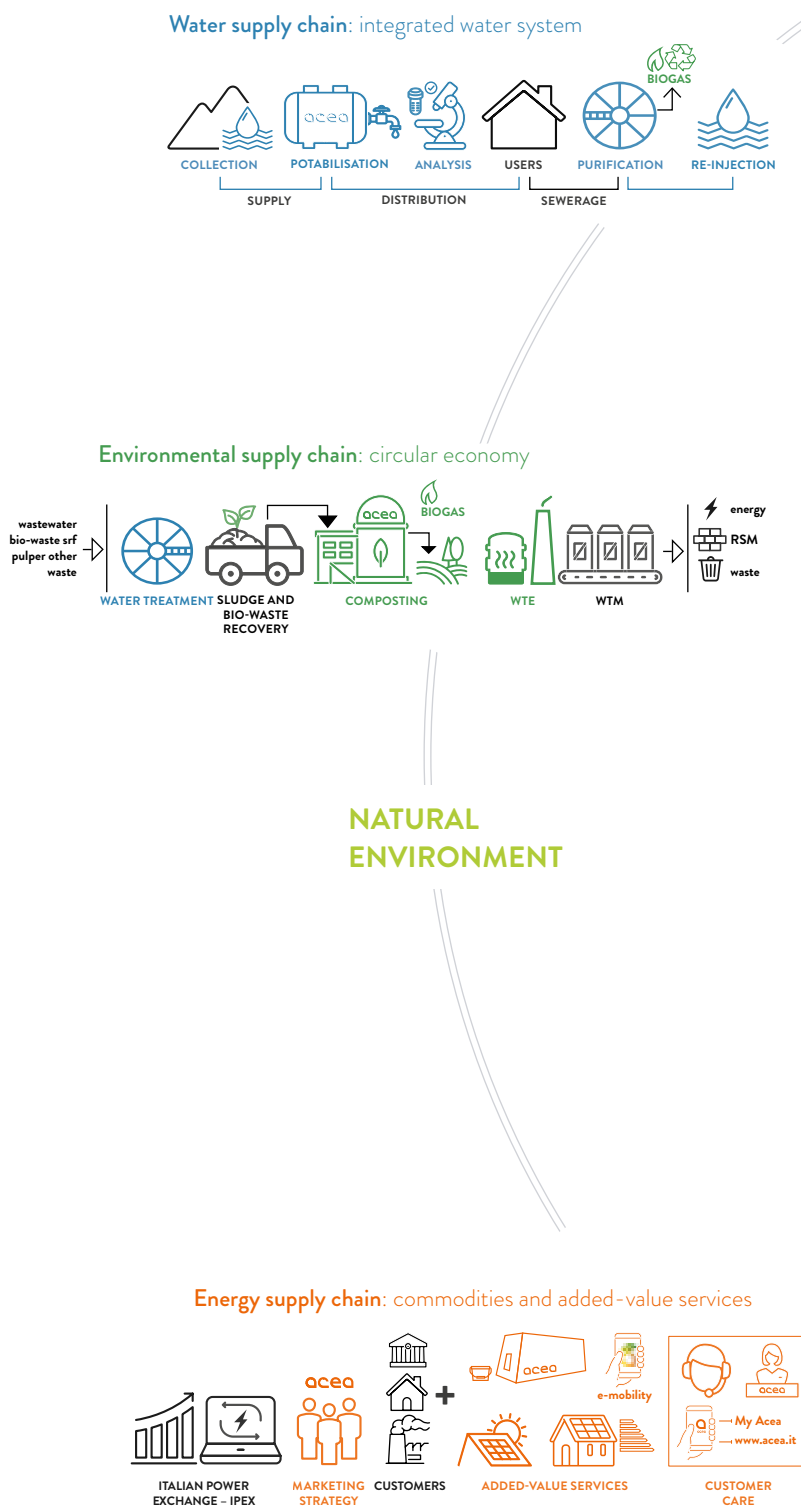


## THE BUSINESS MODEL

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

Acea SpA offers managerial support by means of management and legal, logistic, technical, financial and administrative services. Acea SpA's **organisational macro-structure** consists of **corporate functions, departments and operating segments** the operating companies report to (see Chart 4).

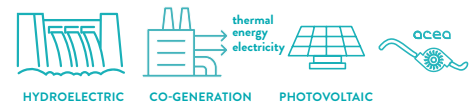
Chart no. 3 – Acea's Business Model



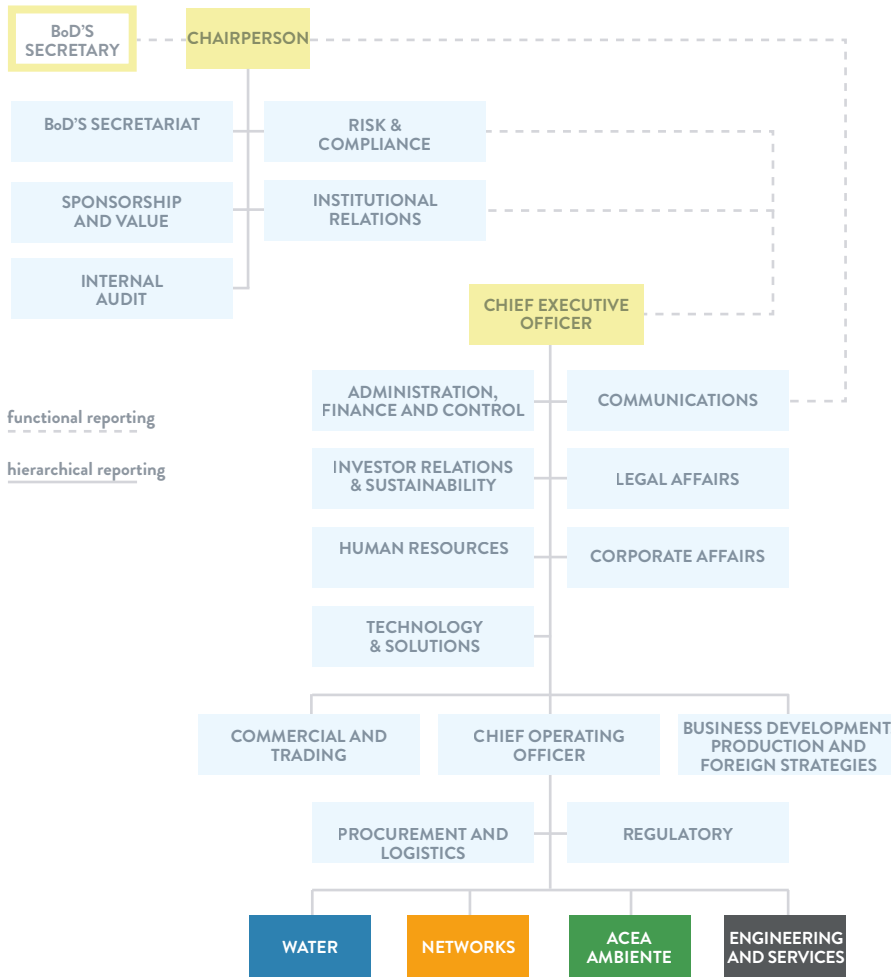
**SCENARIO:**  
national policies, market, economy,  
innovation, sustainability, ...

## GOVERNANCE POLICY STRATEGY

### Energy supply chain: generation



## BOARD OF DIRECTORS



## STAKEHOLDERS

## COMPLIANCE OF RISK ASSESSMENT

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

### Energy supply chain: distribution

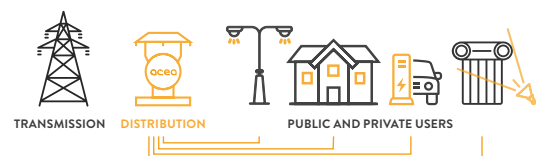
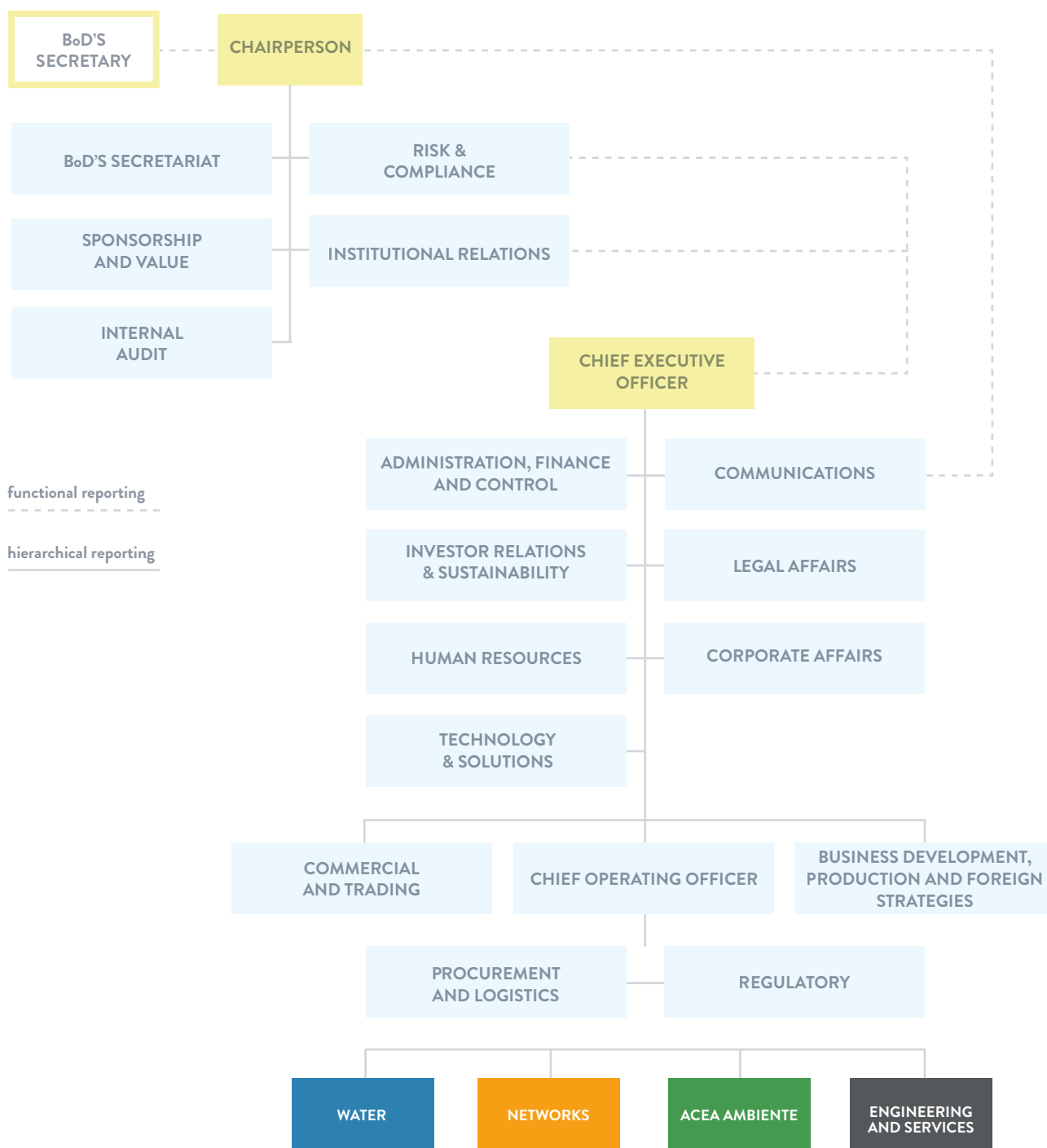


Chart no. 4 – Acea SpA organisation chart as at 31/12/2021

## BOARD OF DIRECTORS

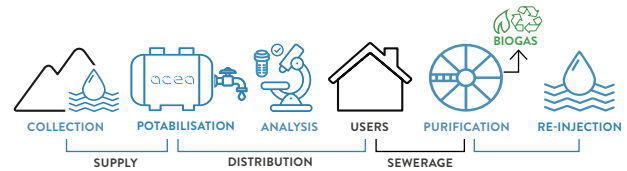


Through Companies that it has equity investments in and for which it plays the role of industrial entity of reference, the Acea Group is involved in the chains of activities shown below. The business activities are broken down in the Strategic Plan (see the section titled *Strategy and Sustainability*),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

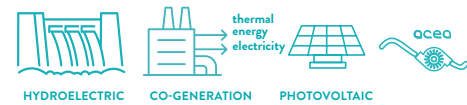
**The water supply chain:** starting from a careful analysis of springs and groundwater and the potential impacts of operational processes thereupon – for example, by defining and monitoring water districts and preparing water balances to protect resources and balance their vital flows with the needs 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 and 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 posi-



tion in the solar generation segment, including through partnership agreements with major financial operators to support the investment plan, with the aim of achieving an installed capacity of 750 MW in the medium term.

## ENERGY SUPPLY CHAIN: DISTRIBUTION

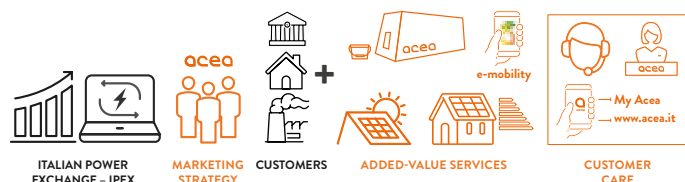
**Electricity distribution:** Acea supplies users with electricity thanks to a widespread distribution network that is constantly maintained, updated and developed according to resilience logics that support the growing electrification of consumption.



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

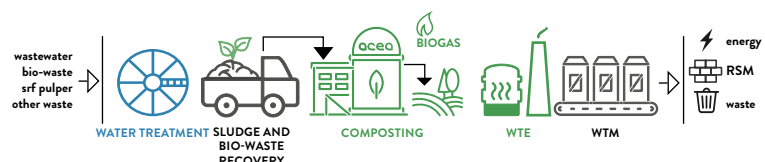
**Sale of energy, gas and added-value services:** commodities (energy and gas) are purchased via bilateral contracts or exchanges on market platforms (Electronic stock exchange) where Acea Energia supplies itself in order to resupply clients according to its commercial policies. The Company develops 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 incremental development of the sector companies involves the creation of smart services, such as electric mobility, residential energy requalification and widespread composting.

## 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 included in the FTSE Italia Mid Cap index. **Roma Capitale** is Acea SpA's majority shareholder, holding **51% of its share capital**. As at **31/12/2021**, other significant direct or indirect equity interests were held by **Suez SA** with over 23.3% and **Francesco Gaetano Caltagirone** with approximately 5.5% (see Chart 5).

The portion of floating capital on the market is worth 20.2%, with **institutional investors** controlling approximately 14% of the share capital, with a geographical distribution indicating a predominance of North American shareholders, followed by Italian, English and Northern European interests (see Chart 6). **Retail** investors hold approximately 4% of the share capital.

In spite of a complex scenario due to the continuing pandemic and the volatility of the energy markets, the 2021 results recorded growth. The strategy implemented by Acea, supported by the financial structure, allowed the Group to seize the economic recovery. The positive performance in all business areas generated constantly improving results, as documented by the EBITDA that surpassed the guidance, previously revised upward during the reporting year. 2021 was characterised by important industrial operations, with the acquisition of new treatment plants in the environment segment and the signing of an agreement with Equitix in the renewables sector. The **gross operating margin** reached **€ 1,256 million** (+9% on 2020) and the **operating profit** was **€ 581 million** (+9% on 2020). **Group profit** totalled **€ 313 million** (+10% on 2020).

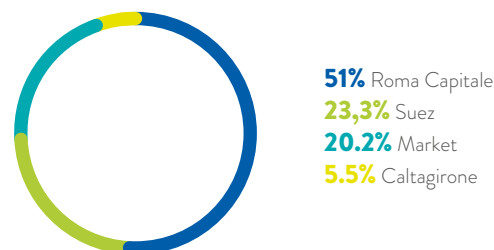
**Consolidated revenues in 2021** totalled **€ 3,972 million** (€ 3,378.9 million in 2020), up by 17.6%. **External costs** increased by around 24% to approximately **€ 2.46 billion** (€ 1.98 billion in 2020) mainly due to the purchase of energy (procurement, transportation and metering), materials and services, in line with the increase in revenues and the growth in the corporate scope.

The **gross operating margin** (EBITDA) of **€ 1,256.1 million** is up compared to € 1,155.5 million last year (+8.7%), with regulated activities contributing 82%. The Industrial Segments contributed to the overall value of EBITDA, as follows:

- the **water** industrial segment at 52%, with € 655.3 million, a 6.7% increase respect to the data from 2020 (€ 614.4 million). This growth is the result of greater operating efficiencies and the change in the scope of consolidation;
- the **energy infrastructure** industrial segment for 30%, with € 371.6 million, up by 1.1% compared to the previous year (€ 367.6 million) thanks to the performance of the networks arising from the resilience plan and the partnership with Open Fiber;
- the **generation** industrial segment for 6%, with € 79.5 million, a 75.1% increase compared to the previous year (€ 45.4 million). This result is affected by the increase in volumes produced in particular by hydroelectric and photovoltaic and the price effect on the market;
- the **commercial and trading** segment for 6%, with € 80.5 million, up by 11% (€ 72.4 million in 2020), driven by the increase in margins on the free market and the improvement in the margin on the gas market;
- the **environment** segment for 5%, with € 63.7 million, up by 26.6% on the previous year (€ 50.3 million), which benefits from higher margins in Waste-to-Energy and the waste delivery activities. The companies recently acquired in the industrial segment also made a positive contribution.

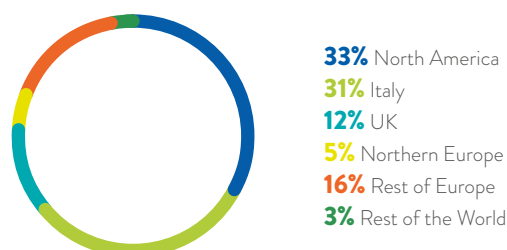
The following areas also contribute to the Group's EBITDA **Foreign** area, the **Engineering and Services** area and the **Parent Company**, by 1% cumulatively.

Chart no. 5 – Ownership structure as at 31/12/2021



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. 7 – The main economic and equity data of the Acea Group (2020-2021)

(in € million)	2020	2021
<b>net revenues</b>	<b>3,379.4</b>	<b>3,972</b>
operating costs	2,254.6	2,737
staff costs	267.7	275.8
external costs	1,986.9	2,461.2
income/(expense) from non-financial investments	30.3	21
<b>gross operating margin (EBITDA)</b>	<b>1,155.5</b>	<b>1,256.1</b>
<b>operating profit (EBIT)</b>	<b>535.0</b>	<b>581.1</b>
financial management	(88)	(85.9)
investments management	14.2	7.8
<b>profit/(loss) before tax</b>	<b>461.2</b>	<b>503</b>
income tax	134.6	150.7
<b>net profit/loss</b>	<b>326.6</b>	<b>352.3</b>
profit/loss attributable to third parties	41.6	39
<b>net profit/(loss) of the Group</b>	<b>284.9</b>	<b>313.3</b>

**Chart no. 7 – Contribution of the industrial segments to overall EBITDA (2020-2021)**

The **operating result (EBIT)** was **€ 581 million** (+8.6% on 2020). The increase was offset by the growth in amortisation, including as

a result of the change in scope and a limited increase in receivable write-downs.

## INFORMATION REQUIRED BY THE EUROPEAN TAXONOMY

As anticipated in *Disclosing sustainability: methodological note*, to which reference should be made, 2022 is the first year of application, in the context of non-financial reporting for FY 2021, of the provisions of Regulation 852/2020<sup>22</sup> “on the establishment of a framework to facilitate sustainable investment”, also known as the European Taxonomy.

The Taxonomy – centred around six environmental objectives, of which the first two, relative to climate change mitigation and climate change adaptation, have already been governed through the adoption of a specific Delegated Act<sup>23</sup> – introduces a **single classification system** at international level **for the identification of environmentally sustainable economic activities**, namely those which contribute to the growth of sectors with low carbon emissions and to the decarbonisation process of the highest emitters. The objective of the Taxonomy is to identify the “degree of environmental sustainability” of an investment<sup>24</sup>, increasing the transparency of the market to the benefit of consumers and investors.

In relation to FY 2021, the companies subject to the regulation must publish a report<sup>25</sup> relative to the **percentage of economic activities eligible and ineligible for the Taxonomy** and the **quantitative economic performance indicators (KPIs)** – in particular the portions of turnover, capital expenditure (CapEx) and operating expenses (OpEx) – **attributable to them**<sup>26</sup>.

### ELIGIBILITY ANALYSIS AND ECONOMIC/FINANCIAL KPIS

During the year, Acea carried out a **cross-sectional project**, which involved the Administration, Finance and Control Department and the Investor Relations & Sustainability Department of the Parent Company and the Companies included within the scope of the *Consolidated Non-Financial Statement*<sup>27</sup>, aimed at the **eligibility analysis** of the activities managed by such Companies and the **identification of the related KPIs**, in compliance with the regulation, according to the provisions of the *Disclosure Delegated Act*. Furthermore, despite not being explicitly required by the Regulation, the Group also wished to calculate the portion of **EBITDA**<sup>28</sup> **eligible** for the Taxonomy. In this way, Acea sought to return an additional financial metric at consolidated level which will make it possible to illustrate the actual economic performance of an integrated multi-utility company as fully as possible.

During the eligibility analysis, intended to verify whether the activities performed matched the description of the activities listed in annexes I and II of the *Climate Delegated Act*, dedicated to the climate mitigation and adaptation objectives respectively, Acea adopted **as inclusive an approach as possible**, going beyond the

22 Official Journal of the European Union, Regulation (EU) 852/2020 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. Publication of the Delegated Acts that will govern the remaining 4 environmental objectives is currently expected by 2022.

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

24 See also Assonime Circular no. 1 of 19 January 2022, *the European Regulation on the taxonomy of environmentally sustainable activities: disclosure requirements for companies*.

25 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.

26 The full application of the Regulation, as of 1 January 2023, provides not only for the Taxonomy eligibility assessment of the economic activities managed by the undertaking but also the assessment of the alignment of such activities with the Taxonomy, namely compliance with the technical screening criteria, indicated by the Regulation, for each economic activity, in the relevant Delegated Acts.

27 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) 852/2020, 91% of the turnover, 97% of the CapEx and 94% of the OpEx of the full list of consolidated companies.

28 EBITDA: Earnings Before Interest, Tax, Depreciation and Amortisation.

verification of correspondence between the NACE codes of reference, retrieved for each activity within the Regulation, and their ATECO equivalents, by entering into the detailed description of each activity alongside the Companies involved.

In particular, to date, the **Taxonomy** has identified **13 sectors**<sup>29</sup> that include, in total, **103 economic activities, 80 of which can make a substantial contribution to the mitigation and adaptation objectives**, 8 to mitigation only and 15 to adaptation only.

Following the eligibility analysis of Acea's business, operating mainly in public water services (integrated water service), energy (generation, distribution, sales and public lighting) and environment (energy development, recovery of material, treatment and composting), it was found that the Companies included in the scope manage, within **7 of the 13 sectors** identified by the Regulation<sup>30</sup>, a total of **27 eligible activities, 22 of which** can contribute to the climate objectives of **both mitigation and adaptation, 4 for mitigation only and one for adaptation only**.

In particular, the **water** and **environment** segments are especially eligible for activities that fall under the sector of "Water supply, sewerage, waste management and remediation" such as the construction, extension, management and renewal of water collection, treatment and supply systems and the anaerobic digestion of bio-waste. The environment segment is also eligible for the "Energy" sector, which includes generation from solar photovoltaic technology and from bioenergy. In the same way, the **generation** segment, responsible for most of the Group's electricity production, is eligible for the activities of generation from hydropower, from solar photovoltaic technology and for district heating distribution.

The **energy infrastructure** segment, again within the "Energy" sector, is mainly eligible due to the transmission and distribution activity. The **engineering and services** segment, also committed to research and innovation, design and laboratories, with many activities serving the Group companies<sup>31</sup>, is eligible due to the activities of the "Professional, scientific and technical activities" sector. Lastly, the **energy (commercial and trading)** segment, which mostly manages the sale of electricity, worth 49% of the Group's turnover in 2021, is only partially eligible, since, as we know, the European Commission does not currently include sales among the eligible activities for the first two climate objectives. Despite this, the segment corresponds with the Taxonomy for the activities of the "Construction and real estate" sector, such as the installation, maintenance and repair of energy efficiency equipment or, for the "Transport" sector, the construction, modernisation, maintenance and operation of infrastructure that is required for zero tailpipe CO<sub>2</sub> operation of zero-emissions road transport.

Based on the analysis performed, as mentioned, 22 of the 27 activities identified as eligible **are able to contribute to both climate objectives** (mitigation and adaptation), the description of which in the *Climate Delegated Act* (in 20 of 22 cases) is fully aligned. In these cases, only the technical screening criteria, functional thresholds for assessing the alignment of the activities with the Taxonomy (obligation which will come into force from 2023) – not just their eligibility – highlight differences between the activities, based on the objective in question. Therefore, in this first year of reporting, **Acea decided to attribute the eligible activities to the mitigation objective only, with the exception of the sole activity attributable to the adaptation objective**. This evaluation, which brings with it a clear imbalance in allocation of the KPIs in relation to the climate change mitigation objective, arising from the impossibility to attribute them to both, is to be considered provisional and subject to a different outcome for the next analysis cycle.

In line with the indications of the Regulation and on the basis of the accounting standards defined by Acea (see section *Accounting standards and supplementary information pursuant to Regulation 852/2020*), the Group has calculated the percentages of **turnover, CapEx and OpEx related to the eligible activities**.

It is important to note that these percentages do not represent a summary of the sustainability performances described in the *Sustainability Report* but correspond exclusively to a specific interpretation required by the Taxonomy – in relation to a number of specific environmental objectives – to support the implementation of the European Action Plan for Sustainable Finance and should therefore be confined to such purposes, which differ from the wider context of sustainability initiatives promoted by the Group.

Looking at the financial results achieved by the Group as at **31/12/2021**, the portion of **eligible turnover** is equal to **41%** of the total. In terms of **CapEx**<sup>32</sup>, the Group is eligible for **78%** of the total, while for **OpEx** the percentage of eligibility comes to **69%** of the operating expenses that can be considered for Taxonomy purposes. It should be taken into account that a residual part of the three KPIs (9% of turnover, 3% of total CapEx and 6% of OpEx that can be considered for Taxonomy purposes and attributable to the companies outside the scope of the NFS) is to be considered not subject to assessment.

<sup>29</sup> European Commission, C (2021) 2800 final, 2021, Annex 1 and 2.

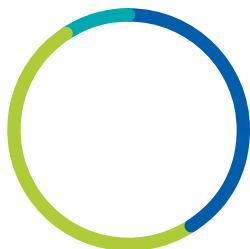
<sup>30</sup> In particular, the activities managed by the Group, considered eligible, fall under the following sectors: Environmental protection and restoration activities; Energy; Water supply, sewerage, waste management and remediation; Transport; Construction and real estate; Information and communication; Professional, scientific and technical activities.

<sup>31</sup> Intragroup activities are removed from the accounting of the KPIs, in accordance with the Regulation.

<sup>32</sup> Note that, for the first year of application of the Regulation, limited to the eligibility analysis and not the assessment of their alignment, it is not possible to take account of the specifications relative to the CapEx Plan (under points 1.1.2.2 and 1.1.3.2 in Annex I of the Disclosure Delegated Act) since these are subject to the verification of compliance with the technical screening criteria. This verification will be taken into consideration for the disclosure relative to tax year 2022.

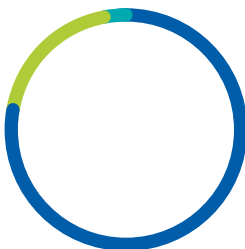
**Chart no. 8 – Total eligible, ineligible and non-assessed turnover, CapEx and OpEx**

**Turnover**  
€ 3,972 million



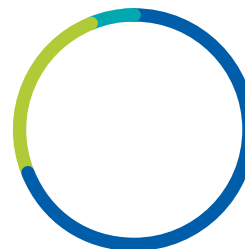
**41%** Eligible turnover  
**50%** Ineligible turnover  
**9%** Non-assessed turnover

**CapEx**  
€ 970 million



**78%** Eligible CapEx  
**19%** Ineligible CapEx  
**3%** Non-assessed CapEx

**OpEx**  
€ 181 million



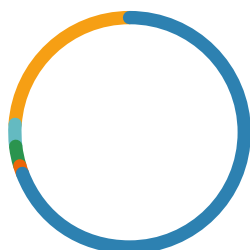
**69%** Eligible OpEx  
**25%** Ineligible OpEx  
**6%** Non-assessed OpEx

As mentioned, for this year, Acea decided to attribute the eligible activities to the mitigation objective only, with the exception of the sole activity attributable to the adaptation objective.

In 2021, this activity only generated OpEx, making 100% of the turnover and the CapEx eligible for the mitigation objective only.

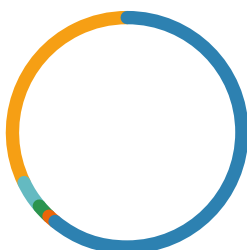
**Chart no. 9 – Total eligible turnover, CapEx and OpEx by industrial segment**

**Eligible turnover**  
€ 1,624 million



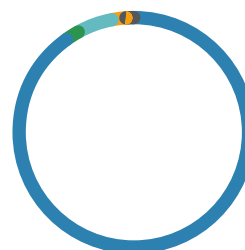
**0%** Holding  
**70%** Water  
**1%** Commercial and Trading  
**3%** Environment  
**3%** Generation  
**24%** Energy Infrastructure  
**0%** Engineering and Services

**Eligible CapEx**  
€ 755 million



**0%** Holding  
**61%** Water  
**1%** Commercial and Trading  
**2%** Environment  
**4%** Generation  
**32%** Energy Infrastructure  
**0%** Engineering and Services

**Eligible OpEx**  
€ 125 million



**0%** Holding  
**90%** Water  
**0%** Commercial and Trading  
**2%** Environment  
**5%** Generation  
**2%** Energy Infrastructure  
**1%** Engineering and Services

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

- of the Group's total **turnover** for 2021, equal to **€ 3,972 million**, **€ 1,624 million** is eligible. The two business areas that contribute the most are **Water** with **69%** of the value (1,129 million) and **Energy Infrastructure** with **24%** (385 million);
- of the total **CapEx**, equal to **€ 970 million**, **€ 755 million** is eligible, of which **61%** is attributable to investments by companies in the **Water** segment (464 million) and **32%** to **Energy Infrastructure** (238 million);
- of the total **OpEx** that can be considered for Taxonomy purposes, equal to **€ 181 million**, **€ 125 million** is eligible. Again in this case, approximately **90%** derives from activities performed

in the **Water** segment (112 million), following by the **Generation** segment which contributes to **5%** of the total (6 million).

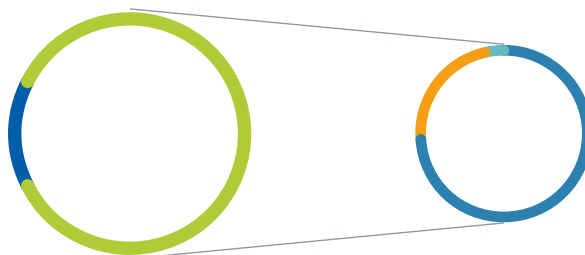
As an additional indicator, in the year in question, an EBITDA value of **€ 1,256 million** is noted, of which **€ 1,076 million** is eligible, equal to **85%** of the total. As shown in the following chart, the greatest contribution to the eligible EBITDA value comes from the **Water** segment with **63%** of the eligible total (802 million), followed by **Energy Infrastructure** for **19%** (247 million) and the **Generation** segment with **3%** of the eligible total (36 million).



**Chart no. 10 – Total eligible EBITDA by industrial segment**

**Total EBITDA**  
€ 1,256 million

**85%** Eligible EBITDA  
**15%** Non-assessed EBITDA



**Eligible EBITDA**  
€ 1,076 million

**63%** Water  
**19%** Energy Infrastructure  
**3%** Generation

## ACCOUNTING STANDARDS AND SUPPLEMENTARY INFORMATION PURSUANT TO REGULATION 852/2020

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

For the purposes of allocating the amounts of **turnover, CapEx and OpEx** to the eligible 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 by using the information present in the general, industrial and regulatory accounts. The methods for constructing the KPIs shown below and applied for the first year of entry into force of the European Regulation could undergo changes and amendments in coming years in light of legislative developments or consolidated or sector practice.

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 revenues<sup>33</sup>.

The **net revenues** were identified by using the data of the consolidated financial statements prepared according to international accounting standards and refer to the provisions of IAS1, point 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 state-

ments, 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.

Despite not being envisaged by the legislation, the **EBITDA** was identified using data from the consolidated financial statements prepared according to international accounting standards, determined by adding the item “Amortisation, depreciation, provisions and impairment charges” to the Operating Result, as the main non-cash items. For the calculation of the eligible **EBITDA** the numerator used was the portion of consolidated net revenue and all operating expenditure<sup>34</sup> associated with the eligible activities as indicated above. 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, 3% of the CapEx and 6% of the OpEx).

<sup>33</sup> Pursuant to art. 2, point 5 of Directive 2013/34/EU.

<sup>34</sup> Therefore, without limiting itself to the OpEx components only relative to 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.

The following tables represent the eligible activities for the Acea Group and the value of the related KPIs (portion of turnover, CapEx, OpEx), respectively, according to the provisions of the legislation and, in addition, according to the normalised allocation.

#### List of eligible activities, relevant climate objective and activity description

Eligible activity (*)	Climate change mitigation	Climate change adaptation	Activity description
2.1	✓		Restoration of wetlands
4.1	✓		Electricity generation using solar photovoltaic technology
4.5	✓		Electricity generation from hydropower
4.8	✓		Electricity generation from bioenergy
4.9	✓		Transmission and distribution of electricity
4.13	✓		Manufacture of biogas and biofuels for use in transport and of bioliquids
4.15	✓		District heating/cooling distribution
4.16	✓		Installation and operation of electric heat pumps
4.20	✓		Cogeneration of heat/cool and power from bioenergy
5.1	✓		Construction, extension and operation of water collection, treatment and supply systems
5.2	✓		Renewal of water collection, treatment and supply systems
5.3	✓		Construction, extension and operation of waste water collection and treatment systems
5.4	✓		Renewal of waste water collection and treatment systems
5.5	✓		Collection and transport of non-hazardous waste in source segregated fractions
5.6	✓		Anaerobic digestion of sewage sludge
5.7	✓		Anaerobic digestion of bio-waste
5.8	✓		Composting of bio-waste
5.9	✓		Material recovery from non-hazardous waste
6.6	✓		Freight transport services by road
6.15	✓		Infrastructure enabling low-carbon road transport and public transport
7.3	✓		Installation, maintenance and repair of energy efficiency equipment
7.4	✓		Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
7.5	✓		Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings
8.2	✓		Data-driven solutions for GHG emissions reductions
9.1	✓		Close to market research, development and innovation
9.1		✓	Engineering activities and related technical consultancy dedicated to adaptation to climate change
9.3	✓		Professional services related to energy performance of buildings

(\*) For the denomination and full description of the activities, referred to herein with their number, please refer to Annexes 1 and 2 (Climate Delegated Act) of Regulation 852/2020.

#### KPIs associated with the eligible activities

KPI 2021	KPIs pursuant to Regulation 2020/852		KPIs (net non-assessed portion)	
	Portion of eligible economic activities	Portion of ineligible economic activities (*)	Portion of eligible economic activities	Portion of ineligible economic activities
Turnover	41 %	59 %	45 %	55 %
CapEx	78 %	22 %	81 %	19 %
OpEx	69 %	31 %	74 %	26 %

(\*) Includes the percentages of turnover, CapEx, OpEx attributable to the companies outside of the NFS scope

# STRATEGY AND SUSTAINABILITY

## INTEGRATED STRATEGY OVERVIEW

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 Business Plan and the Sustainability Plan for 2020-2024 were approved in 2020 by the Board of Directors and will be subject to further revision in 2022.

**Business management towards the pursuit of “sustainable success”** is also subject to further research by Acea through **discussion with the institutional world, experts and other companies**, of which the Company itself is a promoter, creating opportunities for dialogue and exchange of experiences, such as the **Sustainability Day**, which reached its third edition in 2021 (see box).

Acea's commitment is appreciated by external observers, analysts specialised in ESG and the market. In this sense, Acea's good 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 business*), the positioning in the ratings of the CDP - Carbon Disclosure Project (see box below), the further improvement in the rating given by Standard Ethics, as well as the feedback that the market wanted to give to the first Green Bond issued by the Company and the assessments issued by ESG analysts (see the chapter *Shareholders and investors*). In 2021, Acea once again took part in the Top Utility Award, the initiative established by the Althesys research centre with the intention of promoting excellence among the 100 biggest companies that manage public services, for their contribution to the economic and industrial development and collective well-being of the country. The rewards given as part of the initiative involved the following 8 categories: Absolute, Sustainability, Communication, Research & Innovation, Consumers & Territory, Operating Performance, Diversity, South. **Acea was in the top five best in class for the Sustainability and Research and Innovation categories**; The Acea Group company **GORI was awarded the price for the South category**.

## SUSTAINABILITY DAY ACEA 2021

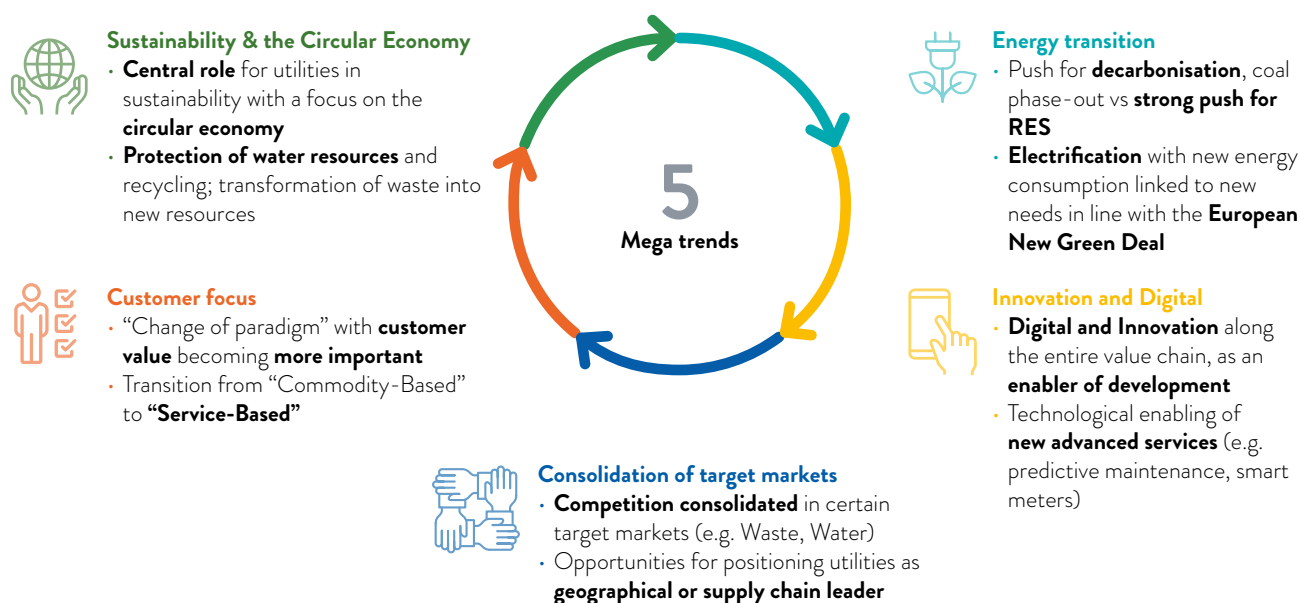
The 2021 edition of the Acea Sustainability Day was held on 26 November with a blend of in-person and digital attendance, at **La Lanterna Rome**. The event, in response to the desire to offer **an opportunity for discussion among the main institutional and business players on sustainability topics**, was developed around the theme of the **Fair and sustainable transition**. Many subjects were addressed, which highlighted the various forms of the concept of sustainability, underlining the need not only to consider the environmental aspect but also to integrate the social aspect in order to allow for the “Just Transition” to be exactly that.

Moderated by Antonella Baccaro, a journalist from Il Corriere, the debate took place across four different events, which, starting from a scenario analysis for a Just Transition, covered the responses and projects put into place by Acea, the implementing aspects of the transition, the challenges and the opportunities from the industrial perspective of the financial markets and the regulations. These subjects were analysed thanks to discussion among reputed members from the institutional world, such as the Minister for Equal Opportunities and Family, Elena Bonetti, and the ARERA Commissioner, Clara Poletti, from institutions involved in research, such as the President of Utilitatis, Prof. Stefano Pareglio, and the Director of TIREZIA, Prof. Mario Calderini, and lastly from organisations and businesses, such as the President of the Young Ambassador Society, Alberta Pelino, the Head of Large Caps, Investment Vehicles & Market Intelligence at Euronext, Patrizia Celia, and the Enav President, Francesca Isgro. The event was **live streamed** on the dedicated platform and on CorriereTV attracting over **900,000 video views**.



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.

**Chart no. 11 – The 5 mega trends for utilities**



Source: Acea Business Plan 2020-2024

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 dedicated boxes and charts 12 and 13).

The update to the 2020-2024 Plan, carried out with the **involvement of the organisational structures** (Parent Company Functions and Operating Companies) and taking into account the **material issues** defined by listening to stakeholders, maintaining consistency with the objectives of the **European Green Deal** and the **Agenda 2030 Sustainable Development Goals** that are relevant to Acea's businesses, brought about the definition of 125 targets and their related KPIs. In 2021 a number of Group companies proposed inte-

grations to the targets defined with the latest sustainability planning leading to the **upgrade/reformulation of 4 targets already present in the Plan** (aspects pertaining to energy efficiency, the remote control of infrastructure, etc.) and the **insertion of 2 new targets** (the installation of drinking water supply infrastructure in the territory and an important restoration project for the Sarno river's ecosystem)<sup>35</sup>. Therefore, **following the integrations, the 2020-2024 Sustainability Plan is structured**, at operating level, **into 127 targets**. The investments envisaged in the 2020-2024 Business Plan **related to sustainability targets** totalling **€ 2.1 billion**. In 2021, 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 31/12/2021, was around **€ 408 million**; on a whole, in the 2020-2021 two-year period, the Business Plan investments related to sustainability targets totalled around **€ 740 million**.

<sup>35</sup> In particular, this includes the upgrade to 2 AdF targets pertaining to energy efficiency and the reduction of energy consumption and the insertion of 1 new target on the installation of drinking water supply infrastructure (Water Kiosks); the upgrade to 1 Areti target on the remote control of the MV/LV lines and 1 Acea Innovation target relative to the installation of electric charging points in which the development of an electric mobility platform has been integrated by Acea Energia, and the insertion of 1 new GORI target on the interventions required to remove pollution from the hydrographic basin of the Sarno river, through the completion of the sewerage water system.

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

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

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


Macro objective	Strategy
<b>PROMOTING A FOCUS ON THE CUSTOMER</b>	 <ul style="list-style-type: none"> <li>increasing the <b>technical and commercial quality</b> of the <b>services</b>, while <b>consolidating digital services</b>;</li> <li>improving the <b>customer experience</b> and the <b>contact channels</b> so that they fully meet customers' needs</li> </ul>
<b>ENHANCING STAFF FOR THE GROUP'S GROWTH</b>	 <ul style="list-style-type: none"> <li><b>training, employee involvement</b> and increasing <b>organisational well-being</b>, including the protection and promotion of <b>diversity</b></li> <li>enhancing sustainability in <b>performance management systems</b></li> </ul>
<b>QUALIFYING PRESENCE IN THE REGIONS AND PROTECTING THE ENVIRONMENT</b>	 <ul style="list-style-type: none"> <li>increasing <b>resilience of water and electricity infrastructure</b> to ensure security of supply, adaptation to climate change and support for energy transition;</li> <li><b>limiting impacts</b> on the natural environment, protecting the land and biodiversity and using resources more efficiently;</li> <li>streamlining and <b>contributing</b> to the <b>decarbonisation of the energy system</b>, with the increase of production from renewable sources and the consequent reduction of CO<sub>2</sub> emissions;</li> <li>reducing the <b>city's environmental impacts</b> through smart green services for customers and the <b>development of circular economy initiatives</b>;</li> <li>promoting sustainability along the <b>supply chain</b>, raising awareness of customers and students on sustainability issues, with a structured approach to <b>stakeholder involvement</b></li> </ul>
<b>PROMOTING HEALTH AND SAFETY ALONG THE VALUE CHAIN</b>	 <ul style="list-style-type: none"> <li><b>disseminating the culture of safety and prevention along the internal and external value chain</b>;</li> <li>increasing <b>verification and control activities</b> and actions to ensure the health and safety of customers</li> </ul>
<b>INVESTING IN INNOVATION FOR SUSTAINABILITY</b>	 <ul style="list-style-type: none"> <li>applying <b>innovative technologies</b> for network management (digitisation, remote control, IoT) in a <b>smart city</b> perspective and in other production and organisational processes;</li> <li>developing synergies in <b>research and innovation</b> for <b>knowledge sharing</b> as well as <b>project implementation</b>, including in association with start-ups and scientific partnerships</li> </ul>

Chart no. 12 – The 2020-2024 Sustainability Plan in numbers



Chart no. 13 – The sustainability strategy guidelines



The **Management and Sustainability Systems Policy**<sup>36</sup> 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**.

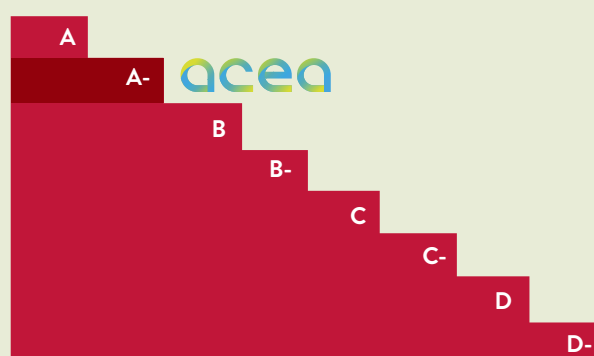
The **2021** edition of the **Global Risk Report**, albeit centred around the social effects caused by the pandemic, continues to indicate **climate change** and the failure to take action to counter it as some of the most probable and highest impact risks. Acea monitors this area and the initiatives undertaken have once again received the positive assessment of the CDP (see box); 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 concluded an initial process of alignment with the Recommendations defined by the Task Force on Climate-related Financial Disclosures – TCFD, which will also continue in 2022 (for more details see *The relations with the environment*, section *Environmental and climate risks: analyses and disclosure*).

## ACEA CONFIRMED IN THE LEADERSHIP CATEGORY OF THE CARBON DISCLOSURE PROJECT – CDP

The independent organisation CDP is the main reference for investors who are interested in understanding the commitment of companies to **climate change**. The CDP promotes worldwide attention on the management of climate change risks and impacts, inviting companies to provide timely information about their governance, strategy, actions undertaken and performance. Based on the data received, each year the CDP publishes a ranking of its assessments for each organisation. In 2021 **more than 13,000 companies, with over 64% capitalisation of the world market**, including 1,100 public

administrations, disclosed environmental data via CDP, making the CDP platform one of the richest sources of information in the world about the commitment of companies and governments to limit climate change. Again in 2021 Acea was confirmed in the **“leadership” category** of the Carbon Disclosure Project (CDP) ranking, **with a score of “A-”**. The rating (scale D-/A) is based on the assessment of areas such as the presence of targets and initiatives undertaken to reduce emissions, risk analysis and management, the assessment of financial impacts due to climate change and reporting.

- **+ 13,000 companies** from around the world responded to CDP Climate Change
- The average score for utilities is B



**Leadership (A/A):** implementing current best practices

**Management (B/B-):** taking coordinated action on climate change issues

**Awareness (C/C-):** knowledge of impacts on, and of, climate change issues

**Disclosure (D/D-):** transparent about climate change issues

For more information, go to [www.cdp.net](http://www.cdp.net)

36 The Policy, updated in November 2020, can be found on the institutional website, [www.gruppo.acea.it](http://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 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 highlight 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.

## THE DETAILED OBJECTIVES OF THE 2020-2024 SUSTAINABILITY PLAN AND THE ACTIONS OF THE YEAR



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

OPERATIONAL OBJECTIVES	TARGET FOR 2024 - FUNCTIONS/OWNER COMPANIES OF THE PROCESS	KEY PERFORMANCE INDICATORS	2021 ACTIONS
<b>SCOPE OF ACTION 1: IMPROVING COMMUNICATION WITH CUSTOMERS</b>			
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. <b>ACEA SpA – COMMUNICATION</b> (digital and corporate media)	Acknowledgements in sector analyses/rankings during the year: Yes/No= <b>Yes</b>	Through the Group website, Acea described the main projects and initiatives, in the stories and news sections, and the developments related to the services provided, as well as content related to the Covid-19 health emergency. Acea was included in the top 10 of Webranking Italy by Lundquist, coming eighth place (two places higher than in 2020) and joining the category of companies with "5 stars". The Acea Innovation mini-site was also put online.
	Creation of a website for Areti with effective, useful information intended for users of electricity distribution (intermediate target for 2021). <b>ACEA SpA – COMMUNICATION</b> (digital and corporate media)	Site realisation: Yes/No= <b>Yes</b> <b>Target for 2021 achieved</b>	Carried out activities for the creation of the site: the design of the content strategy, the implementation of a new look and feel in line with the brand, the definition of clear and immediate structure for fluid and intuitive browsing intended to promote interaction with the customer and the optimisation of the reserved area. The site is kept constantly updated.
	Consolidation of presence on social channels with increased brand awareness through effective and engaging communication. <b>ACEA SpA – COMMUNICATION</b> (digital and corporate media)	No. of followers of social channels reporting year > no. of followers of social channels reporting year -1= <b>77,001&gt;60,733</b>	Publication of content, varied for each channel, aimed at highlighting Acea's commitment to the territory, to sustainability topics, innovation and people development, in particular in the context of the Covid-19 health emergency. Emphasis was placed on events and the main sponsorships through ad hoc editorial plans and influencer marketing projects. Also launched the operating management of the Acea Energia social channels, in line with the commercial strategy and the brand proposition, and Areti's LinkedIn page.
	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. <b>ACEA ENERGIA</b>	Customers who have logged in at least 1 time in the last 12 months/"consumer" and "micro-business" customer base= <b>400,428/1,035,227= 38.7% (42.3% ML and 36.4% SMT)</b>	In 2021, Acea Energia upgraded its digital channels as a tool for improvement, simplification and optimisation of the customer experience, introducing the new CRM and expanding the functionalities available to the customer in the dedicated area. The Acea e-mobility app was also launched, dedicated to the electric car charging market and introduced the digital consultant service which supports customers via video call.
	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.). <b>ACEA SpA – COMMUNICATION</b> (communication planning & portfolio management)	Implementation of a communication campaign: Yes/No= <b>Yes</b>	In early 2021, the campaign to promote Acea Ato 2 and Acea Ato 5's digital service point and the new MyAcea services continued. In July, the campaign for the new interactive digital billing for those Companies was featured in the press, radio and online.

### 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%. <b>ACEA ENERGIA</b>	NPS courtesy/professionalism indicator= <b>81.2% (average between the two markets; in detail SMT 86.4% and ML 77.7%)</b> NPS perceived service quality indicator= <b>60.6 % (average between the two markets; in detail SMT 71.6% and ML 53.1%)</b>	Optimised the contact channels and created a dashboard for the continuous monitoring of contact KPIs, to share performances with internal operations management and with the external providers that oversee the service. The final result, in overall terms, represented a 2% increase in Service Levels.
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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><b>ACEA ATO 2 and ACEA ATO 5</b></p>	<p>Average waiting days for branch appointment (&lt; of 5 days) = <b>Acea Ato 2: 3 days; Acea Ato 5: 4.8 days</b></p>	<p>During 2021 the Digital Service Point was consolidated. Acea Ato 5 carried out various information campaigns about the service point and Acea Ato 2 launched the first 6 Waidy Points, at 4 territorial service points. These are digital workstations where less digitalised customers can manage any business, via video call, with the support of a digital facilitator.</p>
	<p>Improving the quality of metering systems by replacing 21,000 meters per year.</p> <p><b>ACEA ATO 5</b></p>	<p>No. of meters replaced/No. of meters to be replaced = <b>27,021/21,000</b></p>	<p>Over 27,000 meters were replaced, giving priority to the oldest meters.</p>
	<p>Replacing some 317,000 meters to improve the quality of measurement systems.</p> <p><b>GORI</b></p>	<p>No. of meters replaced/No. of meters to be replaced = <b>67,688/317,000, i.e. 21% (54,431 in 2020 and 13,257 in 2021)</b></p>	<p>In late 2021, around 13,250 meters were replaced; the slowdown in replacement 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><b>ARETI</b></p>	<p>Missed appointments/total appointments reporting year &lt; missed appointments/total appointments year 2019 = <b>2,599/26,863 i.e. 9.68% &lt; 11.45% in 2019 (reduction of 15.5%)</b></p>	<p>Launched the new estimates process with the establishment of dedicated dispatchers and the availability of jolly resources, the internalisation of the report that reports off-standard appointments.</p> <p>By virtue of the changes made to the process, an ad hoc training refresher was carried out for the estimators.</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).</p> <p>Getting Envision certification on at least one strategic works project.</p> <p><b>ACEA ATO 2 and ACEA ELABORI</b></p>	<p>Preliminary assessment of the Marcio and Peschiera aqueducts projects with positive results:</p> <p><b>Yes/No= Yes on Peschiera Aqueduct (in 2020)</b></p> <p>Envision certification obtained on the design of at least one strategic work (Marcio and/or Peschiera Aqueducts) = <b>No</b></p>	<p>The project activities intended to obtain the environmental authorisations and the achievement of the Envision Certification continued on the new upper section of the Peschiera Aqueduct. For the Marcio Aqueduct, the Sustainability Report was prepared in compliance with Regulation (EU) 852/2020 on the European Taxonomy and with the regulations of reference of the NRRP. For both infrastructures, the prospective indications for sustainable engineering and for the application of the Minimum Environmental Criteria (MEC) are being studied.</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 &gt; € 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><b>ACEA ELABORI</b></p>	<p>Obtaining SOA certification for Acea Elabiori:</p> <p><b>Yes/No= Yes</b></p> <p>Annual amount of construction activities managed under EPC Contract = <b>€ 6 M</b></p>	<p>16 tender contracts and 25 tenders for the supply of goods/services were signed. Construction/renovation works launched on 7 projects (treatment plants of Acea Ato 2).</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><b>ACEA ATO 5</b></p>	<p>Purification potential in PE/ purification potential in PE in 2019 (target scope) = <b>10,800/8,000, equal to an increase of +1.4 times PE</b></p>	<p>Completed the works on the Anagni San Bartolomeo treatment plants and those at Rocca-secca Scalo are ongoing; works being launched on the plant in the Municipality of Monte San Giovanni Campano-Colli; for another plant, authorisations from the competent bodies are pending (Municipality of Villa Latina).</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><b>ACEA ATO 2</b></p>	<p>Purification potential in PE/ purification potential in PE in 2019 (target scope) = <b>170,171/164,175, equal to an increase of 3.7%</b></p> <p>Decommissioned/centralised treatment plants= <b>13 (7 in 2020 and 6 in 2021)</b></p> <p>PEs affected by the centralisation of treatment plants= <b>42,270 (15,730 in 2020 and 26,540 in 2021)</b></p>	<p>Works to decommission 6 treatment plants were completed – Valle Focicchia (Rocca di Papa), Guado Tufo (Sacrofano), La Botte (Guidonia Montecelio), Lucrezia Romana (Ciampino), Grotte Portella (Frascati) and Valle Vergine (Rocca di Papa) – and upgrade activities are ongoing on 10 target plants.</p>
	<p>To expand the treatment capacity and cover the sewage service through 21 interventions on the plants (17 to expand the treatment capacity and 4 to cover the service): + 6% of population equivalent treated and + 6% of users covered by the purification service compared to 2019 data (equivalent to 314,422 PE treated and 184,882 users covered by the service, respectively).</p> <p><b>AdF</b></p>	<p>Purification capacity in PE/ purification capacity in PE in 2019</p> <p>% users covered by sewage service/% users covered by sewage service 2019</p>	<p>Project planning continued during the year leading to the conclusion of 6 final designs and one executive plan; other reports are being prepared or completed. Launched works on the Montiano plant in the Municipality of Magliano in Tuscany.</p>

### Improving the technical quality of services

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)**

5 obsolete thermal exchange substations were restored and replaced with an equal number of pre-assembled systems.

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)**

Replaced 4 shut-off valves on the primary network of the district heating distribution network with ball valves equipped with electric actuator.

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 = **1 day and 4 h**  
HIGH relevance = **1 day and 4 h**  
MEDIUM relevance = **1 day and 2 h**  
LOW relevance = **1 day and 4 h**

Revised the fault management processes and implemented the intervention prioritisation system according to the risk indexes that make it possible to "label" the plants with a high, medium or low critical relevance.



## 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

### 2021 ACTIONS

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

### Enhancing and boosting Human Capital 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 = **3/1**  
No. of employees involved reporting year > no. of employees involved reporting year - 1 = **3,249 > 70 in the first year**

Concluded the first course and launched the second edition of "Agire Sostenibile" [Act Sustainable] intended to disseminate the culture of sustainability, which involved 20 Sustainability Ambassadors and another 63 employees. Launched the "Azienda 2030" e-learning course on the UN sustainable development goals (Agenda 2030).

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. of campaigns run = **1**  
No. of persons involved/total persons informed = **6,466/6,466**

The first edition of "Accademia digitale" [Digital academy] training concluded, which involved 12 training courses and the participation of around 1,200 employees. Carried out a new survey to assess the evolution of the Group's digital mindset, which involved around 6,000 people, and new digital courses are being designed.

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 reporting year > no. of people involved reporting year - 1 = **590 > 434**

In addition to providing training on digitalisation, among the vocational courses centred around culture and digital evolution, coaching and mentoring courses are being created to transfer skills from people with more experience (mentors) to "students" (mentees).

### Investing in the development and improvement of the staff assessment and recruitment system

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.

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

No. of external selection processes activated through dedicated tools/total external selection processes activated = **113/113**

In line with the new personnel selection procedure, Acea used various channels and tools for selection such as participation in Career Days (8 in 2021) and in challenges. Upgraded selection support tools, such as digital mindset tests, personality tests related to the Acea leadership model and video interviews.

Progressive extension of objectives aimed at promoting sustainability impacts to the entire population with respect to MBO assessed with performance management systems.

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

No. of resources with sustainability target in MBO/total resources in MBO = composite target: = **495/495, equal to 100%**

In the MBO incentive system, a composite sustainability objective with 4 parameters was placed alongside the Group's economic objectives. A composite sustainability objective was also inserted into the Long-Term Incentive Plan.



## 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><b>ACEA SpA – COMMUNICATION</b> (Media relations and internal communications)</p>	<p>% of the company population reached by the information = <b>100%</b> No. of initiatives carried out during the year/no. of initiatives to be carried out = <b>at least 25/6</b></p>	<p>Numerous initiatives were organised; for example, <i>Connessi con Acea</i> [Connected with Acea] and <i>Acea Green Cup</i>, both related to sustainability. Webinars were organised on prevention, health and well-being, welfare; the campaign on employee serological tests, Covid-19 vaccination and the launch of the vaccination hub continued.</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><b>ACEA SpA – HUMAN RESOURCES</b> (Talent acquisition &amp; people development)</p>	<p>No. of initiatives launched/total initiatives to be launched = <b>2/2</b></p>	<p>Acea joined the Inspirational Talks initiative, with the involvement of 15 Role Models, who bring their personal experience to schools and encourage female students to embark on STEM training courses; the initiative was described in a story on the website.</p> <p>The <i>GenerAzione Digitale</i> [Digital GenerAction] project was also carried out, involving 400 students.</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><b>ACEA SpA – HUMAN RESOURCES</b> (Talent acquisition &amp; people development)</p>	<p>Implementation of internal investigations: Yes/No = <b>Yes</b> No. of initiatives launched/no. of initiatives to be launched = <b>1/1</b> No. of employees who responded to surveys and/or joined initiatives/no. of employees involved = <b>1,889/6,466</b></p>	<p>Following the analysis of the results of the Diversity &amp; Inclusion survey, the Corporate Family Responsibility project was launched, centred around the role of families and caregivers, with a webinar dedicated to improving intergenerational relationships, attended by over 500 people.</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><b>Acea SpA – HUMAN RESOURCES</b> (Workplace safety)</p>	<p>Designing the training course: Yes/No = <b>Yes</b> No. trained employees/total employees (Acea SpA target perimeter) = <b>100/703</b>, i.e. <b>14%</b> <b>Target for 2024 achieved</b></p>	<p>The “I Care per il benessere individuale e professionale” [I Care about individual and professional well-being] project aimed at female unit managers was carried out; “Azioni e reazioni” [Actions and reactions] project aimed at men took place; “WE-Care”, an evolution of the two previous projects in preparation for launching the training phase aimed at professionals.</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><b>ACEA SpA – HUMAN RESOURCES</b> (Talent acquisition &amp; 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 = <b>3/2</b> No. of participating employees /total company population = <b>1,901(*)/6,466</b> <b>(*) the figure may include employees who took part in several initiatives</b></p>	<p>3 initiatives were carried out:</p> <ul style="list-style-type: none"> <li>the wellness programme, to promote mental and physical well-being;</li> <li>“Insieme per la parità di genere e contro la violenza sulle donne” [Together for gender equality and against violence against women], an awareness campaign via webinars, short videos, a listening service and a video;</li> <li>the “Preveni con Acea” [Prevent with Acea] campaign formed of 2 webinars in collaboration with the Fondazione Policlinico Gemelli and the Bambin Gesù Hospital and 3 days dedicated to free screening for employees.</li> </ul>
	<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><b>ACEA SpA – HUMAN RESOURCES</b> (Talent acquisition &amp; people development)</p>	<p>No. of information campaigns carried out/No. of information campaigns to be carried out = <b>3/2</b> No. of employees participating in welfare services/ company population = <b>1,449(*)/6,466</b> <b>(*) the figure may include employees who took part in several initiatives</b></p>	<p>An information campaign was carried out to promote the importance of supplementary pensions as part of the Welfare Plan, a number of telemedicine services, international telepharmacy services and conventions for dental check-ups and treatments were integrated. In addition, a specific communication campaign was launched, jointly with the CRC, on telemedicine and medical check-ups.</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><b>ACEA SpA – HUMAN RESOURCES</b> (Talent acquisition &amp; people development)</p>	<p>No. of initiatives launched/total initiatives to be launched = <b>4/3</b></p>	<p>Following initiatives launched: “Taxi Solidale” [Solidarity Taxi] to support the community where the company operates; “Acea MyCamp”, the summer camp for children and young people aged between 6 to 14 years; “Orientiamoci” [Let's guide ourselves], the webinar for guiding future professional decisions, aimed at the parents of young people aged between 17 and 22 years and “Mi prendo cura di te” [I'll take care of you], the assistance and treatment service for family members, to support the management of education and/or care taking needs.</p>

### Enhancing diversity and promoting inclusion

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

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

No. of informed employees/no. of employees to be informed= **5,149/6,466**

No. of initiatives launched/total initiatives to be launched = **3/2**

A survey was launched on D&I, which received responses from around 1,900 employees. An ad hoc intranet section on diversity and inclusion was published. Acea took part in the Inclusive Job Day, the career day dedicated to graduates from protected categories, hiring one candidate.

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

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

Training action planning:  
Yes/No= **Yes**

No. of employees involved in training project/no. of employees to be involved= **5,190/6,466, of which 304 participants in the first training event.**

Following the D&I survey, an Unconscious Bias course was launched, aimed at increasing the awareness of managers and promoting an inclusive management of work relations for team members. The first online event of the course looked at cognitive bias, widespread prejudice and the impact that these topics have on organisations.

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

**Acea SpA – HUMAN RESOURCES**  
(Workplace safety)

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

To protect sensitive resources, due to the particular situation of the pandemic, their access to work premises was not authorised. Acea SpA offered the training course “La Gestione delle Emergenze – Conoscenze e Consapevolezza” [Emergency Management – Knowledge and Awareness] which addressed the topic of “Emergency and Disabilities” in relation to adequate assistance for people with special needs. The 232 participants were taught the most efficient evacuation assistance measures for the various “categories” of disabilities (motor, sensory, cognitive), while raising their awareness of temporary disabilities.

## 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	2021 ACTIONS
<b>SCOPE OF ACTION 1: REDUCING THE ENVIRONMENTAL IMPACT</b>			
Planning and implementing actions aimed at fighting climate change (mitigation and adaptation)	Acquisition/construction of photovoltaic plants for a total of 747 MW of installed power with consequent expected reduction of the emission intensity index of plants managed by Acea Produzione up to 40 g CO <sub>2</sub> /kWh (-55% compared to 89 g CO <sub>2</sub> /kWh in 2019).	MW installed/MW to be installed= <b>72.5 MW/747</b> gCO <sub>2</sub> /kWh produced (and percentage reduction compared to 2019)= <b>83 gCO<sub>2</sub>/kWh (- 6.7%)</b>	Purchased 4.5 MW and built another 16 MW of photovoltaic plants, reaching 72.5 MW of installed power, which allowed for a decrease in the emission intensity index of Acea Produzione and savings of around 42,000 tonnes of CO <sub>2</sub> .
	Reducing energy (electricity and gas) consumption of the company headquarters and other offices through energy efficiency measures with expected savings of over 900 MWh (232 MWh for the headquarters and 700 MWh for the Data Center) compared to pre-construction consumption (equal to 3,320 MWh/y for the headquarters and 4,115 MWh/y for the Data Center) and, for the company headquarters, savings of 13,800 Sm <sup>3</sup> compared to pre-construction consumption (equal to 118,500 Sm <sup>3</sup> /y).	MWh pre-construction – MWh post-construction= <b>7,435 - 6,667 = 768 MWh saved (*)</b> Sm <sup>3</sup> pre-construction – Sm <sup>3</sup> post-construction= <b>118,500 - 121,354 = -2,854 (*)</b> <b>(*) estimated figures</b>	Completed a number of projects in the central company office such as the replacement of window fixtures in the stairwell, the replacement of light fixtures with LED technology in part of the same office and the modernisation of the lift motors. During the year, the projects allowed for increased energy efficiency but no reduction of gas consumption.
	Implementing energy leakage reduction interventions on the grid (voltage change, low-leakage transformers, etc.) and other efficiency enhancement interventions that will enable achieving around 8,500 MWh energy savings, around 2,677 tonnes of reduction of CO <sub>2</sub> emissions and saving around 1,589 TOE over the course of the Plan.	MWh saved/MWh net distributed= <b>1,127 MWh saved/9,206,108 (*)</b> (for a total <b>2,897 MWh saved of which 1,770 in 2020</b> ) t of CO <sub>2</sub> not emitted= <b>1,043 (637 in 2020 and 406 in 2021) (*) (**)</b> TOE saved= <b>542 (331 in 2020 and 211 in 2021) (*)</b> <b>(*) the 2021 figures are estimated; the figures for 2020 have been restated after the consolidation</b> <b>(**) calculation made with the 2019 location-based conversion factor, the same one used to define the target</b>	The main energy efficiency measures carried out in 2021 concerned: the installation of 257 transformers with very low leaks and the upgrading of approximately 23 km of the grid from 8.4 to 20 kV.

**ARETI**  
**NOTE: the target has been revised in light of the reduction in consumption in both 2020 and 2021 following the pandemic**

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

<p>Reduction by around 200 tonnes of CO<sub>2</sub> emissions through vehicle fleet renewal with the introduction of electric cars.</p> <p><b>ARETI</b></p>	<p>t of CO<sub>2</sub> not emitted= <b>31.8 (5.2 in 2020 and 26.6 in 2021) (*)</b>          (*) value net of energy consumed, calculated with the 2019 location-based conversion factor, the same one used to define the target</p>	<p>Increased the electric fleet assigned to 24h operating personnel and consolidated the car sharing of electric vans (40 in circulation in late 2021).</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><b>ARETI</b></p>	<p>No. of substations involved in the interventions= <b>1,734 (635 in 2020 and 1,099 in 2021)</b>          Change in the annual percentage of the IRI (post-intervention value/pre-intervention value)= <b>- 24%, i.e. - 46% accumulated with the value from 2020 (*)</b>          (*) ratio between the change in the IRI associated with the projects concluded in 2020-2021 included in the Resilience Plan (presented to ARERA in June 2021) and the pre-intervention IRI on the network involved</p>	<p>Completed numerous interventions to improve the resilience of the grid on 26 lines due to the critical factor flooding and 87 lines due to the critical factor heat waves, for a total of almost 1,100 substations involved.</p>
<p>Developing biogas cogeneration (14,600 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.</p> <p><b>ACEA AMBIENTE</b></p>	<p>MWh/year from renewable sources of biogas = <b>31,389 MWh</b>          Conversion of Aprilia Plant: Yes/No= <b>No</b></p>	<p>The Orvieto, Monterotondo Marittimo and Aprilia plants, the latter after the completion of testing, produced a total of around 31 GWh of electricity from biogas. For the Aprilia plant, planning is continuing on the upgrade intended for the production of biomethane.</p>
<p>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.</p> <p><b>ACEA ATO 2</b></p>	<p>% of progress of Peschiera Aqueduct construction work= <b>0%</b>          % of progress of Marcio Aqueduct design/authorisation phase= <b>60%</b></p>	<p>For both works, the Government Extraordinary Commissioner has been appointed. For the Peschiera Aqueduct, activities for the design integration are ongoing, in line with Italian Decree Law no. 77/2021 on the Governance of the NRRP; for Marcio, the reports for the technical and economic feasibility project were completed according to the same regulations. Concluded for Peschiera and launched for Marcio the tenders for the excavation earth and rocks, which must occur according to sustainability criteria.</p>
<p>Designing and constructing 11 strategic works in order to increase the water supply safety and the resilience of the aqueduct system serving ATO 2 Central Latium and the surrounding OTAs.</p> <p><b>ACEA ATO 2</b></p>	<p>No. of works initiated: <b>1</b></p>	<p>Completed at various design levels, the planning reports for 9 works; 3 of these received funding as part of the National Recovery and Resilience Plan (NRRP). Launched works for the restoration and renovation of the Monte Mario Water Centre.</p>
<p>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.</p> <p><b>ACEA ATO 2</b></p>	<p>km verified sewerage system/km total man-aged sewerage system= <b>842/2,646, equal to approximately 32% (of which 271 in 2020)</b></p>	<p>Completed the study of hazardous substances at the Rome North treatment plant and the monitoring of the Tiber collectors at the Rome South treatment plant. Installed meters at Rome North, carried out the measurement campaign to analyse the sewage and finalised the study of parasitic waters in the basin of the same treatment plant.</p>
<p>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%.</p> <p><b>AdF</b></p>	<p>No. of municipalities covered by the water supply plan= <b>2</b>          % of inhabitants served covered by the water supply plan/inhabitants served 2019= <b>22,382/386,132, equal to 5.8%</b>          Water supplied in the Municipalities within the scope of the Plan (Mm<sup>3</sup>)/ requirements identified thanks to the prediction models (Mm<sup>3</sup>)</p>	<p>Tools, in testing and preproduction, were defined for the development of the Plan: a monthly supply model for the municipality, classed by categories of users; a rainfall and source data monitoring dashboard; a remote data reading dashboard for users for the consumption curves and a model for forecasting flows released.</p>

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<sup>3</sup> of biomethane.

#### 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).

#### 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.

#### ACEA ATO 5

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

#### ACEA ENERGIA

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

#### ECOGENA

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 CO<sub>2</sub>/year avoided.

#### ACEA ENERGY and ACEA ENERGY MANAGEMENT

Carrying out energy efficiency improvements at the "Saltatoi" and "Luco" water pumping stations, which are particularly energy intensive, with the aim of reducing the specific consumption of electricity by 30% and 4% respectively compared to the pre-construction consumption in 2019 (Saltatoi 1.92 kWh/m<sup>3</sup>; Luco 1.28 kWh/m<sup>3</sup>).

#### AdF

Design of a qualitative-quantitative monitoring network of the main local aquifers, hydrogeological analysis, measurements and physical modelling of them and installation of 5 flow gauges, aimed at sustainable resource management and improved prediction of deficits due to climatic variations.

#### GORI

% of progress of upgrading works in Rome North and Rome East= **50%**  
Sm<sup>3</sup> of biomethane fed into the network

Completed the design of the biogas to biomethane upgrading plant and the interconnection for feeding into the network. The project was reviewed by the Fire Department, which is expected to issue the Fire Prevention Certificate.

% of target achieved= **36%, equal to around 4.4 GWh (1.9 in 2020 and 2.5 in 2021)**  
GWh certified EEC/GWh total greater efficiency

Concluded 5 energy efficiency improvement projects (replacement of inverters at the Torrenova water centre, the control panels at the Spinaceto water centre, exchange of diffusers and installation of screw blowers in two treatment plants). The energy efficiency data includes the estimation of the electricity consumption avoided thanks to the recovery of water losses in Rome.

kWh saved estimated from efficiency improvement/consumption 2019= **867,263/77,707,000, equal to 1.12% (410,600 in 2020 and 456,663 in 2021)**

New pumps were installed on the Campoli Appennino Carpello and Cassino Appia wells.

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)= **2,300,000 > 1,197,508 (\*)**  
(\*) the 2021 figure is estimated; the 2020 figure was rectified following consolidation

Since June 2021, Acea Energia has offered its new domestic and SME customers the 100% ECO offer, which envisages 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.

MW installed  
TOE saved

Closed one contract for the construction of a 2 MW cogeneration plant; presented various offers to potential customers for around 14 MW of installed power between cogeneration and trigeneration plants. Scouting activities continued.

MWh (internal consumption) supplied with green energy= **420,196 (\*)**  
t CO<sub>2</sub> avoided= **151,271 (\*\*)**  
(\*) estimated figures; (\*\*) the calculation was made with the 2019 location-based conversion factor, the same one used to define the target

For their consumption, the main companies of the Group procured GO green energy for a total of around 420 GWh (equivalent to around 151 thousand tonnes of CO<sub>2</sub> avoided).

Consumption of kWh/m<sup>3</sup> in reporting year /consumption of kWh/m<sup>3</sup> pre-construction at Saltatoi plant (from 2022)  
Consumption of kWh/m<sup>3</sup> in reporting year /consumption of kWh/m<sup>3</sup> pre-construction at Luco plant (from 2023)

Efficiency improvement works were completed at the Saltatoi plant and monitoring began of the EnPI [kWh/m<sup>3</sup>] post-intervention indicator. Prepared the executive plan for the works on the "Luco" pumping station.

% 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**

Following the design of the monitoring network, the piezometers were installed to measure the water levels upstream and downstream of the collection infrastructure, using the gauge readings in the ongoing hydrogeological and modelling analyses with the support of the Department of Earth Sciences, Environment and Resources of the Federico II University of Naples.

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

Promoting an efficient use of resources, thus facilitating circular economy

<p>Reducing lost volumes of water by 27% compared to 2019 (2019 figure: 308.5 Mm<sup>3</sup> in lost volume) including through the installation of 2,500 pressure and flow gauges for remote monitoring of the water districts.</p> <p><b>ACEA ATO 2</b></p>	<p>% reduction in lost volume of water compared to the 2019 value = <b>13.8%, reaching 266.1 Mm<sup>3</sup> of lost volume (*) (**)</b></p> <p>No. of pressure and flow gauges installed= <b>995 (354 in 2020 and 641 in 2021) (*)</b></p> <p>(*) estimated figures (**) the 2019 baseline value has been updated according to ARERA indications received in 2021 on the calculation scope of the water balance</p>	<p>District planning completed for 3,049 km of water network and installed 641 pressure and flow gauges; the actions to counter abusive practices allowed for the administrative regularisation of over 1,700 users</p>
<p>Reducing lost volumes of water by 29.5% compared to 2019 (2019 figure: 92.8 Mm<sup>3</sup> in lost volume).</p> <p><b>ACEA ATO 5</b></p>	<p>% reduction in lost volume of water compared to the 2019 value= <b>17%, reaching 77.1 Mm<sup>3</sup> of lost volume (*)</b></p> <p>(*) estimated figures</p>	<p>District planning completed in 9 Municipalities, completed efficiency improvements in another 18 and inspected 137 km of supply network.</p>
<p>Reduction in lost volumes of water by around 26% compared to 2019 (2019 figure: 27.4 Mm<sup>3</sup> in lost volume) through district planning interventions and systematic water leak searches.</p> <p><b>AdF</b></p>	<p>% reduction in lost volume of water compared to the 2019 value = <b>13%, reaching 23.8 Mm<sup>3</sup> of lost volume (*)</b></p> <p>(*) estimated figures</p>	<p>Performed works on over 300 km of network for the creation of new remote-controlled water districts; installed or replaced meters to identify water losses and replaced user meters; inspected around 1,750 km of network.</p>
<p>Reducing lost volumes of water by 20% compared to 2019 (2019 figure: 10 Mm<sup>3</sup> in lost volume)</p> <p><b>GESESA</b></p>	<p>% reduction in lost volume of water</p>	<p>An analysis was performed of the most inefficient municipalities, installed 24 production meters at the source and 1,986 user meters; performed district planning for the network serving Benevento, with a water recovery equivalent to around 13 l/s on average per year. Across the entire territory managed, though no reduction in lost volume was recorded, the M1b indicator (water losses in %) decreased for the first time with respect to previous years.</p>
<p>Reducing lost volumes of water by 33% compared to 2019 (2019 figure: 101.0 Mm<sup>3</sup> volume lost) including by replacing 148 km of deteriorated pipelines.</p> <p><b>GORI</b></p>	<p>% reduction in lost volume of water= <b>14%, reaching 87.3 Mm<sup>3</sup> of lost volume</b></p> <p>km of pipelines replaced/km of pipelines to be replaced= <b>63/148 (49 in 2020 and 14 in 2021)</b></p>	<p>Restoration of 246 km of network and replacement of another 14 km; carried out 96 interventions on water districts and installed 8 pressure measurement valves.</p>
<p>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 of electricity and 2,500 MWh of thermal energy produced per year, equal to around 1,550 tCO<sub>2</sub> avoided in total per year.</p> <p><b>AdF</b></p>	<p>Plant Construction: Yes/No</p> <p>kWh electricity produced and consumed on site</p> <p>kWh thermal energy produced and consumed on site</p> <p>tCO<sub>2</sub> avoided</p>	<p>Concluded the review of the executive plan and obtained the permits for the construction of the plant for biogas production from anaerobic digestion of sludge and prepared the energy authorisation request for the cogenerator. Launched the preparatory stages for planning for other plants.</p>
<p>Carrying out projects to recycle purified wastewater mainly for irrigation or for production processes up to 8 Mm<sup>3</sup>/year of reused wastewater.</p> <p><b>ACEA ATO 2</b></p>	<p>Mm<sup>3</sup>/year of reused wastewater= <b>1.7</b></p>	<p>Following the integration and modernisation of the industrial water line at 3 major treatment plants (Rome South, Rome North and Cobis), in 2021 the industrial water circuit came into operation at the Ostia treatment plant.</p>
<p>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.</p> <p><b>ACEA ATO 2</b></p>	<p>Progress of work execution schedule/ expected completion times</p> <p>Recovered material/incoming material</p>	<p>The procedure was launched for the Environmental Impact Assessment of the plant; the progress is in line with the time schedule.</p>



**Promoting an efficient use of resources, thus facilitating circular economy**

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= **2,448,120/2,900,000, equal to 84%**  
t of treated waste/overall t of treated waste (2019 figure)= **1,514,554/1,145,526 (\*)**, equal to 32% more  
(\*) data from scope of consolidation, net of waste output

In 2021, the companies DECO and Ecologica Sangro were acquired, which operate in the Special Waste chain, plus MEG, which operates in Recycling. Acea Ambiente acquired the company AS Recycling, the holder of an authorisation for the operation of a plastic waste treatment plant. The company Cavallari, which oversees waste recovery, also acquired another 2 plants.

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

Formalised the acquisitions of MEG, already operating in the Recycling chain, and the company AS Recycling, which holds an authorisation for the construction and operation of a plant under construction. The company Cavallari acquired two waste recovery plants. It should be noted that the Demap plant was affected by a fire which temporarily reduced its treatment capacity.

Raising customer awareness about the use of the digital channels, with the objective of reaching 60% of active users associated with MyAcea and increasing the adoption of web bills: around 400,000 users with digital billing (equal to around 60 t/year of paper saved).

**ACEA ATO 2**

No. of utilities registered on MyAcea/total active utilities of Acea Ato 2 = **345,335/705,639, equal to 49%**  
No. of active web bills= **358,707**  
t paper saved per year= **63.6**

Launched the advertising campaign on MyAcea, on the digital service point and the new interactive web billing. New functionalities were introduced within the MyAcea Customer Area, such as the digital mailbox where contractual documents and payment reminders can be checked at any time.

Increasing the adoption of web bills, reaching around 50,000 users who have chosen the digital bill option (over 250% more compared to the 2019 data, equal to 14,218) with expected paper savings of around 9 t/year.

**ACEA ATO 5**

No. of active web bills= **47,623**  
t paper saved per year= **5.7**

Released the new version of the interactive web bill, an easy-to-use mini-site organised into thematic areas for easy and digital access to bill information. A communication campaign was also carried out involving 10 press releases, over 10 million digital impressions and more than 1,500 radio posts.

Promoting the digitisation of processes and raising customer awareness about the use of the digital channels with the objective of increasing the number of users with web billing by 229% compared to 2019: around 368,000 digital bills (equal to around 11.04 t/year of paper saved) in relation to 92,000 users.

**AdF**

No. of users with web billing/no. of users with active web billing in 2019 = **83,277/28,192, equal to 195% more**  
No. of users with active web billing= **83,277**  
t paper saved per year= **9.9**

Carried out promotion of the digital channels and web billing: video messaging for target users; a systematic and recurring campaign using traditional channels (print and TV) and innovative media (online newspapers – interactive banners on websites); promotion on social channels with periodic posts. Launched an incentive campaign, offering a discount to everyone who keeps their web billing and direct debit active for over one year.

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

**GESESA**

No. of active web bills = **8,206, equal to 14% of users**  
t paper saved per year= **1.4**

During the year, the switch to web billing was encouraged through an email communications campaign and direct telephone calls.

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

**GORI**

No. of active web bills= **197,790**  
t paper saved per year= **17 t**

In 2021, the “Un click per il Sarno” [One click for the Sarno] campaign continued through mass emails sent to users not signed up to the service. In addition, the use of web billing was promoted for all users signed up to MyGori and through social networks and call centres. The registration form remains active on the site, which allows anyone to sign up.

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

**ACEA ENERGIA**

No. of active supplies with web bill option= **394,655 (226,941 ML and 167,714 MST)/400,000**  
t paper saved per year= **54.4**

Acea Energia launched specific campaigns to promote web billing through the use of social and digital channels.

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

**ACEA ENERGIA**

% of contracts digitised= **38.7%**  
t paper saved per year= **8.8**

Digitised contracts, equal to 38.7%, allowed for a saving of around 9 tonnes of paper, a slight decrease compared to the 2020 figures due to the recovery of sales activities via the physical network.

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

Taking initiatives to protect the territory and limit impacts on the natural environment	Removing 200 pylons by modernisation of the electrical supply system as well as high voltage transmission. <b>ARETI</b>	No. of pylons removed/no. of pylons to be removed= <b>70/200 (22 in 2020 and 48 in 2021)</b>	Demolished 48 pylons, of which 22 high-voltage supports, 24 on the Flaminina-Smistamen-to Est line, 6 on the Collatina-Tiburtino O. and 5 on the Laurentina-Vitinia.
	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. <b>GORI</b>	No. of illegal discharges eliminated/ no. of illegal discharges to be eliminated= <b>6/78</b> Inhabitants covered by the sewerage and treatment service/inhabitants in the target scope	6 illegal discharges were eliminated, during planning or during awarding of the works and/or execution of the interventions intended to eliminate free terminals into the environment and complete the sewerage and purification system of the hydrographic basin territory.
	Increasing purification 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%). <b>ACEA ATO 5</b>	$\left[ \frac{(\text{BOD5in} - \text{BOD5 out} / \text{BOD5in}) \text{ reporting year} - (\text{BOD5in} - \text{BOD5 out} / \text{BOD5in}) 2019}{100} \right] \times 100 = \left[ \frac{(300 - 32)/300 - (300 - 40)/300}{100} \right] \times 100 = 2.6\%$	Completed revamping works on the Colfelice Mandrelle and Ceccano - Via Gaeta plants; works ongoing on the Serrone La Mola treatment plant.
	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). <b>GORI</b>	$\left( \frac{\text{SSTin} - \text{SSTout}}{\text{SSTin}} \right) \times 100 = \mathbf{86\%, 1\% \text{ more than 2019}}$	Carried out targeted interventions to improve purification efficiency.
	Reducing waste from the thermal renewal processes (Terni and San Vittore del Latium plants) by building a treatment and recovery plant for 100% of the ash produced. <b>ACEA AMBIENTE</b>	Plant construction: Yes/No= <b>No</b> t of ash recovered/t of ash produced	Obtained authorisation from the Latium Region for two trial (prototype) plants and signed the agreement with the scientific project partner that holds the patents for the tested applications.
	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. <b>ACEA ATO 2</b>	% of reduction= <b>5.8</b>	In 2021, the fixed thermal dryer at the Ostia purification plant was put into operation.
Enhancing certified environmental and energy management systems	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). <b>ACEA ATO 5</b>	Design progress (0-100%)= <b>5%</b> Construction progress (0-100%) % reduction	The design phase of the dryer is ongoing.
	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. <b>AdF</b>	Plant construction: Yes/No= <b>Yes</b> % of reduction= <b>30.5</b>	Completed the construction of the new sludge reception/delivery section and the hydrolysis treatment plant. Opened in May, the plant has received sludge from the San Giovanni treatment plant and from the "minor" plants of Ponte a Tressa and Follonica.
	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. <b>GESESA</b>	Reduction % of non-dehydrated sludge= <b>-30%</b>	Installed centrifuges/belt presses at the Santa Lucia Morcone, San Biase di Telesse and Cagni treatment plants in the Municipality of Forchia.
	Obtaining and maintaining ISO 14001 certification for companies with an environmental impact in the scope of the NFS Obtaining and maintaining ISO 50001 certification for energy-intensive companies (>10,000 TOE equivalent) in the scope of the NFS. <b>ACEA SpA - RISK &amp; COMPLIANCE (Integrated certification systems)</b>	ISO 14001 certified Companies/Companies in scope= <b>14/16 (*)</b> ISO 50001 certified companies/energy-intensive companies in scope= <b>8/10 (*)</b> (*) the denominator excludes the 16 companies in the photovoltaic sector and Acea Innovation, not included in a certification process	Of the 16 main operating companies that represent the biggest impacts of the Group, 14 companies have maintained the environmental certification by passing checks by external auditors. 8 "energy-intensive" companies maintained their certified energy management system.

## SCOPE OF ACTION 2: ENCOURAGING SUSTAINABILITY ALONG THE SUPPLY CHAIN

## Implementing sustainability logics in procurement procedures

Achievement of an average of 26 points (20 points for Acea Ato 5) of technical scores referring to green/sustainable criteria (i.e. certifications, high efficiency engines, reuse/ recycling/recovery of materials used, plastic reduction, eco-friendly product design, eco-friendly packaging, etc.) in tenders carried out with the most competitive bid for the procurement of supplies and services.

**ACEA ATO 2; ACEA ATO 5; ARETI**

Guaranteeing self-assessment in terms of quality, environment, safety, energy and social responsibility (QESER), where relevant, for 100% of the suppliers registered in the qualification systems relating to the Single Regulations for Goods and Services and Works.

**ACEA SpA - PROCUREMENT AND LOGISTICS**

Dissemination of good practice in terms of green purchases through the inclusion of environmental sustainability criteria in the Technical Specifications approved by the A&L Department and used for the purchase of materials by the centrally managed Group companies.

**ACEA SpA - PROCUREMENT AND LOGISTICS**

Implementing the Vendor Rating model on the Group's new tender portal which will involve around 1,000 suppliers over the course of the Plan, integrating it with the Sustainability aspect; a portion of the suppliers will also be assessed and monitored on environmental performance (Ecovadis project).

**ACEA SpA - PROCUREMENT AND LOGISTICS**

Application of rewarding criteria of sustainability (health and safety, energy and environment, where applicable) in 80% of the calls for tenders and contracts for Works, Goods and Services, assigned with the most competitive bid.

**ACEA SpA - PROCUREMENT AND LOGISTICS**

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: 26.99; Areti: 28.75; Acea Ato 5: 27.30**

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.

No. of suppliers with QESER self-assessment/total suppliers qualified by qualification systems related to the Single Regulations for Goods and Services and Works = **386/386**

100% of suppliers registered with qualification systems pertaining to the Single Goods, Services and Works Regulations filled out a QASER self-assessment questionnaire in 2021.

No. of technical specifications approved with sustainability criteria/no. of technical specifications approved = **122/122**

122 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, repairability).

Vendor Rating model implementation: Yes/No = **Yes**  
No. of suppliers assessed by vendor rating/no. of suppliers in target scope = **781/1,000**  
No. of suppliers involved in the Ecovadis project/no. of suppliers assessed by vendor rating = **148/781**

Specific communications were sent to the suppliers registered with the qualification systems by inviting them to undergo the Ecovadis assessment. Furthermore, a page was created dedicated to the initiative on the Acea Group's website (supplier area) with a direct link to the Ecovadis platform.

No. of calls for tenders and contracts with rewarding criteria of sustainability/no. of calls for tenders awarded with the most competitive bid = **90/400, equal to 23%**

In 2021, around 23% of the tenders and contracts stipulated, of the total 400 effectively eligible (excluding consultancy), were awarded on the basis of sustainability criteria.

## 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

Consolidation and improvement of relations with the local community through the creation of a museum dedicated to Acea and the organisation of at least 5 cultural events/communications initiatives related to the core business, which also envisage the development of industrial sites and facilities of the Group's companies.

**ACEA SpA - COMMUNICATION (Historical Archive, Communication Planning & Portfolio Management, Event Management)**

Installing 55 Water Kiosks in the territory managed by AdF for dispensing chilled natural or sparkling water to the public and tourists, favouring the reduction of plastic bottle use and CO<sub>2</sub> emissions.

**AdF**

Museum Construction  
Acea: Yes/No = **Yes**  
No. of events held = **15**  
No. of industrial sites/plants developed = **no visits were made to the plants due to the pandemic**

The go live of the Acea Digital Museum (ADM) was launched at the Montemartini power station; initiatives were planned for the dissemination and growth of electric mobility across the country and the renovation of the company buildings is under way with the objective of offering further services to employees and customers. In collaboration with Roma Capitale, renovations continued on the artistic and functional lighting systems. No visits were made to the plants due to the pandemic.

No. of Water Kiosks installed = **5**  
Litres of water dispensed in the year = **35,200**  
t of plastic saved = **1**  
t of CO<sub>2</sub> not emitted = **2**

During the year, 5 water kiosks were installed and another two are being activated; activities were launched for the installation of other kiosks.

## SCOPE OF ACTION 4: CONSOLIDATING RELATIONS WITH THE TERRITORY

## Contributing to create awareness on social and environmental matters

Support or management of at least 10 awareness initiatives per year and promotion of socially useful campaigns (prevention of cancer, women's rights, promoting diversity) or of socio-environmental importance (including the promotion of sport).

**ACEA SpA - SPONSORSHIP AND VALUE LIBERALITY**

No. of initiatives supported and/or managed = **24/10**

Numerous initiatives were supported, including, in terms of sport, the Rome Marathon and the Rome-Ostia Marathon; renewed contributions in favour of hospitals as support for the Covid-19 health emergency. In terms of culture, among other things, the agreement with the Rome Opera House was renewed. Support payments were also made to associations, including the Banco dell'Energia, to support families in financial difficulty.

### Contributing to create awareness on social and environmental matters

Planning and implementing awareness campaigns aimed at compulsory school age students present in the territory where the companies of the Group work, as concerns responsible use of natural resources (at least 10,000 students and other users per year).

#### ACEA SpA – COMMUNICATION (Event Management)

Creating at least 1 campaign per year or awareness initiatives addressing saving water, energy and environmental protection targeting the collectivity.

#### ACEA SpA – COMMUNICATION (communication planning & portfolio management) and Group Companies

No. of students and other users involved per year/no. of students and other users to be involved= **around 25,000**

The Acea Scuola Digital project was centred around the world of energy and energy savings and was given the title “Siamo energia! Spegni la luce accendi la tua fantasia” [We are energy! Turn off the light and turn on your imagination]. The teaching activity, online in June, reached over 10 million impressions and around 25 thousand users on the dedicated platform.

No. of campaigns or initiatives carried out during the year= **1**

In June 2021, the “100% Eco” campaign was featured in the press, online, radio, TV and posters to promote the launch of sustainable product offers by Acea Energia.

### Contributing to create awareness on social and environmental matters

Undertaking the “Acea Group Stakeholder Engagement Project” (stakeholder mapping, methods and operating tools) intended to improve the integration of stakeholder engagement into business processes and activities and to disseminate the stakeholder engagement culture by organising at least 1 initiative per year, including in support of stakeholder engagement of the companies/areas.

#### ACEA SpA – SECRETARY OF THE BOARD OF DIRECTORS Stakeholder Engagement in collaboration with the main operating companies

Group stakeholder mapping status (0/100%)= **95**  
Method and tool definition (0/100%)= **97**  
No. of stakeholder engagement initiatives carried out during the year= **2**

The “Stakeholder Engagement Principles and Values” and the “Stakeholder Engagement” Group Procedure were defined and distributed. A versatile and interfunctional team was created formed of Representatives identified within the Departments, Corporate Functions and Group companies to disseminate the principles of Stakeholder Engagement and a dedicated section was activated in the company intranet. Awareness-raising events were held with experts, characterised by topics specific to their sector as part of spreading the culture of stakeholder engagement as well as basic technical and specialised skills, role awareness and a number of professional tools.

Implementation of the project dedicated to the creation of a ‘Water Museum’.

#### ACEA SpA – SPONSORSHIP AND VALUE LIBERALITY

“Water Museum” Construction: Yes/No= **No**

The transformation of the physical museum into a virtual widespread one is being assessed.

Completion of at least 3 projects per year for the redevelopment and upgrading of urban areas, metropolitan areas and territories where the Group works through public and artistic lighting.

#### ACEA SpA – SPONSORSHIP AND VALUE LIBERALITY in partnership with Areti and other Group Companies

No. of initiatives carried out during the year= **13/3**

The lighting was completed on the Arco del Sacramento in Benevento, where Gesesa operates; temporary lighting on monuments or institution buildings to raise awareness of World Autism Awareness Day and Earth Day, International Day for the Elimination of Violence against Women, World Day Against the Death Penalty and for Breast Cancer Awareness Month in October. A number of areas with artistic lighting were developed in the City of Rome such as Piazza Vittorio and Corviale. Lastly, Acea carried out Roma by Light, the artistic lighting project for Christmas festivities.

## 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

### 2021 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: 0.20; FI: 5.09 > SI: 0.19; FI: 4.84**  
(\*) the figure includes the companies Demap and Berg

The risk mitigation and worker health protection measures, including for the prevention of Covid-19 infection, made it possible to keep the accident rates of the Group companies substantially stable and at limited levels. In fact, during the year, no serious or fatal accidents or incidents caused by Covid-19 infection were recorded.

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= **6,499/6,499 (\*)**  
(\*) the figure includes the companies Demap and Berg

The awareness campaign, carried out through the periodic sending of information, concerned the mitigation of the risk of Covid-19 infection through the dissemination of proper health and safety practices.

### 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= **16/16 (\*)**  
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

The 16 main operating companies that represent the biggest impacts of the Group passed the checks to maintain the existing ISO 45001:2018 certification systems. Acea Energia and Acea Elabori obtained the Biosafety Trust Certification, in addition to that of Acea SpA, obtained in 2020.

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)= **669/703**

Acea SpA continued the training course on topics related to Safety and Covid-19 infection containment measures; the course, which involved nearly all employees, addressed biological risk, chemical risk, biosafety, occupational medicine and hygiene, vaccines and prevention, and diagnostic testing. To facilitate the response to the topics and raise awareness about hygiene and well-being, a video was created.

## 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 practice).

#### ACEA ATO 5

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 checks carried out/ no. of checks to be carried out = **270/24**  
Engagement initiatives: Yes/No= **No**

Implemented safety checks on contractors by establishing a specific campaign. The engagement event planned was not carried out due to the pandemic.

### 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 = **1/5**  
No. of reports received/no. of contractors involved= **225/342**

Improved the periodic reporting process for accidents and safety performance indices, including occupational illnesses at supplier premises, thanks to meetings with the RSPPs, the insertion of a specification into the tender contracts and the computerisation of data collection. Due to the continuation of the Covid-19 emergency, it was not possible to organise awareness-raising events for the contractors. The activity was postponed until 2022.

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 = **84/145, equal to 58%**

84 of 145 contracts were inspected, with an increase of 13 percentage points 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)= **3,250,000/3,704,931, equal to 88%**

Finalised the WSPs for 8 of the 11 aqueducts of ATO 2, 7 of which shared with the Ministry of Health. For the remaining 3 aqueducts, activities for preparation of the Plans were initiated.

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 internal multifunctional team was set up for the definition and implementation of the WSP.

Developing and implementing the Water Safety Plan (WSP) model on 150 of the 265 Water Supply Zones (WSZ), covering 55% of the population served.

#### AdF

WSZs with WSP model/total WSZs= **22**  
Population served by the aqueduct systems with WSP/total population served by AdF (year 2019)= **19,693/386,132, equal to 5.1%**

Completed the WSP projects on the Santa Fiora springs (6 WSZ) and on the first cluster of water systems supplied by the resource from the “Dorsale Fiora” (16 WSZ) for which the Risk Analyses were carried out. Planned the activities for the implementation of a Group IT system for WSP development and management.



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 sources/population served. <b>GORI</b>	Population served by springs with WSP/total population served	Preliminary activities are ongoing for the implementation of the Water Safety Plan for the system of Sources named "Sarnese", 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. <b>GESESA</b>	Population served by springs with WSP/total population served	In order to launch the structured study of WSPs, detection of critical issues began in the water assets managed with particular reference to the systems underlying each individual source.
	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. <b>ACEA ELABORI</b>	% reduction (response time for the year under review/ response time in 2019) = <b>22% (10.48/13.41)</b> No. of techniques/survey systems introduced= <b>1 (plus 1 in development)</b>	A dashboard was created for the monitoring and identification of the critical activities and the definition of corrective actions, and protocols were developed for research into unknown substances in water intended for human consumption; an automated robot is being designed to determine SST in wastewater.

## MACRO-OBJECTIVE NO. 5 INVESTING IN INNOVATION FOR SUSTAINABILITY

OPERATIONAL OBJECTIVES	TARGET FOR 2024 - FUNCTIONS/OWNER COMPANIES OF THE PROCESS	KEY PERFORMANCE INDICATORS	2021 ACTIONS
<b>SCOPE OF ACTION 1: ORGANISATIONAL INNOVATION</b>			
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. <b>ACEA SpA – HUMAN RESOURCES (Talent acquisition &amp; people development)</b>	% of employees working remotely in the reporting year > % employees working remotely in the reporting year - 1= <b>KPI influenced by the health emergency</b> No. of surveys run = <b>1/1</b>	The use of "smart working" was structured and the frequency of in-person office time of administrators affected, during the emergency, by the restrictions due to the pandemic. A survey was launched to monitor the performance and effects of working remotely.
	Launching at least two co-working spaces per year. <b>ACEA SpA – HUMAN RESOURCES (Talent acquisition &amp; people development in collaboration with Facility Management)</b>	No. of co-working spaces opened/no. of co-working spaces to be opened= <b>2/2</b> <b>Annual target reached</b>	Acea took part in Smart Alliance – New Ways of Working and Training promoted by the Elis Business School System, which allows colleagues to work 2 days a week at the two Enel X and Elis sites in co-working spaces. The Talent Garden, to make use of the co-working spaces, is active.
<b>SCOPE OF ACTION 2: TECHNOLOGICAL AND PROCESS INNOVATION</b>			
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 (intermediate target at 2022). <b>ARETI (Public Lighting)</b>	No. of poles equipped with intelligent equipment	Competed in the tender procedure for the identification of the technical partner.
	Optimising maintenance on IP infrastructure through the gradual application of Advanced Analytics systems, until 50% of interventions are covered by 2024. <b>ARETI (Public Lighting)</b>	No. of maintenance interventions carried out with the application of Advanced Analytics/total interventions	The Advanced Analytics system implemented did not produce the expected results, so in 2021 new tools were sought after for the optimisation of maintenance interventions; the Qlik dashboard named "Pareto" was identified, through which it was possible to identify the 13 priority cabins to work on with the replacement of a "fragile" element which was causing repeated breakdowns.
	Smart services applied to the organic fraction of waste: industrialisation and installation of 150 local composting systems for the transformation of the organic fraction into compost. <b>ACEA INNOVATION</b>	No. of structures installed/ no. of structures to be installed = <b>4/150</b>	In late 2021, 4 systems had been installed, including one at the Fiera di Roma. The systems, installed by Acea Elabiori, even before 2021, were passed to Acea Innovation for commercial management during the year.



### Promoting the resilience of the urban territory and innovation from a smart city perspective

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 complexes involved in interventions/ no. of apartment complexes envisaged= **21/100**  
No. of photovoltaic and solar thermal systems installed/no. of systems to be installed=**21/1,000**

Launched 21 interventions, of which 2 are complete, for the construction of more sustainable apartment complexes.  
21 photovoltaic systems were installed during these interventions.

Installation of at least 2,200 electric vehicle charging points and development of a platform for the management of mobility services.

#### ACEA INNOVATION and ACEA ENERGIA

Columns installed/columns to be installed= **200/2,200**  
No. of Acea Energia customers who used the platform in the year= **14,095**

Completed 200 charging points, of which 123 for public use (of which 44 in Terni) and 77 for private use. Over 14,000 users downloaded the Acea e-mobility app, which can be used to quickly locate the closest charging point, 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**

In 2021, the Group held the second Innovation Day and attended the Maker Faire Rome and Ecomondo fairs. Acea also organised events to introduce the new Waidy app and the PlatOne project demo to the public.

In collaboration with start-ups, innovative SMEs, universities, research centres, hubs, business incubators and other innovation players, developing innovative projects linked to the Group's core and non-core businesses, for at least 100 innovative proposals/year analysed, 10 trials/year (PoCs) launched and 1 industrialised process/year.

#### ACEA SpA – Technology & Solutions (Innovation)

No. of innovative ideas/proposals analysed= **800**  
Trials started (PoC)= **51**  
Projects industrialised= **2**

Established national and international partnerships and collaborations to activate deal flows for scouting startups and innovative solutions; continuous scouting and analysis of startups with activities in areas of interest; launched more than 50 PoCs and industrialised 2 projects: PASO and Safety Check.  
The former aims to improve the continuity of the electricity distribution service using data-driven analyses and techniques; the latter the introduction of sensors for the remote verification of the safety conditions of personnel working on the sites.

Installation of 400,000 smart meters.

#### ACEA ATO 2

No. of smart meters installed/no. of smart meters to be installed= **31,068/400,000, equal to 8% (30,000 in 2020 and 1,068 in 2021)**

Installed over 1,000 smart meters with the Pro-teus module, the transmitter that allows remote sending of meter data on water-intensive users and in specific districts.

Installation of 188,000 smart meters by 2024 which allow for remote readings, covering 80% of AdF users (equal to 231,690 in 2019).

#### AdF

No. of smart meters installed/no. of smart meters to be installed= **117,794/188,000 (82,626 in 2020 and 35,168 in 2021)**  
No. of users with smart meter/no. of users of AdF (in 2019) = **117,632/231,690, equal to 51%**

Mass installation of user meters with radio module for remote readings is being completed in the municipalities of Grosseto, Follonica and Orbetello (with coverage of over 97% of the network in Grosseto, 85% in Follonica and 56% in Orbetello).

### Implementing remote control systems and remote interventions

Replacing around 1,300,000 electronic meters with second generation (2G) devices, following a customer communications campaign about the electronic meter replacement plan.

#### ARETI

No. of 2G meters installed/no. of 2G meters to be installed= **375,451/1,300,000 (59,275 in 2020 and 316,176 in 2021)**  
Customers reached by the campaign ≥ customers whose meters were replaced = **440,000 ≥ 375,451**

Continued the mass replacement plan of 1G meters with 2G ones, by sending specific information to interested customers.

Implementing broadband connectivity on an optical fibre network owned by the company (or any other broadband connection) serving the operation of the power supply network covering all 70 Primary Substations (PSs) and 250 Secondary Substations (SSs).

#### ARETI

No. of PSs with broadband connection/70 PSs= **24/70, equal to 34% (14 in 2020 and 10 in 2021)**  
No. of SSs with broadband connection/250 SSs= **98/250, equal to 39% (7 in 2020 and 91 in 2021)**

Carried out various interventions for the connection of the cabins; in late 2021, 24 PS and 98 SS fibre optic connections were activated and inspected.

Remotely controlling 100% of the IP plants (intermediate target at 2022).

#### ARETI (Public Lighting)

No. of remote-controlled IP control panels/ total IP control panels= **3,737/4,428, equal to 74% (1,145 in 2020 and 885 in 2021)**

An additional 885 remote-control panels were activated for a total of 3,737 panels connected via TLC.

Implementing remote control systems and remote interventions	<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><b>ACEA ATO 5</b></p>	<p>No. of plants controlled remotely/no. of plants to be controlled remotely = <b>331/460, equal to 72% (9 installed in 2021)</b></p>	<p>9 remote control plants were installed.</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><b>ARETI</b></p>	<p>No. of remote-controlled MV/LV transformation SSs on medium voltage side/ total MV/LV transformation SSs in 2019= <b>7,585/13,238, equal to 57%</b> No. of remote-controlled MV/LV transformation SSs on low voltage side/total MV/LV transformation SSs in 2019= <b>261/13,238, equal to 2%</b></p>	<p>In late 2021, 57% medium voltage and 2% low voltage of remote-control systems on the SSs were activated.</p>
	<p>Remote control/measurement of 100% of the purification plants with capacity &gt; 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 Telese Terme (29 plants).</p> <p><b>GESESA</b></p>	<p>No. of purification plants &gt; 2000 PE remotely controlled/no. of purification plants &gt; 2000 PE total = <b>1/13</b> No. of remotely controlled sewerage lifting plants/no. of total sewerage lifting plants = <b>6/13</b> No. of remotely controlled aqueduct plants/no. of total aqueduct plants = <b>19/29</b></p>	<p>The installation of the remote-control systems continued on the sewage lifting plants and on the treatment plants, one of which with purification potential over 2,000 PE; the activity on other treatment plants is in progress.</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><b>ACEA ELABORI</b></p>	<p>No. of studies introduced = <b>4</b></p>	<p>Implemented the analytical methods for research on analytical parameters (Bisphenol A, Uranium, Haloacetic Acids, PFAS – Perfluoroalkyl and Polyfluoroalkyl Substances) envisaged by Directive 2020/2184 on the quality of water intended for human consumption.”</p>
	<p>Implementing modelling methods, developing platforms and testing highly innovative techniques to support management and decision-making processes.</p> <p><b>ACEA ELABORI</b></p>	<p>No. of methods implemented = <b>3</b> No. of techniques implemented = <b>1</b> No. of platforms created = <b>2</b></p>	<p>Developed a network of specific chemical sensors for 3 plants of Acea Ato 2 (Rome North, Rome East and Rome South treatment plants); inspected and installed the SIFT-MS technology for the immediate measurement of volatile substances and created the PICO platforms to encourage shared knowledge (new release) and the first beta version of SMART ODOUR used to monitor the requirements of the odour abatement systems.</p>
	<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><b>GORI</b></p>	<p>No. of sensors installed/no. of sensors to be installed = <b>316/300 (95 in 2020 and 221 in 2021)</b> <b>Target for 2024 achieved</b></p>	<p>221 peripherals were installed 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 competent organisations	<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><b>ACEA ELABORI</b></p>	<p>No. of projects funded with Acea participation = <b>1 (out of the 5 projects presented)</b> No. of scientific partnerships established = <b>26</b> No. of scientific publications or presentations at major conferences = <b>17 (7 scientific articles published and 10 calls for papers accepted/presented)</b></p>	<p>Acea Elabiori participated in the Horizon 2020 European call, presenting 5 projects included Promiscues which was chosen for funding. It stipulated 26 agreements with scientific/academic partners, shared research contribution through international and national publications and participated in fairs and conventions.</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><b>ACEA SpA – Technology &amp; Solutions (Innovation)</b></p>	<p>No. of people involved = <b>over 300</b> No. of initiatives carried out/no. initiatives to be carried out = <b>43</b></p>	<p>Carried out idea generation workshops and 8 meetups dedicated to the Innovation Community to promote Corporate Entrepreneurship, with the involvement of around 60 people each session. The Innovation Day was held and the Innovation Garage began, for the generation of innovative ideas; the Pitch Day was held, during which 15 ideas were evaluated by company management and the top 3 entered the final Fast Track stage (i.e. the project incubation stage). Held the “Innovate the way we work” hackathon in partnership with Citrix and Co-demotion, which was attended by students and external professionals.</p>

# CORPORATE GOVERNANCE AND MANAGEMENT SYSTEMS

## CORPORATE GOVERNANCE AT ACEA

The governance model adopted by Acea complies with the best practice 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 the **Committee for Related Party Transactions**, in implementation of Consob regulations, composed of Independent Directors, and the **Committee for the Region**, which is tasked with enquiry, consultation and monitoring duties for a healthy and virtuous development of the relationship with the territories where the Group operates and with particular reference to the sponsorships and donations granted by Acea, in accordance with the corporate prerogatives and the legislative and regulatory limitations applicable to the individual subsidiaries.

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

Chart no. 14 – 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 <b>definition of the Guidelines for the Internal Control and Risk Management System</b> for the Group companies, <b>including those relevant for medium/long-term sustainability</b> , 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 <b>correct use of accounting standards adopted in order to draw up the consolidated non-financial statement</b> as per Legislative Decree 254/2016. For the matters within its remit, monitors the <b>adequacy and effective implementation of the Code of Ethics</b> .
	11 MEETINGS IN 2021	
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: <b>size, adequacy of skills, compatibility of positions</b> . Proposes the <b>remuneration policy</b> for Directors and Executives to the Board of Directors, <b>promoting medium-long term sustainability</b> .
	6 MEETINGS IN 2021	
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 <b>corporate ethics and environmental, social and governance topics</b> . Promotes the <b>integration of sustainability into the corporate strategy and culture</b> . Supervises the main sustainability issues related to business activities and interactions with stakeholders. Examines the guidelines of the <b>Sustainability Plan</b> and, once approved by the Board of Directors, supervises its monitoring. Checks the adequacy and implementation of the <b>Code of Ethics</b> . <b>Promotes a culture of diversity</b> and fighting discrimination in the company.
	7 MEETINGS IN 2021	

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, etc. were **convened as normal by the Board Committees** of reference.

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. The members of the BoD 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 law<sup>37</sup>.

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

The Board of Directors met fourteen 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 institutional website ([www.gruppo.acea.it](http://www.gruppo.acea.it)), provides information about the Directors of Acea SpA: **CVs, gender, qualification of independence**, presence in meetings of the Board and the Committees they are members of and any positions in other Companies.

**Table no. 8 – Structure of the Board of Directors and Committees of Acea SpA (as at 31/12/2021)**

	role in the BoD	Appointments and Remuneration Committee	Control and Risks Committee	Ethics and Sustainability Committee	Executive director	Independent director
Michaela Castelli	Chairperson					
Giuseppe Gola	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
Giovanni Giani	Director	Member	Member	Member		
Giacomo La Rocca	Director		Member	Member		X
Diane Galbe(*)	Director					

(\*) The Director Diane Galbe, following the new appointment, submitted her resignation to the Acea BoD on 25 February 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 (SCI GR), nature and level of risk compatible with the Company's strategic objectives, including **significant risks for medium-long term sustainability**;
- Establishing the Committees required by the *Corporate Governance Code* and appointing their members;
- Adopting the *Organisation, management and control model* as pursuant to Legislative Decree no. 231/01;
- Assessing the adequacy of the organisational, administrative and accounting structure of Acea and its strategic subsidiaries;
- Interacting with the shareholders, encouraging their participation and enabling them to exercise their rights;
- Evaluating the independence of its non-executive members at least on a yearly basis.

37 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 31/12/2021, 5 Directors are effectively independent.



## FUNCTIONS OF THE CHAIRMAN, 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; ensuring 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; verifying 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 BoD. The current Chief Executive Officer is identified by the BoD as the Director in charge of the SCIGR and performs the duties of Head of the Business Development Strategies, Production and Overseas Department.

**The Chairman 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.

## INTEGRATED GOVERNANCE INDEX 2021 AND ACEA POSITIONING

The **Integrated Governance Index (IGI)** is a consolidated analysis which assesses the positioning of companies against sustainability governance developments. The questionnaire underlying the index, now in its sixth edition in 2021, 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 challenging issues. In 2021, the Extraordinary Area looked at **ESG Identity**. The topics examined by the Ordinary Area range from the Corporate Governance Code to remuneration linked to ESG aspects, from the purpose to succession plans.

**Acea**, in its fifth year of participation, **achieved a score of 59.23**

(scale of 0-100), coming 21st place out of a total of 80 respondents and recording a decrease compared to the previous year (score of 64.6 and 15th place). In particular, the areas where Acea performed best were **compliance with the Corporate Governance Code, Board and Sustainability Committees, Human Resources and the integration of ESG topics into strategies and remuneration**. The aspects with the least points related to the **Succession Plans, ESG Finance, Digital ESG Governance and the Purpose and stakeholders**. It should also be noted, as acknowledged by the analysts, that improvement initiatives on a number of these critical aspects, such as the issue of a green bond in January 2021, were already in place at the time of the search but could be not included due to the time limits of the survey. The IGI findings were subject to a **specific induction** aimed at the Acea Directors.

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.

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 right<sup>38</sup>.

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.

The Parent Company has a number of **Company Committees** that operate on a continuous or periodic basis, attended by company management, in order to deal with significant aspects of the business or to assess strategic initiatives, **facilitating decision-making processes** and increasing the capacity for a prompt and coordinated response from an integrated perspective.

<sup>38</sup> 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*.

## 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 may set the fixed emoluments of the BoD members throughout their term of office and, furthermore,

decides for or against (binding resolution pursuant to art. 123-ter of the Finance Act, paragraph 3-ter) the first section of the Report on Remuneration (paragraph 3 of the same article) and decides for or against (non-binding resolution pursuant to art.123-ter of the Finance Act, paragraph 6) the second section of the Report on Remuneration (paragraph 4 of the same article). The remuneration was confirmed for the Board members, as established by resolution of 5 June 2014; the Board of Directors, in exercising its competence in setting the payments for the Directors with special offices, resolved on the retributive references for the Chairman and the Chief Executive Officer throughout their term in office.

For more details see the *Report on the remuneration policy and on the fees paid – 2021* available on the website [www.gruppo.aceait](http://www.gruppo.aceait).

**Acea's Internal Control and Risk Management System (SCIGR)**, which holds 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.

## INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The **Internal Control and Risk Management System (SCIGR)** Guidelines promote the proper management of the Group consistent 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 SCIGR actors. 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 SCIGR.

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 Supervisory Body, Data Protection Officer, the Internal Audit Function and the Risk & Compliance Function.

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 **carry out constant monitoring and adjustment activities** of their operating models and undertake implementing activities (e.g. training) in order to oversee the relevant risks in the best manner possible

Chart no. 15 – The architecture of the SCIGR

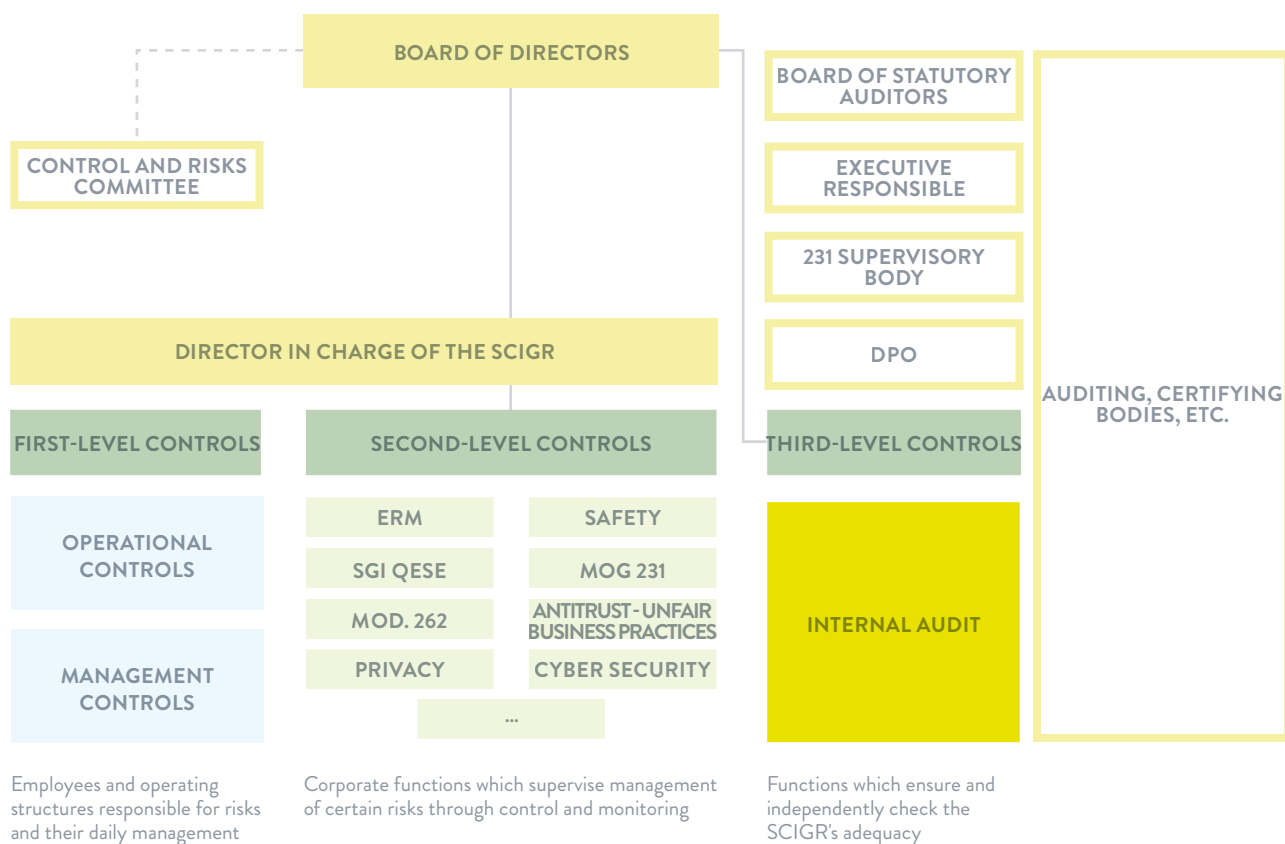


Chart no. 16 – The key players of the SCIGR

	<b>BoD:</b> determines the guidelines of the SCIGR <b>so that the main risks for Acea and its subsidiaries are identified, measured and managed</b>
	<b>Appointed Director:</b> 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
	<b>Board of Statutory Auditors:</b> monitors the legislative and procedural conformity and the correctness of the administration
	<b>Company staff:</b> 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
	<b>Financial Reporting Officer:</b> is responsible for establishing and maintaining the Internal Control System regarding Financial Statements
	<b>Risk &amp; Compliance – ERM:</b> defines the risk assessment and prioritisation methodology and coordinates the management of the periodic Risk Assessment process
	<b>Supervisory Body:</b> has powers of initiative and action regarding the operation of the 231 Model
	<b>Data Protection Officer:</b> in charge of overseeing company organisation compliance with Reg. EU 679/2016 through guidance, control and monitoring activities
	<b>Internal Audit:</b> 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

Table no. 9 – Models and controls

Models and controls	Oversight areas
<b>Guidelines of the Management and Control Model pursuant to Law 262/05</b>	Risks connected with the <b>Group's Financial Reporting</b>
<b>Privacy Governance Model</b>	compliance with EU Regulation 2016/679 (GDPR) and other national and European provisions on the <b>protection of personal data</b>
<b>Antitrust Compliance Programme</b>	compliance with <b>antitrust and consumer regulations</b> and development of a corporate culture to ensure the protection of competition and consumers
<b>Oversight of Cyber Security</b>	<b>Cyber</b> risk management, also in compliance with EU Directive 1148/2016 on European Information Systems and Networks (NIS)
<b>Oversight of ISO45001 and ISO14001</b>	monitoring <b>workplace health and safety risks and environmental risks</b> in accordance with international standards
<b>Organisation, Management and Control Model as per Legislative Decree 231/01</b>	Risk of committing <b>crimes and administrative offences</b> in the performance of the Company's activities

## THE ACEA PRIVACY GOVERNANCE MODEL

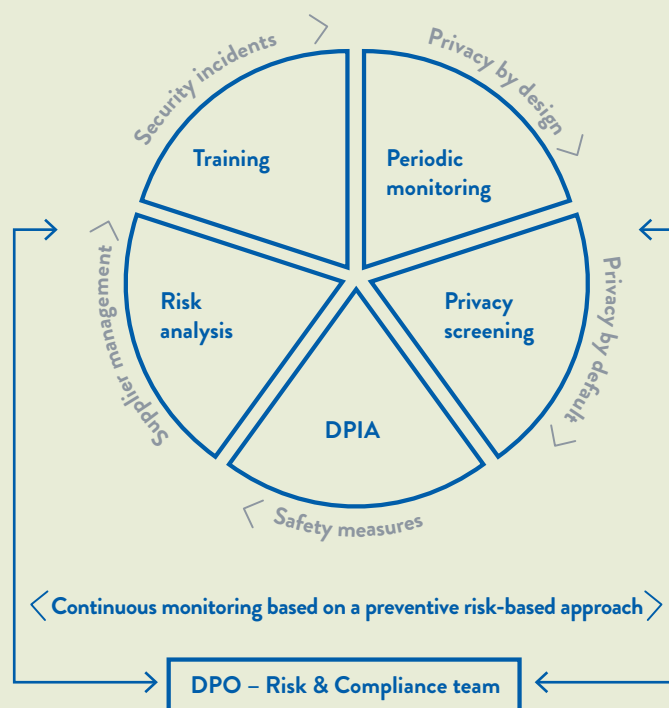
Acea has a consolidated **Group Privacy Governance Model**, compliant with the indications of Regulation (EU) 2016/679 on data protection (GDPR), which constitutes the **organisational** and **control** framework in which the roles and responsibilities and the implementing methods of the basic principles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

This Model – having concluded the implementation phase in the subsidiaries – was revised during the year on the basis of the application results seen in the previous two-year period and enriched with adequate methodological tools to reinforce its application efficacy (**Control Framework**).

Still characterised by a great commitment to the management of the Covid-19 pandemic, 2021 saw Acea involved in **initiatives with a high impact on privacy**, including the **activation of the company vaccination hub**, which led to the introduction of specific procedures to ensure secure and compliant data management (vaccination status, management of absences/replacements, etc.).

A **risk analysis** programme was also launched for all processing included in the Parent Company's records, to allow for the constant and prompt update of the associated risk. On processing considered potentially high risk, according to the specific situation, specific analyses such as the **DPIA** (*Data Protection Impact Assessment*), **LIA** (*Legitimate Interest Assessment*) and **TIA** (*Transfer Impact Assessment*) were carried out. For outsourced activities, specific contractual tools were adopted to govern personal data processing and continuous monitoring of *procurement* activities is ensured.

In 2021, the activities required to implement the "Guidelines on cookies and other tracking tools" of the **Italian Data Protection Authority** were carried out, through the adoption of a tool dedicated to cookie management on the Group's various websites. Lastly, communication initiatives and training sessions on the privacy impacts of individual process and an online **Workshop** dedicated to *Digital Marketing and Telemarketing* were carried out, with participation from sector experts, members of the Data Protection Authority and Business Associations.



## ANTITRUST COMPLIANCE PROGRAMME

Compliance with **antitrust law** and the **legislation on consumer protection** is a priority for the Acea Group. To this end, Acea launched a project to revise and update the current **Compliance Programme**, aimed at the further reinforcement of the internal control system in terms of Antitrust & Consumer Protection and the improvement of the compliance strategies according to standards applied at European level and in line with the “Guidelines on Antitrust Compliance” issued by the AGCM, by national and European best prac-

tices and by the law. The subsidiaries have approved, according to the **guidelines set out by the Parent Company**, a specific Antitrust Programme, based on specific characteristics, the market context and the applicable legislative and regulatory provisions, and ensure the **presence of an oversight unit** with an Antitrust Representative responsible for implementing the Programme.

## THE MANAGEMENT OF CYBER RISK AND PROTECTION OF INFORMATION ASSETS AND ICT SYSTEMS

Cyber threats that are potentially capable of causing a malfunction or interrupting the provision of essential services such as energy and water is one of Acea’s national security issues.

**The Cyber Security Unit**, part of the Technology & Solutions Department, adopted a model in line with the requirements of public institutions, activating the CSIRT (*Computer Security Incident Response Team*) operating structure with subsequent accreditation with the National CSIRT of the Presidency of the Council of Ministers. In response to the changing national legislative context, **accreditation with the National Agency for Cyber Security, the Ministry of the Interior and Defence** was obtained.

In line with the indications of the competent authorities, Acea invested in upgrading the measures for the protection of networks and IT, IoT and OT systems and launched a project to assess the status of central and field systems, especially those of a strategic nature, to be able to then implement increased security in the systems.

In 2021, the **Cyber Risk Analysis Programme** was launched on all Acea services for the identification, measurement and management of risk due to cyber threats. At the same time, with the creation of the *Security Engineering* structure, the **Vulnerability Management Programme** was launched, aimed at the research and mitigation of vulnerabilities, to identify and combat illicit actions, with *machine learning, advanced analytics* and *big data* instruments; a **Security by Design** process was also activated, for the implementation of secu-

rity requirements during developments of all technological projects. Through the CSIRT structure, the **Real Time Security Monitoring and Incident Management** capacities were **upgraded by over 50% compared to 2020** and the integration was launched between IT, IoT and OT protection processes, procedures and technologies, as per sector *best practice*, to ensure a holistic overview and united governance of security.

To adapt the company’s legislative context to the operating requirements, guidelines and procedures that define the conduct required of personnel, how to use IT resources and checks are being constantly updated.

A **new service provision model** was also made operational, based on the flexibility of the requirements of the operating companies, to increase the efficiency of the Group’s cyber security management at economic and operating level. The **awareness & training campaign** aimed at the entire company population also continued, to increase awareness and individual knowledge of cyber security topics. Lastly, Acea continued its commitment to the **ECHO programme** (*European network of Cybersecurity centres and competence Hub for innovation and Operations*) for the establishment of a **European network of expert centres on cyber security** and to the H2020 ATHENS project dealing with security and resilience of digital infrastructure.

## PROTECTION OF PHYSICAL AND DIGITAL ASSETS AND MANAGEMENT OF INTERNAL RISKS

The **Security Unit**, within the Human Resources Function, oversees activities to protect the **company’s physical assets**, used for the **prevention of fraud** and **compliance with current security regulations**. It also defines the **Guidelines** and policies in terms of the **safeguarding and protection of property**; it oversees the design, installation and maintenance of the Security Systems for the company sites of the Group subsidiaries and it 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**.

The focus on the **pandemic risk** in the workplace also continued during the year, through the preparation of “access filters” to limit Covid-19 infection, carried out with the activation of **39 thermal imaging cameras** at the main company offices, as well as App solutions on mobile devices for the electric signature and for checking the Green Pass upon entry, which allowed for full application of the regulations on **managing the flow of employees and visitors in the workplaces**.

In 2021, the replacement of IT equipment in the **Security Operating Room** was launched in order to improve performance and achieve compliance with the best standards of security, and new technologies (digital cylinders) were adopted for access to sensitive locations.



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 top 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.

The **Supervisory Body (SB) has full and autonomous powers** of initiative, action and control **regarding the operation, effectiveness and observance of the specific Models**. An oversight organisation was set up in the **Internal Audit Department**, which ensures auditing and the flow of information to the Supervisory Body. 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 crimes pursuant to Legislative Decree no. 231/2001, as well as being a ready reference for all those who are addressed by the Code.

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 2021, **around 86% of the Plan activities** concerned **corporate processes deemed as exposed to the risks as per Legislative Decree no. 231/01**, 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 risks of corruption**, there are in particular periodic audits of “Sponsorships”, “Consulting”, “Personnel selection” and “Purchasing and payments” for all companies that adopted the Model pursuant to Legislative Decree no. 231/01.

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 RELATED TO THE CODE OF ETHICS

In 2021, projects were launched to **update the Code of Ethics** in view of the organisational and regulatory changes that had developed since it was last approved. The principles and core values of the Acea Group, which already represent a key asset for the company, will be revised to ensure their alignment with the current context of reference.

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. 231/01), 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 observance of the values of transparency, legality, fairness and ethical integrity in relations with employees, suppliers, customers and all stakeholders. The Ethics Officer also prepares **periodic reports** on the main findings to company top management and the supervisory bodies.

In 2021 **the Ethics Officer received 14 reports**, of which 12 related to alleged violations of the Code of Ethics and 2 for alleged violations of the SCIGR; 8 of these reports were sent to the Ethics Officer’s email address, 1 via ordinary mail and 5 via the whistleblowing platform. Classifying the reports by topic, 7 pertain to procurement/supplier relations; 4 to human resources; 2 to health, safety and environment and 1 to the protection of company assets.

Following preliminary verification or checks, during closure, the **reports were classed** with the following outcomes: 1 report was considered founded and, therefore, the company involved implemented initiatives for the implementation and reinforcement of the existing checks; 6 reports were considered “unfounded”, 7 were “filed” since they were “not substantiated” and “not verifiable”.

## ACEA ETHICS OFFICER AND THE CODE OF ETHICS: THE “PROTEGGO L’AZIENDA CHE MI PROTEGGE” [I PROTECT THE COMPANY THAT PROTECTS ME] CAMPAIGN CONTINUES

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 matters within its remit). To this end, he/she 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 2021, the Ethics Officer continued to support the internal communications campaign “**Proteggio l’azienda che mi protegge**” [I Protect the Company that Protects Me] intended to disseminate the knowledge of the whistleblowing tool and to encourage greater awareness of the values and principles contained in the *Acea Group Code of Ethics* and the importance of protecting them, through publication on the company intranet of Campaign “news” and video clips, produced with contributions from colleagues and top management.

## INTEGRATED ANALYSIS AND RISK MANAGEMENT METHOD

Acea continues to develop the **ERM Programme**, based on the **CoSO framework** “Enterprise Risk Management (ERM) - Integrating with Strategy and Performance” 2017, to **improve an integrated vision of risks and their proactive management**. The aim of the ERM Programme is to:

- Represent the **type and significance** (probability and economic-financial and/or reputational impact) **of the main risks, including sustainability risks**, that may jeopardize the achievement of the Group’s strategic and business objectives;
  - Address strategies and subsequent additional mitigation actions.
- The methodology and tools uses to identify risks and assess their

severity in a consistent manner at a Group level – **definition of the Risk Model** – further focused the analysis on **ESG aspects** and the risk scenarios associated with the **issues that emerged from the Materiality Analysis**. During the Risk Assessment, performed annually 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 Programme are also taken into account when **planning actions to mitigate risks and seize opportunities** by Group companies with certified Management Systems. 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. 17).

**Chart no. 17 – The ERM Unit and the corporate focal points**

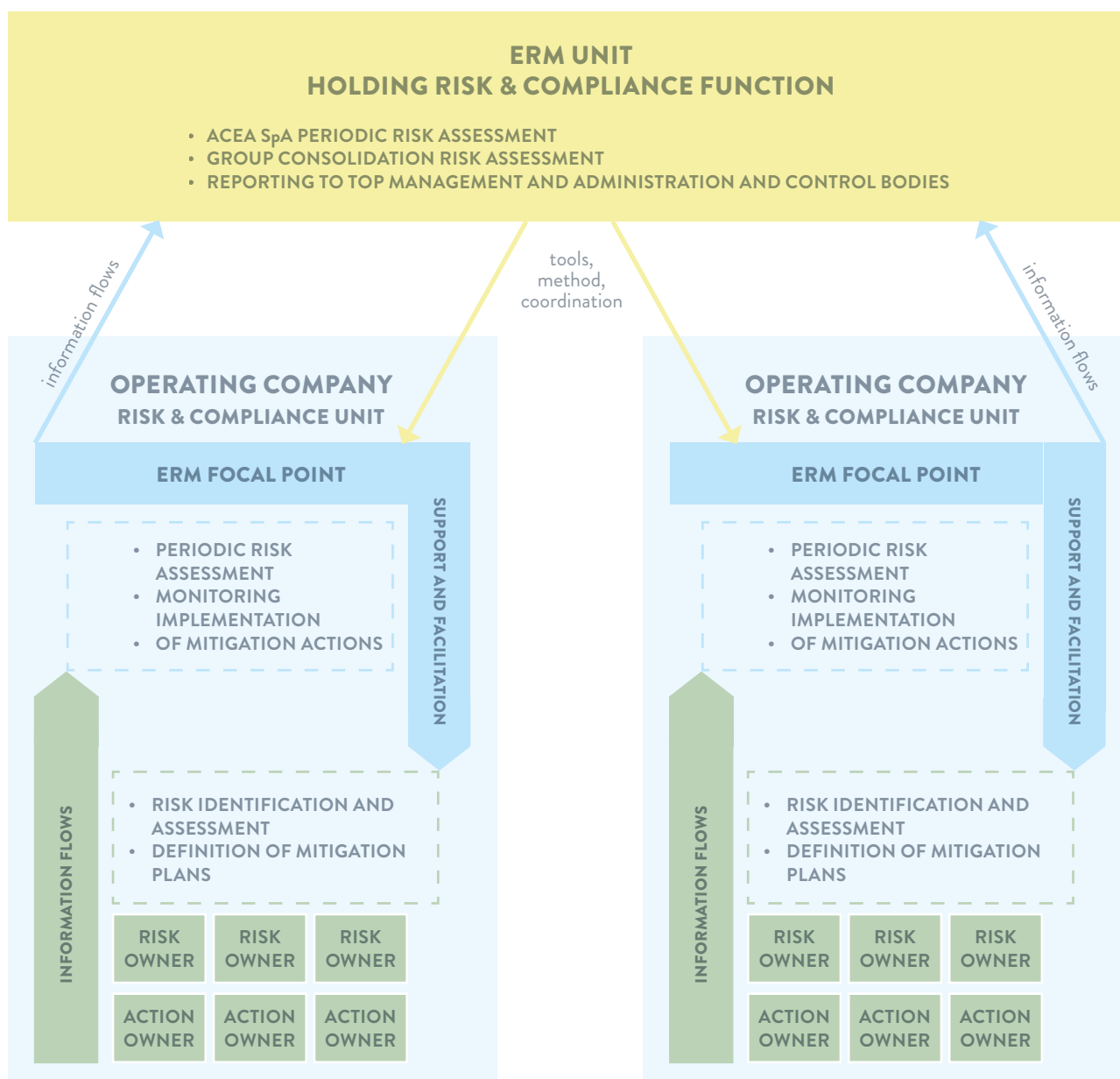


Table no. 10 – Acea material topics, risks and management methods

Highly significant material topic and related risk	Potential impact on Acea	Potential impact on stakeholders and capital	Risk management method
<b>SUSTAINABLE WATER CYCLE MANAGEMENT</b> unfavourable natural events and/or climate change; authorisation delays impacting on optimal management conditions; monitoring and analysis	economic/ financial reputational	<i>environment and community</i> natural and social-relational capital	<ul style="list-style-type: none"> <li>• Policies, processes and procedures (relations with institutional representatives and authorisation bodies)</li> <li>• Dedicated organisational structures</li> <li>• Focus of investments</li> <li>• Business Continuity and Maintenance Plans</li> <li>• Specialist studies and analyses (ISO 17025)</li> <li>• IT security systems</li> </ul>
<b>SUSTAINABILITY IN INFRASTRUCTURE DESIGN, CONSTRUCTION AND MANAGEMENT</b> environmental and social impacts from inadequate and failed design, construction and/or management of plants/ networks	economic/ financial reputational	<i>environment, community, institutions, suppliers</i> natural, production and social-relational capital	<ul style="list-style-type: none"> <li>• Policies, processes and procedures (application of sector best practice)</li> <li>• Monitoring and periodic reporting</li> <li>• People and organisation (training and skill consolidation)</li> <li>• Implementation of specific applications</li> <li>• Maintenance plans</li> </ul>
<b>OCCUPATIONAL HEALTH AND SAFETY</b> accidents at work, risk of spreading disease	economic/ financial reputational	<i>employees</i>	<ul style="list-style-type: none"> <li>• Policies, processes and procedures (ISO 45001, Biosafety Trust, ISO39001)</li> <li>• People and organisation (dedicated structure, training and communication plans)</li> <li>• Supplier checks</li> <li>• Extraordinary maintenance on plants serving the offices, office sanitisation</li> <li>• Monitoring and periodic reporting</li> </ul>
<b>INNOVATION OF SMART UTILITY PROCESSES, INFRASTRUCTURE AND SERVICES</b> operational inefficiency due to technological and innovative inadequacy; cyber risk	economic/ financial reputational	<i>community and business partners</i> production, intellectual and social-relational capital	<ul style="list-style-type: none"> <li>• Policies, processes and procedures (dialogue with institutional counterparts)</li> <li>• Monitoring and periodic reporting</li> <li>• People and organisation (training and skill consolidation)</li> <li>• IT security systems</li> </ul>
<b>SUSTAINABILITY AND CIRCULARITY ALONG THE SUPPLY CHAIN</b> failure to control the purchasing process – failure of suppliers to comply with the requirements (health and safety, environmental, anti-corruption)	economic/ financial reputational	<i>environment and suppliers</i> natural, human and social-relational capital	<ul style="list-style-type: none"> <li>• Policies, processes and procedures</li> <li>• Quality monitoring of goods/services received</li> <li>• Qualified suppliers register</li> <li>• Specialist benchmark studies and analyses</li> </ul>
<b>EFFICIENT USE OF WASTE FOR A CIRCULAR ECONOMY</b> failure to comply with regulations; obstacles in the waste treatment and delivery market	economic/ financial reputational	<i>environment</i> natural capital	<ul style="list-style-type: none"> <li>• Policies, processes and procedures (ISO 14001 and EMAS)</li> <li>• People and organisation (dedicated structures and training)</li> <li>• Periodic reporting</li> <li>• Audits on customers/suppliers/partners</li> <li>• Consolidation through corporate acquisitions (M&amp;A)</li> <li>• Monitoring and control plans</li> </ul>
<b>STRATEGIC APPROACH TO STAKEHOLDER AND COMMUNITY RELATIONS</b> tensions with stakeholder representatives in the region with negative effects on the development of activities	economic/ financial reputational	<i>community</i> social-relational capital	<ul style="list-style-type: none"> <li>• Policies, processes and procedures</li> <li>• People and organisation (stakeholder engagement oversight activities, training and skill consolidation)</li> <li>• Dialogue with counterparties</li> </ul>
<b>BUSINESS ETHICS AND INTEGRITY</b> conduct contrary to binding regulations, internal rules and standards of reference	economic/ financial reputational	<i>community, institutions and business partners</i> production, intellectual and social-relational capital	<ul style="list-style-type: none"> <li>• Policies, processes and procedures (Code of Ethics – 231/01 organisation, management and control model – whistleblowing system)</li> <li>• People and organisation (training and communication plans)</li> <li>• Monitoring and periodic reporting</li> </ul>
<b>CUSTOMER FOCUS</b> failure to achieve service quality levels until they are discontinued inadequate focus on customer expectations	economic/ financial reputational	<i>customers</i> social-relational capital	<ul style="list-style-type: none"> <li>• Policies, processes and procedures</li> <li>• Dedicated organisational structure</li> <li>• Periodic reporting (analysis of customers and services)</li> <li>• Regulatory framework and reference legislation monitoring</li> <li>• Investment in Customer Care applications</li> </ul>

**AIR QUALITY: REDUCING EMISSIONS INTO THE ATMOSPHERE AND POLLUTION**

exceeding the emission limits envisaged by laws and authorisation decrees; failure to achieve the dissemination objectives of consumption from renewable sources

economic/  
financial  
reputational

*environment and community*  
natural capital

- Policies, processes and procedures (ISO 14001, ISO50001 and EMAS)
- People and organisation (training plans)
- Focus of investments
- Monitoring and support tools
- Specialist studies and analyses
- Periodic reporting

**INVOLVEMENT OF PERSONNEL, INVESTMENT IN HUMAN CAPITAL AND ENHANCEMENT OF SKILLS**

lack of adequacy both in terms of skills and organic plants

economic/  
financial  
reputational

*employees*  
human capital

- Policies, processes and procedures (remuneration and incentive policies)
- People and organisation (dedicated structures and training)
- Performance evaluation system
- Monitoring and periodic reporting

**PROTECTION OF THE TERRITORY AND BIODIVERSITY**

impacts on environmental balance conditions caused by plants that unexpectedly do not comply with legal limits

economic/  
financial  
reputational

*environment*  
natural capital

- Policies, processes and procedures (ISO 14001 and EMAS)
- People and organisation (dedicated structures and training)
- Maintenance plans
- Focus of investments
- Periodic reporting
- Remote control and remote management applications

**DECARBONISATION AND ADAPTATION TO CLIMATE CHANGE**

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

*environment and community*  
natural and production capital

- Policies, processes and procedures (ISO 50001, ISO 14001, UNI 11352 and EMAS)
- Dedicated organisational structure
- Specialist studies and analyses
- Focus of investments
- Periodic reporting

**CONSOLIDATION OF SUSTAINABILITY ELEMENTS IN CORPORATE GOVERNANCE**

violation of Legislative Decree no. 254/16; inadequacy of the internal regulatory system with respect to the guidelines of the Corporate Governance Code

reputational

*shareholders*  
economic-financial and  
intellectual capital

- 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

**BUSINESS EVOLUTION THROUGH OPEN INNOVATION AND DEVELOPMENT OF SYNERGIES WITH SCIENTIFIC AND ENTREPRENEURIAL PARTNERS**

inability to seize opportunities deriving from technological innovations and their integration into business processes

economic/  
financial

*community, institutions and  
business partners*  
production, intellectual and  
social-relational capital

- Policies, processes and procedures
- Dedicated organisational structure for innovation oversight
- Specialist studies and analyses
- People and organisation (dedicated structures and specific expertise)

**COMPANY WELL-BEING, DIVERSITY AND INCLUSION**

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

reputational

*employees*  
intellectual and social-  
relational capital

- Policies, processes and procedures
- People and organisation
- Training and communication plans
- Corporate welfare initiatives (e.g. flexible benefits, health check-ups)

**- ECONOMIC GOVERNANCE TOPICS - SOCIAL TOPICS - ENVIRONMENTAL TOPICS**

The ongoing Covid-19 phenomenon also continues to impact on the risk analysis and the identification of risk management methods; for example, in relation to **occupational health and safety** and **corporate well-being**, the aspects related to detecting and managing the health risk and vaccination campaigns, widespread remote working (smart working) or, in relation to the guarantee of **customer focus**, the aspects associated with upgrading the digital channels and their innovation.

The topic of **climate change** is monitored by Acea, which responds to the CDP questionnaire (formerly *Carbon Disclosure Project*),

including the assessment of risks and opportunities related to activities in the **short, medium** and **long term**. Table 11 provides a representation of the main evidence: short, medium and long-term scenario and more significant implications for the company in terms of financial, reputational, environmental and customer impact. In 2021, Acea also concluded an initial important project for alignment with the International Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (see the dedicated box in *Relations with the environment*).

**Table no. 11 – Risks and opportunities related to climate change: CDP evidence****RISKS**

Type of risk	Type details and risk description	Most impacted industrial areas	Time frame
<b>TRANSITION</b> Risks arising from the ongoing transition to a decarbonised economic system (e.g. regulatory, technological, market)	<b>Legislative/Regulatory</b> These risks can manifest in the following ways: increasing carbon tax policies and white certificates; changes in incentive programmes; tightening of the values associated with the Emission Trading Scheme (both in terms of allowances – paid or not – and actual emission allowance costs); regulatory developments that impose the reduction of impacts during conduct of operations	Energy production (thermoelectric and waste-to-energy) Electricity grid management Water management	short/medium term
	<b>Technology</b> 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
	<b>Legal</b> 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
	<b>Market</b> Commercial risks are attributable to the failure to adapt the products/services of the Group companies to the new requirements of customers, who are increasingly 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
	<b>Reputational</b> 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
<b>PHYSICAL</b> Risks arising from the physical effects of climatic events (acute if related to episodic phenomena, or chronic if related to long-term changes)	<b>Acute</b> 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	Electricity grid management Water management Energy production	short-medium-long
	<b>Chronic</b> The reduction in rainfall can have a negative impact on the electricity distribution service, the production of electricity by the hydroelectric plants and the availability of water for human consumption, thus causing an increase in energy consumption for the withdrawal of water. The risk of more frequent lightning strikes can cause interruptions to the distribution of electricity and thus economic damage. Temperature changes can cause variations in the composition of incoming waste 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	Electricity grid management Water management Energy production	short-medium-long



## 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: sodium and 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

By 2022, Acea will publish a document on climate reporting, in alignment with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), in order to develop better awareness and financial reporting practices related to most significant aspects of climate change (see section *Relations with the environment*).

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

## ANALYSIS OF POTENTIAL ENVIRONMENTAL RISKS

The companies operating in the industrial segments of **Water, Energy Infrastructure, Generation and the Environment** with ISO 14001:2015 certified environmental management systems have identified 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 in the 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 Infrastructure**, the main risks are attributable to: existence of overhead and underground systems with impacts in terms of land use and subsoil; generation of waste and impacts on ecosystems; generation of electromagnetic fields with impacts in terms of exposure; maintenance of transformation plants with potential soil and subsoil contamination with hazardous materials; 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 attributable 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, including aspects of general guidance and the statement of particular business aspects:

- **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, to which the certified Management Systems are ascribed. These Units collaborate with the Energy Manager for

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

Acea also relies on professional profiles such as the **Energy Manager**, in both the Parent Company and in the Companies, and the **Mobility Manager**, whose duty is to respond to the demands for optimum management of internal energy consumption and staff mobility – i.e. the *Plans for travel between home and work*. 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. 18 – The certified integrated management system**



In 2021, **the main operating companies** present in the scope of reporting **adopted certified management systems** (see table 12). New developments during the year include the achievement of the *Biosafety Trust Certification*, for the prevention and control of the spread of infection in the workplace and already achieved in 2020 by Acea SpA, now also by **Acea Energia and Acea Elabari** as an essential tool for combating the health emergency caused by Covid-19. In 2021 the BIM (Building Information Modelling) certification was also achieved by **Acea Elabari** for engineering design and the professional skills of a group of BIM engineers.

In particular, **of the 16 main operating companies<sup>39</sup>**, which represent the biggest impacts of the Group, **94%** hold **quality** certification; **87.5%** hold **environmental** certification (100% of companies in the Environment sector and 80% Water sector); **100%** have **safety** certification; **50%** have a certified **energy** management system. The **Acea Ambiente** plants located in Terni, San Vittore del Latium and Orvieto and the **Acque Industriali** site in Pagnana (Empoli), are also **registered** with the **EMAS**.

<sup>39</sup> Of the 33 companies in the scope of reporting, the only ones not involved in a certification process are 16 companies in the photovoltaic segment and Acea Innovation, which has been awarded the commercial management of a number of added-value services.

**Table no. 12 – Certified management systems in the Acea Group**

	Quality (ISO 9001)	Environment (ISO 14001)	Safety (ISO 45001)	Energy (ISO 50001)	Other
Acea SpA	X	X	X	X	Biosafety Trust Certification
<b>WATER</b>					
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		
<b>ENGINEERING AND SERVICES</b>					
					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
Acea Elabori	X	X	X		
<b>ENERGY INFRASTRUCTURES</b>					
Areti	X	X	X	X	
<b>GENERATION</b>					
Acea Produzione		X	X		
Ecogena	X		X	X	UNI CEI 11352:2014
<b>ENERGY (commercial and trading)</b>					
Acea Energia	X	X	X		Biosafety Trust Certification
<b>ENVIRONMENT</b>					
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		
Demap	X	X	X		

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 2021, 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 the year in question, Acea launched a planning process intended for the achievement of **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, exposure to liability including in terms of the application of the sanctions set out by Italian Legislative Decree no. 231/2001.

# 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. Developing relationships of trust and adopting an inclusive proactive approach towards stakeholders is of particular importance for the Acea Group when generating and sharing value.

Acea promotes the involvement of stakeholders in line with the commitments expressed in the **Management Systems and Sustainability Policies**, and the principles set out in the **Code of Ethics** and the **Stakeholder Engagement Principles and Values**, with a constructive approach that tends to rely on the results of dialogue and discus-

sion. Furthermore, in 2021 the **Stakeholder Engagement Principles and Values** and the **Stakeholder Engagement Group Procedure** were formalised (see box).

In the Stakeholder Engagement process, the **identification** phase makes it possible to identify the parties directly or indirectly involved in company activities, assessing their level of qualitative and quantitative mutual influence. **Analysis** is then used to perform a structured evaluation of the existing **interactions** both between the company and the stakeholders as well as among the various categories of stakeholders, so that dialogue – **engagement** – and shared accountability paths may be developed. Lastly, the **management** phase leads to the **identification of answers** to the questions posed by the stakeholders or the company in order to pursue the achievement of company goals consistent with expectations.

Chart no. 19 – Stakeholders and their involvement



## STAKEHOLDER ENGAGEMENT IN THE ACEA GROUP

The importance of strengthening relations with stakeholders, building a long-lasting, structured rapport of trust with them in a context that is continually changing, took on an even more relevant role in 2021, when the measures needed to combat the pandemic and the social distancing requirement strongly affected how people interacted. During the year, via online platforms, the activities curated by the Stakeholder Engagement Unit of Acea continued in order to **disseminate the culture of stakeholder engagement** within the Group, providing shared methodologies and useful tools for designing and implementing initiatives to develop more efficient interactions, including in line with the objectives set out in the Sustainability Plan and the Agenda 2030 for Sustainable Development.

To this end, the **Stakeholder Engagement Principles and Values** and the **Stakeholder Engagement Group Procedure** were formalised, with their related annexes, and **distributed on the company intranet and the corporate site**.

the **Principles and Values** guarantee a standard approach to stakeholder relations and constitute **strategic guidance**, as well as an element **underlying an extensive and coherent integration** of stakeholder engagement into the management of business activities. The **Procedure** governs the **management of the operating process** and makes it possible to identify and prioritise stakeholders to communicate with them efficiently and detect information that can be used in future to extrapolate quantitative metrics that represent the quality and evolution of the engagement carried out.

At organisational level, a transversal team was created formed of **Representatives identified within the Departments, Corporate Functions and Group Companies**. With the support of the Stakeholder Engagement Unit, the Representatives operate as **promoters of the culture of stakeholder engagement** within their own organisational contexts, tracking the initiatives carried out to structure information resources, promote their sharing and report on the activities, in a flow of information to said Acea Unit, which is responsible for annual reporting at Group level. In the second half of 2021, an **analysis process was launched through awareness-raising meetings held with sector experts**. The aim of this cycle of meetings, which will also continue in 2022 and were characterised by topics specific to their sector, is to spread the foundations of the culture of stakeholder engagement in the strategies, processes and business activities of the Acea Group, as well as basic technical and specialised skills, role awareness and a number of professional tools. On the **company intranet**, the **section dedicated to stakeholder engagement** was also activated. It was created in collaboration with the Media Relations and Internal Communications Unit to systematise and share **processes, tools and materials** and to promote internal awareness. The Stakeholder Engagement activities are managed in line with the international standards of reference (AA1000 Stakeholder Engagement Standard and Global Reporting Initiative – Reporting Standards).

## ACEA IN THE ESG PERCEPTION INDEX

The **ESG Perception Index**, prepared by Reputation Science, a leading company in Italy in the analysis and management of reputation, **measures and classifies the perception of sustainability of the top 200 Italian companies on the web**. The analysis model rates the proximity of the brand to the 17 goals of the UN Agenda 2030, assigning a score from 0-100, analysing the volume of online content that demonstrates the association between the brand and sustainability, the reputation impact of this content on the company analysed, the association of the brand identity with sustainability on search engines and how much the company talks about sustainability through its web channels. Acea has featured on the index since June 2021 with a score of **58.98 points, coming 7th place** in the ranking; in October, when the data were updated again, it fell one place, **to 8th, but its score increased to 61.30**.

For more details see [www.esgreputation.it/](http://www.esgreputation.it/)

Chart no. 20 – Stakeholder mapping



The boxes below illustrate the most significant interactions between Acea and the main categories of stakeholders in 2021.



### CUSTOMERS

Acea is one of the **main Italian multi-utilities by territory and customers served** with around **1.2 million customers in the energy sector** and over **228,000 customers in gas**, over **1.6 million withdrawal points for energy distribution** and **2.7 million water users**, equal to **8.5 million inhabitants served** in Italy.

The evolution of market demands towards **green and innovative solutions** is monitored by the Group through increasingly more specific and wider offers, such as those launched during the year by Acea Energia on 100% sustainable power and gas, the services linked to electric mobility and added-value products (energy efficiency of buildings, boilers, air conditioners and wall boxes). The development of **more advanced interaction dynamics**, as has happened with the figure of the **prosumer** – a party that is both a customer and an energy producer, connected to the distribution network – up by 8% compared to the previous year, manifests in an increasing focus on the use of **digital channels and services** by

customers, including as a result of the requirement for safety due to the ongoing health emergency. Acea proposes solutions that are constantly improving, such as the **digital service point**, which in 2021 consolidated its operations, the **“Waidy Point” local branches, the MyAcea App**, enriched in 2021 with new functionalities (downloads of MyAcea have increased by 24.5% compared to 2020) and the **new navigable web bill** for companies in the water sector. Acea adopts initiatives intended to maintain the high level of trust and good customer relations. In addition to relations with **consumer associations**, through the action to raise their awareness and promoting the use of digital and telephone channels dedicated exclusively to them, critical situations were also monitored via the activities of the ADR Body for the out-of-court settlement of disputes (in the year, for the Companies managed, **345 requests** were received – 419 in 2020) and initiatives are carried out to **prevent cases of unfair commercial practices** (567 cases reported to the sales agencies during the year, equal to 61% of the cases analysed – 53% in 2020).



### INSTITUTIONS

For a company that delivers essential public services, mostly 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 agreement with the institutions of reference, it continued the preparatory activities for the construction of the new upper section of the **Peschiera-Le Capore Aqueduct** and the **Marcio Aqueduct**, strategic infrastructures for safeguarding the water supply in the city and province of Rome.

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 Manage-

ment 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, such as institutions and hospitals**.

Interactions also take place through research projects on topics of **public relevance** with public bodies such as **ENEA** with which a study was conducted in 2021 to perform a preliminary investigation into the definition and implementation of **sampling and analysis methods of microplastics** in the water lines of treatment plants and in recipient bodies of water.

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** 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 new Italian Corporate Governance Code, as an objective of its activity.

In 2021, the Industrial Plan and the Sustainability Plan approved in 2020 were implemented, both of which cover the 2020-2024 period. Investments by 2024 will reach a figure of 4.3 billion, of which **2.1 related to sustainability targets**.

The **performance management system** in force, as an integrated governance instrument, both in the long term (LTIP) and in the medium term (MbO), provides for a **composite sustainability indicator**, with a percentage weight in line with the best practices of the market. During 2021, Acea **launched a planning process intended for the achievement of ISO 37001:2016 certification** (Anti-bribery management systems).

The **Stakeholder Engagement Principles and Values** and the **Stake-**

**holder Engagement Group Procedure** were formalised, in order to define a standard and inclusive approach in stakeholder relations as part of the activities managed by the Group.

For Acea, **overseeing the ecosystem of innovation** is fundamental for accessing ideas and business and technological ideas, so it has developed partnerships with InnovUp (formerly Italia Startup), SEP (Startup Europe Partnership) and Open Italy and launched collaborations with specialised observers at the Politecnico di Milano (Digital Innovation, Startup Intelligence and Space Economy).

A particular achievement in 2021 was Acea Elabori's **BIM certification** (Building Information Modelling), which determines an important process innovation in the engineering design of works, creating economic, time and environmental savings.

The Company's commitment to research and innovation has also been recognised by the achievement of the **Innovazione SMAU 2021 awards given to Acea and GORI** for the "Lean Procurement for startups and innovative SMEs" and "Smart Metering" projects, and the Ecohitech Award with the PASO project.

SHAREHOLDERS  
AND  
FINANCIERS

The relationship with the **capital markets** guarantees the best conditions thanks to a careful diversification of sources. About 85% 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 10%,

whose mission is to **support strategic infrastructure**. Acea recorded a positive performance on the stock exchange with a **9.4% increase in the share**. The value of each share rose from € 17.15 at the beginning of the year to € 18.76 as at 30 December 2021 (the last stock exchange session of the year) with a capitalisation of **€ 3,995 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 5.5%** of the share capital and to **around 40% of total institutional investors**.

In January 2021, the **first Acea Green Bond** was issued, which recorded a market demand 7 times higher than the offer. It obtained a price premium compared to a traditional issue, and, **for the first time for corporate issues of Italian issuers**, a negative yield for the 5-year tranche with a consequent reduction in the interest paid by Acea.

Lastly, in November, the "*Policy for managing dialogue with institutional investors, shareholders and bondholders*" was adopted in line with the provisions of the new Corporate Governance Code.



## SUPPLIERS

In 2021, the value of orders for goods, services and works exceeded **€ 2 billion** (+66% compared to 2020), with around **2,870** suppliers involved. 61% of total volumes in the year were procured through the use of competitive tendering procedures. With reference to supplier **payment times**, the average delay decreased to 27.3 days (42 days in 2020) and the percentage of amounts settled on the due date increased (74%, compared to 65%).

The **protection of staff employed by the suppliers** was subject to specific measures. In particular, **the safety measures to combat Covid-19** continued and several **meetings** were held with the trade unions involved in water contracts and the contractors on occupational health and safety, compliance with the contractual regulations applied and protection of employment.

The safety of workers, as a fundamental element for the services

provided in favour of the Group, was monitored through **15,444 worksite inspections**, which confirmed the decreasing trend of non-conformities detected. In 2021, Acea Elabori, in collaboration with the Parent Company's Technology & Solutions Department, continued **testing on the Safety Check project**. The objective is to remotely verify the safety conditions of personnel at construction sites with IoT sensors.

During the year, development continued of the **Group's Vendor Rating system**, which is being fine tuned. It will assess supplier performance on indicators related to punctuality, quality and safety; **the Ecovadis model** was **also adopted**, which rates suppliers based on 21 ESG criteria (environment, employment and human rights, ethics and sustainability in procurement). In 2021, 148 suppliers were evaluated and 102 are currently being assessed, with an average score of 59.2/100.



## 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 2021, the total staff of the companies within the scope of reporting was numbered **6,466 people**, of which **24% women**. **98%** 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. **335 people** were **hired**, 39% of which aged 30 years or younger. **262 people left**, 81% aged over 50 years. The **turnover rate**, which was **9.2%**, decreased (11.1% in 2020).

In 2021, **agreements on measures to contain and combat Covid-19** were confirmed and renewed in line with the provisions of the National Protocols, the regulation concerning remote working in emergencies, flexible working time and remote learning.

In 2021, Acea Energia and Acea Elaborasi also achieved **Biosafety**

**Trust Certification** for the prevention and control of the spread of infection.

Particular attention was paid to the risk mitigation of work-related stress, exacerbated by the pandemic, with the activation of the **I Care project**.

The **training on digitalisation** also continued and the second edition of the "**Agire sostenibile per fare la differenza**" [Sustainable action for difference] was launched, to increase the **culture of sustainability** within the Group.

A significant widespread commitment was made during the year to **Diversity & Inclusion**. In particular, the **Protocol on Diversity and Inclusion was signed**, applicable at Group level, and the **2021-2022 Diversity & Inclusion Plan was defined**, for the development of initiatives dedicated to employees, with an impact on customers and the local area.

Lastly, in 2021 a procedure was launched for the achievement of the **Top Employers certification**, which was obtained in January 2022.



## ENVIRONMENT

The main challenges for **environmental sustainability** are indicated in the **Green Deal**, the European Union's growth strategy, which sets the goal of carbon neutrality by 2050, an essential element for safeguarding the climate, thanks to a progressive transition towards an economy supported by **renewable, decarbonised, energy efficient sources**, in the context of a **circular economy**. In this context, note the growth of production from PV and the Group's progressive expansion into the "circular" management of waste.

In particular, in 2021 Acea Produzione acquired an additional 4 MW in the photovoltaic segment, and installed 16 MW, reaching a total of 72.5 MW.

Acea has also set itself the objective of achieving a **high level of efficiency for final domestic usage** and usage in energy processes, and reducing carbon intensity (gCO<sub>2</sub>/kWh produced). The electricity consumption of the main companies, particularly connected to water needs, waste management and internal consumption of work premises, originates from renewable sources with a Guarantee of

Origin, for a total of approximately **420 GWh**, which in 2021 was equal to **57% of specific consumption** (731.8 GWh).

With regard to the subject of *climate change*, in the year a **first project was carried out to align** to the international recommendations of the **Task Force on Climate-related Financial Disclosures**, which analyses the climate risk management approaches by the organisation.

Acea is committed to **safeguarding biodiversity** and in 2021, it carried out further detailed analysis of potential impacts on biodiversity, with the aim of identifying "priority" areas with high levels of biodiversity in which sites/plants/networks of Group Companies are located, i.e. the most fragile habitats or those most greatly impacted by external factors. Based on this information, it was possible to internally prepare an **Environmental fragility index (EFI)**, aimed at evaluating the different habitats present and the portion of land occupied, the fragility of the habitat and the type of sites/plants present, for each protected area intersected by the activities of the main Group Companies.



## COMMUNITY

2021 was still characterised by the pandemic and Acea took significant action to make its contribution to the local community. Indeed, it was the first Italian multi-utility company to transform its own company space into a **vaccination hub, open to the local area and citizens**, in support of the

anti-Covid vaccination plan in the Latium Region. In total, in 2021 over 140,000 doses of the Covid-19 vaccine were administered. With **technical and economic support**, Acea also supported a number of healthcare organisations, including the Campus Biomedico, the Policlinico Gemelli and the Bambino Gesù Paediatric Hospital. The health emergency also had socioeconomic impacts on the local community. Applications for **social bonuses** increased significantly in order to address this situation. For the energy sector, **over 57 thousand** Acea Energia customers were eligible for the bonus compared to around 26 thousand in 2020, by virtue of the changes in the regulations of reference which set up automatic application,

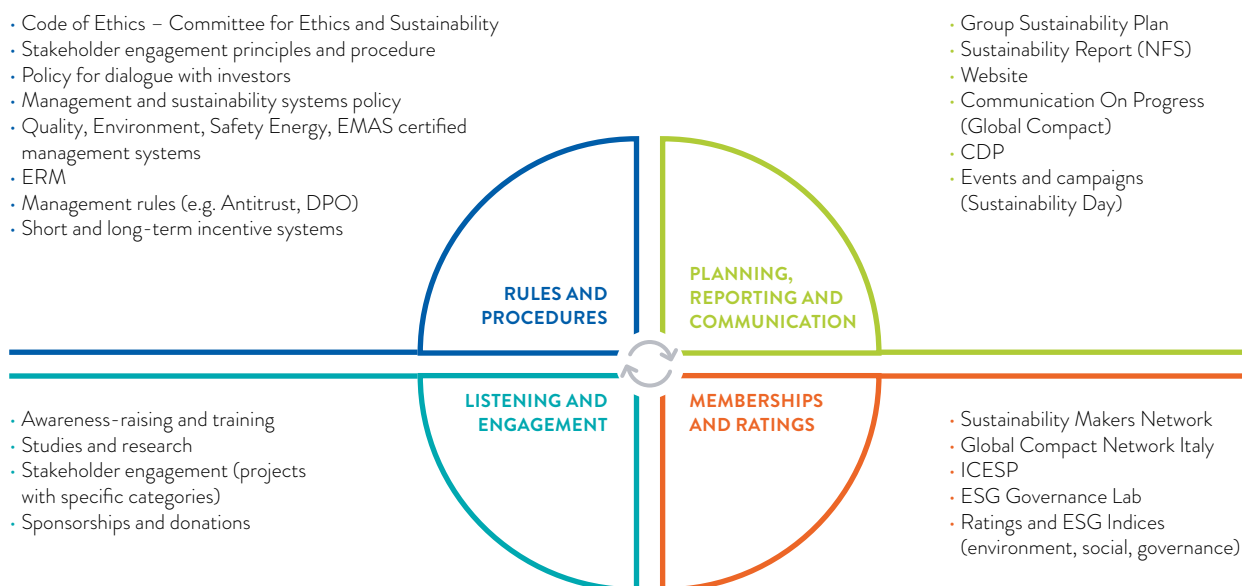
with intermediation by INPS with the Acquirente Unico. Aware of these findings, at the end of the year, Acea joined the "*Insieme per contrastare la Povertà energetica*" [Together to combat fuel poverty] Manifesto, promoted by the Banco dell'Energia, and supported the project "Energia in periferia" [Energy in the suburbs], in order to address situations of energy poverty. In the water segment, the **Water Safety Plans**, to which the Group companies are committed, had effects on health risk prevention and mitigation.

New generations and schools have always been a special focal point for the Group, even more so now in the circumstances experienced by the country. To this end, **initiatives in relation to younger generations** continued, for example with the fully digital event "Acea Scuola Siamo Energia! Spegni la luce e accendi la tua fantasia" [Acea School We Are Energy! Turn off the light and turn on your imagination], a training course that welcomed young people from all over Italy, reaching around 25 thousand users.

## TOOLS AND ACTIONS FOR SUSTAINABILITY

The Group works towards spreading sustainability values, culture and practices, both within the organisation and in the contexts it operates in, adopting tools and policies which today cover the most important phases of planning, management and accounting.

**Chart no. 21 – Sustainability tools**



## DISTRIBUTION OF THE VALUE GENERATED BY ACEA

The overall economic value generated by the Acea Group in 2021 is € **4,012.4 million** (€ 3,433.7 million in 2020).

Below is a breakdown of the above figure amongst the stakeholders: **61.1%** to **suppliers**, **20.1%** to the **company** as resources to be withheld; **6.9%** to **employees**; **5.5%** to **shareholders** in the form of profits to be allocated; **2.4%** to **investors** in the form of interest on capital provided; **3.8%** to the **public administration**<sup>40</sup> in the form of taxes paid and **0.2%** to the **community** by way of sponsorships and donations for events and similar endeavours.

**Table no. 13 – Economic value directly generated and distributed (2020-2021)**

(in € million)	2020	2021
<b>total economic value directly generated</b>	<b>3,433.7</b>	<b>4,012.3</b>
<b>distribution to stakeholders</b>		
operating costs (suppliers)	1,979.4	<b>2,453.3</b>
employees	267.6	<b>275.8</b>
shareholders (*)	211.6	<b>219.7</b>
financiers	98.1	<b>97.4</b>
public administration	134.6	<b>150.7</b>
community	7	<b>7.9</b>
company	735.4	<b>807.5</b>

(\*) Includes dividends for the financial year 2020 proposed by the BoD, any dividends from reserves and minority interests.

**Table no. 14 – Breakdown of value generated by stakeholder (2020-2021)**

	2020 (%)	2021 (%)
suppliers	57.6	<b>61.1</b>
employees	7.8	<b>6.9</b>
shareholders	6.2	<b>5.5</b>
financiers	2.9	<b>2.4</b>
public administration	3.9	<b>3.8</b>
community	0.2	<b>0.2</b>
company	21.4	<b>20.1</b>

40 The amount paid to the public administration net of public contributions which Acea receives (equal to € 13.3 million) is € 137.4 million.