

# 2020

## SUSTAINABILITY REPORT

ACEA GROUP

(Consolidated Non-Financial Statement  
pursuant to Legislative Decree no. 254/2016,  
prepared according to the GRI Standards)







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# LETTER TO THE STAKEHOLDERS



As we introduce the stakeholders to the Acea Group's 2020 sustainability performance, we look to the past year with the knowledge that we are not yet clear of the health emergency caused by the Covid-19 pandemic. Italy and the entire world have suffered an immense loss of human life and we are all coping, day by day, with the social and economic consequences of these circumstances.

And yet, though in March 2020 we felt dismay, twelve months later we share the belief that we can overcome the pandemic, defeat it even, thanks to the joint effort of the scientific community and all those who have worked to support it. We see a country that is down but not out and that is also seeking to restart with renewed enthusiasm.

Our Company has been fortunate to operate in business sectors – public services – that have experienced rather limited repercussions, as it plays a key role for the community and the local region. In the final quarter of 2020 and with our responsibility in mind, we wanted to define the Group's growth prospects and strengthen its ability to create value over time, by approving the new business and sustainability strategies for 2020-2024 in line with the Development Objectives of Agenda 2030, the values of our *Code of Ethics* and the principles of the United Nations "Global Compact", which Acea continues to adhere to year after year.

Our idea of the future and the challenges that we have undertaken are in agreement with those set out by the European Green Deal, which the international community has confirmed and backed over the course of the previous year. As we know, the European Union's growth strategy is aimed at the gradual transformation of development models, with a view to circular economy and the preservation of the natural environment, beginning with the fight against climate change and the protection of biodiversity. It targets carbon neutrality, providing for investments in renewable energy sources, energy efficiency, transport with a low environmental impact and the redevelopment of buildings. It specifies technology and innovation as key enablers and makes inclusivity an essential point of reference.

In this sense, the Action Plan to fund sustainable growth and the "Next Generation EU" growth tool will increasingly drive investment. Acea has embraced the suggestions that arose from the new context and defined its path of growth in the circular economy. It has made the challenge of climate change its own, by planning and launching the development of energy production from renewable sources, by continuing energy efficiency measures and the adoption of green energy for internal use and by challenging itself to make use of additional tools for analysing and reporting aspects related to climate change, thanks to a steady alignment with the recommendations of the Taskforce on Climate-related Financial Disclosure.

The Company will continue to optimise the resilience of its strategic electrical and water infrastructure, to strive towards the protection and preservation of water resources and to develop research activities, even initiating partnerships with start-ups, aimed at applying technological innovation to the management of infrastructure and organisational and production processes, as well as the definition of more advanced stakeholder interaction tools and methods.

In 2020, Acea was quick to focus on all stakeholders, especially the categories hit hardest by the times, such as customers, employees and suppliers, ensuring not only the continuity of operations and services but the development of innovative projects on infrastructure and further developments in digitisation. Acea made particular commitment to its customers, by developing the functionality of remote contact channels and creating new ones, in order to adequately meet new requirements. In the same way, thanks to upgraded IT infrastructure, 3,700 people were able to switch immediately from office-based to remote working, by centring working methods around employee empowerment and a relationship of trust. It became absolutely essential to protect the health and safety of our people, which we managed by establishing a Coronavirus Prevention Committee, tasked with coordinating and implementing all necessary measures, and similar attention was paid to the issues of contractor health and safety, thus preserving the continuity of relations with the 2,500 suppliers that supported the Group's activities over the year.



We wanted to express our active presence in the local region by participating in various events and supporting numerous initiatives. We followed up on our recurring commitments to the community, such as the Acea School initiatives, which we carried out online for the first time, with the successful involvement of over 4,000 young people.

This is the meaning that we have taken from the past year: perseverance in continuing activities and a forward-looking perspective. We are confident of our Company's prospects for growth and Italy's economic and social recovery, to which we will continue to contribute, including through significant investments in sustainability and innovation which will guarantee the development of the local regions we operate in.

**The Chief Executive Officer**  
**Giuseppe Gola**

**The Chairperson**  
**Michaela Castelli**

# HIGHLIGHTS

## RELATIONS WITH THE STAKEHOLDERS



### CUSTOMERS

**MyAcea App**  
installed by  
**290,000**  
people (+61%)

**105.5 tonnes/year**  
of paper saved  
thanks to the web  
bill option (+92%)

**+20.3%**  
green energy sold  
to customers  
in the free market



### COMMUNITY

**115 Water Kiosks** active  
in 2020: 27.7 million litres  
supplied, **554 tonnes** of  
plastic/year saved and **968**  
tonnes of CO<sub>2</sub> not emitted  
into the atmosphere

**Acea**  
**School 2020**  
online edition: around  
**4,000** participants in  
*Let's Defend Water!*

**Waidy: the App**  
used to identify the  
approximately **6,000**  
**water supply points**  
in the local regions served



### SHAREHOLDERS AND INVESTORS

around  
**€ 285 million**  
Group net profit

**5%**  
of the share capital held by  
sustainable investors  
(equal to 35% of  
institutional investors)

**ESG analysts**  
ratings of Acea: A- from  
CDP and EE- from  
Standard Ethics; included  
in the Bloomberg Gender  
Equality Index with 70.49%



## INSTITUTIONS AND THE COMPANY

€ 907 million in investments for the year

Acea awarded the “Premio dei Premi” and “Premio Imprese per l’Innovazione” prizes

### LabSharing Project

conducted by Acea and Enea: laboratories, technology and know-how in synergy



## STAFF

Acea is certified **Biosafety Trust** for managing and containing the risk of workplace infection

Covid-19 emergency: **12,000** hours of specific training and an **Insurance Policy** for employees

over **3,700** people working remotely



## SUPPLIERS

2020 procurement value of over € **1.2** billion and over **2,500** suppliers involved

launch of the **Group’s Vendor Rating** Project and a partnership with **ECOVDIS** for a synthetic sustainability indicator

**14,904** site safety checks (+19%) performed by Acea Elabori

# HIGHLIGHTS

## RELATIONS WITH THE ENVIRONMENT



### WATER

**480 Mm<sup>3</sup>**  
of drinking water supplied by Acea Ato 2,  
Acea Ato 5, Gori, Gesesa and AdF

around **770,000**  
analytical determinations on the drinking  
water supplied by Acea Ato 2, Acea Ato 5,  
Gori, Gesesa and AdF

**714 Mm<sup>3</sup>**  
of wastewater processed by the  
Acea Ato 2, Acea Ato 5, Gori, Gesesa and  
AdF treatment plants

**124,590 t**  
of sludge produced by Acea Ato 2,  
Acea Ato 5, Gori, Gesesa and AdF,  
of which **44% recovered**



### ENVIRONMENT

**19,347 t**  
of quality compost produced  
(+33% compared to 2019)

**346 GWh**  
of energy produced by **waste-to-energy**

over **17,100 kNm<sup>3</sup>**  
of biogas produced and from this  
**27 GWh** of energy  
(+35% compared to 2019)

**21% output/input**  
in waste-to-energy: **409,300 t**  
of waste input and  
**87,400 t** of waste output



## ENERGY DISTRIBUTION AND PRODUCTION

**916 GWh**

electricity produced

total, of which

**68%** from renewable sources

**210,000 t** of CO<sub>2</sub> saved

through the production of electricity from renewable sources instead of traditional ones

acquired **16 MW**

of photovoltaic plants

for a total of **over 52 MW**

installed

**Resilience Plan:**

**106 km** of MV cables modernised and **79** substations rebuilt due to the **critical factor “heat waves”** and **12** substations rebuilt due to the **critical factor “flooding”**



## GROUP

**6.9 GWh** of savings per year  
and **2,300 t** of CO<sub>2</sub> avoided

thanks to energy efficiency improvement actions in Areti and in the water sector

**425 GWh**

of electrical consumption of the Group's companies from G.O.-certified renewable energy equal to **142,800 t** of CO<sub>2</sub> avoided

launched the **Biodiversity Project**: over **23,000** sites/plants analysed

# SUSTAINABILITY DAY 2020



seconda edizione

## INFRASTRUTTURE E NEXT CITY: LE OPPORTUNITÀ DA UNA CRISI

### DISCLOSING SUSTAINABILITY: METHODOLOGICAL NOTE

#### SUSTAINABILITY PERFORMANCE: LEGISLATIVE DECREE NO. 254/2016 AND GRI STANDARDS

Acea has published its sustainability performance since 1999, the year it was listed on the Italian Stock Exchange. Since then, it has voluntarily published an annual Group Sustainability Report. The sustainability report has always been prepared in compliance with the international reference guidelines<sup>1</sup> and submitted for checks by a third party.

Since the 2017 edition, the Sustainability Report has also complied with Legislative Decree no. 254/2016<sup>2</sup>, which transposed EU Directive 95/2014 into Italian law. Under the Decree, Companies that meet the conditions set out in article

2 are required to publish their sustainability performance in a **non-financial disclosure** – individual or consolidated – which contains information: “(...) to an extent necessary for ensuring an understanding of the Company’s activity, its performance, results and the impact it produces, relating to environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters, which are relevant given the activities and characteristics of the enterprise(...)”<sup>3</sup>.

This Sustainability Report for the financial year 2020 has been prepared in accordance with the 2019 GRI Standards<sup>4</sup>: *Comprehensive* option and is therefore called *Acea Group’s 2020 Sustainability Report (Consolidated Non-Financial Disclosure pursuant to Legislative Decree no. 254/2016, prepared in accordance with GRI Standards)*, taking the form of an autonomous document, as permitted by the aforementioned Legislative Decree<sup>5</sup>.

<sup>1</sup> After also following other guidance, Acea opted for compliance with the guidelines issued by the Global Reporting Initiative (GRI), applying them starting with the 2002 Sustainability Report with the highest level of “compliance” possible and following its progressive development.

<sup>2</sup> Article 1, paragraph 1073 of the 2019 Budget Law introduced an amendment to Legislative Decree no. 254/2016, art. 3, paragraph 1, letter c, also prescribing the illustration of the methods for managing the main risks.

<sup>3</sup> Legislative Decree no. 254/2016 as amended, in particular articles 2, 3, paragraphs 1, 4.

<sup>4</sup> In 2016, when the previous version of the Guidelines (GRI-G4) were superseded and further developed, the Global Reporting Initiative (GRI) published the GRI Standards – *Consolidated set of GRI Sustainability reporting standards 2016* –, requiring their adoption with respect to the 2018 financial year. Acea has anticipated such application, with the *Comprehensive* option, since the 2017 Sustainability Report. In October 2019, GRI made the Italian translation of the GRI Standards available on the website [www.globalreporting.org](http://www.globalreporting.org) (*Raccolta consolidata dei GRI Sustainability Reporting Standards 2018*), now in the 2019 edition, with the inclusion of revisions or new additions of some specific standards.

<sup>5</sup> Legislative Decree no. 254/2016, art. 4 and art. 5, paragraph 3, letter b.

The *Sustainability Report*, enclosing a *Summary Note*, following its approval by the Board of Directors, is available to the supervisory body and submitted for assurance by the independent auditor, with which Acea has no joint interests or other connections and appointed in order to assess the compliance thereof with Legislative

Decree no. 254/2016 and its consistency with the implemented reporting standards<sup>6</sup> (see *Opinion Letter of the independent auditor*). The document is disseminated through the institutional website at the same time as the *Consolidated Financial Statements* and distributed during the Shareholders' Meeting.

## NON-FINANCIAL REPORTING IN ITALY: CSR MANAGER NETWORK SURVEY AND KPMG MONITORING

In 2020 the results of a number of analyses on changes to non-financial disclosure in Italy were published, in the third year since Legislative Decree 254/2016 came into force, which offered indications on the gradual integration of sustainability into Company management.

As part of the **CSR Manager Network**, a working group formed of sustainability managers from various Companies including Acea used an employee-centred approach to prepare a survey on NFD to understand the impact of the entry into force of Legislative Decree no. 254/2016.

Sent to 200 Italian Companies in autumn 2019 with a 28% response rate, the survey was **presented in May 2020**. It found that **73% of Companies published a sustainability report**, which was certified and prepared according to international standards, **before it was made compulsory** by the Decree (in 37% of cases for more than seven years) and almost all Companies had already introduced internal procedures which were reviewed and updated to account for the legislation. The **"negative" impact** of the Decree on producing the document included stricter deadlines often paired with a higher workload, and the need to improve materiality analysis methods and internal control systems. **"Positive" impact** included an **improvement in interactions** between the department in charge of preparing the NFD and the other Company departments, **the integration of sustainability issues into corporate reporting** (both in communication and in economic and financial presentations) and, above all, **the great-**

**er involvement of the corporate governance bodies** (Committees and BoD) which led to **increased commitment** and a **more informed strategic commitment** to non-financial issues. The arguments brought to the attention of the corporate governance bodies included **stakeholder engagement and the materiality analysis**, as well as the **reporting and internal control system**. Lastly, there was an **appreciation of the multitude of options** provided for by the Decree in relation to the placement of the non-financial disclosure: 76% said that the NFD was created as an independent document (integrated or not into the Sustainability Report) due to its greater visibility to external and international stakeholders and 88% said that they had not established a change towards an integrated report.

In relation to **future outlook**, the survey found that **the main issues where change was expected** in legislation and reporting were **environmental**, specifically **climate change**, and **social**, specifically **impact on society and communities** and the issue of **human resources** (skills, equality and inclusion, safety, etc.).

In October 2020, KPMG published the document *"Informativa extra finanziaria (ESG): Survey sul terzo anno di applicazione del D. Lgs. 254/2016"* [*Non-financial reporting (ESG): Survey on the third year of application of Legislative Decree 254/2016*], analysing the information present in the 2019 NFD of **200 Italian Companies** (16% belonging to the Energy & Utilities sector). Specifically, the analysis found a marked increase in the number of Companies that were committed to

**raising sustainability governance as a formal issue at board level** (49% of the Companies analysed had appointed a board committee, +86% compared to the first year the Decree was in force); **defining a sustainability strategy** (53%) or structured sustainability planning (38% of all Companies analysed and 72% of those that had defined a strategy, +203% compared to the first year the Decree was in force); **adopting sustainability policies** (82%) and **integrating ESG issues into risk management** (68%, +44% compared to 2017), showing a clear step forward in integrating sustainability into Company governance and management.

77% of Companies published a materiality matrix or a list of relevant issues (23%) and 93% had stakeholders involved in updating the materiality matrix. The percentage of Companies with external stakeholders involved has increased significantly to 64%, though the prevalent method of engagement was questionnaires (58%) while engagement via workshops sat at 17%. 57% of Companies also mentioned the SDGs (with an 88% increase compared to the first year the Decree came into effect). The analysis document distributed by KPMG also confirmed as prevalent (80% of cases) the decision to publish the NFD as a **distinct document**. **100%** of the Companies analysed used the **GRI Standards** and the decision to apply the **core option** (73%) was most common, being more limited in the extent of information provided, compared with the *comprehensive* option (3%), with the remaining 24% opting for a simple reference to the Standards.

## MATERIALITY, GRI STANDARDS AND REPORT SCOPE

In 2019, Acea carried out a **round of materiality analysis**, identifying the main economic, governance, social and environmental issues (so-called "material" issues) related to the Company's business, defining their priority based on the assessments expressed by stakeholders and the Company, and displaying them in the **materiality matrix** chart.

The analysis should have taken place **at least every two years**, but the major **discontinuity represented by the Covid-19 emergency** made it necessary to **check the adequacy of the 2019 "material" issues** in light of the change in circumstances.

This check was **carried out in 2020** via "ad hoc" updating and analysis with the following main phases:

- **Covid-19 context analysis**, carried out on around 35 documents (at international, European, government, sustainability and sector level) **representative of both the evidence linked to the emergency phase and the guidelines for recovery**, in order to identify the current and prospective trends, including in relation to the post-emergency "new normal". The results of the analysis were also shared with the Administration, Finance and Control Department during **updating of the industrial planning**;
- **"reinterpretation" of the 2019 "material" issues on the basis of the evidence highlighted by the Covid-19 context analysis**, which **confirmed the validity of the 19 "material" issues** for 2019 and showed appropriate **emphasis on details** which help define the significance of 12 "material"

<sup>6</sup> Legislative Decree no. 254/2016, under art. 3, paragraph 10, provides that: "The subject entitled to perform the statutory audit of the Sustainability Report (...) or another subject entitled to carry out the statutory audit as specifically designated" issues "a certification concerning the compliance of the provided information with the requirements under this legislative decree and the principles, methods and procedures provided under paragraph 3". Namely principles and methodologies: "provided by the reporting standard used as reference (...)".

issues. Specifically: Occupational health and safety; sustainability and circularity along the supply chain; strategic approach to stakeholder relations and the community; customer focus; involvement of the territory and development of skills; protection of territory and biodiversity; decarbonisation and adaptation to climate change; consolidation of sustainability elements in corporate governance; Company well-being, diversity and inclusion; integrated risk management; responsible finance, and innovation as a transversal element;

- the **direct involvement of stakeholders (external and internal)**, through an **online multi-stakeholder focus group, in the final phase of which the Company Chairman took part**, and some **one-to-one telephone interviews**. Overall, the discussion involved **48 people**, including individuals who were previously involved in 2019 and others who were particularly significant for the purposes of further analysis (organisations of social importance, trade unions, etc.), representing **11 stakeholder categories**. Their involvement aimed to collect **stakeholders' thoughts on the pandemic**, both to check that the main context elements had been identified correctly and to learn their expectations of the **role that Acea could play in the recovery** of the local regions it operates in;
- the **direct involvement of Group managers**, through a virtual meeting with **25 Company managers**. After illustrating the main results of the multi-stakeholder consultation, the

managers assessed the most strategic aspects of the “new normal” for recovery, including in consideration of the cases raised by stakeholder involvement.

As mentioned, even after stakeholder and manager involvement, the in-depth analysis did not identify any new “material” issues, **thus confirming the validity and stability of the materiality matrix defined in the past for 2020**.

The major emphasis placed on specific meanings of 12 of the 2019 “material” issues, listed above, is a key topic of the 2020 Sustainability Report.

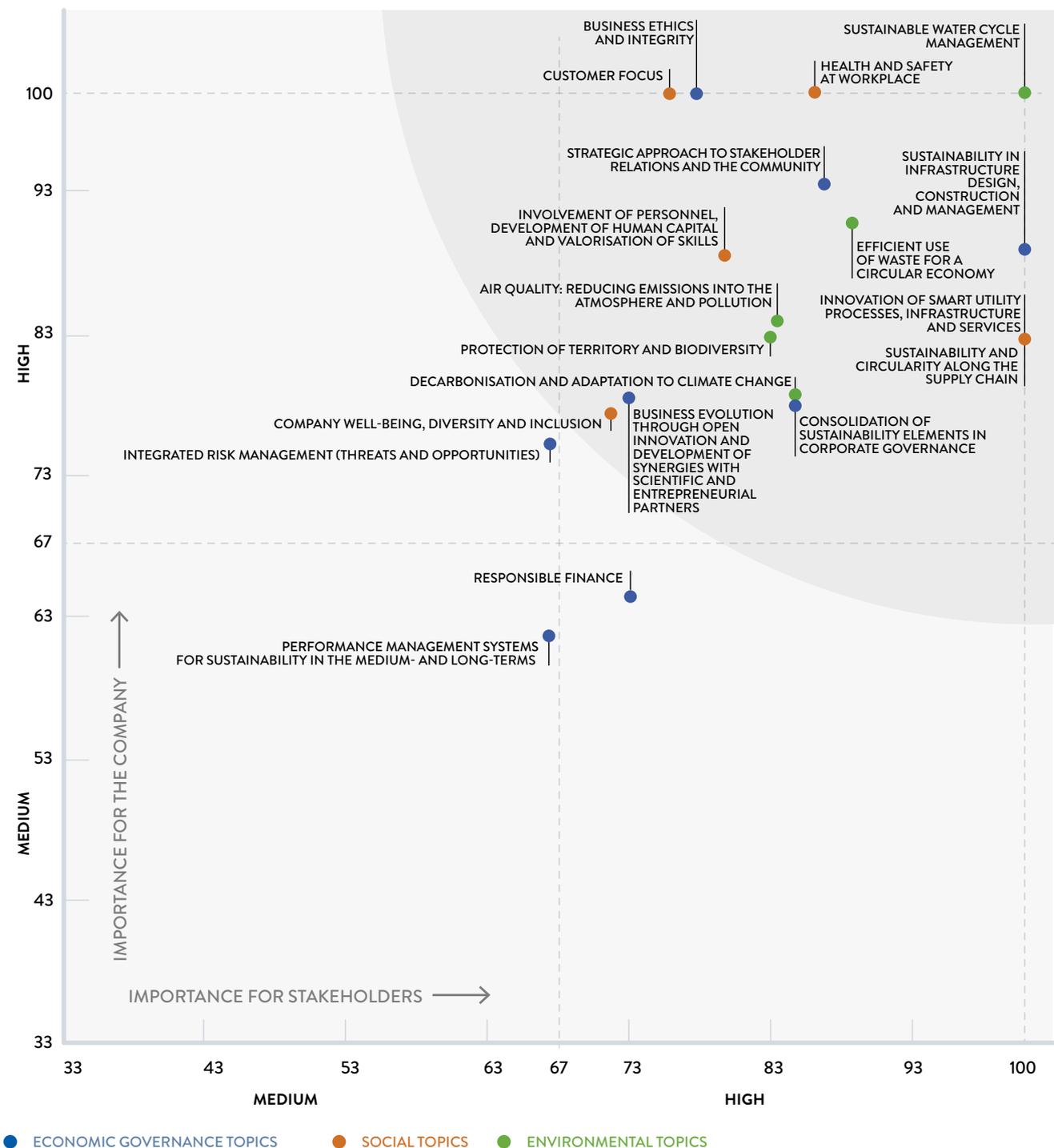
The two-dimensional chart of the **materiality matrix** shows the distribution of the 19 financial, governance, social and environmental issues of low, medium and high importance (prioritisation). In particular, **16 topics** are located in the **high significance** area (score 68-100) and **3 in the medium significance** area (score 33-67) (see chart no. 1).

All the “material” issues are **consistent with the Group's strategic sustainability planning**, renewed in 2020 in alignment with the industrial guidelines **for 2020-2024**.

In addition to being presented in a report to the stakeholders and managers involved, the review and analysis process of the materiality analysis following the Covid-19 emergency and its results were shared with the Group's top management and explained to the members of the **Ethics and Sustainability and Control and Risk Committees** in joint session with the members of the **Board of Statutory Auditors**.



CHART NO.1 – RELEVANT TOPICS FOR THE COMPANY AND ITS STAKEHOLDERS: THE ACEA “MATERIALITY MATRIX” – 2020



- 1 SUSTAINABLE WATER CYCLE MANAGEMENT
- 2 SUSTAINABILITY IN INFRASTRUCTURE DESIGN, CONSTRUCTION AND MANAGEMENT
- 3 OCCUPATIONAL HEALTH AND SAFETY
- 4 INNOVATION OF SMART UTILITY PROCESSES, INFRASTRUCTURE AND SERVICES
- 5 SUSTAINABILITY AND CIRCULARITY ALONG THE SUPPLY CHAIN
- 6 RECOVERY OF WASTE FOR A CIRCULAR ECONOMY
- 7 STRATEGIC APPROACH TO STAKEHOLDER RELATIONS
- 8 BUSINESS ETHICS AND INTEGRITY
- 9 CUSTOMER FOCUS
- 10 AIR QUALITY: CONTAINMENT OF POLLUTING EMISSIONS INTO THE ATMOSPHERE
- 11 INVOLVEMENT OF PERSONNEL, INVESTMENT IN HUMAN CAPITAL AND DEVELOPMENT OF SKILLS
- 12 PROTECTION OF THE COMMUNITY AND BIODIVERSITY
- 13 DECARBONISATION AND ADAPTATION TO CLIMATE CHANGE
- 14 CONSOLIDATION OF SUSTAINABILITY ELEMENTS IN CORPORATE GOVERNANCE
- 15 BUSINESS EVOLUTION THROUGH OPEN INNOVATION AND DEVELOPMENT OF SYNERGIES WITH SCIENTIFIC AND ENTREPRENEURIAL PARTNERS
- 16 COMPANY WELL-BEING, DIVERSITY AND INCLUSION
- 17 INTEGRATED RISK MANAGEMENT (THREATS AND OPPORTUNITIES)
- 18 RESPONSIBLE FINANCE
- 19 PERFORMANCE MANAGEMENT SYSTEMS FOR SUSTAINABILITY IN THE MEDIUM AND LONG-TERM.

Besides being a strategic reference, the “Acea Materiality Matrix” is necessary to identify which **aspects to include in greater or lesser detail** depending on the results of prioritisation and to **select the indicators required by the adopted standards**.

To prepare the Sustainability Report **in accordance with the 2019 GRI Standards: Comprehensive option**, it is necessary to illustrate performance according to:

- the “**Universal Standards**”, which include the **reporting principles** (GRI 101: Reporting Principles) and the **56 general standards** (GRI 102: General Disclosures);
- the “**Topic-Specific Standards**” referring to the economic, environmental and social dimensions (GRI 200: Economic, GRI 300: Environmental, GRI 400: Social) **considered to be material topics and related indicators selected from among the 34 topics envisaged** in the specific standards;
- the **management approach** (GRI 103: Management approach) **for each of the specific topics considered material**.

In order to select GRI Material Topic-Specific Standards, consideration is given to<sup>7</sup> their **correlation with “Acea’s Materiality Matrix”**

and the meaning thereof conferred by international standards, in some cases tracing them back to the corporate context and, in others, establishing their non-applicability<sup>8</sup>.

Following the assessments described above, **26 Specific Standards<sup>9</sup>** were identified out of a total of 34, **as consistent with Acea material topics of high significance** (see table no. 1). Furthermore, among all the **indicators** envisaged in the Specific Standards considered as “material”, **only 3 were considered not applicable** and excluded from the analysis<sup>10</sup>.

Only one Acea material topic of high significance is not correlated to the Specific Standards, this being the **Consolidation of elements of sustainability in corporate governance**, which however, is **fully consistent with the general standards** dedicated to aspects of **governance** (GRI 102: General Disclosures).

Lastly, also regarding Acea material topics of medium significance present in the report on a less descriptive basis, consistencies were found, albeit not highlighted in the table, with both the material specific Standards and the standards of the General information.

**TABLE NO. 1 – CONSISTENCY WITH GRI “MATERIAL SPECIFIC STANDARDS” AND ACEA “MATERIAL TOPICS” OF HIGH SIGNIFICANCE**

<b>GRI 200: ECONOMIC</b>	<b>ACEA MATERIAL TOPICS</b>	<b>GRI 300: ENVIRONMENTAL</b>	<b>ACEA MATERIAL TOPICS</b>
ECONOMIC PERFORMANCE 2016	2, 4, 7, 8, 10, 11, 13	MATERIALS 2016 (301-1 and 301-2)	1, 4, 6, 12
INDIRECT ECONOMIC IMPACTS 2016	2, 4, 5, 6, 7, 9, 15	ENERGY 2016 (from 302-1 to 302-4)	1, 4, 10, 12, 13
PROCUREMENT PRACTICES 2016	2, 5	WATER AND EFFLUENTS 2018	1, 4, 12
ANTI-CORRUPTION 2016	8	BIODIVERSITY 2016	1, 10, 12, 13
ANTI-COMPETITIVE BEHAVIOR 2016	8	EMISSIONS 2016	1, 10, 12, 13
		EFFLUENTS AND WASTE 2016	1, 6, 12
		ENVIRONMENTAL COMPLIANCE 2016	1, 8, 10, 12, 13
		SUPPLIER ENVIRONMENTAL ASSESSMENT 2016	5

<b>GRI 400: SOCIAL</b>	<b>ACEA MATERIAL TOPICS</b>	<b>ACEA MATERIAL TOPICS</b>	<b>ACEA MATERIAL TOPICS</b>
EMPLOYMENT 2016	11, 16	NON DISCRIMINATION 2016	8, 16
		MARKETING AND LABELING 2016	8, 9
LABOR/MANAGEMENT RELATIONS 2016	11, 16	LOCAL COMMUNITIES 2016	7, 15
		CUSTOMER PRIVACY 2016	8, 9
OCCUPATIONAL HEALTH AND SAFETY 2018 (from 403-1 to 403-6; from 403-8 to 403-10)	3, 5	SUPPLIER SOCIAL ASSESSMENT 2016	5
		SOCIOECONOMIC COMPLIANCE 2016	8, 9
TRAINING AND EDUCATION 2016	11	PUBLIC POLICY 2016	8
DIVERSITY AND EQUAL OPPORTUNITY 2016	11, 16	CUSTOMER HEALTH AND SAFETY 2016	1, 8, 9

**NOTE** The economic, environmental, and social GRI “Topic-Specific Standards” shown in the table are only those deemed “material”. When indicators are placed in brackets next to a GRI topic this means that only the indicators shown in the table apply, or, where not specified, all the indicators related to the topic apply (also see the *GRI Content Index*). For “Acea material topics” as identified in the table by a number, reference should be made to the figure showing the materiality matrix (chart no. 1).

<sup>7</sup> It is important to consider that both the specific GRI Standards – each of which includes a description of the management method and a number of indicators – and Acea material topics both refer to contents that are far more complex and detailed than their brief name may suggest which, given their level of detail, cannot be presented at this time. See the GRI Standards – *Consolidated set of GRI Sustainability reporting standards for 2016* – on the website [www.globalreporting.org](http://www.globalreporting.org), also in Italian: *Raccolta consolidata dei GRI Sustainability Reporting Standards 2019*.

<sup>8</sup> This led, for example, to the exclusion of the Specific Standards related to *Market Presence, Tax and Human Rights* which, according to the meaning given to them by the GRI, are more pertinent to multinational enterprises and not suited to the reality of the Group’s most significant operations.

<sup>9</sup> In 2018, with the obligation to apply them to financial year 2020, the specific standards “Water and Effluents 2018” and “Occupational Health and Safety 2018”, both reported, were updated. Specifically, the updated edition of the Water and Effluents standard also superseded some indicators previously provided for under the “Effluents and Waste 2016” standard.

<sup>10</sup> See the *GRI Content Index*.

The **principle of materiality** or significance was also applied to the **definition of the “report scope”**, as envisaged both by the GRI Standards and by Legislative Decree no. 254/2016. The latter, indeed, under art. 4, states: *“To an extent necessary for ensuring an understanding of the group’s business, its performance, results and the impact it produces, the consolidated declaration includes data about the parent Company, its fully consolidated subsidiary Companies and covers the topics pursuant to article 3, paragraph 1”*.

The **adequacy of the qualitative and quantitative criteria** necessary to identify the Companies that ensure an understanding of the Group’s business, performance, results and the impact it produces, was **verified**. **Qualitative** criteria highlight the significance of the role carried out by the Companies for the Group’s qualifying business (namely, Companies carrying out a relevant and current role in the main businesses, or due to the services they provide, and in implementation of the industrial and sustainability plans) and territoriality (namely, the operations in the geographic area in which **almost all of the turnover is generated**, the **majority of the stakeholders are located** and **a large part of the managed assets are located**). **Quantitative** criteria concern, for all Companies included according to the qualitative criteria, correspondence to a

**minimum value over 80% of the entire scope of consolidation** with reference to specific data (revenue, investment, assets, costs for materials and services, energy consumption in TOE).

Both types of criteria were **applied to the Companies included in the scope of consolidation** of the Parent Company in 2020 (see table no. 2) resulting in a proposal of scope, initially shared with Top Management, the Board of Statutory Auditors and the relevant board committees. After further verification of the data, the **scope was defined** and, having heard the opinion of the Head of the Legal and Corporate Affairs Department and the CFO, was **shared with the Chief Executive Officer and the Chairperson** and **explained to the Ethics and Sustainability and Control and Risk Committees**, in the presence of the supervisory body.

The Companies **that are representative for the purposes of reporting the 2020 non-financial information** (in accordance with Legislative Decree no. 254/2016 and the GRI Standards) include, in addition to all those present in the previous edition of the document<sup>11</sup>, Acquadotto del Fiora SpA, Acea Innovation Srl, Acque Industriali Srl and the Companies with photovoltaic plants (distributed by Acea Sun Capital Srl)<sup>12</sup>, see table no. 3.

**TABLE NO. 2 – COMPANIES INCLUDED IN THE PARENT COMPANY’S FULL CONSOLIDATION AREA (2020)**

COMPANY	REGISTERED OFFICE
Acea Ambiente Srl	Via G. Bruno, 7 – Terni
Aquaser Srl	P.le Ostiense, 2 – Rome
Bioecologia Srl	Via G. Bruno, 7 – Terni
Iseco SpA	Loc Surpian, 10 – Saint Marcel (AO)
Berg SpA	Via delle Industrie, 38 – Frosinone
Demap Srl	Via Giotto, 13 – Beinasco (TO)
Acque Industriali Srl	Via Bellatalla, 1 – Ospedaletto (PI)
Ferrocarril Srl	Via Vanzetti, 34 – Terni
Cavallari Srl	Via dell’Industria, 6 – Ostra (AN)
Acea Energia SpA	P.le Ostiense, 2 – Rome
Acea8cento Srl <sup>(*)</sup>	P.le Ostiense, 2 – Rome
Cesap Vendita Gas Srl	Via del Teatro, 9 – Bastia Umbria (PG)
Umbria Energy SpA	Via B. Capponi, 100 – Terni
Acea Energy Management Srl	P.le Ostiense, 2 – Rome
Electric Drive Italia Srl	Via Mario Bianchini, 51 – Rome
Acea Innovation Srl	P.le Ostiense, 2 – Rome
Parco della Mistica Srl	P.le Ostiense, 2 – Rome
Acea Dominicana SA	Avenida Las Americas – Esquina Mazoneria, Ensanche Ozama – Santo Domingo, Dominican Republic
Aguas de San Pedro SA	Las Palmas, 3 Avenida 20 y 27 calle – San Pedro, Honduras
Acea International SA	Avenida Las Americas – Esquina Mazoneria, Ensanche Ozama – Santo Domingo, Dominican Republic
Acea Perù SAC	Calle Amador Merino Reyna – 307 Miraflores – Lima, Peru
Consorcio Acea-Acea Dominicana	Avenida Las Americas – Esquina Mazoneria, Ensanche Ozama – Santo Domingo, Dominican Republic

<sup>11</sup> With the exception of Acea8cento, which, after selling the business units (customer care) to the operating Companies Acea Ato 2, Acea Energia and Areti, enacted its dissolution without liquidation and was removed from the Companies Register on 1<sup>st</sup> August 2020.

<sup>12</sup> In light of the applied criteria, the following Companies are outside of the scope of the 2020 Consolidated Non-Financial Disclosure: Berg, Bioecologia, Iseco, Demap, Ferrocarril, Cavallari, Cesap Vendita Gas, Umbria Energy, Acea Energy Management, Electric Drive Italia, Parco della Mistica, Acea Dominicana, Aguas de San Pedro, Acea International, Acea Perù, Consorcio Acea-Acea Dominicana, Consorcio Servicios Sur, Consorcio Agua Azul, Consorcio Acea, Acque Blu Arno Basso, Acque Blu Fiorentina, Acea Molise, Crea, Ombrone, Pescara Distribuzione Gas, Sarnese Vesuviano, Umbriadue Servizi Idrici, Alto Sangro Distribuzione Gas, Notaresco Gas, Acea Liquidation and Litigation, KT4, Solaria Real Estate, Acea Solar, Acea Sun Capital, Trinovolt, Marche Solar, Fergas Solar, Euroline 3, IFV Energy, TF Power of Future, SIMAM and Technologies for Water Services.

**TABLE NO. 2 – COMPANIES INCLUDED IN THE PARENT COMPANY’S FULL CONSOLIDATION AREA (2020) (continued)**

Consorcio Servicios Sur	Calle Amador Merino Reyna – 307 Miraflores – Lima, Peru
Consorcio Agua Azul SA	Calle Amador Merino Reyna – 307 Miraflores – Lima, Peru
Consorcio Acea	Calle Amador Merino Reyna – 307 Miraflores – Lima, Peru
Acea Ato 2 SpA	P.le Ostiense, 2 – Rome
Acea Ato 5 SpA	Viale Roma, snc – Frosinone
Acque Blu Arno Basso SpA	P.le Ostiense, 2 – Rome
Acque Blu Fiorentina SpA	P.le Ostiense, 2 – Rome
Acea Molise Srl	P.le Ostiense, 2 – Rome
Crea SpA (in liquidation)	P.le Ostiense, 2 – Rome
AdF SpA	Via A. Mameli, 10 – Grosseto
Gesesa SpA	Corso Garibaldi, 8 – Benevento
Gori SpA	Via Trentola, 211 – Ercolano (NA)
Ombrone SpA	P.le Ostiense, 2 – Rome
Pescara Distribuzione Gas Srl	Via G. Carducci, 83 – Pescara
Sarnese Vesuviano Srl	P.le Ostiense, 2 – Rome
Umbriadue Servizi Idrici Scarl	Strada Sabbione zona ind.le – Terni
Alto Sangro Distribuzione Gas	Via L. Galvani, 17/A – Forlì
Servizi Idrici Integrati ScPA	Via I Maggio, 65 – Terni
Notaresco Gas	Via Padre Frasca, s.n. – Chieti
Areti SpA	P.le Ostiense, 2 – Rome
Acea Produzione SpA	P.le Ostiense, 2 – Rome
Acea Liquidation and Litigation Srl	P.le Ostiense, 2 – Rome
Ecogena Srl	P.le Ostiense, 2 – Rome
KT4 Srl (*)	Viale SS. Pietro e Paolo, 50 – Rome
Solaria Real Estate Srl (**)	Via Paolo da Cannobio, 33 – Milan
Acea Solar Srl	P.le Ostiense, 2 – Rome
Acea Sun Capital Srl	P.le Ostiense, 2 – Rome
Trinovolt Srl	Via T. Columbo, 31 d – Bari
Marche Solar Srl	Via A. Grandi, 39 – Concordia sulla Secchia (MO)
Fergas Solar Srl	Via Pietro Piffetti, 19 – Turin
Euroline 3 Srl	P.le Ostiense, 2 – Rome
IFV Energy Srl	P.le Ostiense, 2 – Rome
PF Power of Future Srl	P.le Ostiense, 2 – Rome
Acea Elabori SpA	Via Vitorchiano, 165 – Rome
SIMAM SpA	Via Cimabue, 11/2 – Senigallia (AN)
Technologies for Water Services SpA	Via Ticino, 9 – Desenzano del Garda (BS)

(\*) Acea8cento implemented its own dissolution without liquidation and was removed from the Companies Register on 1° August 2020.

(\*\*) The Companies Luna Energia, Sisine Energia, Urbe Cerig, Urbe Solar and Bersolar were merged by incorporation, on 1° December 2020, into the Company KT4 Srl.

(\*\*\*) The Companies Acquaviva, Compagnia Solare 2, Compagnia Solare 3, Brindisi Solar and Spes were merged by incorporation, as of 1° January 2020, into the Company Solaria Real Estate.

**TABLE NO. 3 – SCOPE OF THE 2020 ACEA GROUP CONSOLIDATED NON-FINANCIAL DISCLOSURE (PURSUANT TO LEGISLATIVE DECREE NO. 254/2016 AND GRI STANDARDS)**

COMPANY	REGISTERED OFFICE
Acea SpA	P.le Ostiense, 2 – Rome
Acea Ambiente	Via G. Bruno, 7 – Terni
Aquaser	P.le Ostiense, 2 – Rome
Acque Industriali (*)	Via Bellatalla, 1 – Ospedaletto (PI)
Acea Energia	P.le Ostiense, 2 – Rome
Acea8cento (**)	P.le Ostiense, 2 – Rome
Acea Innovation	P.le Ostiense, 2 – Rome

**TABLE NO. 3 – SCOPE OF THE 2020 ACEA GROUP CONSOLIDATED NON-FINANCIAL DISCLOSURE (PURSUANT TO LEGISLATIVE DECREE NO. 254/2016 AND GRI STANDARDS) (continued)**

Acea Ato 2	P.le Ostiense, 2 – Rome
Acea Ato 5	Viale Roma, snc – Frosinone
AdF <sup>(**)</sup>	Via A. Mameli, 10 – Grosseto
Gesesa	Corso Garibaldi, 8 – Benevento
Gori	Via Trentola, 211 – Ercolano (NA)
Areti	P.le Ostiense, 2 – Rome
Acea Produzione	P.le Ostiense, 2 – Rome
Ecogena	P.le Ostiense, 2 – Rome
Acea Sun Capital and associated PV Companies <sup>(*)</sup>	P.le Ostiense, 2 – Rome
Acea Elabori	Via Vitorchiano, 165 – Rome

(\*) For Acque Industriali, as well as the Companies with photovoltaic plants, mainly environmental data will be reported.

(\*\*) As of July 2020 the business unit is split between Acea Energia, Acea Ato 2 and Areti.

(\*\*\*) AdF, newly added to the NFD scope, will provide data pertaining to sustainability aspects gradually.

The scope of the *Acea Group's 2020 Sustainability Report*, albeit wider, guarantees **continuity and comparability** with the year before, as well as coverage of the Companies **that ensure full understanding of the Group's activities** and **most significant sustainability performance**.

Lastly, in compliance with the principle of completeness required under **GRI Standards**, the *2020 Sustainability Report* includes qualitative and quantitative information regarding corporate and

environmental matters of certain Companies that are **not included within the scope of the Consolidated Non-Financial Disclosure**. Specifically, this concerns foreign activities and the following Companies operating in the water area: Acque, Publiacqua and Umbra Acque, which were **included in some Group data** and **described in a dedicated chapter** (*Water Companies data sheets and overseas activities*), giving clear evidence of their individual contribution.

## DOCUMENT STRUCTURE AND DISSEMINATION

The *2020 Sustainability Report*, in line with previous years, is divided into three sections: **Corporate identity, Relations with the stakeholders** and **Relations with the environment**, supplemented by the **Environmental Budget**. The latter **comprises about 450 items and parameters** monitored which quantify the physical flows generated by the activities: the products, factors used (resources), outbound outputs (rejects and emissions) and some performance indicators. References to the main economic-financial data and corporate governance are consistent with those given in the *Consolidated Report* and the *Corporate Governance Report* and which may derive from the latter.

The published data and information are provided by the Industrial Areas, Companies and responsible Functions (data owner), they are processed – and possibly reclassified in compliance with the

reference Standards – by the internal workgroup which draws up the document and then submitted it once again to the Areas/Companies/Functions responsible for final validation, formalized by the issuing of a specific certificate.

Downstream of the audit activities by the appointed independent auditor, the report is distributed by means of storage on SDIR 1Info, **publication on the institutional website** – [www.gruppo.acea.it](http://www.gruppo.acea.it) – **and the Company intranet**, as well as **the other formats provided under Legislative Decree no. 254/2016** and the implementing Consob Regulation (implemented by Resolution no. 20267 of 19 January 2018). It is also distributed together with the consolidated financial statements to the shareholders during the annual Shareholders' Meeting upon closure of the financial year.

For further information about the Sustainability Report and its contents, it is possible to write to the following email address: [RSI@aceaspa.it](mailto:RSI@aceaspa.it).

Irene Mercadante

SUSTAINABILITY PLANNING & REPORTING UNIT



Stefano Raffaello Songini

INVESTOR RELATIONS & SUSTAINABILITY DEPARTMENT



# JOINING THE UNITED NATIONS GLOBAL COMPACT

In 2007 Acea joined the **United Nations Global Compact (UNGC)**, finding **consistency between the ten principles** of the “Global Pact”, launched and supported by the United Nations<sup>13</sup>, **the UN’s Sustainable Development Goals** (“Agenda 2030”, to which the UNGC expressly refers), **the value guidelines, expressed in the Acea Code of Ethics, and the Group’s strategic guidelines.**

The **advanced level Communication on Progress (CoP)**, is included in *this Sustainability Report (Consolidated Non-Financial Disclosure)* through **a combined statement of the GRI Standards’ indicators and the principles of United Nations Global Compact**, pursuant to the understanding reached between the two organisations.

TABLE NO. 4 – THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

	<p>HUMAN RIGHTS</p>	<ol style="list-style-type: none"> <li>1. Companies are required to support and respect the protection of internationally proclaimed human rights</li> <li>2. Companies should ensure that they are not partners, even indirectly, in human rights abuses</li> </ol>
	<p>WORK</p>	<ol style="list-style-type: none"> <li>3. Companies are required to uphold the freedom of association and the effective recognition of the right to collective bargaining</li> <li>4. Companies should uphold the elimination of all forms of forced and compulsory labour</li> <li>5. Companies should uphold the effective abolition of child labour</li> <li>6. Companies should uphold the elimination of discrimination in respect of employment and occupation</li> </ol>
	<p>ENVIRONMENT</p>	<ol style="list-style-type: none"> <li>7. Companies are required to support a precautionary approach to environmental challenges</li> <li>8. Companies are required to take initiatives to promote greater environmental responsibility</li> <li>9. Companies are required to encourage the development and dissemination of environmentally friendly technologies</li> </ol>
	<p>FIGHTING CORRUPTION</p>	<ol style="list-style-type: none"> <li>10. Companies should work against corruption in all its forms, including extortion and bribery</li> </ol>

## ADVANCED LEVEL COMMUNICATION ON PROGRESS AND ITS CORRELATION WITH GRI STANDARDS

The *Sustainability Report* contains **the elements that respond to the advanced level of the Communication on Progress** envisaged by the United Nations Global Compact.

The table below shows these elements according to the 21 criteria defined by the United Nations Global Compact and states their **correlation<sup>14</sup> with the GRI Standards** (GRI 102 – General Disclosures for 2016 and Topic-Specific Standards, series GRI 200: Economic, GRI 300: Environmental, GRI 400: Social, **identified as “material”**), applied in the sustainability reporting according to the “Comprehensive” level of compliance. The *GRI Content Index* specifies the pages of the document where the relevant data and information can be found.

<sup>13</sup> The United Nations Global Compact is an initiative launched by the Secretary General of the United Nations upon the conclusion of the World Economic Forum of 1999. In its appeal, it invites the leaders of the world economy to uphold and circulate nine universal principles related to human rights, labour and the environment, added to which was the tenth in 2004: anti-corruption.

<sup>14</sup> Acea has autonomously updated the proposed scheme, linking elements of the Communication on progress and GRI Standards, maintaining the approach of the document referred to the previous version of the GRI G4 Guidelines, the result of the collaboration of GRI and UNGC. See *Making the Connection: Using the GRI G4 Guidelines to Communicate Progress on the UN Global Compact Principles*, on the website [www.unglobalcompact.org](http://www.unglobalcompact.org).

**TABLE NO. 5 – THE ELEMENTS OF ADVANCED COP AND GRI STANDARDS**

UNGC – ADVANCED CRITERIA	UNGC – MATCHING SCOPES	CORRELATION WITH GRI STANDARDS (GRI 102 – General Disclosures and Material Topic-Specific Standards GRI 200: Economic, GRI 300: Environmental, GRI 400: Social)
<b>CRITERIA 1-2</b> implementation of the ten principles in the strategies and operational management of the business	integration of sustainability in corporate functions and business units  implementation of sustainability in the value chain	from GRI 102-18 to GRI 102-39  GRI 102-9 – GRI 102-10 – GRI 102-25 – GRI 204-1 – GRI 103 (1-3) by GRI 308 <i>Supplier Environmental Assessment</i> – GRI 302-2 – GRI 305-3 – GRI 308-1 – GRI 308-2 – GRI 403-9 (2018) – GRI 103 (1-3) by GRI 414 <i>Supplier Social Assessment</i> – GRI 414-1 and GRI 414-2
<b>CRITERIA 3-5</b> robust human rights policies and procedures management	<b>HUMAN RIGHTS</b> commitments, strategies or policies; management systems; monitoring and evaluation mechanisms	The Human Rights aspect and indicators related to it, as proposed by the GRI Standards, are relevant for multinational enterprises. Acea has therefore considered such aspects non-material. Whereas, in the meaning that the United Nations Global Compact gives to aspects relating to human rights (such as employment protection, freedom of association, non discrimination, health and safety in the workplace, training and education and supplier social assessment), they are included in other GRI Topic-Specific Standards, deemed “material”, as well as in the “material topics” identified by Acea, and are therefore listed herein.
<b>CRITERIA 6-8</b> robust labour policies and procedures management	<b>WORK</b> commitments, strategies or policies; management systems; monitoring and evaluation mechanisms	GRI 103 (1-3) and indicators of the following specific standards (series GRI 400: Social 2016/2018): <i>Employment</i> (from GRI 401-1 to GRI 401-3) <i>Labor/Management Relations</i> (GRI 402-1) <i>Occupational Health and Safety</i> 2018 (from GRI 403-1 to GRI 403-6; from 403-6 to 403-10) <i>Training and Education</i> (from GRI 404-1 to GRI 404-3) <i>Diversity and Equal Opportunities</i> (GRI 405-1 and GRI 405-2) <i>Non discrimination</i> (GRI 406-1) <i>Supplier Social Assessment of suppliers</i> (GRI 414-1 and GRI 414-2)
<b>CRITERIA 9-11</b> robust environmental policies and procedures management	<b>ENVIRONMENT</b> commitments, strategies or policies; management systems; monitoring and evaluation mechanisms	GRI 103 (1-3) and indicators of the following specific standards (series GRI 300: Environmental 2016/2018): <i>Material</i> (301-1 and 301-2) <i>Energy</i> (from GRI 302-1 to GRI 302-4) <i>Water and Effluents</i> 2018 (from GRI 303-1 to GRI 303-5) <i>Biodiversity</i> (from GRI 304-1 to GRI 304-4) <i>Emissions</i> (from GRI 305-1 to GRI 305-7) <i>Effluents and Waste</i> (from GRI 306-1 to GRI 306-5) <i>Environmental compliance</i> (GRI 307-1) <i>Supplier Environmental Assessment</i> (GRI 308-1 and GRI 308-2)
<b>CRITERIA 12-14</b> robust anti-corruption policies and procedures management	<b>FIGHTING CORRUPTION</b> commitments, strategies or policies; management systems; monitoring and evaluation mechanisms	GRI 102-16 – GRI 102-17 GRI 103 (1-3) and indicators of the following specific standards (series GRI 200: Economic and series GRI 400: Social): <i>Anti-corruption</i> (from GRI 205-1 to GRI 205-3) <i>Public Policy</i> (GRI 415-1)
<b>CRITERIA 15-18</b> actions aimed at upholding wider development objectives of the United Nations	strategies, business activities, actions of promotion and engagement with the stakeholders to uphold the Sustainable Development Goals (SDGs)	GRI 103 (1-3) of all the material topic-specific standards included in series GRI 200: Economic, GRI 300: Environmental 2016/2018 and GRI 400: Social 2016/2018 (except for the topic <i>Customer Privacy</i> )
<b>CRITERIA 19-21</b> Governance and leadership of sustainability	commitment of the CEO  engagement of the BoD  involvement of the stakeholders	GRI 102-14 – GRI 102-15  from GRI 102-18 to GRI 102-39  from GRI 102-40 to GRI 102-44
high level of transparency and reporting	use of GRI Standards	from GRI 102-1 to GRI 102-10
external audit		GRI 102-56

CORPORATE  
IDENTITY







## GROUP PROFILE

### ACEA'S HISTORY

Acea was established in 1909 as Azienda Elettrica Municipale (AEM) of the Town of Rome to handle the development and management of the Rome's essential infrastructure, thus initially providing the electricity services and then the water services required to guarantee the productive growth, social progress and environmental balance of the city. Throughout its history, Acea has taken advantage of the opportunities provided by the market, the regulatory context and its stakeholders, thus

adapting and developing its corporate and operating setup, including its listing on the Stock Exchange in 1999 and by opening its share capital to qualified strategic partners.

Acea has gradually become a nationwide industrial group, working in the areas of integrated water management, electricity production, distribution and sales and value added environmental services. The current development guidelines set out in the strategic plans are characterized **by the consolidation of its leadership position** in the water industry and **the expansion of the Group's territorial area of interest**, which is mainly focused on Central Italy, and of its **businesses**, which range from energy production from renewable sources to the circular economy and from energy efficiency services and sustainable mobility to gas distribution.

In this context, **the digitalization, 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 public **energy** (production, distribution, including public lighting, and sales), **water** (integrated cycle) and **environmental services** (waste and materials recovery, treatment and composting). Acea is the operator of reference in the Rome area for water and energy services; in the water sector, Acea is present as an industrial partner of local management Companies in some areas of Central and Southern Italy (from Tuscany to Campania). Development operations continued during the year, in line with strategic guidelines, particularly in the gas and circular economy sectors.

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 2020**

<b>PERSONNEL</b> (number, by % consolidation)	7,650
<b>NET REVENUE</b> (million €)	3,379.4
<b>INVESTED CAPITAL</b> (million €)	5,851.2
<i>net equity debt</i>	3,527.9
<i>shareholders' equity</i>	2,323.3
<b>TOTAL BALANCE SHEET ASSETS</b> (million €)	<b>9,673.6</b>
<b>ELECTRICITY</b>	
generation (GWh) (gross)	916.1
of which from renewable sources (GWh) (gross)	624.8
<i>hydroelectric</i>	375.9
<i>photovoltaic</i>	75.0
<i>waste-to-energy</i>	147.0
<i>biogas</i>	26.9

**TABLE NO. 6 – ACEA GROUP IN NUMBERS, 2020 (continued)**

network demand (GWh)	9,670
sales (GWh) (free and protected market)	7,028
electricity and gas customers (number)	1,387,796
<b>WASTE-TO-ENERGY (WTE)</b>	
electricity generation (GWh) (gross total)	346.2
waste burnt (t)	409,337
SRF	319,122
pulper	90,215
<b>PUBLIC LIGHTING</b>	
bulbs managed in Rome (number)	226,635
<b>WATER (INTEGRATED WATER SERVICE)</b>	
drinking water supplied and billed (Group) (Mm <sup>3</sup> )	628
of which (Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa)	480
analytical checks on drinking water (Group) (number)	1,523,028
of which (Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa)	769,888
wastewater treatment (Group) (Mm <sup>3</sup> )	914
of which (Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa)	714
inhabitants served (Group) (million)	8.5
of which (Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa)	6.1

**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 96 municipalities of OTA [Optimal Territory Environment Agency] 2 Lazio Centrale – Rome.

**Acea Ato 5** is the operator for the 86 towns of the OTA 5 Lazio Meridionale – Frosinone.

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

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



**ENGINEERING**

**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.



**COMMERCIAL**

**Acea Energy** manages the sale of electricity and gas on the market (free and more protected).

**Acea Innovation** manages the activities of technological innovation and its commercialisation for Acea Group.

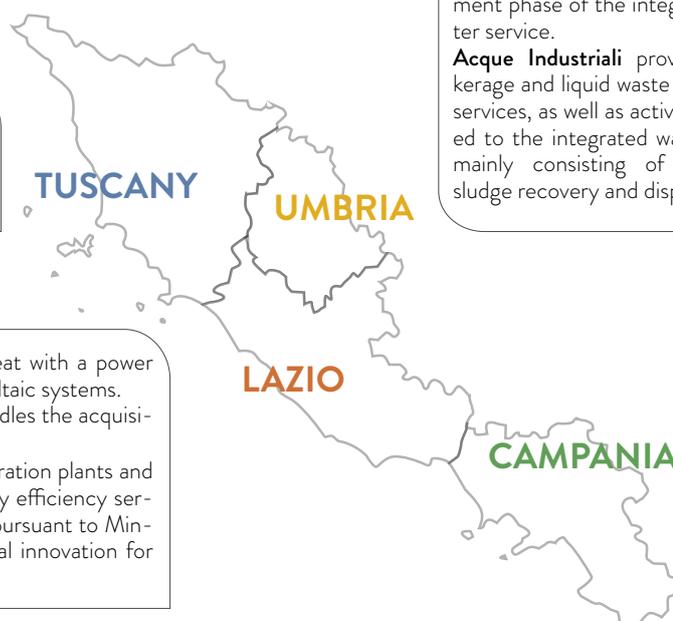


**ENVIRONMENT**

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

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

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



**NETWORKS**

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

# CONTEXT ANALYSIS AND BUSINESS MODEL

## CONTEXT ANALYSIS

Acea Group pursues prudent and sustainable operational and economic-financial management, in line with the principles of corporate social responsibility and the values expressed in its *Code of Ethics*, contributing to the achievement of the Agenda 2030 objectives that are relevant to its businesses. The Group promotes growth, well-being and improvement of the quality of life in the communities in which it operates, contributing to their economic and social development including through the active and responsible participation of its stakeholders. This is why it 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

With regard to energy sales, once the standard market service is no longer applicable, **competition** among operators will increasingly be characterized by the search for **distinctive added-value elements**, which are achievable through investments in technological innovation and digitalization to the benefit of the customer. The modalities that will be adopted to bring about the definitive abolition of the standard market service are currently being defined.

The "Annual Market and Competition Law", no. 124 of 2017 that entered into force on 29 August 2017 provided that sellers of electricity must be included in the Register of electricity sellers, to be established by decree of the Minister of Economic Development on a proposal from ARERA. Subsequent legislation stipulated that the MiSE should adopt the decree by the end of May 2020. The criteria, modalities and the requirements (technical, financial and of integrity) of that will legitimise the selling Companies to become registered in the Register and maintain this status will have to be established. This decree is currently still being drafted.

## THE INTEGRATED WATER SYSTEM AND GAS DISTRIBUTION

Water and gas distribution are developing market areas. Acea intends to play an active role in these competitive areas, 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 and experience requirements.

## THE WASTE MANAGEMENT MARKET

The market in which Acea Group operates through the Environment segment involves the collection, selection, treatment, recovery and disposal of **waste through the management of plants** located in Central and Northern Italy.

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 ENGINEERING AND SERVICES MARKET

With regard to the non-captive market, Group Company Acea Elabori aims to expand its activities by participating in tenders for **districtisation activities, surveys and measurements, modelling and plans for water and sewerage networks**. The Principals are mainly integrated water service operators who require specialised services to support the plans for rationalisation and upgrading of water and sewerage networks. To date Acea Elabori has been awarded two tenders, while others are in the process of being awarded. The Company participates as a joint venture with other Companies and by abiding with the code of conduct of the Organisational Regulations for Antitrust Compliance and Unfair Commercial Practices; in this regard, a special procedure "Participation in Tenders and Bid Management – No Captive" has been drawn up and added to the system.

## INSTITUTIONAL INVESTORS

In 2020, **international equity markets** were mainly influenced by the Covid-19 emergency and its **global impacts on the real economy**. Markets were furthermore affected by the monetary and fiscal policies adopted by Central Banks and Governments to contain the crisis and support the liquidity of the system.

In this context, the Green Deal and the **Recovery Fund proposed by the European Commission**, will allow the relaunch of investments that represent the key to economic recovery, prioritising environmental and climate change considerations. Acea will be able to make the most of opportunities arising from an acceleration in investments in infrastructure and renewable energy, contributing to the country's economic recovery.

In the area of ESG investor relations, further usage was made in 2020 of **engagement and voting strategies** with the aim of inducing Companies to adopt more sustainable behaviours, thus leading them to make decisions that also take into account social, environmental and good governance issues in their corporate policies.

In October 2020, the Acea Group presented to analysts and investors its 2020-2024 Business Plan, which gives sustainability a strategic role in creating a growth model capable of generating benefits for all stakeholders and with a long-term prospect of success. The financial analysts covering Acea's shares assessed the new plan positively following the presentation.

In the past year marked by the health emergency, interest in ESG issues has increased further and these considerations are increasingly being integrated into investment decisions. The increasing attention **sustainable investors place on Acea** is confirmed by their growing participation in the Company's capital. Based on an analysis carried out in November 2020, these Shareholders represent almost **5% of the share capital** and about **35% of the total number of institutional investors**. They consist mostly of European funds (4% of the share capital), followed by investors from North America.

## SUSTAINABLE DEVELOPMENT

The European scenario was characterised by the direction taken by the Commission chaired by Ursula von der Leyen with preparation of the **Green Deal**, as an integral part of the strategy for implementation of Agenda 2030 and pursuance of the UN sustainable development goals and, at the same time, the whole world had to handle the **pandemic caused by Covid-19**.

The response adopted by the Commission and transfused into the

national systems confirmed the orientation towards the objective of making the European Union the first carbon-neutral area of the planet, socially and economically inclusive and with advanced technological and innovative development, seizing from the planetary health emergency the opportunity and urgency of **revising the development and coexistence models**.

The evidence and the repercussions generated by the serious situation, in fact, highlighted the risks deriving from the correlations between pollution and environmental degradation and the spread of the virus or the fragile resistance of the welfare systems, and also the effectiveness of certain solutions introduced all over the world to manage the crisis in a resilient way. For example, the **generalised lockdowns of economic activities balanced by an unprecedented use of technologies to guarantee the continuity and safety of civil life**, at school or at work, or the ability activated by **clinical research** aimed at creating a vaccine and the **cohesion and solidarity** shown by all player in civil society – institutions, businesses, local communities, voluntary workers – faced with a common problem.

The new awareness and urgency of sustainable growth were confirmed by the main players in the global scenario: Europe, with **NextGeneration EU** and the important objectives connected with it, strengthened by **more stringent limits in countering climate change**, but also China, with the commitment assumed on decarbonisation, and the USA, with the relaunch of the Paris Agreement confirmed by the new President elected.

**Italy is part of this global scenario**, and is intent on balancing the relationship between nature and people and on creating inclusive and sustainable development conditions, with important appointments fixed for 2021, in which our country will have a guiding role: co-chairing with the United Kingdom the UN Conference on Climate (COP26), **chairing the G20** which will be organised around the three points People, Planet, Prosperity.

Finally, we must mention the role that the segment of water, energy and environmental service – industries is called upon to perform to tackle the challenges of environmental protection, social inclusion, economic and civil development of the territories and populations that these involve. Taking into account these developments, Acea continues its development by integrating sustainability in its strategies and organisation, as seen in the approval of the **Business Plan and the Sustainability Plan** for the period 2020-2024, with an increase in investments related to sustainability targets for a total of € 2.1 billion.

## 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**. Acea has adopted the Quality Management System for quite some time now, integrating it with the Safety, Environment and Energy areas and managing the set of activities that, taken as a whole, are able to influence the quality, safety and environmental impacts of business activities. In the context of the pandemic emergency, in order to limit the spread of the virus, the affected countries froze economic activities for a continuous and extended period of time during 2020. This initiative, adopted at the global level, entailed a **decrease in carbon dioxide emissions** into the atmosphere, enabling the planet **to delay the overshoot day**, the day on which the earth exhausts the renewable resources available for the year in progress.

The Green Recovery envisaged by the new EU guidelines is an op-

portunity to rebuild the economic system by making it resilient and sustainable. To this end, the **Technical Expert Group (TEG)**, set up by the European Commission to implement the Action Plan for the Financing of Sustainable Growth, has published the **five principles** on which the post-Covid-19 recovery should be based. The idea at the base of these recommendations is that the crisis caused by the pandemic is the first of a series of threats to which the population will be exposed owing to the degradation of ecosystems caused by human activities. One of the tools provided by the TEG for the implementation of Green Recovery is the **EU taxonomy** which establishes a list of environmentally sustainable economic activities.

In parallel to the work carried out by the European Commission, the work of the **Taskforce on Climate-related Financial Disclosures (TCFD)** should be noted. The TCFD's objective is to define the recommendations to be followed by Companies for reporting risks and opportunities related to climate change and describing the 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 and report, in order to **assess the future impacts that the climate-related risks/opportunities generate on the Company's business**.

In this context, Acea continues to carefully monitor its Sustainability Plan and, has embarked on a path to align with the recommendations of the TCFD and assess the indications of the TEG, confirming the strategic nature of environmental issues,.

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

The regulatory context of Acea is wide-ranging and articulated according to the specificity of the businesses handled – water, energy and environment – 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. Particularly significant in 2020 is the inclusion of the project to safeguard the Peschiera-Le Capore aqueduct system in the list of strategic works and the appointment of the extraordinary commissioner (Prime Ministerial Decree implementing Decree Law 76/2020, the so-called “Simplifications” converted with amendments from law no. 120 of 11 September 2020).

Also worthy of mention are the amendments made to the Public Contracts Code by Decree-Law no. 76/2020, the so-called. “Simplifications decree”, converted from law no. 120/2020, e.g. on the subject of anti-mafia checks and legality protocols, awarding and tendering procedures, timing of the conclusion of contracts, grounds for exclusion and the technical advisory board. It should also be noted that Decree-Law no. 183/2020, the so-called. “Milleproroghe” [1000 Delays], extended the provisions of the “Sblocca Cantieri” [Re-Open Building Sites] decree to cover all of 2021.

## 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. We note a number of specific developments that took place in 2020.

In the **electricity sector**, regarding the **removal of the standard market service**, following the conversion of Decree Law no. 8 of 28 February 2020 (the “Milleproroghe” law), with its resolution 491/2020/R/eel, ARERA adopted provisions to ensure that from 1 January 2021, the *Gradual Protection Service* would accompany small businesses towards the new market context. On the subject of developing **network resilience** in the face of critical environmental episodes, as part of the incentive measures launched a few years ago, in 2020 the Authority approved the new three-year resilience plans (2020-2022) and defined the rewards for the 2019 activities conducted to this end by the distribution companies. The Authority also launched (Resolution 467/2019/R/eel) an experimental regulation for the **modernization of buildings’ old riser cables**, and following this Areti started a dialogue with the administrators of the blocks of flats to be restructured, in order to share information on the conditions, methods and timetable governed by the experimental regulation. Finally, we cite the Authority’s interventions on the topics of **electronic billing and limitation**.

In the **water sector**, the main evolutionary drivers of regulation relate to the drive towards efficiency in the commercial and technical quality offered by operators, placing greater emphasis on environmental sustainability issues. On the subject of quality, in 2020 the Authority released the fourth edition of the **IWS Contractual Quality Data Collection**, which provides information and analysis of the data underlying future regulatory activities. Finally, the issue of managing **customers in arrears on their water bills**, addressed for the first time in 2019, was updated to safeguard user rights as well as the financial health of the operator.

## 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. In this direction, activities were developed in the electrical area, with further progress on the automation and efficiency of processes and on applications in the field of smart metering and smart grids with a view to smart cities, such as the launch of installation of new digital meters or the PlatOne project on energy flexibility, and in the water sector, with customer-oriented technological innovations, capable of optimising and accelerating the processes of contractualisation, invoicing, payments and communication between operator and customer, improving also the security of remote interactions.

Digital innovation also played a fundamental role for the continuity of the business activity, enabling, thanks to prompt implementation of adequate digital infrastructures, fully effective performance of the remote work of thousands of colleagues. Technology made it possible to perform also the activities of selecting, training, developing, communicating and involving personnel completely remotely, accelerating the process of digitalising the corporate processes and the transfer of new skills over the entire population.

**The ecosystem of innovation is constantly overseen by Acea also in the networks of external collaboration and partnerships.** Among these, involvement in Startup Europe Partnership, an Open Inno-

vation programme that puts into contact the European Scaleups with businesses, and Open Italy, the co-innovation programme promoted by Elis to combine the innovation needs of Companies in the consortium with the offer of startups, innovative SMEs, university spin-offs and research centres. In 2020 Acea joined InnoVUp, a non-profit Association that represents the ecosystem of Italian start-ups, widened to all private and public bodies, which facilitates the enhancement, visibility and growth, to favour the creation of a new Italian entrepreneurial fabric, and ANFOV, an association that promotes discussions between all the entrepreneurial and institutional bodies involved on the telecommunications sector and monitors, analyse and promotes the development of the contiguous ICT scenarios.

## DEVELOPMENT OF HUMAN CAPITAL

**Entrepreneurship, teamwork and action** are the three driving values of Acea’s Leadership Model upon which the Group’s initiatives are based to achieve the goals of the 2020-2024 Business Plan and Sustainability Plan. To respond better to the challenges of the evolution of the economic and social context, Acea is continuing to work on the skills, on new ways of organising the work and on improving the management and development processes to support the Group in achieving the corporate objectives for growth, while maintaining a high level of personal satisfaction and well-being.

Empowering people to support the development of the Group takes place in three ways: The first is aimed at increasing professionalism, managerial skills, training and competencies, through a process that begins with the selection process and proceeds with onboarding and training. It includes a performance evaluation system and aligns corporate behaviour with the Acea Group’s leadership model and values, with the constant development of human capital; the second is based on the involvement of people in the Group’s identity, through specific initiatives to promote employer branding and the ability to attract and retain talent; the third is aimed at increasing organisational and personal wellbeing, with the structuring of the Group’s agile work programme and initiatives aimed at rendering work smarter and increasing staff motivation, potential and satisfaction, while promoting inclusion, recognising the strategic value of diversity and occupational health and safety.

## 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 defined and used to meet its needs. Indeed, in the area of **green procurement**, for several years now Acea has been using the applicable **Minimum Environmental Criteria**, including in its calls for tenders non-mandatory award criteria that are often decisive in ensuring the maximum achievement of the objectives set. In 2020, it also laid the foundations for implementing a Group Vendor Rating system, focusing on quality and safety as well as sustainability criteria. Acea is committed to training its human resources so that purchasing choices favour goods or services with sustainable characteristics, thus promoting the development of a specific sensitivity to these aspects. Acea recognises the value of the Companies in its supply chain that have chosen to be certified in the quality, environment, safety and energy schemes and reinforces contractual constraints

to promote Companies that demonstrably apply sustainability criteria, invest in safety training for their workers and use environmentally friendly means to carry out their activities, in the belief that supplier reliability is a key component of an efficient supply chain. Second party audits are conducted to raise awareness and support continuous improvement of the supply chain and close attention is paid to the safety aspects of construction sites. The **direct involvement of suppliers** and the opportunities for discussion during audits make it possible to measure the level of awareness of important issues such as corporate social responsibility, safety, sustainability, social, environmental or governance aspects, and provide an opportunity to jointly consider paths to improvement.

### 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. As part of the continuous improvement process undertaken, aimed at **preventing and reducing** accidents, Acea promotes **active participa-**

**tion 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. The year under review was characterised by the **Covid-19 emergency** and the **management aimed at implementing the best methods of prevention and protection from the risk of contagion**: training courses, the definition of specific protocols, dedicated communication channels, as well as the revision of risk assessment documents and health emergency plans, screening campaigns for Acea people or dedicated insurance coverage were implemented from the beginning of the year.

### THE BUSINESS MODEL

The implemented business model (chart no. 3) is based on an organisational structure wherein the Holding performs the role of steering and coordination of the Companies that make up the Group.

Acea SpA offers managerial support by means of management and legal, logistic, technical, financial and administrative services. Acea SpA's **organisational macrostructure** consists of **corporate functions** and **Operations** the operating Companies report to (see chart no. 4).

CHART NO. 3 – ACEA'S BUSINESS MODEL

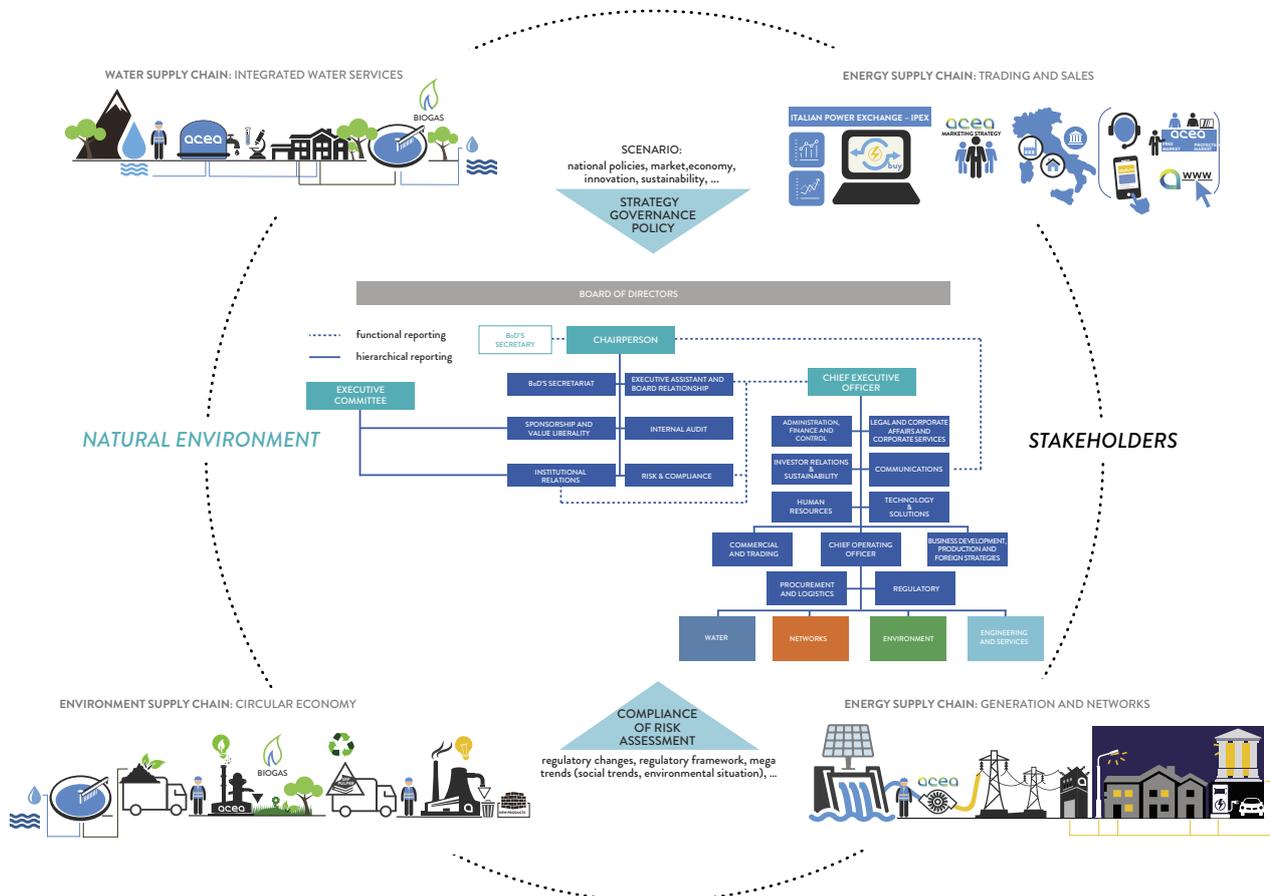
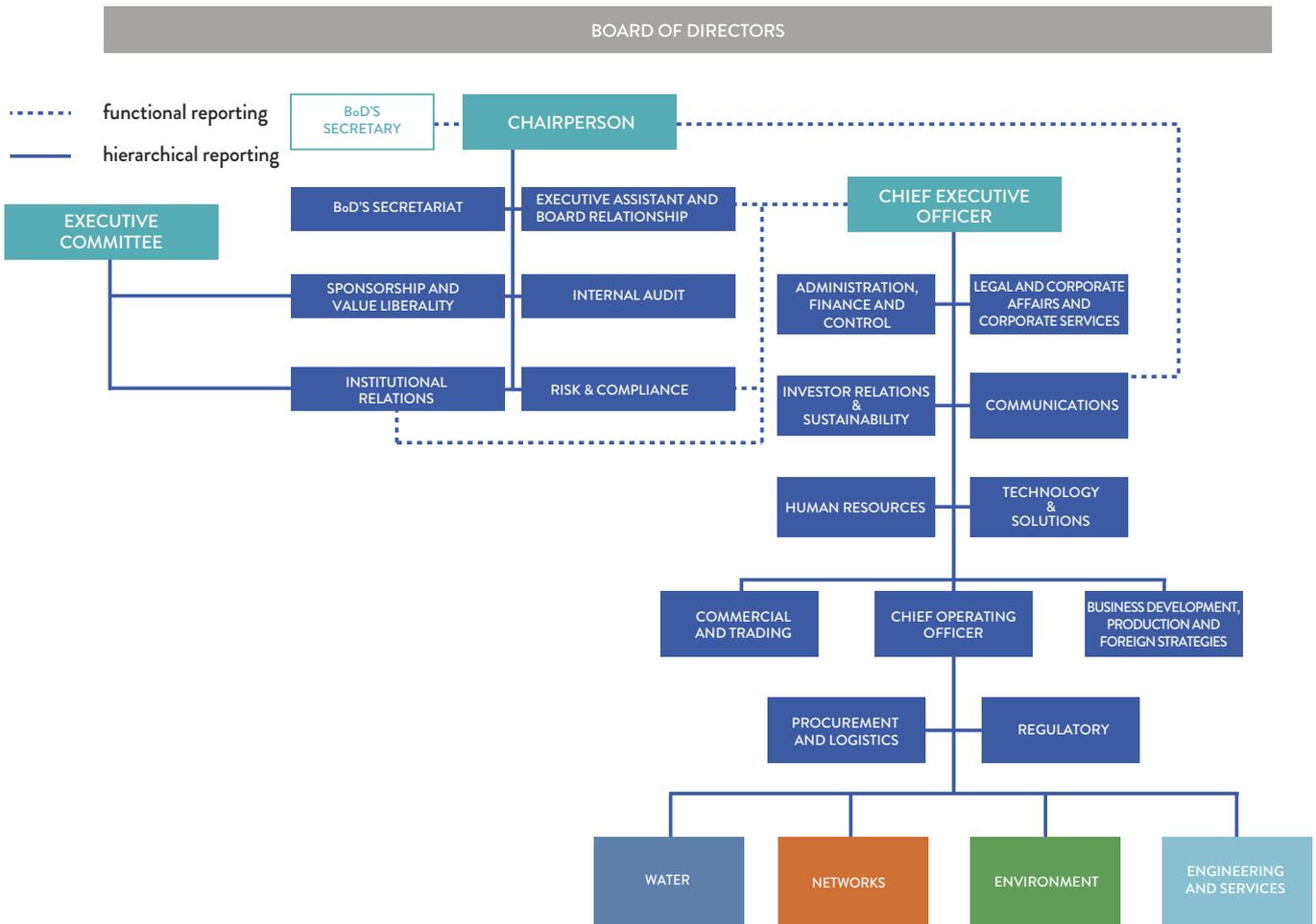


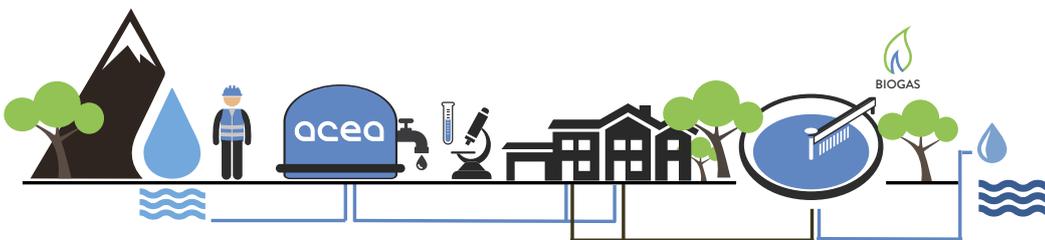
CHART NO. 4 – ACEA SPA ORGANISATION CHART AS AT 31.12.2020



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 already mentioned and 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.**

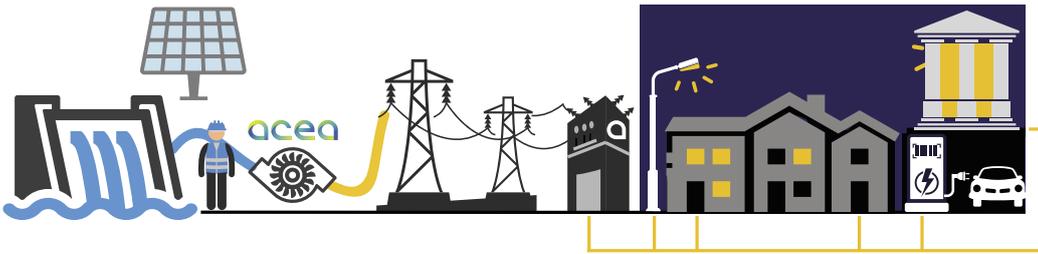
### WATER SUPPLY CHAIN: INTEGRATED WATER SERVICES



**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 water resources and balance their vital flows with the needs of human and civil consumption, Acea checks and guarantees the quali-

ty of water during collection and distribution in compliance with the regulatory standards envisaged for end uses. The same care is devoted to wastewater and advanced treatment phases to recover useful material and return the resource to the environment in the best possible conditions for its natural cycle to resume.

## ENERGY SUPPLY CHAIN: GENERATION AND NETWORKS



**Production and distribution of electricity:** Acea produces energy at hydroelectric plants, waste-to-energy plants, thermoelectric plants (high-efficiency cogeneration), anaerobic digestion plants (biogas) and photovoltaic plants, for a total generation from renewable sources of about 68%. Users receive electricity thanks to the distribution grid managed and developed by Acea. The digital and in-

novative 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. This is accompanied by resilient grid management, which can be used to support the increased use of electricity, such as for mobility.

## ENERGY SUPPLY CHAIN: COMMERCIAL



**Sale of energy and gas:** 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 the clients, based on their typology, by means of increasingly more innovative and digital contact channels,

however retaining traditional tools such as the telephone and branches. The promotion of its products takes place through pull channels (shop, website, branches) as well as through sales agencies that are selected, trained and their commercial practices monitored. A recent development in the business concerns the creation of innovative services and products, and this is where Acea Innovation comes in.

## ENVIRONMENT SUPPLY CHAIN: CIRCULAR ECONOMY



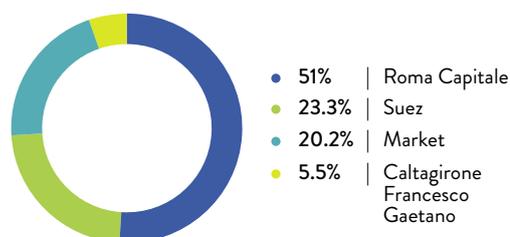
**Efficient use of waste and the circular economy:** the environmental supply chain is active inefficiently using waste by reducing waste volumes, treatment, conversion into biogas, transformation into compost for agriculture and floriculture and recycling into material that is reusable in production 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 through plant acquisition and development projects. The latest developments concern an expansion of the types of material managed in the circular economy circuit (paper, iron, timber, plastics and metals) and the development of technologies and equipment for the treatment of waste according to the proximity principle.

## 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

**CHART NO. 5 – OWNERSHIP STRUCTURE AS AT 31.12.2020**



Source: CONSOB

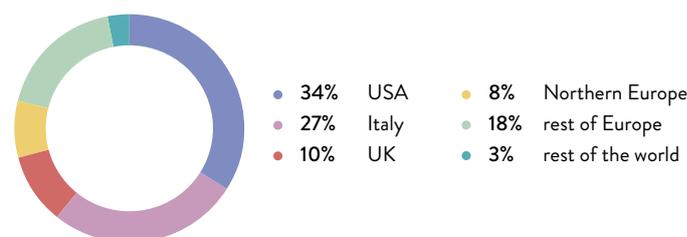
The Group's 2020 results are positive and up on 2019, despite the pandemic crisis, exceeding the guidance communicated to the market. The continuity of the services provided, with a high level of quality and efficiency, a result of the ongoing commitment of Acea's people and its investments in innovation and digitalisation, testify to the Group's resilience and confirm the solidity

shareholder, holding **51% of its share capital**. As at **31.12.2020**, other significant direct or indirect equity interests were held by **Suez** with over 23.3% and **Caltagirone Francesco Gaetano** with approximately 5.5% (see chart no. 5).

**Institutional investors** control more than 14% of the share capital, with a geographical distribution indicating a predominance of US shareholders, followed by Italian, Norwegian and UK interests (see chart no. 6).

**Retail** investors hold approximately 4% of the share capital.

**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.

of its business and the validity of its strategy, with growth and value creation closely linked to the achievement of sustainability objectives. The main items in the balance sheet all show growth: **gross operating margin** at **€ 1,155 million** (+11% on 2019) and the **operating profit** is **€ 535 million** (+2% on 2019 restated). **Group profit** totalled **€ 285 million** (+0.4% on 2019).

**TABLE NO. 7 – THE MAIN ECONOMIC AND EQUITY DATA OF THE ACEA GROUP (2019-2020)**

(in € million)	2019	2020
<b>net revenues</b>	<b>3,186.1</b>	<b>3,379.4</b>
operating costs	2,185.3	2,254.6
staff costs	249.3	267.7
external costs	1,936.0	1,986.9
income/(expense) from non-financial investments	41.4	30.3
<b>gross operating margin (EBITDA)</b>	<b>1,042.3</b>	<b>1,155.5</b>
<b>gross operating margin (EBIT)</b>	<b>523.2</b>	<b>535.0</b>
financial management	(95.4)	(88)
investments management	2.6	14.2
<b>profit/(loss) before tax</b>	<b>430.3</b>	<b>461.2</b>
income tax	123.2	134.6
<b>net profit/loss</b>	<b>307.2</b>	<b>326.6</b>
profit/loss attributable to third parties	23.5	41.6
<b>net profit/(loss) of the Group</b>	<b>283.7</b>	<b>284.9</b>

**Consolidated revenues in 2020** totalled **€ 3,379.4 million** (€ 3,186.1 million in 2019), up by 6.1%. **External costs** increased by 2.6% to approximately **€ 1.98 billion** (€ 1.93 billion in 2019). Cost trends are mainly affected by the change in the scope of consolidation.

The **gross operating margin** (EBITDA) of approximately **€ 1,155 million** is up compared to € 1,042 million last year (+10.9%), with regulated activities contributing 85%.

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

- **Water** industrial segment at 53%, with € 614.4 million, a

21.7% increase respect to the data from 2019 (€ 505 million). This growth is the result of new tariff dynamics and the change in the scope of consolidation;

- the **Energy Infrastructure (including Generation)** industrial segment accounted for 36%, with € 412.9 million, up around 5.3% compared to the previous year (€ 392 million). All operations have a positive contribution: in addition to the tariff effects, distribution also contributes with the plan launched to install new meters, the reduction of losses and generation which, with the new photovoltaic companies, compensates

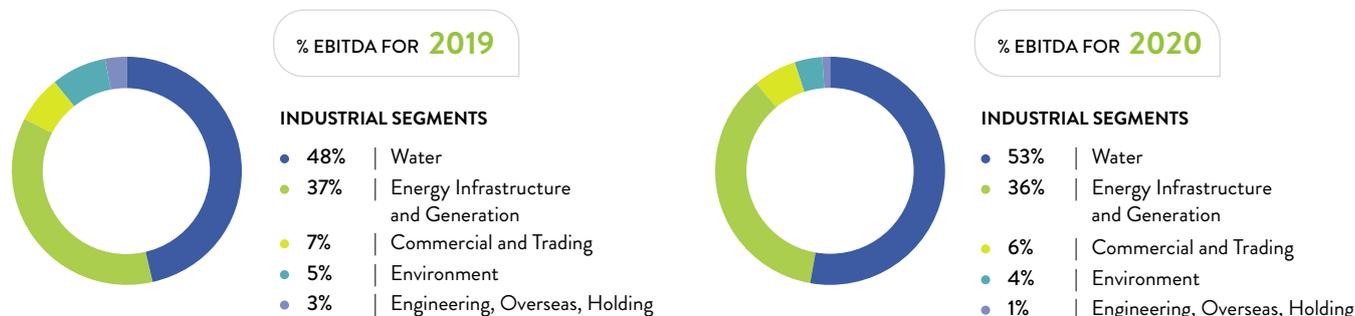
for both the lower hydroelectric production and the reduction in volumes and prices caused by the pandemic;

- the **Commercial and Trading** industrial segment accounted for 6%, with € 72.4 million, up 4.8% (€ 69 million in 2019), thanks to the increase in the free market following the growth in the number of customers and energy sold;
- the **Environment** industrial segment accounted for 4%, with

€ 50.3 million, down around 3% on the previous year (€ 52 million), due to lower revenues related to the end of the CIP6 incentive and the positive effect of the increase in volumes treated and the change in the scope of consolidation.

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. 7 – CONTRIBUTION OF THE BUSINESS AREAS TO OVERALL EBITDA (2019-2020)**



The **operating result (EBIT)** was **€ 535 million** (+2.3% on 2019). The increase is mitigated by higher amortisation and depreciation – mainly in the water area (consolidation of com-

panies) and networks (amortisation of first generation meters following the replacement plan) – and by the increase in bad debts (Gala affair).

## STRATEGY AND SUSTAINABILITY

### INTEGRATED STRATEGY OVERVIEW

In an increasingly integrated perspective, 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**. This was even more evident during 2020, with the **Board of Directors' approval of the new Business Plan in October and of the new Sustainability Plan in December**, both of which cover the 2020-2024 period.

This approach, which Acea also complements and deepens through **dialogue with the institutional world, experts and other companies**, promoting opportunities for discussion such as the **Sustainability Day** (see box), is recognised and appreciated by external observers. For example, in 2020 Acea was awarded the **Top Utility prize in the "Sustainability" category** (see the dedicated box) and other prestigious awards in the **"Innovation" field**, such as the **"Premio Imprese per Innovazione" prize**, promoted by Confindustria, and the **"Premio dei premi"**, instituted by the Presidency of the Council of Ministers (see the box in the chapter *Institutions and Business*).

#### ACEA SUSTAINABILITY DAY

For the second year running Acea has promoted an opportunity for experts, researchers and institutions to discuss **new scenarios and possible actions through which to achieve fair and sustainable development**, by organising the **Sustainability Day** in November. The current context, characterised by the Covid-19 health emergency, was addressed in the event's title – **Infrastructures and the next city: opportunities of a crisis** – as a critical contingency from which a renewed commitment to a sustainable economic and social model arose, including in the light of international and in particular European guidelines (Green Deal, Next Generation EU).

The focus of the day was on the relationship between infrastructure networks (physical and technological) and cities, in the face of health, social and economic emergencies,

to facilitate greater resilience in view of the transition to a decarbonised, inclusive and sustainable society.

The event, which took place online, was divided into three sequential thematic sections. In the first two debates, attended by the President and CEO of Acea SpA and the Chair of the Ethics and Sustainability Committee, data was shared on the relationship between territories and networks, contemplating strategic visions of transformative resilience for a sustainable future. Authoritative experts and institutional representatives contributed: the President of the Regina Benessere Italia Cabinet, Filomena Maggino, the Minister for Infrastructure and Transport, Paola De Micheli, the Asvis spokesperson, Enrico Giovannini, the Undersecretary of the Ministry for the Environment, Land and Sea,

Roberto Morassut, the member of the Arera College, Andrea Guerrini and the Head of Sustainability Practice of The European House Ambrosetti, Carlo Cici. Following the framework outlined, in the third part of the Sustainability Day programme, Acea presented to the public the actions and projects implemented by the Group to acCompany the change, using videos and speeches by Company management and some qualified partners (Sabrina Romano of Enea; Serena Rossetto of RAI; Marinella Soldi of the Vodafone Foundation). Finally, it is worth noting the participation and interactions on social networks for the event: 125 contents published with #AceaSustainabilityDay, 165 interactions on the @Aceagroup profile and 3,420 participants in the Twitter poll held in the days leading up to the event.

## TOP UTILITY 2020 – ACEA RECEIVES THE SUSTAINABILITY AWARD

As every year, the **Top Utility** prize dedicated to the best business cases in the public services sector was awarded in February. The initiative set up by the Althesys research centre, now in its eighth edition, was created with the intention of **highlighting excellence** among the 100 largest Companies involved in the gas, electricity, water and

environmental management sectors, **for their contribution to industrial economic development and the collective wellbeing of the country**. Top Utility consists of several awards (Absolute, Sustainability, Communication, Research and Innovation, Consumers and Territory, Operational Performance and Diversity) and, in the

2020 edition, **Acea** was awarded the **Sustainability prize** “for achieving increasing performance in environmental sustainability and social responsibility, **continuing to integrate sustainability into its business strategy**”. Acea was also shortlisted for the **Diversity** and **Research and Innovation** categories.

The **2020-2024 Business Plan** took into account **5 mega trends** that are changing the dynamics of the Utilities' reference markets: sustainability and circular economy,

customer centricity, energy transition, innovation and digitalisation, and increased competitiveness on the market (chart no. 8).

### CHART 8 – THE 5 MEGA TRENDS FOR UTILITIES

#### Sustainability & the Circular Economy

- **Central role** for utilities in sustainability with a focus on the **circular economy**
- **Protection of water resources** and recycling; transformation of waste into new resources

#### Customer centricity

- «Change of paradigm» with **customer value** becoming **more important**
- Transition from «Commodity-Based» to «**Service-Based**»



#### Energy transition

- Push for **decarbonisation**, coal phase-out vs **strong push for RES**
- **Electrification** with new energy consumption linked to new needs in line with the **European New Green Deal**

#### Innovation and Digital

- **Digital and Innovation** along the entire value chain, as an **enabler of development**
- Technological enabling of **new advanced services** (e.g. predictive maintenance, smart meters)

#### Consolidation of target markets

- **Competition consolidated** in certain target markets (e.g. Waste, Water)
- Opportunities for positioning utilities as **geographical or supply chain leader**

Source: Acea Business Plan 2020-2024

In particular, the new **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

##### Water Operations

*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.*

#### STRATEGY

- installation of more than 500,000 **smart water meters** and **districtisation** 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 Marcio and Peschiera aqueducts**

##### Network Operations

*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**

## MAIN ACTIONS AND STRATEGIC OBJECTIVES OF THE 2020-2024 BUSINESS PLAN BY BUSINESS AREA (continued)

 <p><b>Environment Operations</b> Consolidation of the market towards the circular economy including in a «one-stop-shop» logic. Accelerated closing of the waste cycle in Central Italy.</p>	<ul style="list-style-type: none"> <li>• consolidation of “core business” in energy recovery (WtE) and disposal of unsorted waste and organic fraction</li> <li>• strengthening <b>Waste to Material (WtM)</b> supply chains in view of the <b>circular economy</b> (e.g. plastic, paper)</li> <li>• further <b>development in the special waste sector</b>, also in <b>synergy with the Group’s water</b> (e.g. sludge) and WtE (e.g. ash) activities</li> <li>• development of <b>industrial synergies</b></li> </ul>
 <p><b>Engineering Operations</b> Development of a building oriented Company for turnkey management of construction and engineering activities.</p>	<ul style="list-style-type: none"> <li>• focus on <b>core engineering activities</b></li> <li>• construction of plants through the <b>internalisation of construction activities</b> in an EPC perspective</li> <li>• <b>reducing construction time</b> and strengthening <b>laboratory activities</b></li> <li>• development of a <b>research centre</b></li> </ul>
 <p><b>Commercial</b> 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.</p>	<ul style="list-style-type: none"> <li>• reinforcement in the <b>reference territories</b> and <b>growth in Central and Southern Italy</b></li> <li>• <b>cross-selling and up-selling opportunities</b> from full market liberalisation and a <b>push for dual fuel offerings</b></li> <li>• commercial strategy focused on <b>digital channels, including through a new customer management platform</b></li> <li>• developments of the <b>segment and mobility</b> with installation of <b>columns</b> and <b>value-added services</b></li> <li>• <b>energy efficiency services</b> offer</li> <li>• “<b>Smart Comp</b>” installation with system managed remotely through an IoT platform developed by Acea</li> <li>• installation of residential <b>photovoltaic</b> and <b>solar thermal</b> systems</li> </ul>
 <p><b>Generation</b> Growth of the PV portfolio to seize opportunities from the energy transition and decarbonisation process.</p>	<ul style="list-style-type: none"> <li>• growth in <b>generation from renewable sources</b> to seize opportunities offered by the <b>decarbonisation</b> process, whether through the construction of <b>new PV plants</b> in industrial and agricultural areas and through M&amp;A transactions</li> </ul>

In line with the growth guidelines set out in the Business Plan (see box), the **2020-2024 Sustainability Plan**, which consists of **a governance level**, aimed at facilitating the integration of sustainability in business management, **and five operational macro-objectives**, broken down into **125 targets to 2024** and the related KPIs, highlights the **specific features that sustainability takes on** in the development of Acea’s various business areas, the management of organisational processes and in relations with all stakeholders (see the dedicated boxes and charts 9 and 10). The Plan was updated with the **involvement of the organisational structures** (Parent Company Functions and Operating

Companies), 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.

The investments envisaged in the 2020-2024 Business Plan related to sustainability targets totalling **€ 2.1 billion**, an increase of € 400 million compared to the previous plan. During 2020, both the **progress of the targets**, described in the next paragraph, and the **amount of investments committed in the year** were monitored. At 31/12/2020, the latter totalled **€ 332 million**.

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

### GOVERNANCE AREAS

SUSTAINABILITY IN THE RISK ASSESSMENT

SUSTAINABILITY IN THE STRATEGY

SUSTAINABILITY IN THE REMUNERATION POLICY

CF SUSTAINABILITY CULTURE SPREAD

FCR SUSTAINABILITY FOR SHAREHOLDERS AND INVESTORS

SUSTAINABILITY IN THE REGULATION SECTOR

SUSTAINABILITY IN THE MANAGEMENT OF PEOPLE

SUSTAINABILITY IN PROCUREMENT

### STRATEGY

- consideration of material ESG topics in the **risk management** model;
- assess **risks and impacts** on **safety and the environment** and **mitigate them**, including by adopting **certified management systems**
- highlighting the **total value generated by the Group** with an integrated reading of economic and sustainable development
- enhancing the **objectives aimed at promoting sustainability impacts** by integrating them into the **performance management** models
- involving internal and external stakeholders in the matter by disseminating the “**sustainability culture**”
- integrating financial with **ESG elements** in communications and **relations with shareholders and stakeholders**
- identifying **sustainability topics** in the **evolving trends** of national and European **regulations**
- developing an **advanced, collaborative labour-management relations model** that meets new social needs
- promoting sustainability along the **supply chain**, while being mindful of the relevant best practices

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

### MACRO OBJECTIVE



**PROMOTING A FOCUS ON THE CUSTOMER**



**EMPOWERING PEOPLE FOR THE GROUP'S GROWTH**



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



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



**INVESTING IN INNOVATION FOR SUSTAINABILITY**

### STRATEGY

- increasing the **technical and commercial quality** of the **services**, while consolidating **digital services**
- improving the **customer experience** and the **contact channels** so that they fully meet customers' needs
- **training, employee involvement** and increasing **organisational well-being**, including the protection and promotion of **diversity**
- enhancing sustainability in **performance management systems**
- increasing **resilience of water and electricity infrastructure** to ensure security of supply, adaptation to climate change and support for energy transition
- **limiting impacts** on the natural environment, protecting the land and using resources more efficiently
- streamlining and **contributing** to the **decarbonisation of the energy system**, with the increase of production from renewable sources and the consequent reduction of CO<sub>2</sub> emissions
- reducing the **city's environmental impacts** through smart green services for customers and the **development of circular economy initiatives**
- promoting sustainability along the **supply chain**, raising awareness of customers and students on sustainability issues, with a structured approach to **stakeholder involvement**
- **disseminating the culture of safety and prevention along the** internal and external **value chain**
- increasing **verification and control** activities and actions to ensure the health and safety of customers
- applying **innovative technologies** for network management (digitisation, remote control, IoT) in a **smart city** perspective and in other production and organisational processes
- developing synergies in **research** and **innovation for knowledge sharing** as well as **project implementation**, including in association with start-ups and scientific partnerships

## CHART NO. 9 – THE 2020-2024 SUSTAINABILITY PLAN IN NUMBERS

### 125 targets



PROMOTING A CUSTOMER FOCUS

18 targets (14%)



ENHANCING STAFF FOR THE GROUP'S GROWTH

15 targets (12%)



QUALIFYING PRESENCE IN THE TERRITORY AND PROTECTING THE ENVIRONMENT

56 targets (45%)



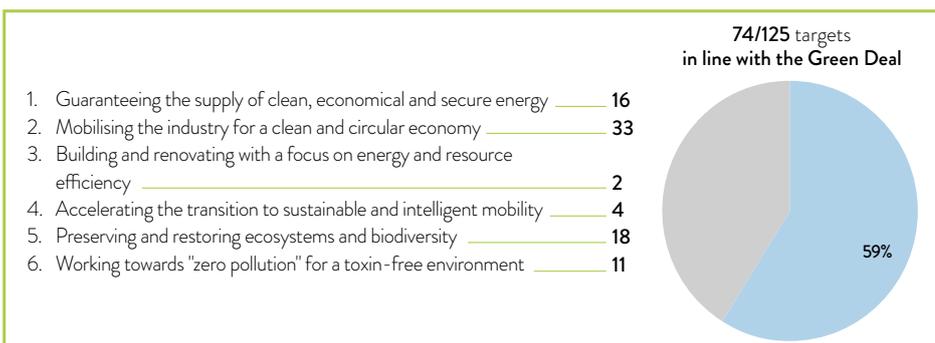
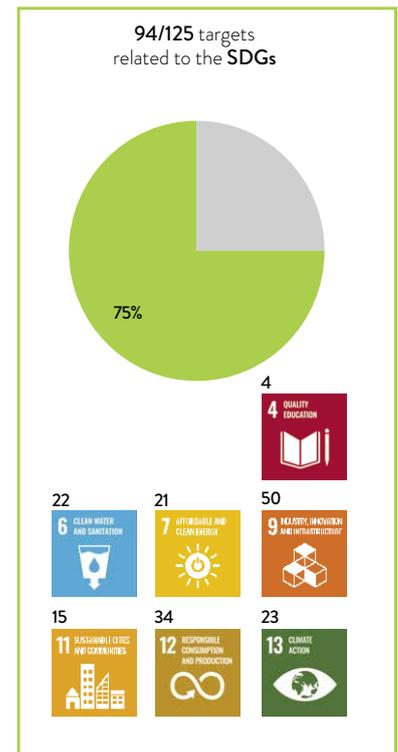
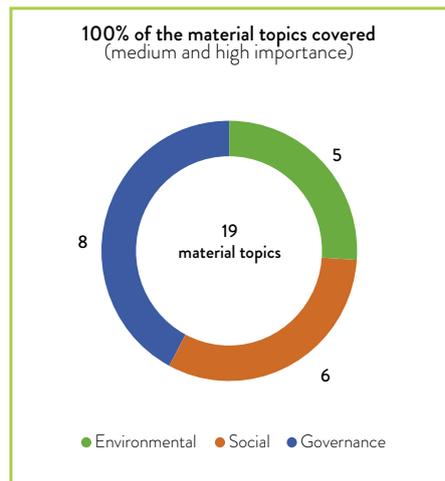
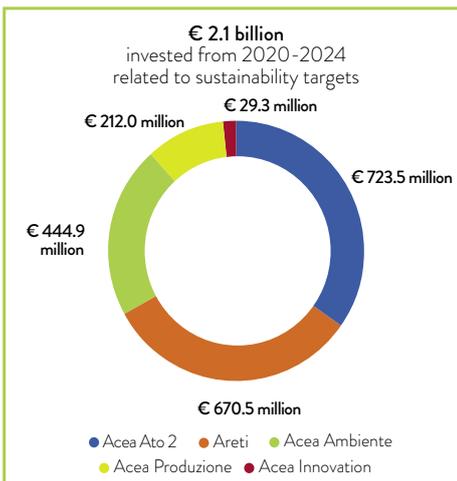
PROMOTING HEALTH AND SAFETY ALONG THE VALUE CHAIN

14 targets (11%)



INVESTING IN INNOVATION FOR SUSTAINABILITY

22 targets (18%)



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

CHART NO. 10 – THE SUSTAINABILITY PLAN GUIDELINES



The **Management and Sustainability Systems Policy**<sup>15</sup> adopted by Acea and updated in November 2020, also sets out the **principles, values and commitments** made by the Company, and places them within the framework of the pursuit of sustainable development. The Policy is an integral part of the Management Systems in accordance with ISO 9001, ISO 14001, ISO 45001 and ISO 50001 (see also the paragraph *Management Systems*). The Policy sees the following values as **fundamental elements for sustainability**, helping to integrate it more and more in the planning and management of activities:

- 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**.

An emblematic theme for sustainability, as highlighted by the **Global Risk Report 2020**, is **climate change** and its related environmental, social and economic impacts. Acea monitors this area with particular interest and the initiatives undertaken, in terms of mitigation and adaptation to climate change, have once again received the positive assessment of the CDP (see the dedicated box) and, along the same lines, the Group has initiated a process of alignment with the Recommendations defined by the Taskforce on Climate-related Financial Disclosures – TCFD (for more details see *The relations with the environment, environmental sustainability and the main challenges*).

ACEA INCLUDED IN THE LEADERSHIP CATEGORY OF THE CARBON DISCLOSURE PROJECT – CDP

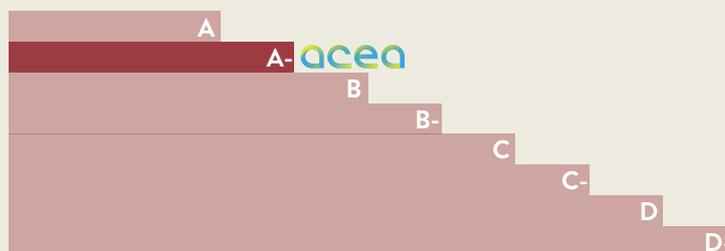
CDP is an organisation that offers investors a system to measure **climate change** policies and performance. The initiative has been supported for more than ten years by a pool of international investors, 515 in 2020, with some USD 106 trillion in assets under management. During the year, around 9,600 Companies (8,000 in CDP 2019) worldwide were analysed with

regard to their performance in relation to actions to combat climate change, highlighting best in class in the strategic and operational management of climate-related risks and impacts.

Acea's CDP 2020 **scores A-**, confirming our previous scoring in the **Leadership category**. The rating (D-/A scale) is based on the assessment of areas such as the

presence of objectives and initiatives undertaken to reduce emissions, risk analysis and management, assessment of financial impacts due to climate change, reporting, etc. This positioning recognises Acea's constant and growing commitment to combating climate change through a business model that is increasingly sustainable and attentive to energy transition issues.

- **9,600+ companies** from around the world responded to CDP Climate Change; approximately **100 companies based in Italy** received the questionnaire
- the average score for energy 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

D/D-: Disclosure = Transparent about climate change issues

For more information, go to <https://www.cdp.net>

<sup>15</sup> The Policy is available from the institutional website [www.gruppo.acea.it](http://www.gruppo.acea.it).

# SUSTAINABILITY PLAN FOR 2020-2024 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.

## GOVERNANCE LEVEL THE 8 OBJECTIVES

### ACEA IS COMMITTED TO THE ADEQUATE INTEGRATION OF SUSTAINABILITY IN CORPORATE GOVERNANCE BY:

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

## OPERATIONAL LEVEL THE 5 MACRO-OBJECTIVES AND WITH A FOCUS ON THE FOLLOWING 5 MACRO-OBJECTIVES AND RELATED AREAS OF ACTION AND OPERATIONAL OBJECTIVES<sup>(\*)</sup>



### PROMOTING A CUSTOMER FOCUS

#### 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



### VALUING PEOPLE 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

The **5 macro objectives** are broken down into **15 frameworks for action, 25 operational objectives and 125 objectives for 2024 and related KPIs** that allow the **progressive achievement thereof** to be **monitored**, below. 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.



### 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 a rationale of sustainability 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



### 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 workplace 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



### 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	2020 ACTIONS
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### SCOPE OF ACTION 1: Improving communication with customers

	Ensuring alignment between the structure of the website and corporate communication needs in terms of effectiveness, transparency and quality of content, recognised through prominent positions in sector rankings. ACEA SpA - COMMUNICATION (Digital and corporate media)	Acknowledgements in sector analyses/rankings during the year: Yes/No = <b>Yes</b>	Acea has been included among the top 10 of Webranking Italy and in the Silver category of the Lundquist's trust, a recognition of the quality of Acea's digital communication. The website tells the story of the Company in a clear and engaging way, conveying the Group's values through a well-defined digital identity and content that balances financial information and storytelling targeted to different stakeholders. In 2020, editorial content was produced to illustrate the Company's initiatives for the community and the territory, including with regard to the Covid-19 emergency.
Developing web presence and digital channels in compliance with the Group's communication and positioning needs	Creation of a website for Areti with effective, useful information intended for users of electricity distribution (intermediate target to 2021). ACEA SpA - COMMUNICATION (Digital and corporate media)	Site realisation: Yes/No = <b>No</b>	Work on the new Areti website is underway.
	Consolidation of presence on social channels with increased brand awareness through effective and engaging communication. ACEA SpA - COMMUNICATION (Digital and corporate media)	No. of followers of social channels reporting year > no. of followers of social channels reporting year -1 = <b>60,733 &gt; 42,619</b>	Publication of content for each social channel to highlight the Group's commitment to the territory, including in the context of the Covid-19 health emergency. Emphasis was placed on business initiatives, events and sponsorship through dedicated editorial plans and influencer marketing projects.
	Encourage customers to use digital channels and reach, every year, 25% of Acea Energia's "consumer" and "micro-business" customer base with at least 1 access per year to the reserved area. ACEA ENERGIA	Customers who have logged in at least 1 time in the last 12 months/"consumer" and "micro-business" customer base = <b>371,808/1,038,348, i.e. 36% (40% ML and 34% SMT)</b>	At the same time as the closure of branches due to the health emergency, the campaign "We stay close to you, even from afar" was launched to encourage the use of remote channels and online services, with benefits for customers in terms of autonomy, time savings, safety and environmental benefits.
	Creating at least one communication campaign per year intended for customers regarding the use of the MyAcea and online payment of bills app (reducing the impact of producing paper bills, reducing times, reducing movements, etc.). ACEA SpA - COMMUNICATION (Communication planning & portfolio management)	Implementation of a communication campaign: Yes/No = <b>Yes</b>	A campaign was devoted to promoting Acea Ato 2 and Acea Ato 5's digital service point and the new MyAcea services.

### SCOPE OF ACTION 2: Improving the quality of services

Improve the sales quality of services	Improving the real time measurement of the customer experience through the Net Promoter Score (NPS) based on indicators of courtesy/professionalism and perceived service quality. NPS annual target: courtesy/professionalism indicator > 70%; perceived service quality indicator > 50%. ACEA ENERGIA	NPS courtesy/professionalism indicator = <b>72.1% (average between the two markets; in detail: SMT 70.6% and ML 73.6%)</b>  NPS perceived service quality indicator = <b>51.8% (average between the two markets; in detail: SMT 54.1% and ML 49.4%)</b>	Contact channels were unified into a single call centre that manages commercial offers and caring for electricity and gas; the revision of Interactive Voice Response – IVR systems simplified access to services, lowering the TMA (Arera Parameter Average Lead Time). The Company monitors Call Centre performance on a weekly basis, facilitating timely corrective action.
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(continued)  
**Improving the  
 technical quality of  
 services**

<p>Ensure access to the digital service point within 5 working days of booking.          ACEA ATO 2 and ACEA ATO 5</p>	<p>Average waiting days for branch appointment (&lt; of 5 days) = <b>Acea Ato 2: 3 days; Acea Ato 5: n.d. (the branch became operational in December 2020)</b></p>	<p>The new digital service point has been launched, allowing all requests relating to water supply to be managed remotely via a video call system with the operator. Information campaigns were also carried out.</p>
<p>Improving the quality of metering systems by replacing 21,000 meters per year.          ACEA ATO 5</p>	<p>No. of meters replaced/no. of meters to be replaced = <b>23,700/21,000</b></p>	<p>23,700 meters were replaced, giving priority to the oldest meters.</p>
<p>Replacing some 317,000 meters to improve the quality of measurement systems.          GORI</p>	<p>No. of meters replaced/no. of meters to be replaced = <b>54,431/317,000, i.e. 17%</b></p>	<p>54,400 meters were replaced en masse.</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.          ARETI</p>	<p>Missed appointments/ total appointments reporting year &lt; missed appointments/total appointments year 2019 = <b>2,610/24,083, or 10.8% &lt; 11.45% in 2019 (reduction of 5.6%)</b></p>	<p>A number of services have been implemented to improve the single freephone number, on the user management and fault reporting side, including the queue for reporting 'states of danger', the automatic reminder of reports already sent, and the queue for users affected by planned outages. For the management of appointments, an outbound channel was set up to alert the customer about operational problems that could affect compliance with the time slot set by ARERA.</p>
<p>Implementing in the design of strategic water infrastructure works (Marcio and Peschiera Aqueducts) of devices, criteria, recognised protocols for the maximization of benefits in sustainable terms (benefits for the protection of the territory, landscape, economic development).          Getting Envision certification on at least one strategic works project.          ACEA ATO 2 and ACEA ELABORI</p>	<p>Preliminary assessment of the Marcio and Peschiera aqueducts projects with positive results:          Yes/No = <b>Yes</b>          Envision certification obtained on the design of at least one strategic work (Marcio and/or Peschiera Aqueducts) = <b>No</b></p>	<p>The preliminary assessment for the Envision Certification was successfully passed (Verified level) and the activities for the design integration of the new upper section of the Peschiera Aqueduct were planned in order to obtain the maximum level of certification (Platinum). In addition, an assessment of the carbon footprint of the project is underway.</p>
<p>Increase the Group's operational capacity in the execution of works (from design to construction), implementing the contracts managed by Acea Elabori 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).          ACEA ELABORI</p>	<p>Obtaining SOA certification for Acea Elabori: Yes/No = <b>Yes</b>          Annual amount of construction activities managed under EPC Contract (from 2021)</p>	<p>In 2020 Acea Elabori obtained the SOA Certification, completed 4 worksites started in 2019 and began the activities for the management of orders to be carried out in 2021-2022.</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.          ACEA ATO 5</p>	<p>Purification potential in PE/purification potential in PE in 2019 (target scope) = <b>10,300/8,000, equal to an increase of 1.3 times PE</b></p>	<p>The new purification plant in the hamlet of Santa Lucia in the municipality of Cervaro was built (treating up to 500 PE) and the purification plant in the hamlet of Fontana Magna in Monte San Giovanni Campano was upgraded (reaching a capacity of 3,300 PE).</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.          ACEA ATO 2</p>	<p>Purification potential in PE in 2019 (target scope) = <b>170,171/164,175, equal to an increase of 3.7%</b>          Decommissioned/centralised treatment plants = <b>7</b>          PEs affected by the centralisation of treatment plants = <b>15,730</b></p>	<p>During the year, the upgrading of the Valle Mazzone purification plant in the municipality of Lariano was completed, as well as work on the decommissioning of seven treatment plants (Sonnino, Colle Pisano, Cancellone, Fosso Carsolese, Casaccioni, Fosso Ianni, Santa Lucia) to centralise the water treatment service.</p>

To expand the treatment capacity and cover the sewage service through 21 interventions on the plants (17 to expand the treatment capacity and 4 to cover the service): +6% of population equivalent treated and +6% of users covered by the purification service compared to 2019 data (equivalent to 314,422 PE treated and 184,882 users covered by the service, respectively). AdF	Purification capacity in PE/ purification capacity in PE in 2019  % users covered by sewage service/% users covered by sewage service 2019	The planning of the works has been started, including the preparation of 17 Feasibility Studies, 12 geological surveys and 9 final designs for the start of works in 2021.
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 = <b>30/361, i.e. 8%</b>	30 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 = <b>8/18</b>	Replaced 8 shut-off valves on the primary network of the district heating distribution network with ball valves 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 = <b>1 day and 12 h</b> HIGH relevance = <b>1 day and 8 h</b> AVERAGE relevance = <b>1 day and 11 h</b> LOW relevance = <b>1 day and 14 h</b>	The criteria for prioritising interventions are still being implemented. At present, the resolution times are in line with those reported in 2019.



## 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	2020 ACTIONS
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### 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 (HR Development and Organisation)	No. initiatives activated/ initiatives to be activated per year = <b>1/1</b>  No. of employees involved reporting year > no. of employees involved reporting year - 1 = <b>70 in the first year</b>	Launched a structured and organic process, with the identification of 20 Acea Group Sustainability Ambassadors and another 50 people belonging to their satellite network, aimed at spreading the culture of sustainability including through projects designed by trained employees that are applicable to business areas.
	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 (HR Development and Organisation)	No. of campaigns run = <b>1</b>  No. of persons involved/ total persons informed = <b>6,374/6,374</b>	Following a survey of key digital skills for the Group (Digital DNA), a campaign was launched on the Intranet with the development of a dedicated section in which the results analysed were shared. Nine training courses were held. They were attended by 606 employees to raise the Group's level of knowledge on digital transformation and evolution and to introduce innovative technological elements to be applied to operational processes.

(continued) <b>Enhancing and boosting Human Capital skills</b>	<p>Support Active Ageing policies by carrying out at least two initiatives a year that stimulate the transfer and enhancement of skills between the different generations in the Company, involving a greater number of people each year than the previous year. ACEA SpA - HUMAN RESOURCES (HR Development and Organisation)</p>	<p>No. of initiatives to be launched/total initiatives launched = <b>2/2</b></p> <p>No. of people involved reporting year &gt; no. of people involved in the reporting year - 1 = <b>434 in first year</b></p>	<p>Vocational paths focusing on digital culture and evolution were implemented in order to stimulate the more senior corporate population. Acea took part in the Management Revolution project to disseminate and promote the importance of acting with a digital mindset, share a common language and bring colleagues of all generations closer to the issues of digitalisation and new ways of working. Mentoring paths have been planned for 2021 to transfer skills from more experienced people (mentors) to mentees.</p>
<b>Investing in the development and improvement of the staff assessment and recruitment system</b>	<p>Promote in external selection processes the use of tools dedicated to a structured evaluation of the candidate (tests, screening through artificial intelligence and machine learning, virtual tests) enhancing talent and promoting inclusion. ACEA SpA - HUMAN RESOURCES (HR Development and Organisation)</p>	<p>No. of external selection processes activated through dedicated tools/ total external selection processes activated = <b>238/238</b></p>	<p>During the year, Acea revised its personnel selection procedure and used various channels and tools for selection, such as participation in Career Days, challenges and virtual selection. The development and implementation of automated methodologies to optimise the timing and management of selection processes is ongoing.</p>
<b>Boosting the level of engagement of the Company population</b>	<p>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 (HR Development and Organisation)</p>	<p>No. of resources with sustainability target in MBO/total resources in MBO = <b>composite target: 474/474, equal to 100%; personal target: = 237/474, equal to 48%</b></p>	<p>A composite sustainability target has been included with 4 parameters on ESG areas (water losses, GWh produced from renewable sources, waste treated by the Environment area and customer satisfaction) applicable to the entire MBO population. The process of integrating sustainability objectives into the broader catalogue of objectives continued.</p>
<b>SCOPE OF ACTION 2: Involving people in the Group's identity</b>			
<b>Boosting the level of engagement of the Company population</b>	<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. ACEA SpA - COMMUNICATION (Media Relations and Internal Communication)</p>	<p>% of the Company population reached by the information = <b>100%</b></p> <p>No. of initiatives carried out during the year/ initiatives to be carried out = <b>8/6</b></p>	<p>During the year, internal communication initiatives were carried out on pillars and topics integrated with the Industrial Plan and the Sustainability Plan, such as innovation, safety with a focus on the coronavirus, prevention of employee health and well-being, welfare, and dissemination of the values of the <i>Code of Ethics</i>. Other initiatives were postponed due to the pandemic situation, while it was possible to deliver Christmas gifts to employees.</p>

(continued) <b>Boosting the level of engagement of the Company population.</b>	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. ACEA SpA - HUMAN RESOURCES (HR Development and Organisation)	No. of initiatives launched/ total initiatives to be launched = <b>2</b>	The “IdeAzione” projects on transversal skills and guidance (92 students involved and 2,392 hours provided) and “Inspirational Talks Role Model”, the programme to promote STEM (Science, Technology, Engineering and Mathematics) training courses among female students in middle and high schools, were carried out. The latter project was implemented with the support of more than 100 women professionals, including four from the Acea Group who, as role models, shared their experience of professional success in male-dominated sectors;
<b>Defining and promoting an employer branding plan</b>	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. ACEA SpA - HUMAN RESOURCES (HR Development and Organisation)	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>6,374/6,374</b>	Following an internal survey of needs, as a result of the significant increase in the number of people involved in smart working due to the pandemic, training courses were held to support smart workers and smart managers and to share a new approach to work, smarter and more responsible for employees and, more evolved for managers, based on the principles of digital leadership capable of creating a climate of trust and empowerment.
<b>SCOPE OF ACTION 3: Organisational inclusion and well-being</b>			
<b>Identifying and improving the organisational well-being of the entire Company population</b>	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. Acea SpA - HUMAN RESOURCES (Safety at Work)	Designing the training course: Yes/No = <b>Yes</b>  No. trained employees/ total employees (Acea SpA target perimeter)	The training course related to professional and individual well-being was designed to mitigate the effects of the work-related stress assessment and in response to the need to maintain and reinforce levels of satisfaction and well-being put at risk by the emotional, physical and psychological overload caused by the Covid-19 emergency situation.
	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 wellbeing. Acea SpA - HUMAN RESOURCES (Labour-Management, labour regulations and welfare)	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>7/2</b>  No. of participating employees /total Company population = <b>4,031 <sup>(*)</sup>/6,374</b>  <b>(*) the figure indicates participants and includes employees who took part in several initiatives</b>	A number of initiatives were carried out, including dermatological, endocrinological and breast screenings, attended by around 400 employees; the programme to promote healthy lifestyles and eating habits, which involved the same number of staff numbers; and collective and individual psychological support. In addition, a survey was launched on the organisational measures taken regarding smart working and corporate welfare initiatives to which approximately 2,800 employees responded.

(continued)  
**Identifying and improving the organisational well-being of the entire Company population**

Improving welfare services in the area of health care and supplementary pensions and developing at least 2 information campaigns per year aimed at 100% of employees to increase awareness of the services offered by the Company.  
 Acea SpA - HUMAN RESOURCES (Labour-Management, labour regulations and welfare)

No. of information campaigns carried out/no. of information campaigns to be carried out = **2/2**

No. of employees participating in welfare services/Company population = **889<sup>(\*)</sup>/6,374**

<sup>(\*)</sup> the figure indicates participants and includes employees who took part in several initiatives

Two information campaigns were carried out, one on the importance of supplementary pensions as part of the welfare plan, and the other on the telemedicine and medical check-up services offered by Acea's CRA.

Improving work-life balance for parents and care givers by promoting 3 initiatives per year to support employees with children and elderly parents.  
 Acea SpA - HUMAN RESOURCES (Labour-Management, labour regulations and welfare)

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

The initiatives "My Family Club Acea" and "Back to School", interdisciplinary workshops with numerous activities of high educational value for children, were activated.

Inform 100% of employees about 2 initiatives/year aimed at raising awareness of diversity and inclusion issues.  
 ACEA SpA - HUMAN RESOURCES (HR Development and Organisation)

No. of informed employees/no. of informed employees = **6,374/6,374**

No. of initiatives launched/total initiatives to be launched = **2/1**

Acea supported the Marisa Bellisario Foundation Award, which awarded the Mela D'Oro award to a computer engineering graduate, and participated in the Utilitalia Pact "La Diversità fa la Differenza", which establishes the principles of Diversity Management, including gender, age, culture and ability diversity. The initiatives were communicated via social media and the website.

**Enhancing diversity and promoting inclusion**

Designing and developing a training action consisting of in-depth studies on specific diversity-related topics, which will involve about 80 resources in the start-up phase. The aim of the project is to share knowledge aimed at the cultural growth of resources.  
 ACEA SpA - HUMAN RESOURCES (Safety at Work)

Training action planning: Yes/no

No. of employees involved training project/no. of employees to be involved (target perimeter)

No action during the year.

Ensure supervision of the process of integration and reintegration of sensitive resources with congenital and acquired disabilities in the Company.  
 ACEA SpA - HUMAN RESOURCES (Safety at Work)

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

During the year, oversight was in place for the protection and enhancement of sensitive resources.



### 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	2020 ACTIONS
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#### SCOPE OF ACTION 1: Reducing the environmental impact

**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).  
 ACEA PRODUZIONE

MW installed/MW to be installed = **52 MW**  
 gCO<sub>2</sub>/kWh produced (and percentage reduction compared to 2019) = **88 gCO<sub>2</sub>/kWh (- 1%)**

Purchased 16 MW of photovoltaic plants, reaching 52 MW of installed power, which allowed for a slightly lower emission intensity index of Acea Produzione and savings of around 40,000 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).  
 ACEA SpA (Energy Manager)

MWh pre-construction – MWh post-construction = **7,435 – 6,365 = 1,069 MWh/y saved<sup>(\*)</sup>**

Sm<sup>3</sup> pre-construction – Sm<sup>3</sup> post-construction = **118,500 – 118,358 = 142 Sm<sup>3</sup>/y saved**

<sup>(\*)</sup> the results are strongly influenced by the emergency

Completed reconstruction of the balcony air-conditioning system of the Company headquarters and the replacement of lighting systems with LED technology for part of said headquarters. Carried out modification and compartmentalisation of the air-conditioning system of the CEDET (Data Center) offices. The works scheduled for the reduction of methane consumption are postponed due to the health emergency.

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

<p>Implementing energy leakage reduction interventions on the grid (voltage change, low-leakage transformers, etc.) and other efficiency enhancement interventions that will enable achieving around 18,000 MWh energy savings, around 6,500 tonnes of reduction of CO<sub>2</sub> emissions and saving around 3,400 TOE over the course of the Plan.          ARETI</p>	<p>MWh saved/MWh net distributed = <b>1,150 MWh saved/9,070,470 MWh net distributed</b> <sup>(*)</sup>          t of CO<sub>2</sub> not emitted = <b>414</b> <sup>(**)</sup>          TOE saved = <b>215</b>  <sup>(*)</sup> estimated figures  <sup>(**)</sup> calculation made with the 2019 location-based conversion factor, the same one used to define the target</p>	<p>The main energy efficiency measures carried out in 2020 concerned the installation of 277 transformers with very low leaks and the upgrading of approximately 57 km of the grid from 8.4 to 20 kV.</p>
<p>Reduction by around 200 tonnes of CO<sub>2</sub> emissions through vehicle fleet renewal with the introduction of electric cars.          ARETI</p>	<p>t of CO<sub>2</sub> not emitted = <b>5.2</b> <sup>(*)</sup>  <sup>(*)</sup> value net of energy consumed, calculated with the 2019 location-based conversion factor, the same one used to define the target</p>	<p>Built electric charging infrastructure at 4 operating offices to power 100 vehicles purchased in the year; of these, 20 were placed into circulation and assigned to 24h operating personnel.</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.          ARETI</p>	<p>No. of substations involved in the interventions = <b>635</b>          Change in the annual percentage of the IRI (post-intervention value/pre-intervention value) = <b>25%</b></p>	<p>Completed 52 interventions to improve the resilience of the grid on 7 lines due to the critical factor flooding and 45 lines due to the critical factor heat waves, for a total of 635 substations involved. The interventions led to a 25% reduction in the Risk Index.</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.          ACEA AMBIENTE</p>	<p>MWh/year from renewable sources of biogas = <b>26,912 MWh</b>          Conversion of Aprilia Plant: Yes/No = <b>No</b></p>	<p>The Orvieto, Monterotondo Marittimo and Aprilia plants, the latter currently being tested, have produced a total of around 27 GWh of electricity from biogas. The feasibility study was initiated at the Aprilia plant for the upgrading intended for biomethane production.</p>
<p>Increasing the resilience of the aqueduct system serving Rome and the Metropolitan City through new strategic works on the Marcio and Peschiera Aqueducts: achievement of 28% progress of the works on the Peschiera Aqueduct and completion (100%) of the authorisation phase for the works on the Marcio Aqueduct.          ACEA ATO 2</p>	<p>% of progress of Peschiera Aqueduct construction work = <b>0%</b>          % of progress of Marcio Aqueduct design/authorisation phase = <b>20%</b></p>	<p>For the new upper section of Peschiera, the Final Project was completed and the opinion of the authority responsible for overseeing public works was obtained; the preliminary VIA (Environmental Impact Assessment) request is being prepared for submission to the Ministry for the Environment, Land and Sea Protection. The Technical-Economic Feasibility Project was completed for the project on the new Marcio Aqueduct; the Final Project will be developed in 2021.</p>
<p>Designing and constructing 11 strategic works in order to increase the water supply safety and the resilience of the aqueduct system serving OTA 2 Central Lazio and the surrounding OTAs.          ACEA ATO 2</p>	<p>No. of works initiated</p>	<p>As scheduled, the design process of 6 of the 11 strategic works has been initiated.</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.          ACEA ATO 2</p>	<p>km verified sewerage system/km total managed sewerage system = <b>271/2,646, equal to approximately 10%</b></p>	<p>Completed surveys for launch of the flow and rainfall monitoring system, intended to study parasitic waters and calibrate the mathematical model, for the networks related to the purification plant in Rome South. Initiated surveys at the purification plant in Rome North and the updating of the mathematical model in Rome East.</p>

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

<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%.  AdF</p>	<p>No. of Municipalities covered by the water supply plan  % of inhabitants served covered by the water supply plan/inhabitants served  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>An internal working group was formally established during the year to create the prediction model for the water supply plan.</p>
<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</p>	<p>% of progress of upgrading works in Rome North and Rome East = <b>35%</b>  Sm<sup>3</sup> of biomethane fed into the network</p>	<p>Authorisation processes and the executive design for the construction of the plants are undergoing completion; preparation initiated of the works for the interconnection of the biomethane produced with the local gas network.</p>
<p>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</p>	<p>% of target achieved = <b>15%, equal to around 1.9 GWh</b>  GWh certified EEC/GWh total greater efficiency</p>	<p>Completed 2 optimisation interventions with resulting greater energy efficiency (fine bubble diffusers at the purification plant in Crocetta and inverters on the pumps at the Torrenova water centre). Other energy savings were achieved by the recovery of water losses and the decommissioning of some treatment plants. Filed a request with the GSE – Gestore dei Servizi Energetici to obtain White Certificates relating to the efficiency improvement intervention at the Casilino water centre (Municipality of Rome), which will begin in 2021.</p>
<p>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</p>	<p>kWh saved in reporting year/2019 consumption = <b>- approximately 156,000 /77,707,000, equal to -0.2%</b></p>	<p>Efficiency improvement works were carried out such as the installation of inverters and the revamping of the pumps at 3 well fields (Palambara, Cassino, Posta Fibreno and Mola dei Frati).</p>
<p>Increasing customer awareness of the sustainability of electricity consumption through specific initiatives aimed at promoting and increasing the purchase of "green" energy.  ACEA ENERGIA</p>	<p>Awareness-raising activities: Yes/No = <b>No</b>  MWh of green energy sold to customers on the free market (reporting year) &gt; MWh of green energy sold to customers on the free market (previous year) = <b>1,363,000 &gt; 1,133,000 with a 20% increase<sup>(1)</sup></b>  <sup>(1)</sup> the 2019 figure was adjusted following data consolidation; the 2020 figure is estimated</p>	<p>Specific campaigns targeting domestic customers and SMEs to encourage the purchase of green energy have not yet been launched. The Acea Viva offer, which provides G.O. "green" energy, continues to have success, leading to an increase in green electricity sold to end customers.</p>
<p>Reducing the consumption of primary energy sources by business customers through the manufacture of combined electrical and thermal energy production plants for a total electrical power of 6 MW and expected savings of approximately 1,500 TOE/year.  ECOGENA</p>	<p>MW installed  TOE saved</p>	<p>The purchase of plants was initiated for overall power of 6 MW.</p>

(continued) <b>Planning and implementing actions aimed at fighting climate change (mitigation and adaptation)</b>	<p>Maintaining full use of “green” energy to meet the internal electricity needs of the main Group Companies, equal to around 400,000 MWh/year and over 140,000 tonnes of CO<sub>2</sub>/year avoided.</p> <p>ACEA ENERGY and ACEA ENERGY MANAGEMENT</p>	<p>MWh (internal consumption) supplied with green energy = <b>424,760 MWh</b> (*)</p> <p>tCO<sub>2</sub> avoided = <b>152,914</b>(*)</p> <p>(*) <b>estimated figures</b> (*) <b>the calculation was made with the 2019 location-based conversion factor, the same one used to define the target</b></p>	<p>For their consumption, the main Companies of the Group procured G.O. “green” energy for a total of around 425 GWh (equivalent to around 153 thousand tonnes of CO<sub>2</sub> avoided).</p>
	<p>Carrying out energy efficiency interventions at the “Saltator” water pumping station (the second most energy-intensive plant of the water segment of AdF) with the aim of reducing the specific consumption of electricity by 30% compared to pre-construction consumption (equal to 1.92 kWh/m<sup>3</sup> in 2019).</p> <p>AdF</p>	<p>Consumption of kWh/m<sup>3</sup> in reporting year/ consumption of kWh/m<sup>3</sup> pre-construction</p>	<p>Carried out activities in preparation for initiating works.</p>
<b>Promoting an efficient use of resources, thus facilitating circular economy</b>	<p>Design of a quali-quantitative monitoring network of the main local aquifers, hydrogeological analysis, measurements and physical modelling of them and installation of 5 flow gauges, aimed at sustainable resource management and improved prediction of deficits due to climatic variations.</p> <p>GORI</p>	<p>% of progress of network design = <b>100%</b></p> <p>% of progress of aquifer hydrogeological analysis, measurements and physical modelling = <b>10%</b></p> <p>No. of flow gauges installed/no. of flow gauges to be installed = <b>3/5</b></p>	<p>The monitoring network for the most important local aquifers was designed and the first 3 piezometers were installed to measure the water levels upstream and downstream of the collection infrastructure; the gauge readings will be used in the hydrogeological and modelling analyses, which will be carried out with the support of the Department of Earth Sciences, Environment and Resources of the Federico II University of Naples.</p>
	<p>Reducing lost volumes of water by 27% compared to 2019 (2019 figure: 306 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>ACEA ATO 2</p>	<p>% reduction in lost volume of water compared to the 2019 value = <b>4%, reaching 293 Mm<sup>3</sup> of lost volume</b> (*)</p> <p>No. of pressure and flow gauges installed = <b>320</b></p> <p>(*) <b>estimated figures</b></p>	<p>Carried out district planning for over 1,500 km of water distribution network, installed 320 flow and pressure gauges and reclaimed 136.2 km of water network. Also in order to reduce losses, actions to combat illicit use were implemented, which made it possible to administratively regularise 1,467 users with a recovery in volume supplied of over 290,000 m<sup>3</sup> in the year.</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>ACEA ATO 5</p>	<p>% reduction in lost volume of water compared to the 2019 value = <b>12%, reaching 81.9 Mm<sup>3</sup> of lost volume</b> (*)</p> <p>(*) <b>estimated figures</b></p>	<p>In order to reduce water losses, Acea Ato 5 intensified checks on the network and carried out district planning activities: 245 km of water infrastructure was inspected and at the end of 2020 the networks related to 26 municipalities were divided into districts.</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>AdF</p>	<p>% of reduction = <b>5%, reaching 26.0 Mm<sup>3</sup> in lost volume</b> (*)</p> <p>(*) <b>estimated figures</b></p>	<p>In the year, interventions were carried out on over 280 km of network for the creation of new remotely controlled water districts (51 sites) and gauges were installed to identify water losses. Systematic leak searches also active through the inspection of around 2,800 km of network.</p>
<b>Promoting an efficient use of resources, thus facilitating circular economy</b>	<p>Reducing lost volumes of water by 20% compared to 2019 (2019 figure: 10 Mm<sup>3</sup> in lost volume)</p> <p>GESESA</p>	<p>% reduction in lost volume of water</p>	<p>In 2020, activities continued on the district planning of the network, flow gauges were installed at the sources and specific interventions were carried out to reclaim the network, with no significant water loss reductions recorded yet.</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. GORI</p>	<p>% reduction in lost volume of water = <b>5%, reaching 96.3 Mm<sup>3</sup> of lost volume</b></p> <p>km of pipelines replaced/ km of pipelines to be replaced = <b>49/148</b></p>	<p>The leak search was conducted on around 1,600 km of network, 49 km was reclaimed, 92 district planning interventions were carried out and 41 measurement and pressure valves were installed.</p>
	<p>Construction of a cogeneration plant at the purification plant in San Giovanni di Grosseto for the production of electricity and thermal energy from biogas to cover internal consumption: around 2,080 MWh<sub>e</sub> of electricity and 346 kWh<sub>t</sub> of thermal energy produced per year for a total of 1,367 t CO<sub>2</sub> avoided in the year. AdF</p>	<p>Plant Construction: Yes/No</p> <p>kWh<sub>e</sub> electricity produced and consumed on site</p> <p>kWh<sub>t</sub> thermal energy produced and consumed on site</p> <p>tCO<sub>2</sub> avoided</p>	<p>The design and authorisation phase for the construction of the plant was initiated in the year.</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. ACEA ATO 2</p>	<p>Mm<sup>3</sup>/year of reused wastewater</p>	<p>During the year, interventions were carried out for the construction, integration and modernisation of the industrial water line at 3 major treatment plants (Rome South, Rome North, Cobis) and the micro-filtration water treatment station was built for reuse in the treatment plant in Rome East.</p>
<p>(continued) <b>Promoting an efficient use of resources, thus facilitating circular economy</b></p>	<p>Manufacturing a treatment plant for the sand from the purification processes and from the sewage network cleaning, which will make it possible to recover up to 80% of the solid input material. ACEA ATO 2</p>	<p>Progress of work execution schedule/expected completion times</p> <p>Recovered material/ incoming material</p>	<p>The design of the plant was initiated; progress is on schedule.</p>
	<p>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</p>	<p>overall t capacity in reporting year/overall t capacity expected by 2024 = <b>1,905,360/2,900,000, equal to 66%</b></p> <p>overall t of treated waste/ overall t of treated waste (2019 figure) = <b>1,449,110/1,145,526 (*)</b>, equal to <b>27% more</b></p> <p>(*) data from scope of consolidation, net of waste output</p>	<p>Purchased 4 plants for material recovery and recycling and continued projects for the construction of new sites and the development of existing plants in order to increase treatment capacity.</p>
	<p>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 for 2024: 88% RSMs recovered. ACEA AMBIENTE</p>	<p>t RSMs recovered/t waste input = <b>156,620/184,182, equal to 85%</b></p>	<p>The plants of the environment segment DEMAP, Ferrocarr, Cavallari and Multigreen made it possible to recover around 85% of the waste delivered (including paper and cardboard, plastic, glass, wood, iron and other scrap, aluminium, tyres).</p>
<p><b>Taking initiatives to protect the territory and limit impacts on the natural environment</b></p>	<p>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</p>	<p>No. of utilities registered on MyAcea/total active utilities of Acea Ato 2 = <b>307,885/698,617, equal to 44%</b></p> <p>No. of active web bills = <b>230,049</b></p> <p>t paper saved per year = <b>29.6</b></p>	<p>4 communications campaigns were launched, 2 of which dedicated to the dissemination of web billing and the #IORESTOACASA initiative, intended to inform customers about the possibility of managing contracts via the 24/7 digital channels.</p>

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

<p>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</p>	<p>No. of active web bills = <b>34,654</b>  t paper saved per year = <b>4.2</b></p>	<p>Campaigns were carried out to promote the digital services and the bill layout was redesigned to reduce the number of pages to be printed for users who have not opted for web billing.</p>
<p>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</p>	<p>No. of users with web billing/no. of users with active web billing in 2019 = <b>76,759/28,192, equal to 172% more</b>  No. of users with active web billing = <b>76,759</b>  t paper saved per year = <b>9.9</b></p>	<p>In 2020, the communications campaign “AdF Digital” was launched, which invited customers to sign up for web bills. The result was also achieved thanks to the provisions of the ARERA 60/2020 resolution which allowed service operators to send bills electronically.</p>
<p>Increasing the number of web bills to 25% of total users (57,142 total users in 2019), for around 3 t of paper saved.  GESESA</p>	<p>No. of active web bills = <b>7,690, equal to 13% of users</b>  t paper saved per year = <b>0.5</b></p>	<p>During the year, the switch to web billing was encouraged through an email communications campaign.</p>
<p>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</p>	<p>No. of active web bills = <b>114,649</b>  t paper saved per year = <b>10.6</b></p>	<p>The campaigns “Un click solidale” and “Un click per il Sarno” were carried out to increase the use of the digital services and web billing. The Company encouraged activation of the web bill service by combining it with donations to the intensive care unit at the Domenico Cotugno hospital in Naples and the environmental association Marevivo Onlus for the preservation of the Sarno river.</p>
<p>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</p>	<p>No. of active supplies with web bill option = <b>344,946 (184,726 ML and 160,220 MST)</b>  t paper saved per year = <b>50.7</b></p>	<p>Acea Energia carried out specific DEM (Direct Email Marketing) campaigns every two months to encourage customers to switch to web billing and promoted a payment for those who signed up to the initiative.</p>
<p>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</p>	<p>% of digitised contracts = <b>43%</b>  t paper saved = <b>9.7</b></p>	<p>The percentage of digitised contracts increased to 43% (it was 40% in 2019), making it possible to save around 10 tonnes of paper.</p>
<p>Removing 200 pylons by modernisation of the electrical supply system as well as high voltage transmission.  ARETI</p>	<p>No. of pylons removed/no. of pylons to be removed = <b>22/200</b></p>	<p>Demolished 22 high-voltage supports, 12 on the Flaminia-Smistamento Est line and another 10 on the Collatina-Tiburtino O.</p>
<p>Increasing purification efficiency by 6.2% in terms of reduction of BOD<sub>5</sub> on 7 treatment plants being upgraded (purification efficiency of the BOD<sub>5</sub> in 2019 equal to 86.7%).  ACEA ATO 5</p>	<p><math>[(BOD_{5in} - BOD_{5out} / BOD_{5in}) \text{ reporting year} - (BOD_{5in} - BOD_{5out} / BOD_{5in}) \text{ reporting year} - 1] * 100 = [(300 - 37) / 300 - (300 - 40) / 300] * 100 = 0.95\%</math></p>	<p>Concluded the works on the PofI purification plant in the Frosinone area.</p>

	Increasing purification efficiency by 4% with respect to the 2019 figure (year of acquisition of treatment plants > 100,000 inhabitants equivalent treated) in terms of reducing SST of all plants managed (equal to 85% in 2019). GORI	(SST <sub>in</sub> – SST <sub>out</sub> /SST <sub>in</sub> ) *100	2020 extraordinary maintenance saw a major slowdown caused by the health emergency, meaning that there were no improvements in purification efficiency.
	Reducing waste from the thermal renewal processes (Terni and San Vittore del Lazio plants) by building an ash treatment and recovery plant for 100% of the ash produced. ACEA AMBIENTE	Plant construction: Yes/No = <b>No</b> t of ash recovered/t of ash produced	The documentation required to submit a request for an ash recovery and treatment experimental pilot plant was prepared.
(continued) <b>Taking initiatives to protect the territory and limit impacts on the natural environment</b>	Reducing the annual amount of dehydrated/dried sludge leaving the treatment plants managed by Acea Ato 2 by 45% (compared to 2019 volumes equal to 70,505 tonnes) by means of actions aimed at improving the efficiency and industrialisation/innovation of sludge lines. ACEA ATO 2	% reduction	Launched works for the new dehydration chamber for sludge at the treatment plant in Rome South. For the Ostia treatment plant, where testing was completed during the year of the mobile dryer, installation of a fixed thermal dryer is under way, while the new ozonolysis station was launched; the amount of dehydrated/dried sludge is expected to decrease as of 2021.
	Design and installation, following a feasibility study, of a sludge dryer at a treatment plant, in order to reduce the amount of dehydrated/dried sludge produced by the treatment plants managed by Acea Ato 5 by 75% (compared to 2019 volumes, equal to 11,352 tonnes). ACEA ATO 5	Design progress (0-100%) = <b>30%</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. AdF	Plant construction: Yes/No = <b>No</b> % reduction	Completed the demolition and disposal of the existing digesters at the San Giovanni purification plant and initiated works on the new sludge reception/delivery section and the hydrolysis treatment plant.
	240 t reduction of non-dehydrated sludge, equal to 35% of the volumes recorded in 2019 (700 t), thanks to the use of centrifuges for sludge dehydration. GESESA	% reduction of non-dehydrated sludge = <b>-15%</b>	A centrifuge was installed for sludge dehydration at the Ponte delle Tavole treatment plant in the Municipality of Benevento.
<b>Enhancing certified environmental and energy management systems</b>	Obtaining and maintaining ISO 14001 certification for Companies with an environmental impact in the scope of the NFD (2019). Obtaining and maintaining ISO 50001 certification for energy-intensive Companies (>10,000 TOE equivalent) in the scope of the NFD (2019). ACEA SpA - RISK & COMPLIANCE (Certification integrated systems)	ISO 14001 certified companies/Companies in scope = <b>11/12</b> ISO 50001 certified companies/energy Companies in scope = <b>7/7</b>	The previously certified Companies passed checks to maintain the existing certification systems and for the transition to the most recent edition of the energy management system. Acea Energia and Ecogena obtained certification for the first time, for the environmental management system and energy management system respectively.

**SCOPE OF ACTION 2: Encouraging sustainability along the supply chain**

	<p>Achievement of an average of 26 points (20 points for Acea Ato 5) of technical scores referring to green/sustainable criteria (i.e. certifications, high efficiency engines, reuse/ recycling/ recovery of materials used, plastic reduction, eco-friendly product design, eco-friendly packaging, etc.) in tenders carried out with the most competitive bid for the procurement of supplies and services. ACEA ATO 2; ACEA ATO 5; ARETI</p>	<p>Sum of green/sustainable score awarded* tender starting amount/total tender amount for calls carried out with the most competitive bid for the supply of supplies and services = <b>Acea Ato 2: 22; Areti: 21; Acea Ato 5: 28</b></p>	<p>During the year, green/sustainable criteria were included in the tenders published with the most competitive bid. For example, the criteria concern the possession of environmental certifications, the use of eco-friendly vehicles and energy efficiency requirements.</p>
	<p>Guaranteeing self-assessment in terms of quality, environment, safety, energy and social responsibility (QEESR), 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</p>	<p>No. of suppliers with QEESR self-assessment/ total suppliers qualified by Qualification Systems related to the Single Regulations for Goods and Services and Works = <b>363/363</b></p>	<p>100% of the suppliers that joined Qualification Systems related to the Single Regulations for Goods and Services and Works in the year, equal to 83% of the total suppliers qualified in the year, completed a self-assessment questionnaire on quality, environment, safety, energy and social responsibility (QEESR).</p>
<p><b>Implementing sustainability logics in procurement procedures</b></p>	<p>Dissemination of good practice in terms of green purchases through the inclusion of environmental sustainability criteria in the Technical Specifications approved by the A&amp;L Department and used for the purchase of materials by the centrally managed Group companies. ACEA SpA - PROCUREMENT AND LOGISTICS</p>	<p>No. of technical specifications approved with sustainability criteria/no. of Technical Specifications approved = <b>21/22</b></p>	<p>Approved 22 Technical Specifications for materials regarding Group Company procurement; 21 of these included sustainable criteria (for example recycling, reuse and the reparability index).</p>
	<p>Implementing the Vendor Rating model on the Group's new tender portal which will involve around 1,000 suppliers over the course of the Plan, integrating it with the Sustainability aspect; a portion of the suppliers will also be assessed and monitored on environmental performance (Ecovadis project). ACEA SpA - PROCUREMENT AND LOGISTICS</p>	<p>Vendor Rating model implementation: Yes/No = <b>No</b>  No. of suppliers assessed by vendor rating/no. of suppliers in target scope  No. of suppliers involved in the Ecovadis project/ no. of suppliers assessed by Vendor Rating</p>	<p>The Acea Group's new procurement portal was implemented, which allows for the integrated management of tenders, database and supplier qualification, prior to the Vendor Rating.</p>
	<p>Application of rewarding criteria of sustainability (health and safety, energy and environment, where applicable) in 80% of the calls for tenders and contracts for Works, Goods and Services, assigned with the most competitive bid. ACEA SpA - PROCUREMENT AND LOGISTICS</p>	<p>No. of calls for tenders and contracts with rewarding criteria of sustainability/no. of calls for tenders awarded with the most competitive bid = <b>57/102, equal to 56%</b></p>	<p>56% of the tenders carried out with the most competitive bid were awarded via rewarding criteria of sustainability, such as additional training on staff safety, the use of low emissions vehicles and the sustainability of materials used.</p>

**SCOPE OF ACTION 3: Contributing to the well-being of the community**

<p><b>Promoting activities with positive impact on the collectivity and on the territories where the Company works</b></p>	<p>Consolidation and improvement of relations with the local community through the creation of a museum dedicated to Acea and the organisation of at least 5 cultural events/communications initiatives related to the core business, which also envisage the development of industrial sites and facilities of the Group's companies. Acea SpA - COMMUNICATION (Historical Archive, Communication Planning &amp; Portfolio Management, Event Management)</p>	<p>Acea Museum Construction: Yes/No = <b>No</b>  No. of events held = <b>5</b>  No. of industrial sites/plants developed = <b>5</b></p>	<p>Museum construction activities were planned (including surveys, compilation of metadata and the digitisation of the historical library material). 3 visits were carried out to the plants, for a total of 54 visitors, before closure due to the health emergency. In July, it was possible to hold an inauguration event for the redevelopment of the Peschiera site and the start-up of the new multi-functional room built inside the Mausoleo ai Caduti.</p>
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**SCOPE OF ACTION 4: Consolidating relations with the territory**

<p><b>Contributing to create awareness on social and environmental matters</b></p>	<p>Support or management of at least 10 awareness initiatives per year and promotion of socially useful campaigns (prevention of cancer, women's rights, promoting diversity) or of socio-environmental importance (including the promotion of sport). ACEA SpA - SPONSORSHIP AND VALUE LIBERALITY</p>	<p>No. of initiatives supported and/or managed = <b>14/10</b></p>	<p>The many sponsorships include but are not limited to welfare contributions related to the Covid-19 emergency to support situations of social hardship, such as purchases of health equipment, PPE and food, participation (technical sponsorships) in the International Day for the Elimination of Violence against Women and World Children's Day and support for the Gay Center anti-violence Helpline. It should be noted that public events were suspended due to the emergency. The technical sponsorships also included projections of the Italian flag onto government buildings between March and October.</p>
	<p>Planning and implementing awareness campaigns aimed at compulsory school age students present in the territory where the Companies of the Group work, as concerns responsible use of natural resources (at least 10,000 students per year). ACEA SpA - COMMUNICATION (Event Management)</p>	<p>No. of students involved per year/no. of students to be involved = <b>around 4,000</b></p>	<p>The Acea School 2020 edition, centred around the preservation of the water resource, was carried out entirely online in three virtual events, which could be attended from across the country; the educational presentation was then made available to schools in Rome and the Metropolitan Area.</p>
	<p>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 &amp; Portfolio Management) and Group companies</p>	<p>No. of campaigns or initiatives carried out during the year = <b>1</b></p>	<p>"Preserviamo il Futuro" [Let's save the future], a campaign dedicated to saving water, was published on the radio, in the press, on posters and on the web.</p>

**Facilitating the engagement of stakeholders in Company projects with the aim of creating shared values**

Undertaking the “Acea Group Stakeholder Engagement Project” (stakeholder mapping, methods and operating tools) intended to improve the integration of stakeholder engagement into business processes and activities and to disseminate the stakeholder engagement culture by organising at least 1 initiative per year, including in support of stakeholder engagement of the companies/areas.  
ACEA SpA - LEGAL, CORPORATE AFFAIRS AND CORPORATE SERVICES (Relations with the stakeholders in partnership with the main operating companies)

Group stakeholder mapping status (0/100%) = **80**

Method and tool definition (0/100%) = **90**

No. of stakeholder engagement initiatives carried out during the year = **3**

In the year, activities continued to disseminate theoretical knowledge to the Acea Group’s inter-functional and inter-Company Working Group, established in 2019, applied through the creation of operating tools (toolboxes), for stakeholder identification, mapping and engagement; the Gori stakeholder engagement pilot project was carried out and the Acea Ambiente Stakeholder Register was finalised in relation to the San Vittore del Lazio and Aprilia plants. Furthermore, the Acea Group’s Stakeholder Engagement Policy and the Group Procedure on Stakeholder Engagement were prepared. The section dedicated to stakeholder engagement on the Group’s Intranet was also designed.

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 museum is currently being designed.

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 = **at least 4**

The Garbatella district was redeveloped as part of its Centenary, as was Piazza San Basilio, both located in Rome. Other areas of the city were also enhanced through numerous artistic lighting projects.



**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	2020 ACTIONS
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**SCOPE OF ACTION 1: Health and safety at workplace for Group workers**

**Promoting a culture of health and safety at workplace**

Consolidating the downward trend in the Group’s accident indices (SI, FI).  
Acea SpA - HUMAN RESOURCES (Safety at Work)

SI, FI in reporting year ≤ reporting year -1 = **SI: 0.19; FI: 4.84 ≤ SI: 0.30; FI: 9.74**

The year’s good performance is a consequence of the Company’s rapid and effective organisational response in terms of workplace safety management.

Carrying out at least one health and safety awareness campaign each year involving 100% of Group employees (NFD scope of operating companies).  
Acea SpA - HUMAN RESOURCES (Safety at Work) in partnership with COMMUNICATION (Media Relations and Internal Communications)

No. of employees involved/ no. of employees to be involved

Due to the pandemic, health and safety campaigns were postponed. Numerous initiatives related to Covid-19 risks were carried out, including e-learning training with educational videos and tutorials.

	<p>Obtaining and maintaining ISO 45001 certifications for the Companies in the NFD scope (2019) and, for Acea SpA, obtaining the Biosafety Trust Certification, while assessing the possibility to extend it to the operating companies. ACEA SpA - RISK &amp; COMPLIANCE (Certification integrated systems)</p>	<p>Certified companies/ Companies in scope = <b>12/12</b></p> <p>Obtaining Biosafety Trust Certification (Acea SpA): Yes/No = <b>Yes</b></p>	<p>The previously certified Companies passed checks to maintain the existing certification systems and for the transition from the OHSAS 18001:2007 certified management system to the ISO 45001:2018 standard. The Parent Company Acea SpA obtained the Biosafety Trust Certification.</p>
<p>(continued) <b>Promoting a culture of health and safety at workplace</b></p>	<p>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 (Safety at Work)</p>	<p>Employees trained in risks from biological agents/total employees (Acea SpA target scope) = <b>personnel involved: 700/700 (100%); personnel trained: 687/700 (98%)</b></p>	<p>The “New Coronavirus Vademecum – Safety Aspects” project was carried out, through which employees were trained in issues of health, safety, including risks related to the SARS-CoV-2 biological risk, and well-being; PPE awareness-raising activities were carried out in order to counter Covid-19 infection, with training and information pursuant to Legislative Decree 81/08.</p>
<p><b>SCOPE OF ACTION 2: Health and safety at workplace for contractors and subcontractors</b></p>			
	<p>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</p>	<p>No. of checks carried out/ no. of checks to be carried out = <b>9/24</b></p> <p>Engagement initiatives: Yes/No = <b>No</b></p>	<p>Considering the health emergency, Acea Ato 5 carried out 9 checks on contractors, in addition to the activities carried out by the Acea Elabori Site Safety Unit, intended to confirm compliance with the prevention and protection measures. On those occasions, awareness was also created around more general aspects of occupational health and safety.</p>
<p><b>Creating awareness among contractors on health and safety at workplace</b></p>	<p>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</p> <p>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 (Safety at Work)</p> <p>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</p>	<p>No. of safety inspections/ no. of safety inspections in 2019 = <b>14,904/12,481 (+19%)</b></p> <p>Engagement Plan definition: Yes/No = <b>Yes</b></p> <p>No. of initiatives launched/ no. of initiatives to be launched = <b>1/5</b></p> <p>No. of reports received/ no. of contractors involved</p> <p>Average contracts inspected/average contracts that could be inspected = <b>61/119, equal to 51%</b></p>	<p>Acea Elabori carried out 14,904 safety inspections with an increase of 19% compared to 2019.</p> <p>Initiated a project intended to involve the contractors operating on behalf of the Acea Group in the systematic process of periodic reporting on accidents and all safety performance indicators, including any news regarding occupational diseases. In June, Acea SpA presented a preview of the project to representatives from all contractors of the holding at a dedicated safety event.</p> <p>61 of 119 contracts were inspected, with an increase of 6 percentage points compared to the 2019 figures.</p>

## 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) = <b>2,320,000/3,704,931, equal to around 63%</b>	Completed and submitted the WSPs of 3 of the 11 major aqueduct systems of OTA 2 to the Ministry of Health.
	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	Activities for the completion of the target have been planned.
	Developing and implementing the Water Safety Plan (WSP) model on 150 of the 265 Water Supply Zones (WSZs), covering 55% of the population served. AdF	WSZs with WSP model/ total WSZs Population served by aqueduct systems with WSP/total population served by AdF	The results analysis, calibration and validation model and the working methods to be used in the preparation of the WSZs are being defined (clustering, prioritisation, computerisation of the process). A scientific partnership agreement was also launched with the Institute of Geoscience and Georesources (IGG) – National Research Council (CNR) of Pisa to support the development of the WSP.
	Drawing up risk prevention/mitigation Plans according to the guidelines of the Water Safety Plan for 100% of sources/ population served. GORI	Population served by springs with WSP/total population served	Preparatory activities were launched for drafting the WSP on the “Sarnese” spring system, with the creation of the multidisciplinary team and preparation of the operating instructions to be followed.
	Drawing up risk prevention/mitigation Plans according to the guidelines of the Water Safety Plan for sources that serve at least 55% of the total population. GESESA	Population served by springs with WSP/total population served	The preliminary phases of drafting the WSP were launched, which will be prepared in partnership with the University of Sannio.
	Reducing laboratory analysis response times by 25% (compared to 2019) through implementation of analytical screening and/or high automation (robotics and early warning) and/or high-tech techniques. ACEA ELABORI	% reduction (response time for the year under review/ response time in 2019) = <b>20% (16.2/20.2)</b> No. techniques/survey systems introduced = <b>2</b>	Implemented an operating dashboard dedicated to monitoring the analysis response times and launched two robotics systems for measuring air particulate and determining the solids suspended in the wastewater.



## MACRO-OBJECTIVE NO. 5 Investing in innovation for sustainability

OPERATIONAL OBJECTIVES	TARGET FOR 2024 FUNCTIONS/OWNER COMPANIES OF THE PROCESS	KEY PERFORMANCE INDICATORS	2020 ACTIONS
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### SCOPE OF ACTION 1: Organisational innovation

Promoting “smart” processes and working methods	Consolidating and incrementing the % of employees each year who work remotely and preparing at least one survey per year to monitor expectations and satisfaction in relation to the process. ACEA SpA - HUMAN RESOURCES (HR Development and Organisation)	% of employees working remotely in the reporting year > % of employees working remotely in the reporting year - 1 = <b>10% in the first year</b> No. of surveys run = <b>2/1</b>	At the start of 2020, around 684 people were working remotely and in February two surveys were sent to remote workers and managers; afterwards, the pandemic led to around 3,700 employees working remotely.
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(continued)  
**Promoting “smart” processes and working methods**

Launching at least two co-working spaces per year.  
 ACEA SpA - HUMAN RESOURCES (HR Development and Organisation in partnership with Facility Management)

No. of co-working spaces opened/no. of co-working spaces to be opened = **2/2**

Acea has created one co-working space at the Talent Garden in Ostiense, which allowed various Group colleagues to work in an agile manner outside of the ordinary office; a co-working space in the central headquarters is also being designed.

**SCOPE OF ACTION 2: Technological and process innovation**

	<p>Equipping 1,000 IP supports with video cameras, communication devices and/or environmental sensors (intermediate target at 2022).          ARETI</p>	<p>No. of poles equipped with intelligent equipment</p>	<p>Actions were launched to achieve the target; specifically, the procedure was launched for a partnership for innovation and supplier identification (completed 2 of the 3 phases envisaged).</p>
	<p>Optimising maintenance on IP infrastructure through the gradual application of Advanced Analytics systems, until 50% of interventions are covered by 2024.          ARETI (Public Lighting)</p>	<p>No. of maintenance interventions carried out with the application of Advanced Analytics/total interventions = <b>16/11,324, equal to 0.14%</b></p>	<p>Launched the trial to optimise maintenance using Advanced Analytics systems in a dedicated area of Rome.</p>
	<p>Smart services applied to the organic fraction of waste: industrialisation and installation of 150 local composting systems for the transformation of organic fraction compost.          ACEA INNOVATION</p>	<p>No. of structures installed/ no. of structures to be installed</p>	<p>Actions for achieving the target have been planned.</p>
<p><b>Promoting the resilience of the urban territory and innovation from a smart city perspective</b></p>	<p>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</p>	<p>No. of apartment complexes involved in interventions/no. of apartment complexes envisaged           No. of photovoltaic and solar thermal systems installed/no. of systems to be installed</p>	<p>Actions for achieving the target have been planned.</p>
	<p>Installation of at least 2,200 electrical columns to support electric mobility and other mobility services.          ACEA INNOVATION</p>	<p>Columns installed/columns to be installed</p>	<p>Completed the approval process for the installation of over 100 electrical columns in the Municipality of Rome.</p>
	<p>Providing visibility to collaborations with start-ups through the organisation of events/initiatives in synergy with universities, institutions, etc.          ACEA SpA - COMMUNICATION (Event Management)</p>	<p>No. of events/initiatives held = <b>2</b></p>	<p>Acea attended the digital edition of Maker Faire Rome – The European Edition 2020, presenting the Waidy and Smart Comp projects. In collaboration with the Elis consortium, Acea also took part in the Open Italy programme which puts innovative offers from start-ups, research centres and new talent in touch with the consortium companies.</p>
	<p>In collaboration with start-ups, innovative SMEs, universities, research centres, hubs, business incubators and other innovation players, developing innovative projects linked to the Group’s core and non-core businesses, for at least 100 innovative proposals/year analysed, 10 trials/year (PoCs) launched and 1 industrialised process/year.          ACEA SpA - TECHNOLOGY &amp; SOLUTIONS (Open Innovation)</p>	<p>No. of innovative ideas/proposals analysed = <b>500</b>           Trials started (PoC) = <b>24</b>           Projects industrialised = <b>4</b></p>	<p>Numerous national and international partnerships and collaborations were established to activate start-up scouting deal flows and innovative solutions and the exploration and analysis of start-ups continued.</p>

Implementing remote control systems and remote interventions	Installation of 400,000 smart meters. ACEA ATO 2	No. of smart meters installed/no. of smart meters to be installed = <b>30,000/400,000</b>	Installation of 30,000 smart meters with the proteus module, a transmitter that allows remote sending of counter data.
	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 = <b>82,626/188,000</b> No. of users with smart meter/no. of users of AdF (in 2019) = <b>81,540/231,690, equal to 35.2%</b>	Completed the installation of user meters with radio module for remote readings in the municipalities of Siena, Colle di Val d'Elsa, Isola del Giglio, Castiglione della Pescaia, Radda in Chianti and Gaiole in Chianti and exceeded 50% replacement in the municipality of Grosseto.
	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 = <b>59,275/1,300,000</b> Customers reached by the campaign ≥ customers whose meters were replaced = <b>119,570 ≥ 59,275</b>	Around 120,000 customers were informed of the upcoming installation of the 2G meter (by letter) and 59,275 first generation meters were replaced.
	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 = <b>14/70, equal to 20%</b> No. of SSs with broadband connection/250 SSs = <b>7/250, equal to 3%</b>	In 2020, 14 primary substations (PSs) and 7 secondary substations (SSs) on the priority network were connected to broadband.
	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 = <b>2,852/4,428, equal to 64%</b>	An additional 1,145 remote-control panels were activated for a total of 2,852 panels connected via TLC.
	Extending the current remote control system with the aim of reaching a total of 460 plants remotely (2019 figure: 278 plants connected via TLC). ACEA ATO 5	No. of plants controlled remotely/no. of plants to be controlled remotely = <b>322/460, equal to 70%</b>	44 remote control plants were installed.
	Remotely controlling at least 15% of LV lines of all MV/LV secondary transformer substations. ARETI	No. of remote-controlled MV/LV transformation SSs (low voltage side)/total MV/LV transformation SSs	Preparatory interventions were carried out for the activation of remote control on around 100 SSs.
Applying new technologies in leak detection and other operations	Remote control/measurement of 100% of the purification plants with capacity > 2000 PE (equal to 13 plants), 100% of the sewerage lifting plants (13 plants) and 100% of the aqueduct plants of the cities of Benevento and Telesse Terme (29 plants). GESESA	No. of purification plants > 2000 PE remotely controlled/no. of purification plants > 2000 PE total = <b>0/13</b> No. of remotely controlled sewerage lifting plants/no. of total sewerage lifting plants = <b>2/13</b> No. of remotely controlled aqueduct plants/no. of total aqueduct plants = <b>19/29</b>	Inserted remote-control sensors on 4 sewerage plants and reprogrammed the TLC gauges of 21 aqueduct plants.
	Expanding the analytical survey spectrum on the matrices managed (waste, water, emissions) with reference to new contaminants reported by the scientific community and the regulator. ACEA ELABORI	No. of studies introduced = <b>2</b>	Introduced research on 2 analytical parameters (decabromodiphenyl ether, pentachlorophenol and its salts) envisaged in the Regulations EU 1021/2019 and EU 636/19 (POPs – hazardous substances).
	Implementing modelling methods, developing platforms and testing highly innovative techniques to support management and decision-making processes. ACEA ELABORI	No. of methods implemented = <b>1</b> No. of techniques implemented No. of platforms created = <b>1</b>	Constructed 2 “electronic nose” networks in the treatment plants in Rome North and Rome East to control odorogenic impact on the receptors; identified and tested a technology for the immediate measurement of volatile substances; created the PICO platform to encourage collective knowledge.

(continued)

**Applying new technologies in leak detection and other operations**

Application of new IoT technologies and advanced sensors with the installation of 300 sensors for the development of remote monitoring systems for water and sewerage networks.  
GORI

No. of sensors installed/  
no. of sensors to be installed = **95/300**

95 IoT peripheral devices were installed on the water and sewerage networks.

**SCOPE OF ACTION 3: Creating and promoting knowledge**

**Developing research projects in partnership with other competent organisations**

Developing the research hub (Campus Grottarossa) by reinforcing collaborations/framework agreements with the scientific community on research, technological innovation and environmental sustainability, promoting synergies with the academic and institutional world and start-ups in order to identify development opportunities and applications for the Group.  
ACEA ELABORI

No. of projects funded with Acea participation = **5**

No. of scientific partnerships established = **9**

No. of scientific publications or presentations at major conferences = **4**

Acea Elabiori participated in 5 European calls on various issues including SARS-CoV-2 and the “zero pollution” objective of the European Green Deal. It became a member of the Norman Network and has signed agreements with bodies and Companies on environmental issues and automation. It has shared scientific contributions on the water resource, waste and technological innovation, participating in national fairs and conventions.

Promoting innovation with at least 4 initiatives per year, internal and external, intended to promote scouting, idea generation, entrepreneurship and the culture of innovation, involving at least 200 people from the Acea Group.  
ACEA SpA - TECHNOLOGY & SOLUTIONS (Open Innovation)

No. of people involved = **174<sup>(\*)</sup>**

No. of initiatives carried out/no. initiatives to be carried out = **11**

**(\*) the figure is lower than expected since the second edition of Acea Innovation Garage was postponed to 2021 due to the health emergency**

6 idea generation workshops were organised with the involvement of 174 people as well as 5 MeetUps to promote the Innovation Community and Corporate Entrepreneurship, including the SDG Lab, focused on the Group’s priority sustainable development goals.

# 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 for listed Companies* 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 and composed of Independent Directors, and the **Executive Committee**, set up in accordance with the Italian Civil Code (art. 2381) and the By-laws (art. 20, para. 1), composed of the Chairperson and Chief Executive Officer of Acea SpA and two Independent Directors, one of whom chairs it, with powers relating to institutional affairs, sponsorships and donations, to be managed within the budget established by the Board of Directors.

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

### CHART NO. 11 – ACTIVITIES OF THE CORPORATE GOVERNANCE COMMITTEES

COMMITTEE	COMPOSITION	TASKS
<b>CONTROL AND RISKS</b>	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 Board of Directors 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 BoD 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 Disclosure</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 2020	
<b>APPOINTMENTS AND REMUNERATION</b>	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 remuneration policy for Directors and Executives to the Board of Directors, <b>promoting medium-long term sustainability</b> .
	11 MEETINGS IN 2020	
<b>ETHICS AND SUSTAINABILITY</b>	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.
	9 MEETINGS IN 2020	

During the year, the Sustainability Planning & Reporting Unit, organisationally part of the Investor Relations & Sustainability Department and established in 2020 in the Parent Company, and the other Units and Departments in charge of relevant sustainability issues such as occupational health, stakeholder engagement and sustainability, procurement and logistics, human resources, etc., were **convened regularly by the respective board committees**.

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 – identified and appointed according to Acea's By-laws, according to applicable law – 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>16</sup>. **The Board in office**, appointed in May 2020, is composed of 9 directors, 4 of whom are women.

The Board of Directors met twelve times during the year; as part of the meetings held, a specific *induction* for the BoD members was carried out by the spokesperson of the Italian Alliance for Sustainable Development (ASviS), Enrico Giovannini, on the emerging scenarios of sustainable development.

**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.aceait](http://www.gruppo.aceait)), provides information about the Directors of Acea SpA: **CVs, diversity, qualification of independence**, presence in meetings of the Board and the Committees they are members of and any positions in other Companies listed in regulated markets, including abroad, in financial, banking or insurance Companies or of significant size.

<sup>16</sup> 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 31/12/2020, 7 directors are effectively independent.

**TABLE NO. 8 – STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES OF ACEA SPA (AS AT 31.12.2020)**

	THE ROLE OF THE BOD	EXECUTIVE COMMITTEE	APPOINTMENTS AND REMUNERATION COMMITTEE	CONTROL AND RISKS COMMITTEE	ETHICS AND SUSTAINABILITY COMMITTEE	EXECUTIVE DIRECTOR	INDEPENDENT DIRECTOR
MICHAELA CASTELLI	Chairperson	Ex-officio member					
GIUSEPPE GOLA	CEO	Ex-officio member				X	
LILIANA GODINO	Director		Member	Chairperson			X
GABRIELLA CHIELLINO	Director		Member		Chairperson		X
MASSIMILIANO CAPECE MINUTOLO DEL SASSO	Director	Member	Chairperson	Member	Member		X
ALESSANDRO CALTAGIRONE	Director						X
GIOVANNI GIANI	Director	Chairperson	Member	Member	Member		X
GIACOMO LA ROCCA	Director			Member	Member		X
DIANE GALBE	Director						X

### 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 *Code of Conduct* include:

- definition of the strategic direction;
- economic and financial coordination of the Group's activities;
- definition of the guidelines of the Internal Control and Risk Management System

(SCIGR), nature and level of risk compatible with the Company's strategic objectives, including **significant risks for medium-long term sustainability**;

- establishing the Committees required by the *Code of Conduct* 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.

### 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. He/she has powers relating to: overseeing the activities of the Group, verifying the implementation of Board resolutions and *corporate governance* rules; verifying and monitoring delivered and perceived quality indicators and issues related to **corporate social responsibility**. Supervises the secretariat of the Board of Directors of the Parent Company.

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 verify the legitimacy of such operations.

### INTEGRATED GOVERNANCE INDEX 2020 AND ACEA POSITIONING

The **Integrated Governance Index (IGI)** is an accredited analysis which expresses the positioning of Companies in relation to sustainability governance (or integrated governance). Developed by ETicaNews, the project reached its fifth edition in 2020. The questionnaire underlying the index is addressed to the top 100 Companies listed on the Italian Stock Exchange, to the Companies that publish a Non-Financial Disclosure pursuant to Legislative Decree no.254/2016, and to the top 50 non-listed and industrial Companies in the

Mediobanca classification. The **questionnaire** consists of **an ordinary area, divided into nine areas of analysis, and an extraordinary area, which varies each year**, and explores challenging issues. In 2020, the Extraordinary Area looked at ESG digital governance. The topics examined by the Ordinary Area were: Code of corporate governance and sustainability; Diversity, professionalism, independence of the board; ESG integrated into remuneration; ESG integrated into business strategies; Board committees and sustainability; Purpose,

Materiality and Stakeholders; Succession plans; ESG Finance; HR and Human Capital. **Acea**, in the fourth year of participation in the IGI survey, **scored 64.6** (scale 0-100), recording a better position than previous surveys and ranking 15th out of 74 respondents. In particular, the areas where Acea performed best were **compliance with the Corporate Governance Code**, the **composition of the Board of Directors** in terms of diversity and skills, the **Board Committees and Sustainability Committee** and **Human Resources**.

## INTEGRATED GOVERNANCE INDEX 2020 AND ACEA POSITIONING (continued)

The aspects with a lower score were those relating to the **Succession Plans** and **ESG Finance**.

The IGI evidence was subject to a **specific induction** addressed to the Acea Directors, in which the issue of integrated governance was ex-

plained and discussed in light of the emerging scenarios in the international context and in particular in Europe, in consideration of the legislative developments related to sustainability financial disclosure and the taxonomy.

## ACEA PARTICIPATION IN SOCIAL, ENVIRONMENTAL AND ECONOMIC INSTITUTIONAL INITIATIVES

Acea also pursues its commitment to sustainability through participation in important external initiatives, intended to raise awareness among *decision makers* and the public on particular socio-environmental issues. Specifically through these initiatives, Acea is joined by qualified panels of Companies in order to support objectives of general interest and to incorporate relevant guidelines and practices into its Company culture.

In the reporting year, Acea top management decided to join a number of initiatives. The Acea Chairperson was one of the first 110 signatories of the “**Exit the pandemic with a new Green Deal for Italy**” manifesto, an appeal to the public, members of government and national and

European politicians to seize the emerging crisis as an opportunity to relaunch economies from a green perspective and to make our social systems resilient. The Chief Executive Officer signed two important documents: the **CEO Guide to Human Rights** by the World Business Council for Sustainable Development, which calls to action the Directors of major Companies for a positive contribution to the responsibility towards protecting human rights when conducting business, and the appeal of the **Corporate Leaders Group**, aimed at the European Commission, in conjunction with President Ursula von der Leyen’s State of the Union Address, to support a more challenging target of a 55% reduction in greenhouse gases by 2030.

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>17</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.

## 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, issues: a binding resolution on Section I of the Report on the Remuneration policy and on the remuneration paid, which illustrates the policy adopted by

the Company, pursuant to art.123-ter, para. 3-ter of the Finance Act; a non-binding resolution on Section II of the Remuneration policy and on the remuneration paid, which illustrates the remuneration paid during the 2019 financial year to the members of the board of directors and the supervisory body, general directors and executives with strategic responsibilities pursuant to art. 123-ter, para. 6 of the Finance Act. In relation thereto, the remuneration was confirmed for the Board members, as established by resolution of 5 June 2014 whereas, in exercising its competence in setting the payments for the Directors with special offices, the Board of Directors resolved on the retributive references for the Chairman and the Chief Executive Officer throughout their term in office. For further details, see the Remuneration Report available on the website [www.acea.it](http://www.acea.it).

**Acea’s Internal Control and Risk Management System (SCIGR)**, illustrated in greater detail in the following section, solidifies the Group’s corporate governance structure and consists of a set of people, tools and organisational structures whose objectives are:

- **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 framework of a widespread knowledge of the risks and the level of propensity for them established by the Board of Directors, 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.

<sup>17</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*.

## INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The **Internal Control and Risk Management System (SCIGR) Guidelines**, the updated version of which was approved in 2020, promote the proper management of the Group consistent with the corporate objectives through an adequate process of identification, measurement, management and monitoring of the main risks and the structuring of the information flows necessary 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 Organizations 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 involving all the parties of the Company in various ways**: 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 and the Internal Audit Function.

CHART NO. 12 – THE ARCHITECTURE OF THE SCIGR

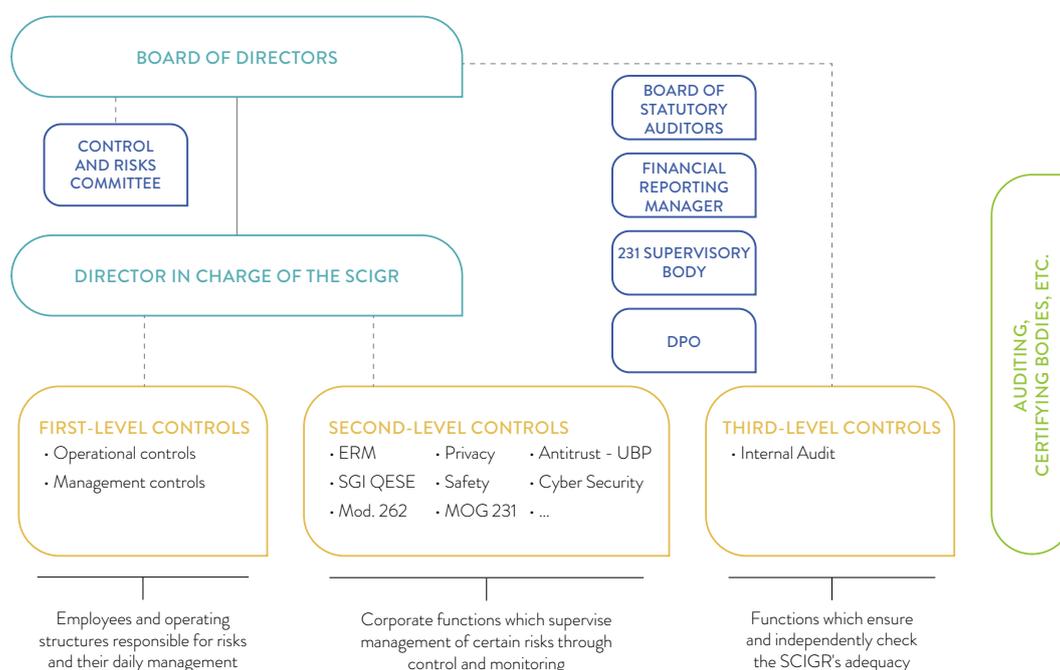


CHART NO. 13 – THE KEY PLAYERS OF THE SCIGR

**BOD:** determines the guidelines of the SCIGR **so that the main risks for Acea and its subsidiaries are identified, measured and managed**

**APPOINTED DIRECTOR:** implements the SCIGR guidelines and takes care – also by using the Audit and Risk & Compliance Departments – of the identification of the main corporate risks, subjecting them periodically to the BoD

**BOARD OF STATUTORY AUDITORS:** monitors the legislative and procedural conformity and the correctness of the administration

**COMPANY STAFF:** acts with different responsibilities, from management to workers, in maintaining an efficient process of identifying managing risks, operating with respect to the procedures and performing activities of control on the line

**FINANCIAL REPORTING OFFICER:** responsible for instituting and maintaining the System of Internal Audit on the Financial Information

**RISK & COMPLIANCE – ERM:** defines the risk assessment and prioritisation methodology and coordinates the management of the periodic *Risk Assessment* process

**SUPERVISORY BODY:** assigned with the powers of initiative and intervention for the operation of MOG 231

**DATA PROTECTION OFFICER:** in charge of overseeing Company organisation compliance with Reg. EU 679/2016 through guidance, control and monitoring activities

**INTERNAL AUDIT:** carries out independent audits on the operations and suitability of the SCIGR using an audit plan (risk based) approved by the BoD and monitors the execution of the action plans issued following the audits performed

Dedicated corporate structures in the Parent Company have the task of creating and adopting **specific models** for monitoring risks, including risks relating to the potential commission of crimes.

**TABLE NO. 9 – MODELS AND CONTROLS**

OVERSIGHT AREAS	
Organisation, Management and Control Model as per Legislative Decree 231/01	risk of committing <b>crimes and administrative offences</b> in the performance of the Company’s activities
Guidelines of the Management and Control Model pursuant to Law 262/05	risk <b>the Group’s Financial Statement</b>
Privacy Governance Model	compliance with EU Regulation 2016/679 (GDPR) and other national and European provisions on the <b>protection of personal data</b>
Antitrust Compliance Programme	compliance with <b>antitrust</b> and consumer <b>regulations</b> and development of a corporate culture to ensure the protection of competition and consumers
Oversight of ISO 45001 and ISO 14001	monitoring <b>workplace health and safety risks and environmental risks</b> in accordance with international standards
Oversight of Cyber Security	<b>cyber</b> risk management, also in compliance with EU Directive 1148/2016 on European Information Systems and Networks (NIS)

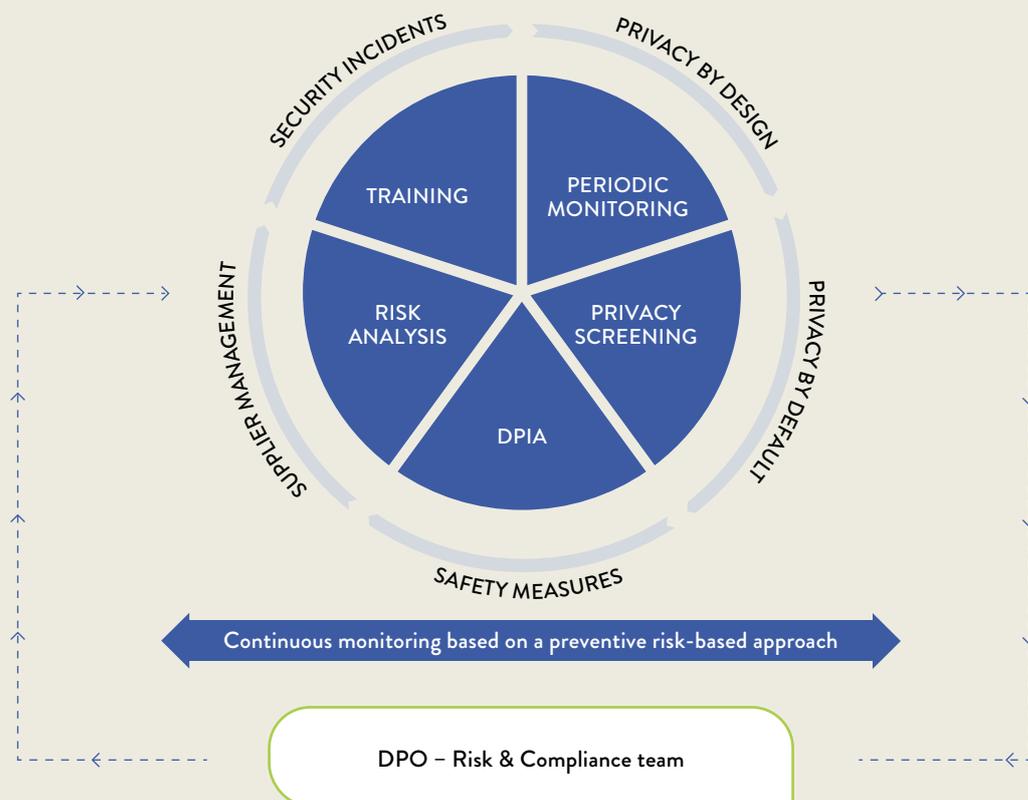
The internal control structures **carry out constant monitoring and adjustment activities** of their operating models and undertake implementing activities (e.g. training)

in order to oversee the relevant risks in the best manner possible. The boxes below contain the main initiatives of 2020.

**COMPLIANCE WITH EU PERSONAL DATA REGULATION (GDPR)**

The programme of compliance with the European Regulation on Personal Data Protection (GDPR) consolidated a **Group Privacy Governance Model** which constitutes the **organisational and control** framework of reference within which roles and responsibilities are

identified on the one hand, and the methods for implementing the basic principles of Privacy at Acea are identified on the other, with a **preventive risk-based** approach supported by a **continuous monitoring** process and periodic reviews.



## COMPLIANCE WITH EU PERSONAL DATA REGULATION (GDPR) (continued)

This Model underwent testing, was **revised and supplemented with risk analysis and assessment methodology tools** and was accompanied by its **roll-out in the subsidiaries**, expanding the compliance checks on Company processes that affect both the Parent Company and the other companies. Nearly **100 risk analyses** were conducted on the various processes mapped in order to assess the adequacy of the related safety measures and the objective of testing the methodology and transferring operational know-how and skills to the companies. The processes deemed to be a high risk to the rights and freedoms of natural persons were also subject to a **Data Protection Impact Assessment**.

Changes to the analysis, definition and verification of the **outsourcing** of activities also including personal data processing were more widespread. In the second half of 2020, **privacy screening** activities and «soft audit» tools were initiated, the objective of which is to verify the status of compliance on the basis of two aspects in particular: **correct risk assessment** by data holders and the application of **adequate security measures**.

An intense **information/training programme** on the management of

privacy impact in the various processes continued through webinars and by adopting various technological solutions (social collaboration, game-based learning platforms, online survey tools), which made it possible to meet the deadlines of the programme and to increase the participants up to 600 people; continuous awareness actions were carried out for data security & protection through topical discussions and updates to the dedicated Intranet section, as well as through targeted information campaigns on the Company's media.

In April and May a number of Group Companies were affected by a **national data breach** on the servers of a supplier shared by several companies, which hosted a number of corporate accounts that also processed personal data. Following extensive discussions with the supplier, **there was nothing to suggest that the attack had copied or stolen the data hosted on the servers**. The Companies involved took prompt action in accordance with the procedures applied within the Group, implementing safeguards with the support of the DPO. Furthermore, specific lesson-learned actions were adopted in order to consolidate control over processing, strengthening the connected protection measures.

## ANTITRUST COMPLIANCE PROGRAMME

Compliance with **antitrust law** and the **legislation on consumer protection** is a priority for the Acea Group. In this sense, following the adoption last year of the **Antitrust Compliance Programme**, with the reinforcement of internal controls, the implementation of organisational tools and regulations and the appointment of the **Holding Company's Antitrust Of-**

**ficer**, in 2020 activities were focused on the further structuring and consolidation of the corporate antitrust controls. The Group Companies **continued to adopt** "customised" Compliance Programmes in accordance with the Holding Company's instructions, and relevant organisational structures and Company Antitrust Representatives were defined, tasked with im-

plementing the respective programmes, based on the specific characteristics, legislative and regulatory provisions and the market context in which the individual Companies operate.

Corporate representatives also received specific methodological support from the Holding Company's Antitrust Officer, aimed at reinforcing their technical skills.

## 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**.

In particular, in 2020, following a significant change in legislation, the Company thoroughly **restructured the Cyber Security Unit**, part of the Technology & Solutions Department, by adopting a model in line with the requirements of public institutions: the **CSIRT (Computer Security Incident Response Team) operating structure was activated**, with subsequent **accreditation with the National CSIRT of the Presidency of the Council of Ministers. NIS (Network Information Security) Oversight** was also established and implemented, with **accreditation with the NIS Authorities of the Ministry of Economic Development and the Ministry of the Environment**.

Lastly, Acea continues 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.

For protection against **risks of the unavailability of ICT systems** and guarantee of operating continuity, **guidelines and procedures** are in force which define the conduct required of the staff, the methods for using IT resources and the controls. In line with the guidance of the Ministry of Economic Development, the Ministry of the Environment and the Security Information Department, Acea has expanded the **protections in the domain of cyberspace, improving the measures for the protection** of networks and IT and OT systems that include SCADA (Supervisory Control And Data Acquisition) devices, and has 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. Acea has also developed organisational, procedural and technological measures to monitor and manage cyber risk. In particular, in 2020 it adopted a **new cyber security model at Group level**, with the establishment of a strategic coordination

structure in contact with the relevant Institutions, and the **Computer Security Incident Response Team (CSIRT)** of the Group, a technical-operational structure dedicated to the coordination of responses to security events/incidents at Group level. The model made it possible to launch the design and development of skills to support the security of OT and IoT technologies, with the objective of integrating processes, procedures and technologies with those already operative in the IT context. Based on the development of people as a primary support of the security department, an **awareness & training campaign** was launched for the entire Company population, intended to **increase the level of awareness and individual skills** in relation to cyber security issues. Finally, a **vulnerability assessment campaign** was conducted on the entire external perimeter (services and systems exposed to the Internet) and systems were developed to support CSIRT and **identify and combat illicit actions on the Company's main information assets**, with machine learning, advanced analytics and big data tools.

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

The protection of the **Company's physical assets, prevention of fraud and compliance with current security regulations** are handled by the **Security Unit**, within the Legal, Corporate Affairs and Corporate Services Department.

This Unit is entrusted with the task of **defining the Guidelines** and policies in terms of the **safeguarding and protection of property** and of coordinating the **implementation of plans for the continuity of operations and the management of emergencies** prepared by the competent structures and Companies of the Group.

In line with the **procedure** regarding access to monitored Company premises, 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 active within the Company, and in collaboration with the relevant structures and Companies of the Group coordinates the proper performance of the activities required by judicial authorities, security institutions and the police. The Security Unit develops the design, installation and maintenance of the Security Systems that protect all Company sites of the Group subsidiaries.

In 2020, the Unit launched a project to define new guidelines and procedures on Company protection and prepared "access filters" to **limit Covid-19 infection on Company premises**. For this activity, **39 thermal imaging cameras** were installed at the main Company offices, as well as App solutions on mobile devices for the electronic signature of the self-declaration documents required by national law and **integrated management systems for visitor flows**. The creation of **a second Security Room** was strategic for achieving the remote control of alarms and video surveillance images.

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 **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. Also in relation to the legislative changes made during 2020, **updates were made or are being made** to the Models pursuant to Legislative Decree 231/2001 of the Companies in the NFD scope.

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 2020, **around 77% 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** and 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, 10 *Key Risk Indicators* have been adopted for the purchasing area, which are analysed periodically.

## REPORTS RECEIVED RELATED TO THE CODE OF ETHICS

Acea adopted a procedure, renewed in January 2020, **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" IT platform was also implemented, which uses an advanced encryption system for communications and its database to guar-

antee compliance with required regulatory standards (Law 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, who manages them and prepares **periodic reports** on the main findings to Company top management and the supervisory bodies.

In 2020, **47 reports** of alleged violation of the *Code of Ethics* were received through the dedicated channels, 5 of these reports were sent to the **Ethics Officer's** email address, 1 via ordinary post and 41 via the Whistleblowing Platform following the launch of the communication campaign and related train-

ing course. Following analysis and/or potential contact with the whistleblower, the 41 reports sent via the Platform were archived since they were unfounded and/or non-verifiable or explicitly attributable to functionality testing of the system carried out by the whistleblowers. Of the remaining 6 reports received, 3 were qualified as not relevant to the principles protected by the *Code of Ethics*, and therefore archived, 3 were relevant to the principles protected by the *Code of Ethics*. Following verification, during the report closure phase, these reports were classed with the following outcomes: 1 report was considered founded and the Company involved therefore initiated the related disciplinary procedure against the reported party; 1 report was considered unfounded; 1 report was archived.

The **Ethics Officer** has been operational since 2020, a collective Group Body whose purpose is to manage the system for reporting alleged violations for non-compliance with the law, internal regulations and the *Code of Ethics* and to monitor compliance with the values of transparency, legality, fairness and ethical integrity in relations with employees, suppliers, customers and all stakeholders. 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 the issue or amendment of any guidelines and operating procedures in order to reduce the risk of violation of the Code and can suggest that the Ethics and Sustainability Committee make updates to the *Code of Ethics*. In December, the Ethics Officer promoted the internal communication campaign “**Proteggilo l’azienda che mi protegge**” [*I protect the*

*Company that protects me*]. With the objective of encouraging greater knowledge of the values and principles contained in the Acea Group’s *Code of Ethics* and the importance of protecting them, this initiative also envisages additional activities to disseminate knowledge of whistleblowing and provides a **compulsory training** course to expand on the rules and procedures. A new digital platform was also made available, called “Comunica Whistleblowing”, where conduct that is not compliant with the regulations can be reported confidentially.



**INTEGRATED ANALYSIS AND RISK MANAGEMENT METHOD**

To improve an integrated vision of risks and their proactive management within a structured and continuous process, Acea continued the development of the **ERM Programme** based on the **COSO framework** “Enterprise Risk Management (ERM) – Integrating with Strategy and Performance” 2017.

The purpose of the ERM Programme is to:

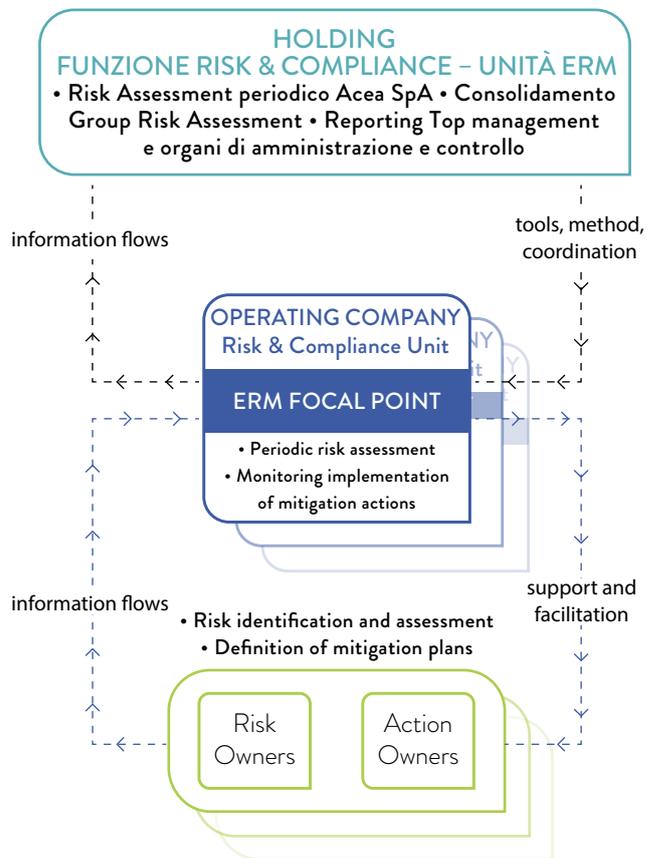
- represent the **type and significance** (probability and economic-financial and/or reputational impact) of the **main risks, including sustainability risks**, that may jeopardize the achievement of the Group’s strategic and business objectives;
- address strategies and subsequent additional mitigation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

The methodology implemented and the tools developed to identify risks and assess their severity in a consistent manner at a Group level – **definition of the Risk Model** – include **ESG aspects** and 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. During the year, the assessment took account of the outcomes of the multi-stakeholder meeting intended to review the material topics, in light of the change in circumstances and the health emergency (see *Disclosing sustainability: methodological note* and table no. 10).

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. 14).

**CHART NO. 14 – 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
<p><b>SUSTAINABLE WATER CYCLE MANAGEMENT</b> Unfavourable natural events and/or climate change; authorisation delays impacting on optimal management conditions; monitoring and analysis</p>	economic/financial reputational	<i>environment and community</i> natural and social-relational capital	Policies, processes and procedures (relations with institutional representatives and authorisation bodies) Dedicated organisational structures Business Continuity and Maintenance Plans Specialist studies and analyses (ISO 17025) IT security systems
<p><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</p>	economic/financial reputational	<i>environment, community, institutions, suppliers</i> natural, production and social-relational capital	Policies, processes and procedures (application of sector <i>best practice</i> ) Monitoring and periodic reporting Maintenance plans
<p><b>OCCUPATIONAL HEALTH AND SAFETY</b> Accidents at work, risk of spreading disease</p>	economic/financial reputational	<i>employees</i>	Policies, processes and procedures (ISO 45001) People and organisation (dedicated structure, training and communication plans) Extraordinary maintenance on plants serving the offices, office sanitisation
<p><b>INNOVATION OF SMART UTILITY PROCESSES, INFRASTRUCTURE AND SERVICES</b> Operational inefficiency due to technological and innovative inadequacy; cyber risk</p>	economic/financial reputational	<i>community and business partners</i> production, intellectual and social-relational capital	Policies, processes and procedures (dialogue with institutional counterparts) Monitoring and periodic reporting of projects IT security systems
<p><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)</p>	economic/financial reputational	<i>environment and suppliers</i> natural, human and social-relational capital	Policies, processes and procedures Quality monitoring of goods/services received Qualified suppliers register
<p><b>RECOVERY OF WASTE FOR A CIRCULAR ECONOMY</b> Failure to comply with regulations; obstacles in the waste treatment and delivery market</p>	economic/financial reputational	<i>environment</i> natural capital	Policies, processes and procedures (ISO 14001 and EMAS) People and organisation (dedicated structures and training) Periodic reporting Audits on customers/suppliers/partners Monitoring and control plans
<p><b>STRATEGIC APPROACH TO STAKEHOLDER RELATIONS</b> Tensions with stakeholder representatives in the region with negative effects on the development of activities</p>	economic/financial reputational	<i>community</i> social-relational capital	Policies, processes and procedures People and organisation (stakeholder engagement oversight activities)
<p><b>BUSINESS ETHICS AND INTEGRITY</b> Conduct contrary to binding regulations, internal rules and standards of reference</p>	economic/financial reputational	<i>community, institutions and business partners</i> production, intellectual and social-relational capital	Policies, processes and procedures ( <i>Code of Ethics</i> – 231/01 organisation, management and control model – whistleblowing system) People and organisation (training and communication plans)
<p><b>CUSTOMER FOCUS</b> Failure to achieve service quality levels until they are discontinued</p>	economic/financial reputational	<i>customers</i> social-relational capital	Policies, processes and procedures Dedicated organisational structure Periodic reporting (analysis of customers and services) Regulatory framework and reference legislation monitoring
<p><b>AIR QUALITY: CONTAINMENT OF POLLUTING EMISSIONS INTO THE ATMOSPHERE</b> Exceeding the emission limits envisaged by laws and authorisation decrees.</p>	economic/financial reputational	<i>environment and community</i> natural capital	Policies, processes and procedures (ISO 14001 and EMAS) People and organisation (training plans) Monitoring and support tools Specialist studies and analyses Periodic reporting
<p><b>INVOLVEMENT OF PERSONNEL, INVESTMENT IN HUMAN CAPITAL AND DEVELOPMENT OF SKILLS</b> Lack of adequacy both in terms of skills and organic plants</p>	economic/financial reputational	<i>employees</i> human capital	Policies, processes and procedures (remuneration and incentive policies) People and organisation (dedicated structures and training) Performance evaluation system

<b>PROTECTION OF THE COMMUNITY AND BIODIVERSITY</b> Impacts on environmental balance conditions caused by plants that unexpectedly do not comply with legal limits	economic/financial reputational	<i>environment</i> natural capital	Policies, processes and procedures (ISO 14001 and EMAS) People and organisation (dedicated structures and training) Maintenance plans Periodic reporting Remote control and remote management applications
<b>DECARBONISATION AND ADAPTATION TO CLIMATE CHANGE</b> Failure to build sustainable plants and to adapt operating practices to the evolution of climate change (production of energy from renewable sources, resilience of the electricity grid, availability of water)	economic/financial reputational	<i>environment and community</i> natural and production capital	Policies, processes and procedures (ISO 50001, ISO 14001 and EMAS) Dedicated organisational structure Specialist studies and analyses Periodic reporting
<b>CONSOLIDATION OF SUSTAINABILITY ELEMENTS IN CORPORATE GOVERNANCE</b> Violation of Legislative Decree 254/16; inadequacy of the internal regulatory system with respect to the guidelines of the <i>Corporate Governance Code</i>	reputational	<i>shareholders</i> 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
<b>BUSINESS EVOLUTION THROUGH OPEN INNOVATION AND DEVELOPMENT OF SYNERGIES WITH SCIENTIFIC AND ENTREPRENEURIAL PARTNERS</b> Inability to seize opportunities deriving from technological innovations and their integration into business processes	economic/financial	<i>community, institutions and business partners</i> production, intellectual and social-relational capital	Policies, processes and procedures Dedicated organisational structure for innovation oversight Specialist studies and analyses
<b>COMPANY WELL-BEING, DIVERSITY AND INCLUSION</b> Increased absenteeism rate; negative Company climate; possible lawsuits from employees	reputational	<i>employees</i> intellectual and social-relational capital	Policies, processes and procedures People and organisation Training and communication plans Specific initiatives (remote working, health check-ups)

● ECONOMIC GOVERNANCE TOPICS    ● SOCIAL TOPICS    ● ENVIRONMENTAL TOPICS

The emergence of Covid-19 also impacted the risk analysis and the identification of risk management methods. For example, we consider the material topics of **occupational health and safety** and **corporate well-being**, plus aspects related to detecting and managing the health risk brought about by the pandemic, for which special organisational measures were implemented (working remotely and remote support initiatives) in addition to medical assistance (check-ups or provision of protection equipment), or the material topic of **customer focus** which, in this particular moment, has been the focus point in an analysis of the impact and in relevant responses, for ex-

ample with reference to the difficulties, in some cases, of user payment following the lockdown, or the continuity of the service offered to customers by developing the potential of the digital channels. As shown by the CDP (formerly Carbon Disclosure Project) questionnaire, one of the ways that Acea monitors **climate change** is through the assessment of risks and opportunities related to activities in the **short, medium and long term**. Table no. 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.

**TABLE NO. 11 – RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE: CDP EVIDENCE**

TYPE OF RISK	DESCRIPTION OF THE RISK	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)	The main risks identified relate to the <b>political-regulatory</b> sphere. The expected scenarios related to a transition to an economic system committed to tackling climate change take the following forms: increasing carbon tax policies; 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); increased legal and financial risks for non-compliance with performance standards (fines and incremental compliance costs). Another transition risk is reputation risk, related to climate change, for example due to the negative impact on the provision of the water service caused by resource scarcity.	Energy production (thermoelectric and waste-to-energy) Electricity grid management Water management	Short/medium/ long term

**TABLE NO. 11 – RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE: CDP EVIDENCE (continued)**

TYPE OF RISK	DESCRIPTION OF THE RISK	MOST IMPACTED INDUSTRIAL AREAS	TIME FRAME
<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)	The risks identified relate to both extreme weather events and possible <b>chronic environmental changes</b> : stress on the resilience of the power grid due to extreme weather events; changed weather conditions with impact on the availability of water for human consumption and on water capacity for hydroelectric plants.	Electricity grid management Water management Energy production	Short/medium/ long term
<b>OPPORTUNITIES</b>			
Circular economy	Opportunities to promote circular economy models and waste recovery projects, for example with waste-to-energy processes combined with material recovery (for example: sodium recovery).	Environment Segment	Medium
Development of photovoltaic plants	Opportunities related to the 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	Opportunities arising from investments promoted by the Authority for the safety of the electricity network.	Distribution of electricity	Medium
Market and services	Opportunities arising from the change in energy demand related to changes in peak ambient temperatures, with an impact on price growth and volumes sold.	Energy sales	Short/medium term

During the year, Acea initiated works to align itself with the Recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD) in order to develop better awareness and financial reporting practices related to the significant aspects of climate change for Acea (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, Networks, 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 are due to the effects of acute or chronic climatic phenomena or seismic events, which could lead to 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 **Networks**, for the transformation of electricity and transport for delivery to end users, 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. With reference to electricity **Generation** using renewable and conventional power plants, the potential environmental risks concern the accidental spillage of pollutants or the exceeding of threshold values in emissions (into the atmosphere, surface water and sewerage) in the ordinary management of plants or in the event of critical events like fires or explosions. 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), 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 with environmental impact could arise with spills of hazardous substances and consequent contamination of the soil and aquifers or surface waters, or with 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

The organisational system, from the definition of the general directives to the statement of particular business aspects, is structured by *internal rules*:

- **Group guidelines:** principles, policies 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. Each corporate structure responsible for issues subject to internal regulation (Process Owner) draws up the relevant procedure directly.

Specific Units (such as Organisation and Planning, Compliance, etc.) verify consistency and compliance with internal rules, before their publication on the Company Intranet.

The **Integrated Certification Systems** Unit within the Risk & Compliance Function 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 that the Acea Group intends to acquire, and operates in synergy with the same Units of the Oper-

ating 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. They seek **systemic efficiencies and savings** in important aspects related to the running of an organisation, such as use of energy and employees' transfers, which also create **positive external effects** in terms of lower use of resources, **reduction in greenhouse gas emissions** and optimisation of travelling times and routes for employees, respectively, while **increasing road safety and reducing urban traffic**. The Energy Manager, in particular, has the duty of implementing actions regarding **energy efficiency**, reduction of consumption and cost control, in order to ensure the progressive optimisation of the Group's energy costs, activating coordination with Energy Managers in the Companies.

### CHART NO. 15 – THE CERTIFIED INTEGRATED MANAGEMENT SYSTEM



Control of aspects related to quality, the environment, safety and energy is also demonstrated by the implementation of certified integrated management systems.

In 2020, considering the NFD scope<sup>18</sup> formed of 16 companies, two of which (Acea Innovation and Acea Sun Capital) are not currently part of a certification process, **14 Group Companies adopted certified management systems** (see table no. 12); the **Acea Ambiente** plants located

in Terni, San Vittore del Lazio and Orvieto and the **Acque Industriali** site in Pagnana (Empoli) are **registered with the EMAS**.

New developments during the year include:

- ISO 14001 certification for **Acea Energia**;
- ISO 50001 certification for **Ecogena** and **Gesesa**;
- Biosafety Trust Certification for **Acea SpA**, for infection prevention and control.

<sup>18</sup> See *Disclosing the Company: methodological note*. It is important to consider that Acea8cento discontinued operations in July 2020, with the sale of business units to other Companies in the scope.

In particular, **over 90%** of the Companies have a **quality** certification; **85%** have **environmental** certification (100% of the Environment operations Companies and 80% Water operations); **100%** have a

**safety** certification; **57%** have a certified **energy** management system (this percentage also includes the most energy-intensive companies, with consumption equal to at least 10,000 TOE).

**TABLE NO.12 – CERTIFIED MANAGEMENT SYSTEMS IN THE ACEA GROUP (AS AT 31.12.2020)**

	QUALITY (ISO 9001)	ENVIRONMENT (ISO 14001)	SAFETY (OHSAS 18001/ 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</b>					
Acea Elabori	X	X	X		UNI CEI EN ISO/IEC 17025:2005 Accreditation of analysis laboratories UNI CEI EN ISO/IEC 17020:2012 Accreditation of inspection bodies
<b>NETWORKS</b>					
Areti	X	X	X	X	
<b>GENERATION</b>					
Acea Produzione		X	X		
Ecogena	X		X	X	UNI CEI 11352
<b>COMMERCIAL</b>					
Acea Energia	X	X	X		
<b>ENVIRONMENT</b>					
Acea Ambiente	X	X	X	X	EMAS
Aquaser	X	X	X		ISO 39001:2012
Acque Industriali	X	X	X	X	EMAS

Each year, for the Companies with certified management systems, a **Management Review** is carried out 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, envi-

ronment and energy; supplier performance; customer satisfaction levels; analysis of complaints; accidents and injuries.

**The results of the review for 2020**, finding no criticalities, **confirmed the adequacy and efficiency of the management Systems**. It should be noted that Acea – continuing the process of integration initialised and formalised with the Management Systems and Sustainability Policies – **continued to manage the objectives required by the Management system in an integrated manner with the objectives of the 2020-2024 Sustainability Plan** approved by the Board of Directors.

### ACEA'S BIOSAFETY TRUST CERTIFICATION

Acea SpA decided to capitalise on the experience and the actions implemented to tackle the Covid-19 health emergency, demonstrating further commitment to its colleagues and the local region where it operates. The Company adopted the **Biosafety Trust** model and achieved new certification in order to promote good practices that help to **reduce the risk of epidemics in the workplace**

**to a minimum**. Its requirements integrate perfectly with those of the management systems already activated, especially the occupational health and safety management system.

The process undertaken led to the analysis of the main infections and their methods of transmission, before considering the probability and severity with which these infections might oc-

cur and which processes are most at risk.

The Acea SpA management system, **certified in October 2020**, makes it possible to reduce the risk of contracting infections in the offices and Company workplaces even more drastically, generating the double benefit of increased trust from the Company population and the potential reduction in risks and related costs such as insurance.



In 2020, the Acea Group sustainability reporting (2019 edition) was added to the Index Future Respect 2020, promoted by ConsumerLab. A group of experts submitted 210 Sustainability Reports relating to the 2019 financial year for **evaluation by 250 consumers** who were knowledgeable about the UN's

Sustainable Development Goals (Agenda 2030). The group added 44 reports to the Index Future Respect, citing them as meeting the following requirements: "For illustrating its sustainable governance comprehensively and exhaustively, thus facilitating informed consumer decisions. For highlighting the best practices used

to promote the culture of sustainability, with effective, engaging and distinctive storytelling. The Sustainability Report highlights a solid, respectable, forward-looking and generous Company that deserves to be appreciated by consumers; also because at this difficult time (Covid-19) it generates trust and promotes responsible lifestyles".

CHART NO. 17 – STAKEHOLDER MAP



The boxes below illustrate the most significant interactions between Acea and the main categories of stakeholders in 2020.



**CUSTOMERS**

Acea is one of the **main Italian multi-utilities by territory and customers served** with **1.2 million customers in the energy sector** and over 210,000 customers in **gas**, approximately **1.6 million withdrawal points for energy distribution** and 2.7 million water users, equal to **8.6 million inhabitants served** – for all water Companies operating in Italy.

In the face of such significant numbers, Acea is committed to customer care in each step

of the relationship. From developing more advanced interaction dynamics, as is happening with the **prosumer** – a figure that is both a customer and energy producer – up by 8% compared to the previous year, to promoting and managing socially useful tools, such as the **Water and Energy Bonus**, to monitoring **customer satisfaction**, Acea places the customer at the centre of its activities. The emergency caused by Covid-19 further developed the Group's customer care in order to contribute to reducing the risk of infection as much as possible, in addition to guaranteeing operating activities during lockdown. To do so, further upgrades were made to the **digital channels: the MyAcea App** was installed by around 290,000 people (+61% compared to 2019), and the **booking services** at the branch in the headquarters and **digital service points** were developed with the same services as the physical branch through video calls with an Acea operator. The shift towards remote methods also saw positive effects on **electronic billing** which led to paper savings of **105.5 tonnes in the year** (+92% compared to 2019). Customer support measures were also significant, especially in terms of the **economic sustainability of bills following the Covid-19 emergency**: in addition to the ARERA measures, such as interrupting the suspension of electric power and natural gas supplies for late payment during the period of maximum emergency, the Acea energy and water Companies voluntarily adopted extraordinary measures with regard to payments by their customers throughout Italy, suspending debt collection measures and introducing the possibility of instalment plans. The transparency in the illustration of its sustainable governance and sustainability performance was particularly appreciated by consumers, who added the Acea Sustainability Report **to the Index Future Respect 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, for example, we note the activities that led to the preparation of the final project for the new **section of the Peschiera**, submitted by Acea Ato 2 for review by the **authority responsible for overseeing public**

**works**, and the preparation of the Water Safety Plans (WSPs) sent to the **Ministry of Health**.

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

Interactions also take place through research projects with public bodies: in 2020, Acea participated in the activities of the **Italian Research and Industrial Development Centre (AIRES)**, a network of companies, institutions and technology consortia engaged in the development of a circular economy and environmental sustainability, and the Italian Phosphorus Platform promoted by the **Italian Ministry of the Environment** and managed by ENEA.



## COMPANY

The focus on emerging trends and the reference context guarantee planning that is strategic and ready for future challenges. The **2020-2024 Business Plan** took into account 5 mega trends that are changing the dynamics of the Utilities' reference markets: *sustainability and circular economy, customer focus, energy transition, innovation and digitisation and increased competitiveness on the market*. **Investments** as at 2024 reach the figure of **4.3 billion**, of

which **2.1 related to sustainability targets**, reported in the **2020-2024 Sustainability Plan**, which was also updated and redefined with 125 objectives. The Group scheduled developments in all business segments: in the **water** segment, aiming to qualify as a *Smart Water Company*, with virtuous processes of resource protection and management optimisation, using the leverage effect of innovation; in the **energy** segment, with the development of renewable photovoltaic sources, in favour of the decarbonisation of energy production, advanced systems to manage demand and increase the resilience of the grid; in the **environmental** segment, with development initiatives, from a circular economy perspective, on multi-materials and local composting.

Acea is careful to maintain an **internal organisational infrastructure** (procedures, rules, structures) that is efficient and adequate for emerging needs. Particularly worthy of note is the full implementation during the year of the **Ethics Officer**, a collective Group Body that pursues Company ethics and the constant evolution of Company risk oversight, including sustainability risks. The Group's commitment was also recognised by important awards such as the **Top Utility Award for Sustainability**, the **Premio Imprese per l'Innovazione** promoted by Confindustria and the **Premio dei premi** of the Presidency of the Council of Ministers.



## SHAREHOLDERS AND FINANCIERS

The relationship with the **capital markets** guarantees the best conditions thanks to a careful diversification of sources. About 78% 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 14%, whose mission is to **support strategic infrastructure**. Relationships with

analysts, credit rating agencies and investors are frequently monitored in the most important financial markets: in 2020, meetings, investor conferences and roadshows were organised **with around 220 investors and sell side analysts**, both equity and credit, in addition to conference calls for the presentation of results (annual and interim) and the presentation of the 2020-2024 Business Plan. The attention of **sustainable investors** is growing, representing nearly 5% of the share capital and 35% of institutional investors. Acea confirmed its score (A-) in the **CDP** and improved both its outlook (positive) and *long-term expected rating* (EE+) of the rating awarded by **Standard Ethics**. The Company was included in the 15 top EU listed multi-utilities that make up the *SE European Multi-Utilities Index*. Acea's performance was assessed by important sustainability analysts such as **Sustainalytics, VigeoEiris, MSCI, FTSE Russell ESG, Refinitiv and the GEI of Bloomberg**.

Lastly, it should be noted that at the end of 2020, preparatory activities were carried out for the first issue of sustainable financial instruments, through the definition of a **Green Financing Framework**, which led to the issue of the first Acea Green Bond in January 2021.



## SUPPLIERS

In 2020, the value of contracts for goods, services and works procured was **around €1.2 billion**, with **over 2,500 suppliers**. 76% of volumes managed at central level were procured through the use of **competitive tendering procedures** (equal to 86% of the total). With reference to supplier **payment times**, 65% of the amounts were settled on the due date, while in the remaining cases

an average delay of 42 days was recorded. The **protection of staff employed by the suppliers** was subject to specific measures, particularly following the **Covid-19 emergency**: in addition to signing specific protocols with trade unions, initiatives were activated to mitigate the epidemic risk and to increase controls on anti-infection measures in the worksites, and awareness-raising activities were carried out among contractors. For supplier assessment during execution of the contract, Acea implemented the Group **Vendor Rating** which will also monitor **sustainability** with a composite indicator developed with **Ecovadis**. For all tenders relating to works, as well as for numerous contracts for goods and services, suppliers must have an ISO 9001 and ISO 45001 certified management system. Furthermore, evaluation elements have been included for 149 product categories of goods, works and services in the tender where applicable, based on: **UNI EN 14001 – UNI CEI 50001 – ISO 37001 – FSC Chain of Custody**. Lastly, it should be noted that AdF, a Group water Company operating in the area of Grosseto and Siena, launched the **Circular Economy Protocol**, drafted with the involvement of the stakeholders and intended to protect local suppliers and develop the quality and socio-environmental sustainability of the supply chain. It also launched the **first tender under a procurement code dedicated to the innovative start-ups and SMEs in the Acea registers**, specifically in the "Robotics" and "Digital Infrastructure" categories.



## EMPLOYEES

**Employees** are the Company's most important asset. Acea is committed to creating the best conditions of **stability**, promoting **safety** and developing a sense of **cohesion** and **participation** in the Company's mission. The percentage of resources with a **permanent contract** in 2020 is **98%**. 472 people were **hired** (367 men and 105 women), 77% of which with a permanent contract. 36% of newly hired staff during the year **were aged 30 or under**.

The presence of **women is 23%** of the total workforce. Considering the **governing bodies** (Board of Directors, Board of Statutory Auditors and 231 Supervisory Bodies), the percentage of women in the Companies within the scope is **35%**.

We confirm the steady **increase of university graduates**, who make up 25% of the total (23% in 2019).

Acea actively **promotes corporate well-being**, starting with the needs of its staff, which are identified over time through surveys. In 2020, the **Group Welfare Plan** was strengthened, enriching the offer of services to individuals and families; Acea has redeployed part of the tax relief enjoyed thanks to the Welfare Plan for the benefit of employees.

The unique circumstances imposed **by the pandemic** brought the Company even closer to its people with initiatives such as remote individual and collective psychological support and actions in support of parenting. The **health crisis** was faced with special organisational measures, such as the creation of a Prevention and Management Committee, the **reformulation of work spaces and methods**, the administration of **free blood tests**, which saw around 3,000 employees take part, plus, in addition to the **healthcare policy**, a **Covid-19 insurance policy** for employees and their family members and the adoption and subsequent certification of the **Biosafety Trust** model relating to processes in order to **reduce the risk of epidemics** in the workplace **to a minimum**.

**Remote working**, previously trialled by the Company before the emergency, was quickly extended to over 3,700 employees (around 60% of the total) and online working methods were also adopted for traditionally "in person" processes such as **staff recruitment and training**.



## ENVIRONMENT

The **natural context** is the framework within which Acea's activities find their **origin, purpose and limit**. The main challenges for environmental sustainability are indicated in the **Green Deal**, the European Union's growth strategy, which sets the goal of climate neutrality by 2050, through progressive transformation of the economy, with large-scale investment in **renewable energy, energy efficiency, transport with low**

**environmental impact** and **upgrading of buildings**, in the context of a **circular economy**, with inclusivity and innovation as universal foundations. In this context, Acea undertook a plan to significantly increase **generation from renewables** and set itself a target of achieving **high efficiency in internal end uses** and in energy process uses and reducing carbon intensity (gCO<sub>2</sub>/kWh produced). More specifically, in 2020 Acea Produzione purchased some photovoltaic systems for 16 MW of power, reaching a **total of 52.5 MW**.

The **protection of biodiversity** is a focus point for institutions (EU Biodiversity Strategy for 2030 and Sustainable Finance Taxonomy), to which Acea responded by **analysing over 23,000 sites**, for the main operating companies, and **mapping those located in areas with high biodiversity** then identifying the potential risks and impact. In Environment operations, Acea also launched the **Urbees** project, to monitor the ecosystem by observing the behaviour of bees as bioindicator insects.

In the water sector, it is important to highlight **the design** of infrastructure of strategic importance in Peschiera, together with that of the Marcio Aqueduct, following the **Envision protocol procedures**, the first rating system for the creation of sustainable infrastructure, which assesses the economic, environmental and social sustainability of the infrastructure.

In terms of the circular economy, two relevant projects were initiated during the year, **Sludge Mining** and **NANOBOND**, both dedicated to the management and disposal of **treatment sludge**, the first with the aim of recovering valuable material from waste treatment and from dredging sediments in waterways, and the second project with developing innovative treatment materials with eco-friendly and eco-sustainable characteristics.

With reference to **climate change**, Acea implemented an alignment with the Recommendations of the **Taskforce on Climate-related Financial Disclosures** (TCFD); these guidelines formed the groundwork for defining a target to reduce climate-altering emissions according to scientific methods (a **Science-Based Target**). Lastly, again focused on the issue of containing the **climate risk**, we note the appeal by the Corporate Leaders Group signed by the CEO of Acea and addressed to the European Commission to support a more challenging objective to **reduce greenhouse gas emissions by 55%** by 2030.



## COMMUNITY

The Group's mission and values include **dialogue with the local territories** and communities, seeking opportunities to create shared value. In 2020, Acea continued the stakeholder engagement project with two pilot projects carried out at the Companies **Gori and Acea Ambiente**, in the first instance to create a model for strategic interaction with the mayors in the municipalities of the Sarno area,

and secondly to define the Stakeholder Register for the two substantial operating sites. **New generations and schools** have always been a particular area of attention for the Group, even more so given Italy's current circumstances. The "**Acea Scuola – DifendiAMO l'acqua!**" ["Acea School – Let's Defend Water!"] programme, dedicated to saving water and sustainability, was carried out at 3 virtual events that could be accessed from across the country, with 4,000 participants. In this year of great crisis, Acea wanted to **support the local authorities** that worked on the front line, by offering ample technical and financial support to important hospitals, such as Policlinico Gemelli and Istituto Nazionale Malattie Infettive Spallanzani, and for associations engaged in the **protection of fragility and primary needs**, such as AISM, Community of Sant'Egidio and the Italian Red Cross. Contact with the local region also continued through strong support from Acea in the sporting events that were able to take place during the year, such as the **Golden Gala**, the **Six Nations** and the **Italian Paralympic championships**. As every year, the initiatives aimed at children, Acea Volleyball School and Acea Camp, were also supported.

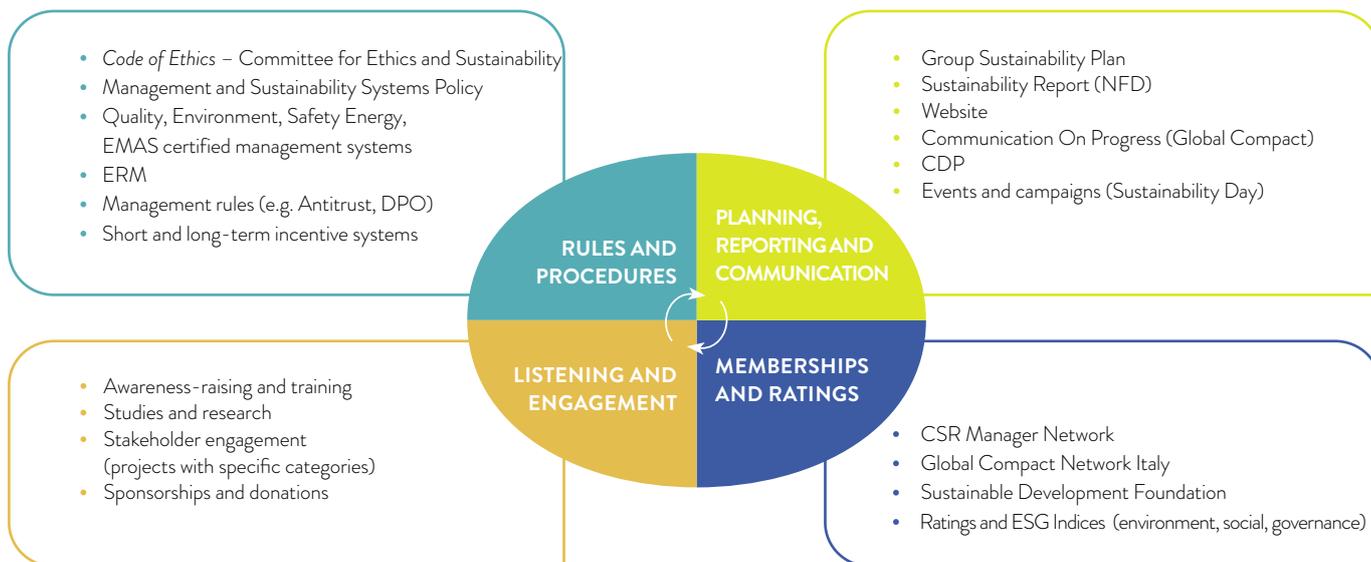
Lastly, we note the sense of cohesion, unity and solidarity provided by Acea to the local community by projecting the **colours of the national flag** onto Italy's main symbolic government and institutional buildings.

## 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. 17 – SUSTAINABILITY TOOLS



## DISTRIBUTION OF THE VALUE GENERATED BY ACEA

The overall economic value generated by the Acea Group in 2020 is € 3,434.2 million (€ 3,240.9 million in 2019, restated).

Below is a breakdown of the above figure amongst the stakeholders: 57.6% to **suppliers**, 21.4% to the **Company** as resources to be reinvested; 7.8% to **employees**; 6.2% to **shareholders** in the form of dividends; 2.9% to **financiers** in the form of interest on capital provided; 3.9% to the **public administration**<sup>20</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 (2019-2020)

(in € million)	2019	2020
<b>TOTAL ECONOMIC VALUE DIRECTLY GENERATED</b>	<b>3,240.9</b>	<b>3,434.2</b>
<b>DISTRIBUTION TO STAKEHOLDERS</b>		
operating costs (suppliers)	1,930.4	1,979.9
employees	249.3	267.6
shareholders <sup>(*)</sup>	189.2	211.6
financiers	106.1	98.1
public administration	123.2	134.6
community	6	7
Company	637	735.4

(\*) 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 (2019-2020)

	2019 (%)	2020 (%)
suppliers	59.5	57.6
employees	7.7	7.8
shareholders	5.8	6.2
financiers	3.3	2.9
public administration	3.8	3.9
community	0.2	0.2
Company	19.7	21.4

<sup>20</sup> The amount paid to the public administration net of public contributions which Acea receives (equal to € 8.9 million) is € 125.8 million.



RELATIONS WITH  
THE STAKEHOLDERS



QUESTA BASILICA  
FONDATA  
DALLA FAMIGLIA DEI CARACALLI  
COMPLETATA IN ROMA  
L'ANNO MCCCLXXXIII

UTILIZZA I NOSTRI  
SERVIZI  
ONLINE

DISPONIBILI  
**24 ORE SU 24**  
PER GESTIRE DA CASA  
TUTTE LE UTENZE

RESTIAMO VICINI A VOI ANCHE DA LONTANO

gruppo  
**acea**

Acea's visual campaign for customers, #iorestoacasa winner of the 17th Press & Outdoor Key Award

## CUSTOMERS AND THE COMMUNITY

### SCOPE

Data pertaining to the volume of customers, apart from the Companies Acea Energia, Areti, and, in the water segment, to the Companies Acea Ato 2, Acea Ato 5, Gesesa, Gori and AdF also includes data related to other water Companies (Acque, Publiacqua, AdF and Umbra Acque) – that are not included in the NFD scope – highlighting the single contribution for the sole purpose of providing a “global” dimension. Data pertaining to perceived quality, delivered quality, tariffs, customer care and communication activities relates to the operating Companies – Acea Energia, Areti, Acea Ato 2, Acea Ato 5, Gesesa, Gori and AdF – and the Parent Company – as recalled in the text.

## ACEA GROUP CUSTOMERS: ELECTRICITY AND WATER SERVICES



AROUND **1.2 million**  
CUSTOMERS FOR  
ELECTRICITY SALES  
AND OVER **212,000**  
GAS CUSTOMERS



OVER **1.6 million**  
WITHDRAWAL POINTS  
FOR ELECTRICITY  
DISTRIBUTION



AROUND **2.7 million**  
water user accounts  
in Italy (MORE THAN  
**906,500** OF WHICH ARE  
IN LAZIO), EQUALLING ABOUT  
**8.6 million**  
RESIDENTS SERVES  
(**4.2 million** IN LAZIO)



THE **electricity and gas**  
AND **water** BONUS SYSTEMS  
ALLOWED FOR SAVINGS OF  
**€ 2.8 million** AND  
**€ 2.5 million**,  
RESPECTIVELY, FOR BENEFICIARY  
CUSTOMERS/USERS

According to the latest data from the Regulation Authority for Energy, Networks and the Environment (ARERA)<sup>21</sup>, **Acea Energia** is **Italy's tenth largest operator** in terms of volumes of electricity sold on the final and **third**, with a 3.3% market share, for **energy sold to**

**families** (“domestic customers”). The Company was also the **second largest national operator** in terms of volumes sold to customers of **the standard market**, with a 5.2% market share, and 16th in terms of volumes sold to the **free market**, with a 1.9% market share.

<sup>21</sup> See the *Annual report on the status of services and activities carried out, 2020 edition* (on 2019 data), *Structure, pricing and quality in the electricity sector*, available online on the Authority's (ARERA) website; the Authority specifies that the data are to be considered provisional.

Between the sale of electricity and gas (open market and standard market<sup>22</sup>), as of 31/12/2020 **Acea Energy managed over 1,388,000 supply contracts** at (+1.6% compared to 2019). The trend indicates strong growth of the free market perimeter with an increase of 11.2% compared to 2019 (see table no. 15).

**Areti**, holder of the ministerial concession for the **distribution of electricity** in the territory of Rome and Formello, is Italy's **third**

**largest operator** in terms of **volumes of energy distributed**, with 3.6% of the market share (4.7% in the "domestic" and 3.3% in the "non-domestic") and Italy's **second largest operator** in terms of **withdrawal points**<sup>23</sup>. As at 31/12/2020, it manages **1,629,928 withdrawal points**. The growth of the customer base, which generally shows slight changes, is due both to urban expansion and disposals resulting, for example, from discontinued operations (see table no. 15).

### "PROSUMERS" CONNECTED TO ACEA NETWORKS: +8% IN 2020

A "prosumer" is both a **producer** and **consumer of energy**; and is capable of partially or totally ensuring its own energy supply and transferring any surplus produced to the grid. This protagonist of the **new energy model** interacts in new ways with both the distributor and the party responsible for selling/withdrawing energy. Acea is open and proactive with regard to the **forms of innovation** introduced by the

new energy model, and in particular to the **development of the capacity of the connection, transmission and distribution systems**.

As at 31.12.2020, **14,641 prosumers – an increase** of almost 8% compared to the 13,591 recorded in 2019 – were active on the energy distribution network managed by Areti; 11,996 of these are qualified as "domestic prosumers", or customers with residential utility

contracts who are also small-scale energy producers, and 2,645 are qualified as "other users", or non-domestic uses (commercial enterprises, professional and artisanal activities). About 8,000 of the prosumers on the Acea network are fed Acea Energia customers. **The energy injected into the grid** by these subjects was 87.48 GWh in 2020, **about 73% photovoltaic**.

### USERS OF THE ELECTRICITY AND GAS SOCIAL BONUS

For customers who are **experiencing financial hardship**, also in relation to the size of the household, and for customers who, due to their **state of health**, require energy-intensive medical equipment<sup>24</sup> ARERA provides the "**electricity bonus**": a discount applied to the cost of electricity. In 2020 the number of **Acea Energia customers eligible for the bonus**, in the protected and free markets, was **26,053**<sup>25</sup> (a decrease of 13% compared to the 29,894 customers accepted in 2019), who benefited with overall economic savings of

almost €2.4 million. In particular, 25,323 bonuses were paid for economic hardship (**97% of the total**) and 780 for physical hardship (state of health), making a total of 26,103, which is higher than the number of beneficiary customers as one customer may be entitled to both bonuses.

**Similarly to the electricity bonus, ARERA provides for the "GAS bonus"**, with similar procedures. **The number of customers eligible for this bonus** in 2020 was **6,685**, representing savings exceeding €361 thousand.

Overall, during the year, **the bonus system (both electricity and gas) resulted in savings of around €2.8 million for Acea Energia customers who benefited from it**.

In addition, in the territory served by the **distribution network** managed by **Areti**, **11,649 customers** were eligible for the **electricity bonus** (11,603 for economic hardship, 46 for physical hardship), **about 1%** less than the 11,712 in 2019, served by Companies other than Acea Energia, insofar as the "sale" component.

Acea is also **Italy's leading integrated water service operator** (catchment, supply, purification, wastewater collection and treatment) in terms of population covered, with **approximately 2.7 million connected users** and an overall **base consisting of 8.5 million inhabitants in Italy** (see table no. 15). Within the area of Rome and province alone, managed by Acea Ato 2, there are **over 705,000 users** and a served population equal to about **3.7 million people**. Starting from this area – Ato 2-Central Lazio –

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

### SOCIAL SUSTAINABILITY OF WATER SERVICES: ARREARS AND WATER BONUSES

As of 1° January 2020, the integrated water service Delinquency Regulation (REM-SI), annexed to the Authority's Resolution 311/2019/R/ldr, came into force. The measure introduced **greater protection for resident domestic users**, precluding **disconnection of the**

**supply** with termination of the contract and removal of the meter, **except in a few well-defined cases**, while prohibiting the charging of penalties for reactivation of the supply. It also lists the **categories of end users who cannot be disconnected**, the time frames and pro-

cedures for formal notice, deactivation, suspension, restriction and reactivation of the supply. It introduced provisions **to protect condominium users**, such as the prohibition to activate the procedures of limitation, suspension or deactivation of the water supply

<sup>22</sup> The relevant national Authority accurately defines the energy market segments. See the ARERA website.

<sup>23</sup> See the *Annual report on the status of services and activities carried out*, 2020 edition (on 2019 data), *Structure, pricing and quality in the electricity sector*, available online on the ARERA website.

<sup>24</sup> For details of the conditions legitimising the request and granting of the electricity bonus, see the specific section of the ARERA website.

<sup>25</sup> For customers with financial hardship and health problems reference is made to the number of customers who benefited from the bonus at least once during the year.

when partial payments are made, provided that they are made within the deadline and are equal to at least half of the amount due. The Area Governing Body (EGA) will be responsible for promoting the installation of a meter for each housing unit, functional for selective disconnection. REMSI has introduced automatic compensation, in addition to that provided for contractual quality, in the event of non-compliance with the provisions on the settlement of arrears.

With Resolution 221/2020 of 16 June 2020, in compliance with the 2020 Budget Law (Law 160/19), ARERA introduced a **number of changes to the regulation of arrears**, indicating the **methods** (registered letter with confirmation of receipt) and **time scales** (notice of no less than 40 days) with which to notify the user of the initiation of the procedures for limiting, suspending or deactivating the supply in the event of failure

to settle the payment of the amounts due. By virtue of the user regulations approved by the Conferences of Mayors of their respective ATOs, **Acea Ato 2** and **AdF** have **extended the protection against disconnection to encompass “fragile”** users, including domestic users living under conditions of physical hardship. During 2020 **Gesesa** implemented the systems to enable the application of the rules set by the Authority (Resolution 311/2019). Because of the pandemic situation, reminders for the period March-July 2020 were discontinued and no water supply was limited, suspended or discontinued.

The **social water bonus**, implemented by the Authority since 2017 with the approval of the application methods (TIBSI)<sup>26</sup>, provides for a **discount for the supply of water to domestic users under ascertained socio-economic hardship**, based on specific thresholds of the ISEE<sup>27</sup> indicator. The bonus is calculated by

each operator according to family numbers (per capita basis), applying the discounted tariff to the quantity of water required to satisfy the protected amount (about 50 litres/inhabitant/day). **Area Governing Bodies may introduce or confirm further measures of protection** for users in financially vulnerable conditions, granting a **“supplementary water bonus”**. As of 1<sup>o</sup> January 2021, social bonuses for economic hardship **will be granted automatically to citizens/family units who are entitled to them**, without requiring submission of an application as established by Decree Law no. 124 of 26 October 2019, converted with amendments by Law no. 157 of 19 December 2019. Determination 11/2020 – DACU of 29 December 2020 provisions for the management of the period of transition from the current system to the new system of automatic recognition of social bonuses for economic hardship.

## INFORMATION CAMPAIGNS AND WATER BONUS USERS FOR ACEA GROUP COMPANIES

In 2020, Water Companies launched information campaigns on the water bonus aimed at users. **Acea Ato 2**, which also applies the supplementary water bonus approved by its Ambit Authority on a local basis, **has given ample visibility to the information on the water bonus on its customer communication channels** (dedicated page on its website, information on bills, etc.). In 2020, **the Company disbursed 15,404 national water bonuses** (almost double the 7,910 applications accepted in 2019) **totalling € 626,725 and 746 supplementary (local) water bonuses totalling € 135,298.**

**Acea Ato 5** signed joint manifestos with the mayors of the municipalities it manages, which were disseminated with posters and through the institutional websites and social pages

of the local authorities, to inform citizens of the possibility and requirements for access to the water bonus; the Company also carried out a web communication campaign through the main online local information sites in the area it manages and issued press releases and featured special columns in the relevant local newspaper. In 2020, **Acea Ato 5 accepted 3,349 requests** for the bonus, which generated total savings for beneficiaries of around **€ 84,000.**

Every year **AdF** advertises the possibility of applying for the **social water bonus** and the **supplementary bonus** by displaying posters at branches and dedicated sections on the [fiora.it](http://fiora.it) website.

In 2020, **AdF accepted 4,048 applications for the social water bonus**, with an estimated

value of **€ 488,930.** In addition, it disbursed a first tranche of **1,960 applications for a supplementary water bonus**, with an economic value of **€ 419,189.** In the fourth quarter of 2020, 20 municipalities opened the **second call** for the allocation of the remaining funds, and the procedures for certifying the bonuses that can be granted are still ongoing.

**In 2020, Gesesa and Gori respectively admitted 1,453 applications** for the water bonus, for an economic value of **€ 68,980**, and **20,196 applications, with total savings for the beneficiaries of € 661,452.**

For the five water companies included in the perimeter, **the water bonus system has generated a total economic saving of about € 2.5 million for the beneficiaries.**

In 2020, following the will expressed by its members, **AdF set up a Solidarity Fund for local businesses** amounting to €300,000, to support the economic activities of the area that were affected by the restrictions due to the Covid-19 health emergency. The initiative was dedicated to companies that recorded losses of at least 20% compared to the turnover in the corresponding period of the previous year and that had to close down between

March and June 2020, despite having to continue to consume water to keep the business system running efficiently. After AdF had sent detailed communications, also through the trade associations, to explain the prerequisites for access to the fund, **186 applications** were received, of which 7 did not meet the eligibility requirements and 179 are awaiting assessment by the Commission specifically established for this procedure.

<sup>26</sup> Resolution 897/2017, integrated text of the implementing rules for the social water bonus – TIBSI and subsequent amendments and additions in 2019 (resolution 165/2019/R/com and resolution 1/2019 – DACU) to update the measure to the regulatory provisions contained in Law 26/2019 (urgent provisions on national income and pensions), establishing that beneficiaries of universal income/pensions may also apply for the bonus from 20 May 2019.

<sup>27</sup> With Resolution 499/2019/R/com, the value of the ISEE threshold allowing access to the discount was updated and increased, starting from 1<sup>o</sup> January 2020.

**TABLE NO. 15 – ACEA GROUP CUSTOMERS (ENERGY AND WATER SECTORS) (2018-2020)**

	u. m.	2018	2019	2020
<b>ENERGY AND GAS SALES (Acea Energia)</b>				
standard market service	no. of withdrawal points	832,719	774,823	738,989
free market EE – mass market	no. of withdrawal points	286,714	322,037	364,378
free market EE – large customers	no. of withdrawal points	44,364	76,902	72,195
free market gas	no. of redelivery points	172,755	19,2107	212,234
<b>total</b>	<b>no. of supply contracts</b>	<b>1,336,552</b>	<b>1,365,869</b>	<b>1,387,796</b>
<b>ENERGY DISTRIBUTION (Areti)</b>				
domestic customers, low voltage	no. of withdrawal points	1,319,118	1,326,078	1,330,557
non-domestic customers, low voltage	no. of withdrawal points	307,961	305,925	296,248
customers at medium voltage	no. of withdrawal points	2,894	2,907	3,116
customers at high voltage	no. of withdrawal points	7	7	7
<b>total</b>	<b>no. of withdrawal points</b>	<b>1,629,980</b>	<b>1,634,917</b>	<b>1,629,928</b>
<b>WATER SALE AND DISTRIBUTION (main water Companies of Acea Group)</b>				
Acea Ato 2	no. of users	689,827	692,893	705,685
Acea Ato 5	no. of users	197,821	199,823	200,876
Gori	no. of users	526,808	528,437	531,987
Gesesa	no. of users	57,404	5,7142	57,247
AdF (*)	no. of users	231,529	231,690	232,152
Acque (*)	no. of users	325,595	326,105	327,412
Publiacqua (*)	no. of users	395,635	397,684	399,942
Umbra Acque	no. of users	233,405	233,460	234,185
<b>total</b>	<b>no. of users</b>	<b>2,658,024</b>	<b>2,667,234</b>	<b>2,689,486</b>
Acea Ato 2	population served	3,703,160	3,704,931	3,705,295
Acea Ato 5	population served	469,836	469,836	467,993
Gori (**)	population served	1,446,004	1,456,462	1,398,678
Gesesa	population served	118,044	120,574	116,897
AdF (*) (**)	population served	387,120	386,132	382,724
Acque (*)	population served	738,903	737,455	737,455
Publiacqua (*)	population served	1,247,216	1,247,216	1,244,226
Umbra Acque	population served	502,065	501,186	494,272
<b>total</b>	<b>population served</b>	<b>8,612,348</b>	<b>8,623,792</b>	<b>8,547,540</b>

(\*) Some of the data relating to users and/or “population served” in 2018 and/or 2019 have been corrected by AdF, Publiacqua and Acque, thus modifying the totals. The 2020 figures are estimates.

(\*\*) The 2020 figure refers to the resident population in the served areas as of 1° January 2020 for Gori and August 2020 for AdF.

## PERCEIVED QUALITY



SURVEYS OF CUSTOMER AND PUBLIC SATISFACTION WITH SERVICES DELIVERED: **more than 300 people interviewed**



THE **overall opinions** ON THE SERVICES PROVIDED FOR 2020 (SCORE 1-10):

ELECTRICITY SERVICE "SALES":	<b>8.0</b>
AND "DISTRIBUTION":	<b>7.9</b>
PUBLIC LIGHTING SERVICE:	<b>6.5</b>
WATER SERVICE IN ROME AND PROVINCE:	<b>8 AND 7.2</b>
IN FROSINONE AND PROVINCE:	<b>6.1</b>
IN SARNESE VESUVIANO:	<b>6.6</b>
IN BENEVENTO AND PROVINCE:	<b>6.6</b>
IN GROSSETO AND SIENA AND PROVINCE:	<b>7.6</b>

The Stakeholder Engagement and Sustainability Unit of the Parent Company (Legal, Corporate Affairs and Corporate Services Department) coordinates the process of measuring customer and citizen satisfaction with the services provided in the electrical, water<sup>28</sup> and public lighting sectors. It works in concert with the operating companies that manage the services and supports the Top Management in analysing the data collected. Customer satisfaction surveys ("perceived quality") are carried out twice a year by an institute specialising in demographic research, selected by tender. In line with previous years, the 2020 half-yearly surveys were conducted using the CATI methodology<sup>29</sup>, enabling the following main indicators to be processed:

- the **overall judgement** on the general quality of the service (rating from 1 to 10), where 1 means very bad and 10 means very good, which expresses an **instinctive evaluation** by customers;
- the **synthetic satisfaction indices** (Customer Satisfaction Index – CSI Satisfied Customers, index 0-100), **overall and partial** based on the **percentage of customers who say they were satisfied and the importance attached to each aspect** of the service;
- the **satisfaction intensity indices** (Customer Satisfaction Index – CSI, expressed as a % of satisfied customers – threshold value 75%), which measures "to what extent" customers are satisfied or dissatisfied with the service.

Interviews on "contact channels" are aimed at selected customers, using the "call back" method, from among those who have recently used the services (toll-free numbers for commercial information or fault reporting, website, branch, technical intervention) who consented to be contacted again. With regard to the call back for the branch, in the second half of 2020, the interviews that were not carried out in the first half of the year were recovered. The specific monitoring had been suspended due to branch closures imposed by the Covid-19 health emergency.

In 2020, a total of **30,331 people** were interviewed about the quality of services provided by Acea Energia, Areti, Acea Ato 2, Acea Ato 5, Gori, Gesesa and AdF. The overall ratings received by each service are all in the area of an intermediate level of satisfaction, between 6.1 and 8.

The overall and partial Customer Satisfaction Indices for the electricity service show, very positive evaluations overall for sales handled by Acea Energia. For customers in the protected market, there were slight decreases, compared with last year, in the satisfaction indices for "billing" and "website" and improvements in the "branch" and even more marked for the "toll-free commercial number". For customers in the free market, there were increases in the satisfaction indices for most of the service areas assessed and, in this case too, more markedly for the "toll-free commercial number". The distribution, managed by Areti, has a good overall satisfaction index; with regard to the evaluation of the service aspects, the "programmed interruption" has decreased while the "technical intervention" has increased. Residents of the municipalities of Rome and Formello were interviewed about the Public Lighting service for all areas. Both overall and partial satisfaction indices are all improving, especially the 'fault reporting' index.

As regards the water service (sale and distribution of water), the satisfaction of customers of Acea Ato 2 (Rome and province) and Acea Ato 5 (Frosinone and province), in the Lazio area, customers of Gori and Gesesa, operating in Campania, and customers of AdF, operating in Tuscany, was measured. The overall satisfaction index for the service provided by Acea Ato 2 in Rome and Fiumicino is very high and has further improved; the partial indices, relating to individual aspects of the service, are all very positive, with particular increases in "fault reporting" and "technical intervention". For Acea Ato 5, in the area of Frosinone and the province, the overall satisfaction index for the service has improved. In particular, the satisfaction indices for "technical aspects of the service", "billing", "technical intervention" and "fault reporting", which were already very high, have increased, while the ratings for "toll-free commercial number" and "branch", although slightly down, remain very high. For Gori, which manages the service in the area of the Sorrento peninsula and the Vesuvian areas between the provinces of Naples and Salerno, the overall satisfaction index, already positive, and the indices on individual aspects of the service improved, with the exception of the "branch", which remained substantially stable and high. There was a more evident increase in the positive

<sup>28</sup> As regards water services, the main results of the customer satisfaction surveys carried out by Acea SpA and reported here concern the customers of the companies Acea Ato 2 (Rome and province) and Acea Ato 5 (Frosinone and province) operating in the Lazio area, Gesesa and Gori, both operating in Campania, and AdF, operating in Tuscany.

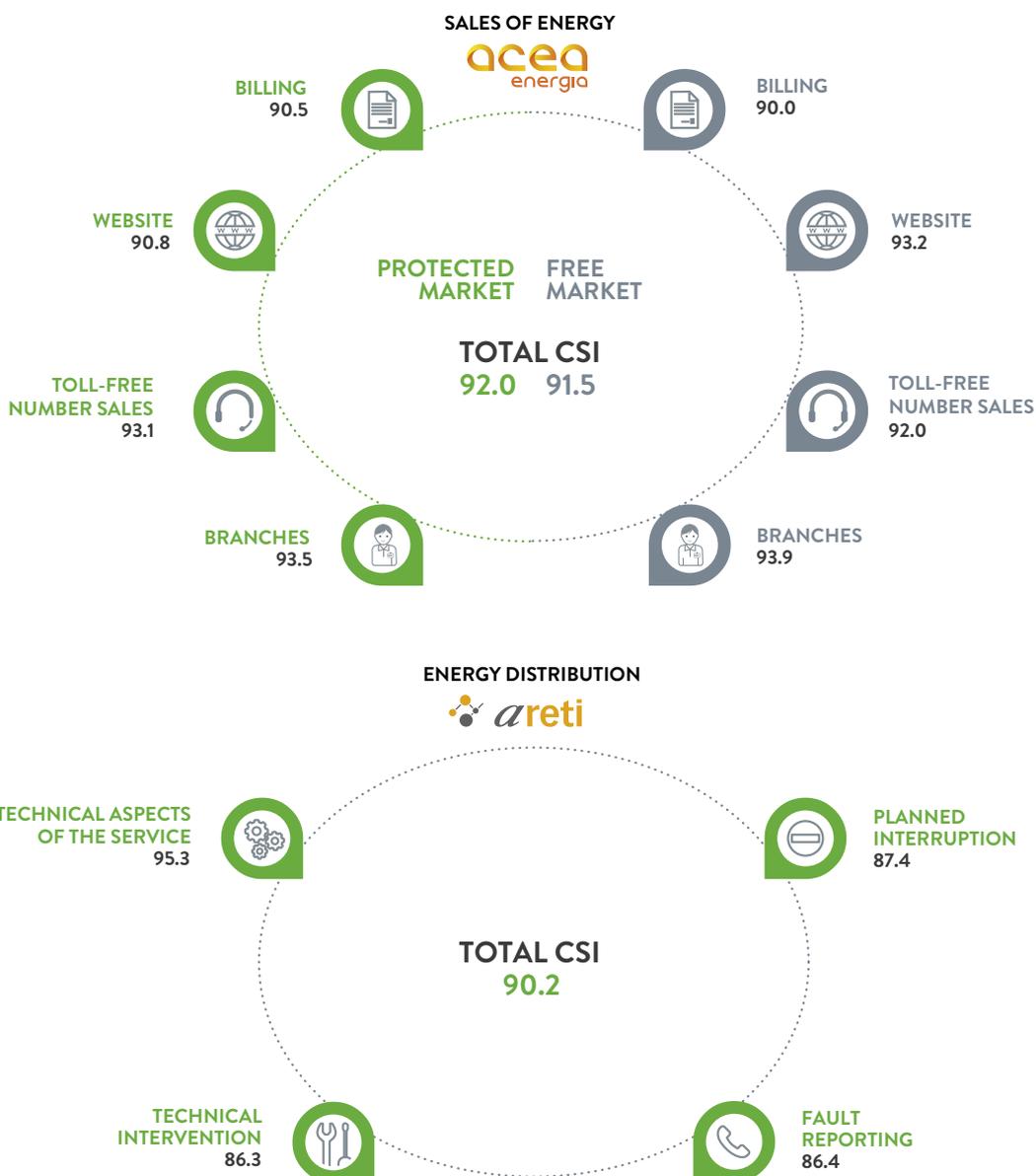
<sup>29</sup> Computer Assisted Telephone Interviewing of a stratified sample based on variables and representative of the universe of reference, following a structured questionnaire. Depending on the sample, the statistical error varies between +/- 2.3% and a maximum of +/- 4.4% and the level of significance is 95%.

assessment of “fault” reporting, including the individual quality factors that comprise it, and the “billing” aspect. With regard to AdF, which operates in Tuscany in the provinces of Grosseto and Siena, **the overall satisfaction indices and those relating to aspects of the service are all substantially stable and high**, with no significant changes compared to the previous year’s surveys<sup>30</sup>. Finally, in the case of Gesesa, which operates in Benevento and the province, the customer satisfaction survey was carried out only in **the second half of 2020**; the results of the survey are illustrated in the text and are not shown in the table, due to the different evaluation scale (1-10), caused by the smaller sample size of customers interviewed (about 500 per cycle). The **overall rating** for the service provided by Gesesa is stable in the area of “average satisfaction” and equal to **6.6/10**, with 78.4% of respondents satisfied; the **technical aspects** of the service receive a rating of **7/10**, with 83.6% of respondents

satisfied with the quality factor “continuity of service”; for **billing** the rating is **6.7/10**, with 77.8% of respondents satisfied with the “correctness of the amounts in the bill” and 77.2% satisfied with the “clarity and ease of reading the bill”: the two service quality factors considered most important.

The charts below show, for each service, **the 2020 satisfaction indices (CSI – index 0-100)**, as the average of the two surveys for the year, and, for Gesesa, the ratings expressed on a scale of 1-10; **tables nos. 16 and 17** also show the **percentages of satisfied customers** insofar as the most important **quality factors** for the electricity sales and distribution services, the public lighting service and the water service, and the **comparison with the previous year**, with indication of the most significant deviations.

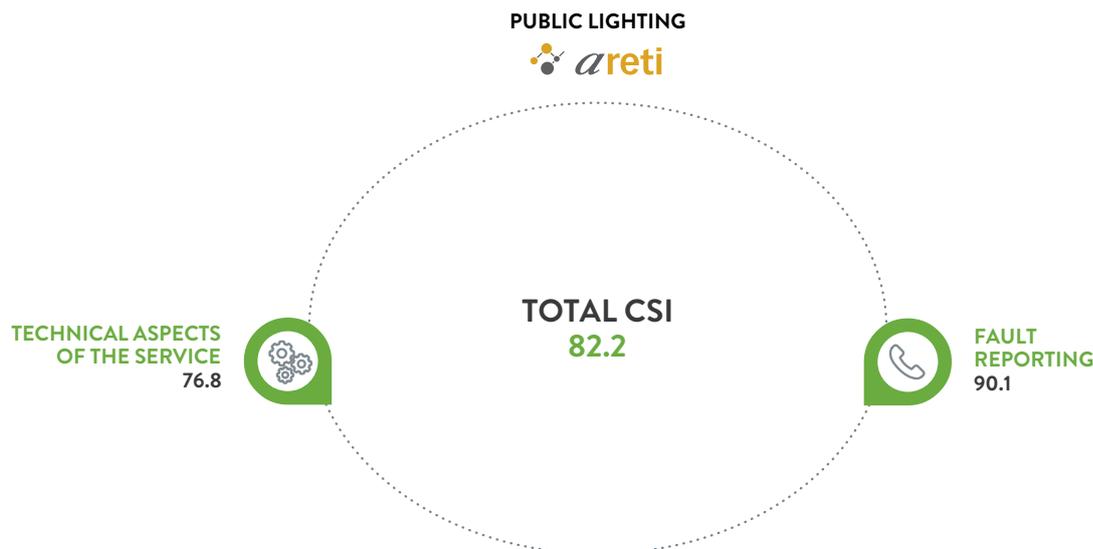
**CHART NO. 19 – OVERALL CSI AND ON ELECTRICITY SERVICE ASPECTS – SALE AND DISTRIBUTION OF ENERGY (2020) (INDEX 0-100)**



**NOTE** The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

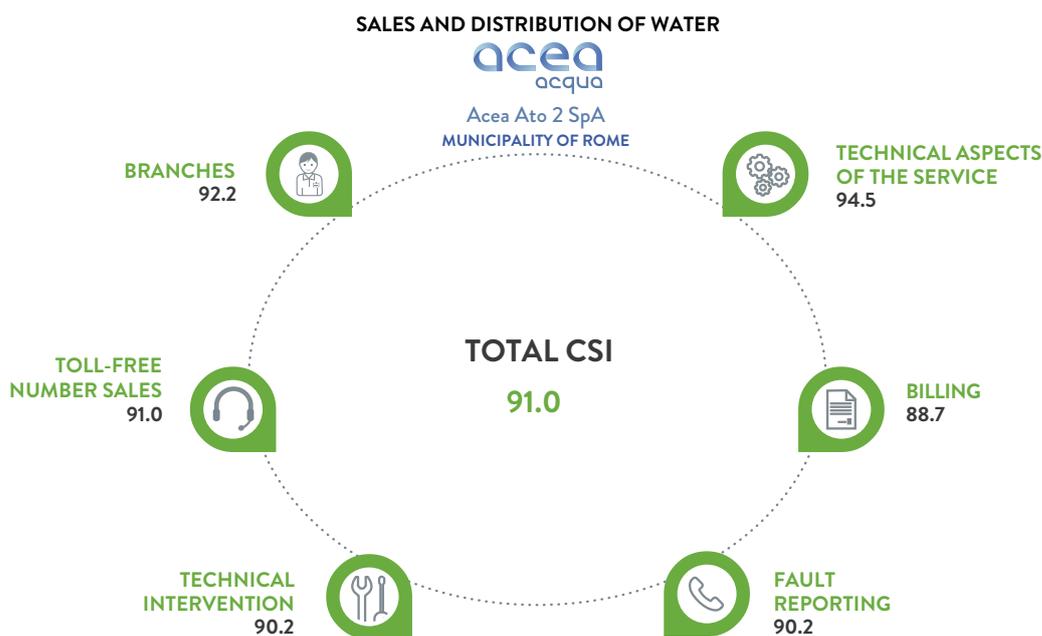
<sup>30</sup> For AdF, although it entered the NFD scope in 2020, the data for 2019 is also shown in the relevant table.

**CHART NO. 20 – OVERALL CSI AND ON ASPECTS OF THE PUBLIC LIGHTING SERVICE IN ROME AND FORMELLO (2020) (INDEX 0-100)**



**NOTE** The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys. The “technical aspects of the service” include both factors directly dependent on Acea and those that do not depend on the Company, as both contribute to the calculation of the overall CSI.

**CHART NO. 21 – OVERALL CSI AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN ROME AND FIUMICINO (2020) (INDEX 0-100)**



**NOTE** The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

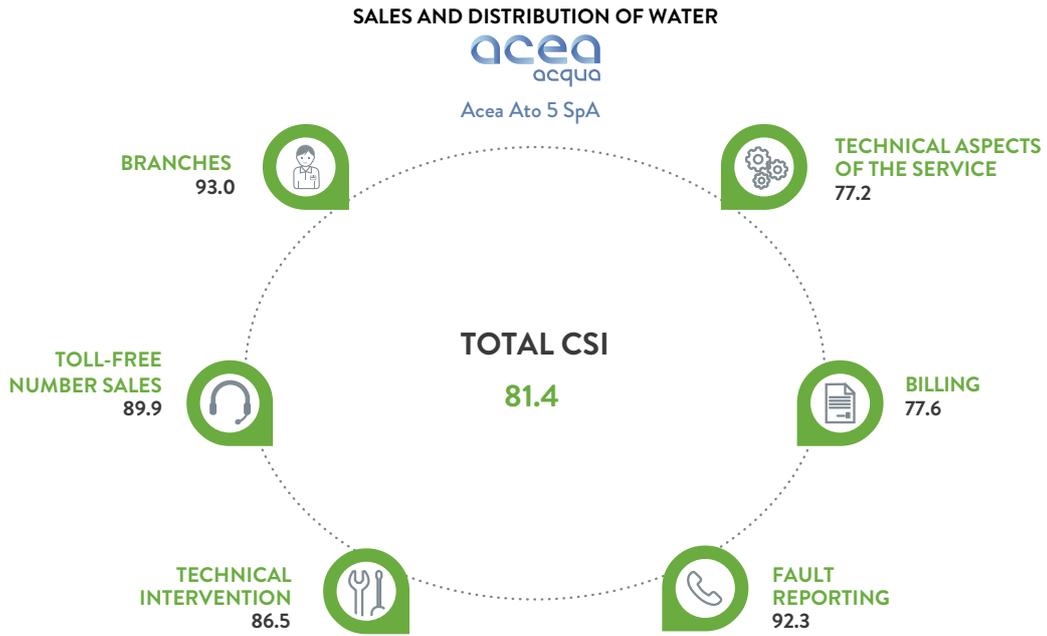
**SURVEYS ON SATISFACTION WITH WATER SERVICE IN OTHER ATO 2 MUNICIPALITIES – CENTRAL LAZIO**

Customer satisfaction surveys were also conducted in some other municipalities in the province of Rome. The two semi-annual surveys in 2020 involved a sample of 1,001 residents, representative of all of the direct or apartment complex accounts present in the four “sentinel” municipalities – **Colleferro, Formello, Palestrina and Velletri** – within Optimal Territorial Area 2, Province of Rome. The **overall rating** recorded was **7.2 out of**

**10**, in line with the previous reporting cycle. **The overall satisfaction index for the service** (index 0-100), as the average of the two interim figures, **is high and equal to 90.2, an improvement** on the 83.9 reported in 2019; with regard to assessments of **individual aspects** of the service, they also seem to have improved, especially the “technical aspects” (92.2, against 89.3 in 2019) and “invoicing” (90.2, against 88.1 in 2019). As regards the

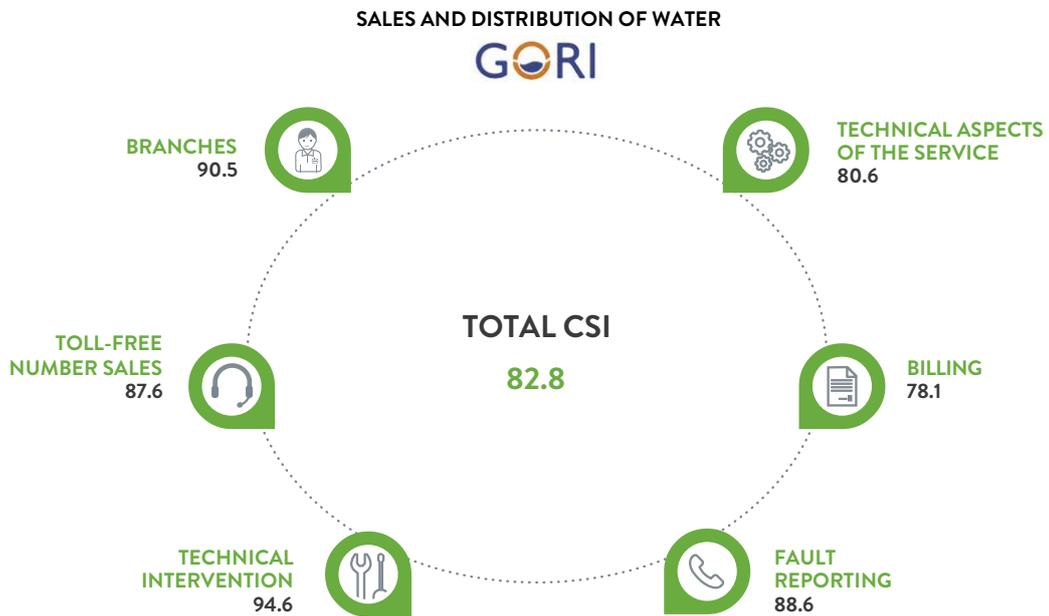
satisfaction indices for the other aspects of the service, which were all positive and higher than in 2019 – “technical intervention” (100, against 83.4), “fault reporting” (88.7, against 75), “sales toll free number” (86.8, against 77.6) and “branch” (86.3, against 82.0) – the institute responsible for reporting has pointed out that the results are not very statistically representative and should be understood as qualitative.

**CHART NO. 22 – OVERALL CSI AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN FROSINONE AND VICINITY (2020) (INDEX 0-100)**



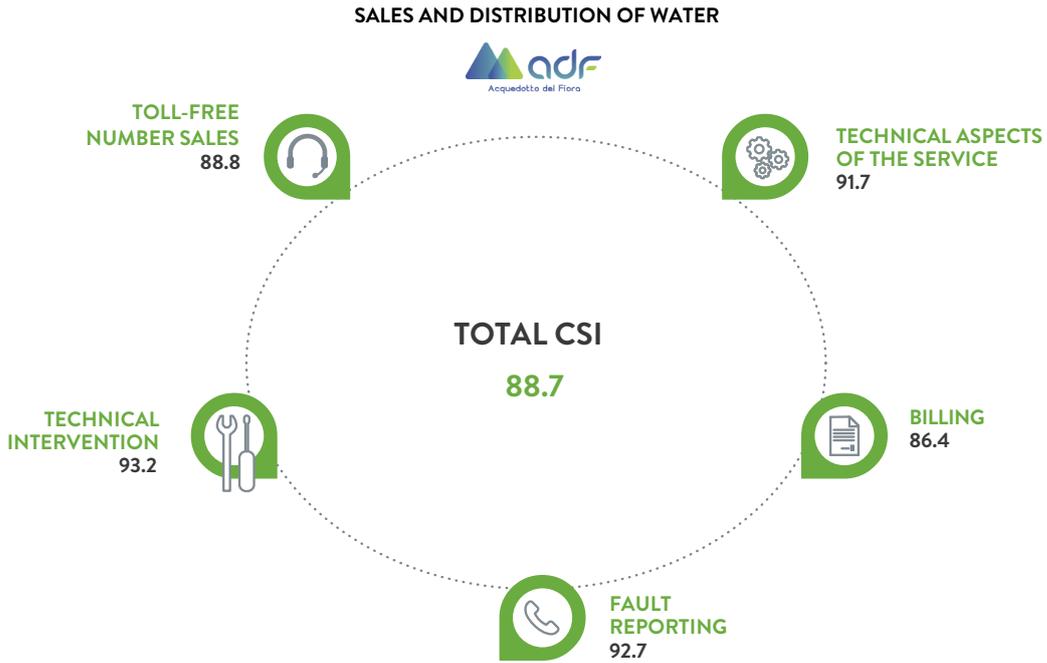
**NOTE** The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

**CHART NO. 23 – OVERALL CSI AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN SARNESE VESUVIANO (2020) (INDEX 0-100)**



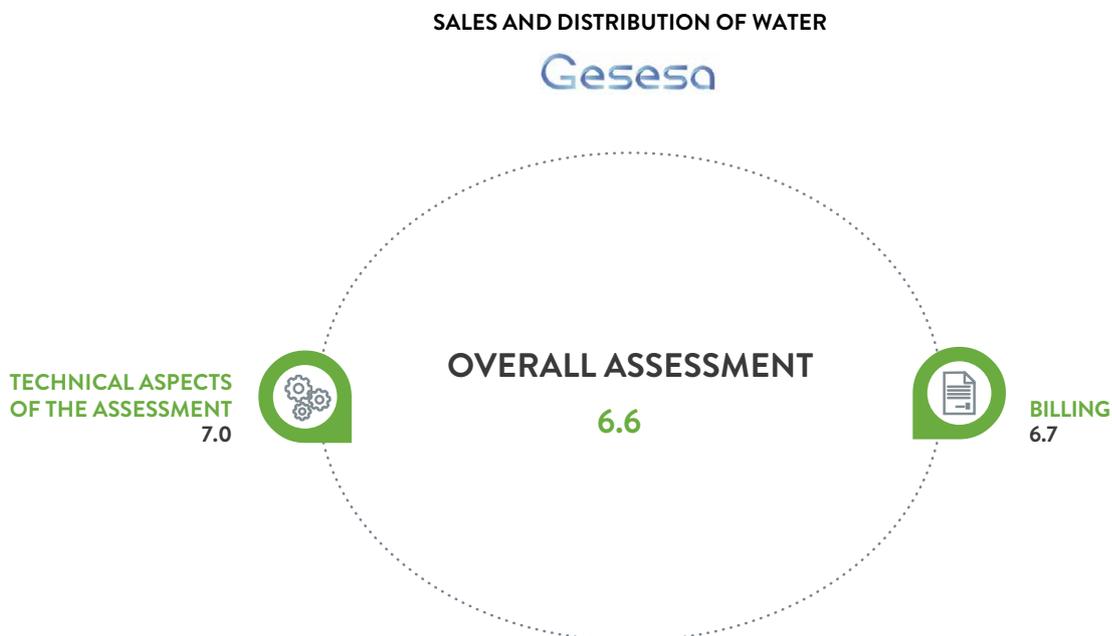
**NOTE** The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys.

**CHART NO. 24 – OVERALL CSI AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN TERRITORIAL CONFERENCE NO. 6 “OMBRONE” (2020) (INDEX 0-100)**



**NOTE** The Customer Satisfaction Indexes – overall and on the individual aspects of the service – shown in the chart are the average of the two semi-annual surveys. In 2020, the figures did not include the “branch” aspect of the service.

**CHART NO. 25 – OVERALL ASSESSMENT AND ON ASPECTS OF THE WATER SERVICE – SALE AND DISTRIBUTION OF WATER IN BENEVENTO AND VICINITY (2ND HALF 2020) (SCORE 1-10)**



**NOTE** The opinions expressed on a scale of 1-10 and reported in the chart – on an overall basis and for individual aspects of the service – are the result of a singles survey conducted in the second half of 2020.

**TABLE NO. 16 – RESULTS OF CUSTOMER SATISFACTION SURVEYS: ENERGY SALES AND DISTRIBUTION, PUBLIC LIGHTING SERVICE (2019-2020)**

average of the two interim reports

	u. m.	2019	2020	
<b>ELECTRICAL SERVICE – SALE OF ENERGY – ACEA ENERGIA</b>				
<b>STANDARD MARKET CUSTOMERS</b>				
<b>sales activity (CIS inclusive)</b>	<b>0-100</b>	<b>90.5</b>	<b>92.0</b>	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
<b>billing</b>	<b>0-100</b>	<b>92.4</b>	<b>90.5</b>	
<i>correctness of the amounts</i>	%	91.6	90.4	
<i>bill clear and easy to read</i>	%	92.7	89.1	
<b>internet website</b>	<b>0-100</b>	<b>95.0</b>	<b>90.8</b>	
<i>range of available operations</i>	%	93.7	92.3	
<i>ease of browsing</i>	%	93.8	87.7	▼
<b>sales toll free number</b>	<b>0-100</b>	<b>87.9</b>	<b>93.1</b>	▲
<i>operator's competence</i>	%	87.4	92.9	▲
<i>clarity of answers provided</i>	%	87.0	92.9	▲
<b>branch</b>	<b>0-100</b>	<b>90.6</b>	<b>93.5</b>	
<i>operator's competence</i>	%	89.6	93.5	
<i>clarity of the information provided</i>	%	90.0	93.1	
<b>FREE MARKET CUSTOMERS</b>				
<b>sales activity (CIS inclusive)</b>	<b>0-100</b>	<b>88.3</b>	<b>91.5</b>	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
<b>billing</b>	<b>0-100</b>	<b>87.2</b>	<b>90.0</b>	
<i>correctness of the amounts</i>	%	85.9	88.7	
<i>bill clear and easy to read</i>	%	86.5	89.8	
<b>internet website</b>	<b>0-100</b>	<b>93.4</b>	<b>93.2</b>	
<i>range of available operations</i>	%	91.6	94.2	
<i>ease of browsing</i>	%	94.1	92.7	
<b>sales toll free number</b>	<b>0-100</b>	<b>86.9</b>	<b>92.0</b>	▲
<i>operator's competence</i>	%	86.8	91.9	▲
<i>clarity of answers provided</i>	%	86.8	92.0	▲
<b>branch</b>	<b>0-100</b>	<b>93.4</b>	<b>93.9</b>	
<i>operator's competence</i>	%	92.8	93.5	
<i>clarity of the information provided</i>	%	92.6	93.6	
<b>ELECTRICAL SERVICE – ENERGY DISTRIBUTION – ARETI (ROME AND FORMELLO)</b>				
<b>distribution activity (CIS inclusive)</b>	<b>0-100</b>	<b>88.5</b>	<b>90.2</b>	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
<b>technical aspects of the service</b>	<b>0-100</b>	<b>95.7</b>	<b>95.3</b>	
<i>service continuity</i>	%	95.6	95.2	
<b>planned interruption</b>	<b>0-100</b>	<b>93.9</b>	<b>87.4</b>	▼
<i>correctness of information about recovery times</i>	%	92.3	87.7	
<i>prior notice of suspended supply</i>	%	96.3	88.7	▼
<b>fault reporting</b>	<b>0-100</b>	<b>83.5</b>	<b>86.4</b>	
<i>clarity of the information provided</i>	%	83.0	86.7	
<i>operator's courtesy and availability</i>	%	89.2	90.4	
<b>technical intervention</b>	<b>0-100</b>	<b>73.7</b>	<b>86.3</b>	▲
<i>technicians' competence</i>	%	79.0	89.9	▲
<i>intervention speed following the request</i>	%	63.8	80.7	▲
<b>PUBLIC LIGHTING SERVICE – ARETI (ROME AND FORMELLO)</b>				
<b>lighting service (CIS inclusive)</b>	<b>0-100</b>	<b>79.8</b>	<b>82.2</b>	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
<b>technical aspects of the service <sup>(*)</sup></b>	<b>0-100</b>	<b>75.4</b>	<b>76.8</b>	
<i>(directly depending on Acea)</i>				
<i>service continuity</i>	%	72.7	73.5	
<i>(not directly depending on Acea)</i>				
<i>presence/network of the lighting service in the city</i>	%	75.3	76.6	
<b>fault reporting</b>	<b>0-100</b>	<b>85.9</b>	<b>90.1</b>	
<i>clarity of the information provided</i>	%	84.1	89.1	▲
<i>operator's courtesy and availability</i>	%	86.8	91.8	▲

(\*) The average of the assessments of the technical aspects dependent on and not dependent on Acea is shown below.

**NOTE** The table shows only the quality factors indicated as most important by the sample of interviewees in 2020, which may lead to consequent changes in the 2019 column. Furthermore, in the right hand column there are significant differences, equal to 5 points or more. In any case, it must be taken into consideration that the value indicating adequate customer satisfaction is equal or more than 75% (threshold value).

**TABLE NO. 17 – RESULTS OF CUSTOMER SATISFACTION SURVEYS: WATER SERVICE (2019-2020)**

average of the two interim reports

	u. m.	2019	2020	
<b>WATER SERVICE – SALE AND DISTRIBUTION OF WATER – ACEA ATO 2 (ROME AND FIUMICINO)</b>				
<b>water service (CIS inclusive)</b>	<b>0-100</b>	<b>89.3</b>	<b>91.0</b>	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
<b>technical aspects of the service</b>	<b>0-100</b>	<b>95.1</b>	<b>94.5</b>	
<i>service continuity</i>	%	96.1	95.3	
<b>billing</b>	<b>0-100</b>	<b>87.3</b>	<b>88.7</b>	
<i>correctness of the amounts</i>	%	86.1	88.9	
<i>bill clear and easy to read</i>	%	87.9	87.4	
<b>fault reporting</b>	<b>0-100</b>	<b>85.6</b>	<b>90.2</b>	
<i>clarity of the information provided</i>	%	82.0	87.6	▲
<i>operator's courtesy and availability</i>	%	89.5	92.9	
<b>technical intervention</b>	<b>0-100</b>	<b>85.1</b>	<b>90.2</b>	▲
<i>intervention speed following the request</i>	%	78.1	84.8	▲
<i>technicians' competence</i>	%	87.8	91.5	
<b>sales toll free number</b>	<b>0-100</b>	<b>88.6</b>	<b>91.0</b>	
<i>operator's competence</i>	%	88.8	90.5	
<i>clarity of the information provided</i>	%	88.0	90.6	
<b>branch</b>	<b>0-100</b>	<b>91.4</b>	<b>92.2</b>	
<i>operator's competence</i>	%	90.7	91.7	
<i>clarity of the information provided</i>	%	90.4	91.1	
<b>WATER SERVICE – SALE AND DISTRIBUTION OF WATER – ACEA ATO 5 (MUNICIPALITIES WITHIN ATO 5 – FROSINONE)</b>				
<b>water service (CIS inclusive)</b>	<b>0-100</b>	<b>80.0</b>	<b>81.4</b>	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
<b>technical aspects of the service</b>	<b>0-100</b>	<b>74.9</b>	<b>77.2</b>	
<i>service continuity</i>	%	74.8	77.0	
<b>billing</b>	<b>0-100</b>	<b>72.6</b>	<b>77.6</b>	▲
<i>correctness of the amounts</i>	%	71.2	77.0	▲
<i>bill clear and easy to read</i>	%	72.9	77.3	
<b>fault reporting</b>	<b>0-100</b>	<b>90.2</b>	<b>92.3</b>	
<i>clarity of the information provided</i>	%	89.7	93.3	
<i>operator's courtesy and availability</i>	%	93.7	94.6	
<b>technical intervention</b>	<b>0-100</b>	<b>86.3</b>	<b>86.5</b>	
<i>technicians' competence</i>	%	88.2	89.3	
<i>intervention speed following the request</i>	%	82.0	79.9	
<b>sales toll free number</b>	<b>0-100</b>	<b>91.8</b>	<b>89.9</b>	
<i>operator's competence</i>	%	91.3	90.6	
<i>operator's courtesy and availability</i>	%	94.8	92.6	
<b>branch</b>	<b>0-100</b>	<b>94.1</b>	<b>93.0</b>	
<i>operator's competence</i>	%	94.5	92.6	
<i>clarity of the information provided</i>	%	94.7	92.8	
<b>WATER SERVICE – SALE AND DISTRIBUTION OF WATER – GORI (MUNICIPALITIES WITHIN THE SARNESE-VESUVIANO DISTRICT AREA)</b>				
<b>water service (CIS inclusive)</b>	<b>0-100</b>	<b>80.0</b>	<b>82.8</b>	
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY				
<b>technical aspects of the service</b>	<b>0-100</b>	<b>78.5</b>	<b>80.6</b>	
<i>service continuity</i>	%	79.4	81.2	
<b>billing</b>	<b>0-100</b>	<b>73.6</b>	<b>78.1</b>	
<i>correctness of the amounts</i>	%	70.3	76.9	▲
<i>bills sent regularly</i>	%	79.2	82.8	
<b>fault reporting</b>	<b>0-100</b>	<b>82.2</b>	<b>88.6</b>	▲
<i>clarity of the information provided</i>	%	82.0	88.6	▲
<i>operator's courtesy and availability</i>	%	84.7	90.8	▲
<b>technical intervention</b>	<b>0-100</b>	<b>90.5</b>	<b>94.6</b>	
<i>problem-solving skills</i>	%	92.3	94.7	
<i>technicians' courtesy and availability</i>	%	93.5	96.4	
<b>sales toll free number</b>	<b>0-100</b>	<b>87.3</b>	<b>87.6</b>	
<i>clarity of the information provided</i>	%	89.5	89.8	
<i>operator's courtesy and availability</i>	%	90.7	91.3	
<b>branch</b>	<b>0-100</b>	<b>91.4</b>	<b>90.5</b>	
<i>clarity of the information provided</i>	%	92.2	90.9	
<i>operator's competence</i>	%	87.8	90.4	

**TABLE NO. 17 – RESULTS OF CUSTOMER SATISFACTION SURVEYS: WATER SERVICE (2019-2020) (cont.)**

WATER SERVICE – SALE AND DISTRIBUTION OF WATER – AdF (\*) (MUNICIPALITIES FALLING WITHIN TERRITORIAL OPTIMAL CONFERENCE NO. 6 OMBRONE)

water service (CIS inclusive)	0-100	88.1	88.7
ASPECTS OF THE SERVICE AND ELEMENTS OF QUALITY			
<b>technical aspects of the service</b>	<b>0-100</b>	<b>90.1</b>	<b>91.7</b>
service continuity	%	90.9	92.0
<b>billing</b>	<b>0-100</b>	<b>84.0</b>	<b>86.4</b>
correctness of the amounts	%	81.9	85.7
bill clear and easy to read	%	84.9	86.4
<b>fault reporting</b>	<b>0-100</b>	<b>92.8</b>	<b>92.7</b>
clarity of the information provided	%	91.4	90.8
operator's courtesy and availability	%	95.3	96.0
<b>technical intervention</b>	<b>0-100</b>	<b>92.9</b>	<b>93.2</b>
problem-solving skills	%	92.5	93.3
technicians' courtesy and availability	%	94.8	95.0
<b>sales toll free number</b>	<b>0-100</b>	<b>90.1</b>	<b>88.8</b>
operator's competence	%	89.8	88.5
clarity of the information provided	%	88.8	87.8

(\*) For ease of comparison, data from the 2019 surveys have also been included for AdF, in the NFD perimeter from 2020. The calculation of the overall 2020 CSI for AdF was calculated net of the partial CSI at the branch, which was not surveyed in the year, by re-proportioning the weights of the other factors.

**NOTE** The table only shows the quality factors indicated as most important by the sample of interviewees in 2020, which may lead to consequential changes in the 2019 column. Furthermore, in the right hand column there are significant differences, equal to 5 points or more. In any case, it must be taken into consideration that the value indicating adequate customer satisfaction is equal or more than 75% (threshold value).

## QUALITY DELIVERED

Acea oversees the **quality of services provided** with actions aimed at its constant improvement, through the training and updating of people, innovation applied to the management of processes, the renewal, expansion and increase of the resilience of infrastructure (networks and plants), also as a function of the mitigation of failures and timely restoration, the digitization of commercial channels and the improvement of all customer contact and communication channels.

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

- for the **Public Lighting** service, the contract between Acea and Roma Capitale regulates the qualitative parameters (performance standards);
- the **technical and commercial quality standards in the energy sector** (for both distribution and sales) and the **contractual and technical quality standards in the integrated water service** are defined and updated by the **Energy, Networks and Environment Authority** (ARERA) and, for the water sector, also by the local authorities.

The **main regulatory interventions by ARERA** in 2020 for the electricity and water sectors are summarised in the *Group profile*, in the paragraph *Context analysis and business model*, to which reference should be made.

In addition to complying with the quality standards laid down by the regulation, Group companies operate in accordance with **UNI EN ISO certified management systems** based on a **rational approach of continuous improvement** (see also *Corporate identity*, in the paragraph *Management systems*).

## QUALITY IN THE ENERGY SEGMENT

This section illustrates the quality aspects relating to **electricity distribution services** in the municipalities of Rome and Formello, and **public lighting** in the municipality of Rome, both managed by **Areti<sup>31</sup>**, are, for electricity sales, managed by Acea Energia, and Acea Innovation's entry into the marketing of smart services, see the section on *Customer Care*. The Company operates in compliance with the **QESE** (Quality, Environment, Safety and Energy) **Management System** for both the construction and management of distribution infrastructure and Public Lighting.

## THE DISTRIBUTION OF ELECTRICITY



**Plan for en masse replacement** OF NEW SECOND-GENERATION DEVICES:  
**installed** IN 2020  
**59,275 2G meters**



AS PART OF **Areti's Resilience Plan**  
CRITICAL FACTOR “**heat waves**”:  
MODERNISED **106 km** OF MV CABLE AND  
REBUILT **79 substations**  
CRITICAL FACTOR “**flooding**”:  
REBUILT **12 substations**



IN 2020:  
**7,247 MV nodes** remotely controlled

<sup>31</sup> Areti holds the ministerial concession for the distribution of electricity in the areas indicated and manages public lighting under the Service Contract stipulated between Acea SpA and Roma Capitale.

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

The **integrated development of the electricity grids** is defined in the **Master Plans** for the HV, MV and LV networks, which Areti implements through construction (and also decommissioning or demolition, and consequent containment of environmental impacts, in specific areas), transformation, modernisation, maintenance, etc. (see

table no. 18). The interventions carried out each year are aimed at **rationalising and upgrading the networks**, increasing transport capacity and margins for further use, **increasing their resilience and reducing network losses and voltage drops**, improving **service continuity**.

In 2020, as part of the implementation of the **Resilience Plan**<sup>32</sup> **106 km of medium voltage cable** at 20 kV were upgraded and **79 secondary substation renovations** were carried out to **increase their resilience to the critical factor of “heat waves”**, and **12 secondary substation renovations** were carried out to **increase resilience to the critical factor “flooding”**. For the LV networks, **226 km** were put in place as part of the **overall network modernisation programme**, in preparation for the subsequent voltage change from 230 V to 400 V. In addition, **remote control was extended** to additional **secondary substations and reclosers**, for a **total of 7,247 remote-controlled MV nodes at 31.12.2020**.

**TABLE 18 – MAIN INTERVENTIONS FOR THE MANAGEMENT AND DEVELOPMENT OF ELECTRICITY GRIDS AND SUBSTATIONS (2020)**

type of work	HV lines and primary substations (PSs)
demolition of grid and supports	The demolition of the <b>150 kV Flaminia 2 – East Sorting 2 overhead line</b> (22.58 km long and composed of 74 supports) continued in 2020 as well.
construction of grid and supports	construction of the new section <b>of the new section</b> of the <b>150 kV Roma Nord – San Basilio overhead line</b> (4.08 km long and comprising 21 supports) and construction of the new section of the <b>150 kV Roma Nord – San Basilio underground cable line</b> (3.4 km long) began.
station upgrading, expansion, renovation	interventions were carried out in <b>49 primary substations</b> .
ordinary and extraordinary maintenance on PS station equipment	work was carried out on <b>126 high-voltage circuit breakers</b> and <b>809 medium-voltage circuit breakers</b> were serviced; <b>33 on-load tap changers</b> of power transformers were overhauled and <b>72 high-voltage measuring transformers</b> were replaced.
	<b>HV and MV protection and measures</b>
remote management	the following were prepared, calibrated and put into operation <b>48 new MV line bays</b> ; <b>checked 472 posts</b> (51 HV posts and 421 MV posts) and <b>44 transformers</b> (between HV/MV and MV/MV).
measures	earth resistance measurements were carried out on <b>2,930 secondary substations</b> ; step and contact voltages and total earth resistance measurements were conducted on <b>56 substations</b> (15 PSs and 41 SSs).
	<b>MV and LV lines</b>
modernisation and upgrading of MV networks (transformation from 8.4 kV to 20 kV) and LV networks (transformation from 230 V to 400 V)	<b>242 km of 20 kV MV cable</b> (13 km for expansion and 229 km for upgrading), <b>including 106 km</b> to increase resilience to “heat waves”, and <b>226 km of LV cable</b> (55 km for expansion and 171 km for upgrading in preparation for voltage changeover) <b>were installed</b> .
ordinary and extraordinary maintenance	<b>heloborne inspections were carried out</b> for an extension of the overhead MV network equal to <b>437 km</b> , in order to carry out specific interventions to replace equipment, supports, conductors, etc. necessary for the preservation and maintenance of the functionality of the systems.
	<b>secondary substations (SSs) and remote control</b>
construction, extension, reconstruction SS	<b>1,174 secondary substations</b> were built/upgraded/rebuilt (124 for new connections or power increases, 1,050 for upgrading to 20 kV, renewing equipment, setting up remote control), <b>of which 91</b> substations were rebuilt to increase resilience to “heat waves” (79 substations) and “flooding” (12 substations).
ordinary and extraordinary maintenance on SS	<b>503 extraordinary maintenance operations</b> and <b>2,524 inspections</b> on secondary substations were carried out.
remote control	remote control was extended to <b>406 secondary substations</b> and <b>141 reclosers</b> (7,247 MT nodes were remote controlled at 31/12/2020) and <b>5,990 maintenance operations</b> were carried on TLCs and reclosers.

In 2020, Areti continued the initiatives defined in the plan of interventions to protect the primary and secondary substations, as part of the activities aimed at raising the **levels of security for the protection of infrastructures from cyber risks**, and started **analyses to identify integrated technological solutions to protect field equipment and detect any vulnerability of industrial network protocols**. In addition, **Quick SIEM** and **Blue Team** services were implemented to monitor the network infrastructure and manage incidents, ensuring security oversight in view of the establishment of the **Security Operation Center (SOC)**. See also the chapter

*Institutions and Business* for an in-depth analysis of research and innovation and the projects implemented.

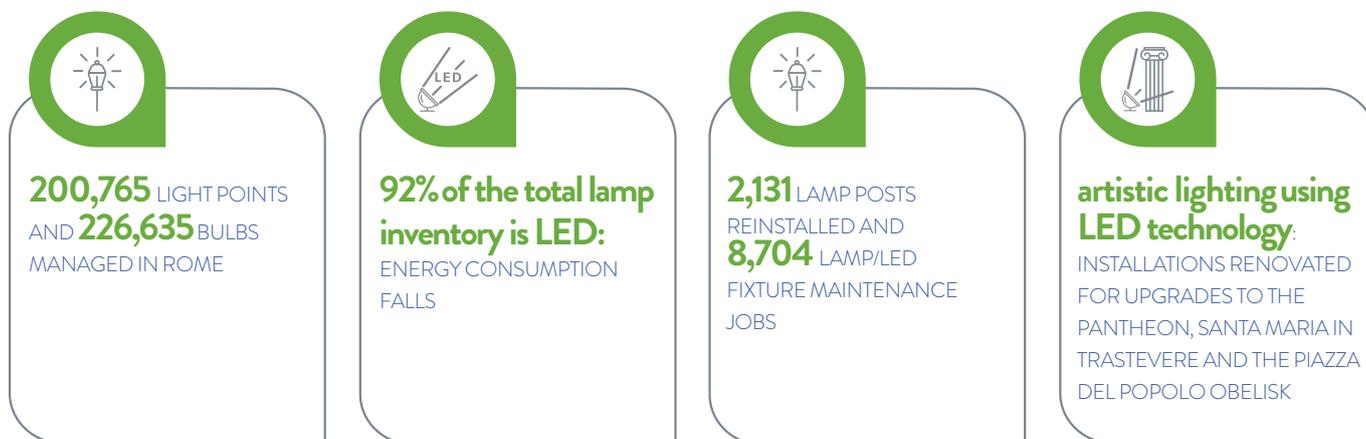
In **September 2020**, Areti launched the plan for the massive replacement of **first-generation (1G) meters with second-generation (2G) ones**, initially involving the territory of the IX Municipality of Rome and, progressively, the entire managed territory of Rome and Formello, **for an expected total of approximately 1.3 million 2G meters installed by 2024**. The features of the new meters provide customers with data that **promotes greater awareness of their**

<sup>32</sup> Areti’s Resilience Plan was submitted to ARERA in June 2019.

**consumption** and the **reduction of estimated billing**. The number of 2G meter installations carried out as of 31/12/2020 was **59,275**. The overall figure for the number of **1st and 2nd generation**

**remotely managed digital meters** installed at active low-voltage users, as of 31/12/2020, is **1,643,188**, corresponding to 99.72% of the total number of LV meters.

## PUBLIC LIGHTING



Areti manages, by virtue of the *Service Agreement*<sup>33</sup> between Acea SpA and Roma Capitale, works on the **functional and artistic-monumental public lighting** infrastructures, for **about 200,700 lighting points** located on a territory with an extension of about 1,300 km<sup>2</sup>.

The Company handles the **design, construction, operation, maintenance and renovation of lighting networks and installations**, and

plans interventions in accordance with the **instructions of the local government departments and supervisory departments**, which are responsible for new urban developments, redevelopment projects and cultural heritage.

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

**TABLE NO. 19 – PUBLIC LIGHTING IN ROME IN FIGURES (2020)**

lighting points (no.)	200,765
<i>monumental artistic lighting points (no.)</i>	<i>around 9,900</i>
bulbs (no.)	226,635
MV and LV network (km)	8,011

In recent years the trend towards a reduction in consumption for public lighting has continued (see *The relationship with the environment; The use of materials, energy and water*) due, essentially, to the progressive modernisation of the systems with the installation of LED technology lamps; at 31.12.2020 there were **207,870 LED lamps, equal to approximately 92% of the total number of lamps** (see also the *Environmental Accounts*).

In addition, in 2020 the **“POLEDRIC” project**, for the development and implementation of an **innovative technological solution**, aimed at the creation of an **“intelligent pole”**, which will be applied to the public lighting poles of the city of Rome, contributing to the evolution towards the “smart city” (see the

chapter *Institutions and business, Commitment to research and innovation*).

Among the numerous interventions carried out during the year, we would like to mention, by way of example, the **new lighting of a number of parks and gardens** located in peripheral and central areas of the Capital, for the benefit and greater safety of citizens, including the **Don Cadmo Biavati Park**, the **Salvador Allende Park** and the **Piazza Mazzini garden**, including the fountain and the roadway, and among the functional projects, the modernisation and upgrading of the **Lungotevere della Vittoria** and the **Via di Val Gardena** project (see box).

<sup>33</sup> By Resolution of the City Council no. 130 dated 22 December 2010 regarding the *Updating of the Service Agreement between Roma Capitale and Acea SpA*, effective 15 March 2011, the agreement was extended to 31.12.2027.

## LIGHTING WORKS IN PARKS AND GARDENS

The new lighting for **Parco don Cadmo Biavati**, located in the **Centocelle** district, was financed with funds from the 2019 Light Quality Plan. The works, carried out in 2020, were completed in thirty days and entailed the laying of **more than 5 km of cable**, the **installation of 90 posts** of different heights, from 6 metres up to 12 metres above ground, and **120 fixtures**, for an overall installed power of 8,750 W. The installation of this lighting in the area of the park, **which was completely devoid of lighting**, is included within a broader project for the **redevelopment of urban and green spaces** in the Centocelle district, to make those spaces increasingly enjoyable for visitors and residents.

The **Tor Vergata archaeological park**, called **Parco Salvador Allende**, with trails covering 11 hectares, was equipped with a new public lighting system made up of **65 posts and garden fixtures** with a total power of 3,500 W and the laying of more than 1.5 km of cable. The new lighting, the work for which was completed in November 2020, has contributed to improving the perception of safety among visitors to the park.

Lastly, the **lighting system for the road and the garden in Piazza Mazzini**, which lies in a **central area** of the city (Prati district), was **renovated and upgraded** by replacing the existing light points with new ones using LED-technology, and supplementing them

with additional posts. In particular, the old C40-type posts with Roma-type fixtures, dedicated to lighting the street, were redistributed with the addition of 8 new posts of the same type; 15 x 50 W fixtures on the posts present in the central area of the piazza were replaced with new better performing (114W) fixtures. In the garden area, the existing system, made up of 4 old Villa Umberto-type posts with Campidoglio-type LED fixtures, was inadequate and therefore 8 new light points of the same type were added, while **the fountain, which did not have lighting, was equipped with 28 underwater spotlights**. More than 3,500 W of power has been added to the system overall.

## FUNCTIONAL INTERVENTIONS ON LUNGOTEVERE DELLA VITTORIA AND VIA DI VAL GARDENA

The project to modernise and upgrade **Lungotevere della Vittoria** arose from the need to fit a **poorly lit and very congested** section of road with adequate installations. The street is bordered by Piazzale Maresciallo Giardino to the west and Piazza del Fante to the east, and is made up of two two-way carriageways separated by a traffic island, two pavements, a cycle lane and a spine-formation parking area. The section is also framed by a high backdrop and thick trees. The work entailed

**the replacement of 26 light fixtures** with new higher-performing bulbs, the **replacement of 4 posts** with the same number “in style” and **the installation of 20 new light points which made it possible to double the existing availability**: the new posts were in fact counter-positioned, with posts placed on both sides of the road, achieving the goal of adequate lighting.

**Via di Val Gardena**, located in the Camillicia district, connects Cassa Antica to

Via dell'Acqua Traversa, where the Navy barracks are located, and the Villaggio dei Cronisti area. Although it is an internal road, it is also rather congested. The work entailed the installation of a **new public lighting system** to replace the pre-existing system; **19 posts** were installed to a height of 8 metres above ground and equipped with functional fixtures pointing to the street, for a total power of about 1000 W.

Areti has **consolidated expertise in artistic and monumental lighting**, and in 2020 its activities focused on the renovation of existing installations at sites of particular importance, including the **Pantheon, Santa Maria in Trastevere, the Linear Park of the Aurelian Walls, the Trofei di Mario** (the monumental archaeological structure located in the garden of Piazza Vittorio Emanuele II) and the **the obelisk in Piazza del Popolo** contributing to enhance its beauty for the benefit of citizens and visitors (see box below). It is also worth mentioning the numerous **special**

**illuminations**, with **the projection of the highly symbolic national tricolour** on the institutional premises, throughout the period marked by the Covid-19 health emergency, which is still ongoing (see also, in the chapter *Customers*, in the paragraph *Communication, events and solidarity*).

Every year, Areti carries out **efficiency and safety upgrades** at lighting points, as well as **scheduled and extraordinary maintenance** on the installations (see table no. 20).



**TABLE NO. 20 – MAIN INTERVENTIONS FOR IMPROVED EFFICIENCY, SAFETY, REPAIRS AND MAINTENANCE (2020)**

TYPE OF WORK	(no.)
actions to <b>improve energy efficiency/technological innovation</b> (fixture replacement)	<b>922 light points replaced</b> (not including new LED installations)
<b>safety measures</b>	<b>3,305</b> lighting points made safe
<b>checking corrosion on lamp posts</b>	<b>33,098</b> supports verified (functional and artistic)
<b>LED lamp reinforcement/maintenance</b>	<b>8,704</b> maintenance jobs
<b>reinstalling lamp posts that were</b> corroded or knocked down due to accidents	<b>2,131</b> lamp posts reinstalled

**NOTE** The table includes operations carried out for the Municipality of Rome and third parties.

Acea monitors the **quality parameters of the public lighting service** with regard to the **repair time of faults**, calculated from the time the report is received<sup>34</sup>. The **performance standards** are **expressed by an average allowable restoration time (TMRA)**, within which repairs should be carried out, **and a maximum time (TMAX)**, beyond which a **penalty system** is triggered<sup>35</sup>.

For the **2020 performance** relating to the **average recovery time (TMR)** of the **functionality of the plants**, for the various types of failure, table no. 21 shows the best estimate available, since at the time of publication of this document, the data are in the process of being consolidated; all the performances are below the average restoration time allowed by the contractual standards.

**TABLE NO. 21 – PUBLIC LIGHTING FAULT RECOVERY: FINES, STANDARDS AND ACEA PERFORMANCE (2019-2020)**

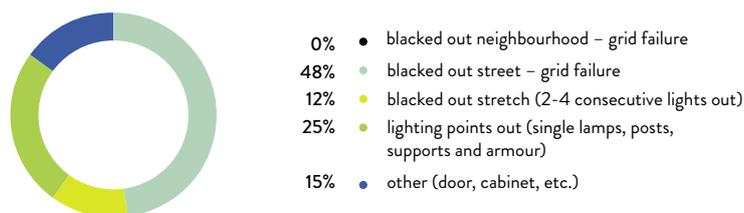
TYPE OF FAULT	DAILY PENALTY FOR DELAYS (euro)	STANDARD CONTRACTUAL SERVICE <sup>(*)</sup>		ACEA SERVICE	
		TMRA (average permitted recovery time) (working days)	TMAX (maximum recovery time) (working days)	TMR (average recovery time) (working days)	
				2019	2020
blacked out neighbourhood – MV grid failure	70	1 day	1 day	< 1 day	< 1 day
blacked out street – MV or LV grid failure	50	5 days	8 days	1.9 days	1.9 days
blacked out stretch (2-4 consecutive lights out)	50	10 days	15 days	8.4 days	8.4 days
lighting points out: single lamps, posts, supports and armour	25	15 days	20 days	11.9 days	8.9 days

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

**Control systems**, such as remote management, detect the fault situation, which can **also be reported** via contact channels (call centre, app, web, fax or letter)<sup>36</sup>. **In 2020, 19,278 fault reports<sup>37</sup> were received** and **96%** of them were followed up within the year. **The percentage distribution of the total number of reports received by**

**type of fault** is shown in chart 26. The most significant incidents concern “blacked out street”, in relation to a “network fault” (48%) and “lighting point out” (25%), with the lowest impact in terms of safety. “Blacked out stretch” is more contained (12%). During the year there have been no cases of “Blacked out neighbourhood” due to grid failure.

**CHART NO. 26 – TYPES OF PUBLIC LIGHTING FAULTS OUT OF TOTAL REPORTS RECEIVED (2020)**



<sup>34</sup> For the purpose of calculating service levels, reports pertaining to damages caused by third parties are not be considered.

<sup>35</sup> Fines are calculated using the following criteria: each repair completed beyond the TMAX will be sanctioned; repairs completed within the TMAX but exceeding the TMRA will be sanctioned only if TMR > TMRA. At the time of publication of this document the data is not yet definitive, therefore the accurate data on 2020 reports subject to fines being calculated is not available.

<sup>36</sup> More detailed information on call centre performance and written complaints is provided in the Customer Care section.

<sup>37</sup> The data excludes reminders and repeated reporting of the same fault.

As mentioned, **Acea contributes to the enhancement of the monumental heritage of the capital** in agreement with the relevant authorities, with about **9,900 light fixtures** for

**artistic lighting.** The main **interventions of the year**, already mentioned at the beginning of the paragraph, are illustrated in a separate box.



**THE ARTISTIC LIGHTING WORKS INCLUDE: THE PANTHEON, SANTA MARIA IN TRASTEVERE, THE “TROFEI DI MARIO”, THE PIAZZA DEL POPOLO OBELISK AND OTHER SITES OF SIGNIFICANCE**

In 2020, the artistic lighting work affected **sites of extraordinary significance** and notoriety. These included the **Pantheon**, for which Areti, with the support of Roma Capitale, renovated the installations in place for the upgrading the monument. The project entailed the **replacement of 83 spotlights** in the system built in the 1990s, now obsolete and difficult to maintain, **with 150 latest-generation LED-technology fixtures**. Notwithstanding the larger number of fixtures used, **the absorbed power fell from around 10 kW to around 5 kW**, with a 50% electricity saving. The semi-grazing lighting, with neutral light in the covered walkway and the spot lighting on pediment and architrave contribute to reconstructing the urban backdrop. The inside of the pronaos was lit with warm light. As regards the roundabout, the uniform light emphasises the division into horizontal bands, while lighting to accent architectural features is added to this technical lighting scheme. The important innovation that was introduced is the **light control system** using DALI-WiFi protocol, which makes it possible to **calibrate the light intensity of each individual light point upon installation and program various lighting scenarios**.

At **Santa Maria in Trastevere** the Basilica's

artistic lighting system was renovated with **57 new LED spotlights**. In addition to the introduction of the **light control system** using the same protocol as mentioned previously for the Pantheon, the novelty of this project consisted of the construction of **a system architecture separate from the light points existing in the piazza** (posts and shelves). In fact, an essential design technical post was built, containing all of the spot lights to be used to light the facade; in terms of the technical lighting, a high level of uniformity was reached on the various perspective planes of the Basilica facade and bell tower, also lit internally with warm light. The new lighting system favours better visual comfort and the achievement of a significant saving in terms of nominal power used: from 6.5 kW previously to 2 kW in the new system.

The works promoted by Roma Capitale also include the Project for the **Mura Aureliane Linear Park** on the Porta Metronia and via Numidia stretch. The existing system had been subject to vandalism and large portions of it had no power supply. Thanks to the **replacement of the existing recesses with LED-technology fixtures and latest-generation high-end components**, the nocturnal urban backdrop provided by the walls was reconstructed, with another energy sav-

ing of more than 60% (from 9,895 W to 3,703 W). In the more extensive project to **upgrade the Piazza Vittorio Emanuele II gardens**, Areti restored and upgraded the existing public lighting installations and also built the **new light designed to improve the monumental archaeological structure known as the “Trofei di Mario”, the Fontana del Glauco fountain and the new Fontana degli Zampilli fountain**. The dedicated Trofei di Mario lighting system was redesigned with smaller LED spotlights installed so they cannot be seen by visitors. The existing system, made up of 21 discharge spotlights was **replaced with 32 LED spotlights**, obtaining a 70% energy saving.

Lastly, **extraordinary maintenance was carried out on the Piazza del Popolo obelisk lighting system**. In particular, the existing spotlights with sodium-vapour lamps were **replaced by 4 LED-technology spotlights and precision optics**. The 3000 K choice of colour temperature and a high colour rendering (CRI 90) enhance the monument by emphasising the chromatic features of the material and making it easier to see the hieroglyphics. Although the number of spotlights used has increased, a considerable energy saving (about 65%) was obtained, with a reduction from 1,000 kW to 360 kW.

## THE QUALITY LEVELS REGULATED BY ARERA IN THE ELECTRICITY SECTOR

The **Regulatory Authority for Energy, Networks and the Environment (ARERA)** defines, at a national level, the **commercial quality** standards (i.e. the timing of the technical-commercial services requested by customers, such as estimates, work on connections, activation/deactivation of the supply, response to complaints) and **technical** quality standards (continuity of supply) **of the electricity service; it periodically reviews them**, directing operators to constantly improve performance.

**Commercial quality** is divided into “**specific**” and “**general**” levels<sup>38</sup>, for the **distributor** (differentiated for low and medium voltage supplies) and for those of the **seller** (see tables nos. 22, 23 and 24).

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

The **2020 commercial and technical quality results**<sup>39</sup> related to the **distribution** and metering, as disclosed herein, represent **the best estimate available**<sup>40</sup> at the time of writing and may not coincide with those submitted to ARERA as part of the annual reports.

As regards the “**specific**” levels of **commercial quality**, there was a significant improvement in the indicator of compliance in respect of the punctuality of appointments with customers, at all voltage levels, and a worsening in the execution of simple works for the low voltage connections of domestic and non-domestic customers, as well as for the deactivation of the supply on request of medium voltage end customers. The other performances follow last year’s positive trend. Regarding “**general**” levels concerning responses to written complaints/inquiries, there has been a deterioration in performance compared to 2019, due to the effects of the Covid-19 outbreak on field operations, with the reduction or suspension of some activities, such as the collection of measurement data by operators, and the consequent increase in complaints (see table no. 22).

Automatic compensation to customers<sup>41</sup> to be paid in case of non-compliance with “specific” quality levels, start from a basic amount,<sup>42</sup> which can be doubled (if the timing of the activities exceeds the standard between two and three times) or tripled (if the timing exceeds the standard by three times).

With regard to the quality of the **sales** service, it should be noted that in 2020 **Acea Energia fully aligned the processing of written complaints with the current volumes received**, reducing the occurrence of “backlog” volumes to residual cases characterised by particularly complex resolutions. This resulted in a further increase in the percentages of **compliance with the standards** set by ARERA, already recorded last year, and a compression of the maximum times within which services must be provided (see table no. 23), as well as a significant reduction in the amount of compensation to be paid to end customers.

With **reference** to Areti’s performance relative to the incentive regulation of the **duration** and **number of interruptions without prior notice** for **low-voltage users**, the data relative to the 2020 – summarised in table no. 24 – indicate that in the urban area characterised by the highest degree of concentration of users (so-called high concentration territorial area), the continuity of the service was guaranteed with a better quality compared to last year. There has also been a significant improvement in results in the peripheral and rural areas, except for the average number of interruptions recorded in medium concentration.

In addition to the indicators described above, the electricity distributor is also required to comply with specific levels of service continuity with reference to **medium voltage users** for which automatic compensation will be paid<sup>43</sup> in cases where the number of interruptions during the year exceeds a defined standard. Finally, separately for **medium and low voltage users** in the event of failure to comply with the maximum power restoration times, there is an additional reimbursement to be paid by the distribution Company to each user that is disconnected for more than 8 hours.

<sup>38</sup> “Specific quality standards” are defined as the deadline within which the service provider must provide a given service and, in the event of non-compliance, they require that automatic compensation is granted to customers; the “general quality standards” are defined as the minimum percentage of services to be provided within a given deadline.

<sup>39</sup> Integrated Test on the output-based regulation of electricity distribution and measurement services – Annex A to ARERA resolution 646/2015/R/eel as subsequently amended and supplemented.

<sup>40</sup> This is due to the misalignment between the delivery times of reports to the Authority and those required by law for the publication of this document.

<sup>41</sup> Where due, automatic compensation is paid to the customer by deduction from the amount charged in the first subsequent bill and if needed in following bills, or paid by direct remittance. In any case, such automatic compensation must always be paid to the customer within 6 months from the date of receipt of the written complaint or the request for reimbursement of double billing, with the exception of customers who are billed quarterly, for which the term is set at 8 months. For distribution activities, automatic compensation is paid by the distributor to the service recipient within 7 months from the date on which the required service is provided.

<sup>42</sup> The amount set by the Authority for compensation for non-compliance with the specific quality standards for the distribution service starts from a basic amount of € 35 for domestic low voltage customers; € 70 for non-domestic low voltage customers and € 140 for medium voltage customers. In the event of non-compliance with the specific quality standards of the sale, the seller shall pay the final customer an automatic compensation of € 25. Compensation grows in relation to the delay in the provision of the service.

<sup>43</sup> In order to be entitled to compensation, medium voltage customers must prove that they have installed protection devices at their plants that can prevent any interruption caused by faults in their utility plants from having repercussions on the Areti network, damaging other customers connected nearby. Furthermore, they must send their own plant adequacy statement, issued by parties with specific technical and professional expertise. Where customers fail to meet the requirements whereby compensation may be sought, that amount is paid by Areti as a fine to the Energy and Environmental Services Fund.

**TABLE NO. 22 – MAIN SPECIFIC AND GENERAL LEVELS OF COMMERCIAL QUALITY – ENERGY DISTRIBUTION (2019-2020)**  
 – (ARERA parameters and Areti performance – 2019: data submitted to ARERA; 2020: estimated data)

**ENERGY DISTRIBUTION**

**SPECIFIC LEVELS OF COMMERCIAL QUALITY**

SERVICES	ARERA PARAMETERS – maximum time by which the service must be performed	2019		2020	
		average actual completion time for services	percentage of services carried out within time limit	average actual completion time for services	percentage of services carried out within time limit
<b>LOW VOLTAGE (LV) SUPPLIES</b>					
<b>DOMESTIC CUSTOMERS</b>		<b>ARETI'S PERFORMANCE</b>			
estimates for work on LV networks (ordinary connections)	15 working days	7.34	96.95%	8.09	95.38%
completion of simple work (ordinary connections)	10 working days	8.38	85.25%	10.51	73.40%
completion of complex works	50 working days	15.79	96.94%	13.44	96.15%
supply activation	5 working days	1.37	96.71%	1.20	97.38%
deactivation of supply on customers request	5 working days	0.85	98.50%	1.07	97.38%
reactivation of supply following disconnection for late payment	1 working day	0.04	99.69%	0.05	99.56%
resumption of the supply following faults of the metering equipment (requests sent during business days from 08:00 to 18:00)	3 hours	2.18	81.42%	2.80	68.10%
resumption of the supply following faults of the metering equipment (requests sent during non-business days or from 18:00 to 08:00)	4 hours	2.25	89.87%	2.52	87.54%
maximum punctuality band for appointments with customers	2 hours	n.a.	87.37%	n.a.	91.46%
<b>NON-DOMESTIC CUSTOMERS</b>		<b>ARETI'S PERFORMANCE</b>			
estimates for work on LV networks (ordinary connections)	15 working days	7.38	96.66%	8.21	95.51%
completion of simple work (ordinary connections)	10 working days	9.61	83.20%	11.47	72.55%
completion of complex works	50 working days	16.38	94.34%	16.66	94.59%
supply activation	5 working days	2.29	92.74%	2.12	93.97%
deactivation of supply on customers request	5 working days	8.13	94.88%	2.41	95.46%
reactivation of supply following disconnection for late payment	1 working day	0.12	99.57%	0.08	99.42%
resumption of the supply following faults of the metering equipment (requests sent during business days from 08:00 to 18:00)	3 hours	2.52	75.68%	2.90	67.04%
resumption of the supply following faults of the metering equipment (requests sent during non-business days or from 18:00 to 08:00)	4 hours	2.51	89.22%	2.35	86.45%
maximum punctuality band for appointments with customers	2 hours	n.a.	89.75%	n.a.	91.61%
<b>MEDIUM VOLTAGE SUPPLIES (MV)</b>					
<b>END CUSTOMERS</b>		<b>ARETI'S PERFORMANCE</b>			
estimates for work on MV networks	30 working days	16.59	89.19%	13.38	93.20%
completion of simple work	20 working days	5.38	100.00%	17.68	90.91%
completion of complex works	50 working days	19.79	97.62%	18.31	90.63%
supply activation	5 working days	5.45	70.97%	5.44	77.78%
deactivation of supply on customers request	7 working days	8.44	76.00%	12.85	69.70%
reactivation of supply following disconnection for late payment	1 working day	0.76	85.71%	1.00	82.35%
maximum punctuality band for appointments with customers	2 hours	n.a.	84.83%	n.a.	91.50%

**TABLE NO. 22 – MAIN SPECIFIC AND GENERAL LEVELS OF COMMERCIAL QUALITY – ENERGY DISTRIBUTION (2019-2020) – (ARERA parameters and Areti performance – 2019: data submitted to ARERA; 2020: estimated data) (cont.)**

**GENERAL LEVELS OF COMMERCIAL QUALITY**

SERVICES	ARERA PARAMETERS – minimum percentage of services to be performed within a maximum time	average actual completion time for services	percentage of services performed within the maximum time	average actual completion time for services	percentage of services performed within the maximum time
		2019		2020	
<b>LOW VOLTAGE (LV) SUPPLIES</b>					
<b>DOMESTIC CUSTOMERS</b>		<b>ARETI'S PERFORMANCE</b>			
reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	30.76	82.88%	40.03	59.56%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	52.96	65.01%	67.68	53.43%
<b>NON-DOMESTIC CUSTOMERS</b>		<b>ARETI'S PERFORMANCE</b>			
reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	26.95	82.96%	44.87	56.44%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	49.98	63.62%	63.03	53.66%
<b>MEDIUM VOLTAGE SUPPLIES (MV)</b>					
<b>END CUSTOMERS</b>		<b>ARETI'S PERFORMANCE</b>			
reply to written complaints/enquiries regarding distribution operations	95% within 30 calendar days	11.21	95.09%	23.98	78.59%
reply to written complaints/enquiries regarding metering operations	95% within 30 calendar days	52.05	56.41%	150.08	25.00%

**NOTE** The symbol “/” is used when services were not requested during the year, “n.a.” means the data are not applicable.

**TABLE NO. 23 – MAIN SPECIFIC AND GENERAL LEVELS OF COMMERCIAL QUALITY – ENERGY SALES (2019-2020) – (ARERA parameters and Acea Energia performance – data submitted to ARERA)**

**ENERGY SALES**

**SPECIFIC LEVELS OF COMMERCIAL QUALITY<sup>(\*)</sup>**

SERVICES	ARERA PARAMETERS – maximum time by which the service must be performed	percentage of services carried out within time limit	percentage of services carried out within time limit
		2019	2020
<b>MORE PROTECTED SERVICE</b>		<b>ACEA ENERGIA PERFORMANCE</b>	
billing adjustments	60 calendar days	50.0%	50.0%
double billing adjustments	20 calendar days	/	/
reasoned reply to written complaints	30 calendar days	79.0%	90.7%
<b>FREE MARKET</b>		<b>ACEA ENERGIA PERFORMANCE</b>	
billing adjustments	60 calendar days	40.0%	42.9%
double billing adjustments	20 calendar days	/	/
reasoned reply to written complaints	30 calendar days	82.6%	88.7%

**GENERAL LEVELS OF COMMERCIAL QUALITY**

SERVICES	ARERA PARAMETERS – minimum percentage of services to be performed within a maximum time	percentage of services performed within the maximum time	percentage of services performed within the maximum time
<b>MORE PROTECTED SERVICE</b>		<b>ACEA ENERGIA PERFORMANCE</b>	
reply to written enquiries	95% within 30 calendar days	100.2%	99.6%
<b>FREE MARKET</b>		<b>ACEA ENERGIA PERFORMANCE</b>	
reply to written enquiries	95% within 30 calendar days	99.4%	99.3%

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

**TABLE NO. 24 – SERVICE CONTINUITY DATA – ENERGY DISTRIBUTION (2018-2020) – (ARERA parameters and Areti performance – 2018-2019: data certified by ARERA; 2020: provisional data)**

**ENERGY DISTRIBUTION – CONTINUITY INDICATORS – LV CUSTOMERS**

**DURATION OF DISRUPTIONS AND PERCENTAGE CHANGES**

SERVICES	average cumulative duration of long disruptions without prior notice under the operator's responsibility per LV customer per year (minutes)			percentage changes	
	2018	2019	2020	2020 vs. 2018	2020 vs. 2019
high concentration	43.61	43.81	42.31	-2.98%	-3.42%
medium concentration	50.02	60.15	51.97	3.90%	-13.60%
low concentration	54.44	66.35	47.63	-12.51%	-28.21%

**AVERAGE NO. OF DISRUPTIONS AND PERCENTAGE CHANGES (\*)**

SERVICES	average no. of disruptions without prior notice under the operator's responsibility per LV customer per year			percentage changes	
	2018	2019	2020	2020 vs. 2018	2020 vs. 2019
high concentration	1.99	2.02	1.87	-6.03	-7.43%
medium concentration	2.19	2.52	2.59	18.26%	2.78
low concentration	3.01	3.33	3.06	1.66%	-8.11%

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

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

**QUALITY IN THE WATER AREA**



**115 Water Kiosks** ACTIVE IN THE COMMUNITIES  
 MANAGED BY ACEA ATO 2 AND GORI: ABOUT **27.7 million litres of water supplied**, EQUAL TO **554 tonnes of plastic/year saved** AND **968 tonnes of CO<sub>2</sub>** NOT EMITTED INTO THE ATMOSPHERE



**Water safety plans – WSPs:**  
 ACTIVITIES COMMENCED by all Companies in the water segment



**Proteus NB-IoT:**  
**30,000 meters** WITH REMOTE READING CAPABILITIES INSTALLED (AS AT 31.12.2020)

Through subsidiaries and investee companies, the Acea Group manages the integrated water service (IWS) in several Optimal Areas of Operations (OTA) or District Areas of Lazio, Tuscany, Campania and Umbria.

Below, in line with the reporting boundary (see *Communicating sustainability: methodological note*), we describe the activities carried out in **Lazio**, **Campania** and **Tuscany** by the following companies:

- **Acea Ato 2**, in OTA 2 – Central Lazio (Rome and 111 other municipalities, of which 79 are managed<sup>44</sup> by Acea Ato 2, equal to about 94% of the population in the area), the Group's "historical" area of operation<sup>45</sup> with a pool of residents served, in 2020, of over 3.7 million;
- **Acea Ato 5**, in OTA 5 – southern Lazio – Frosinone (86

municipalities managed<sup>46</sup> in the area of Frosinone and vicinity, equal to about 95% of the population), for about 468,000 residents served;

- **Gori** operates in the Sarnese Vesuviano district (in 76 municipalities – 59 in the province of Naples and 17 in the province of Salerno – of which 74 are managed), with approximately 1.4 million residents served;
- **Gesesa** operates in the OTA – Calore Irpino (22 municipalities managed, in the area of Benevento and province), with about 117,000 residents served;
- **AdF** – in the reporting perimeter from this year – operating in the OTA 6 Ombrone that includes 55 municipalities (28 in the province of Grosseto and 27 in the province of Siena) with a population of about 383,000.

<sup>44</sup> In 79 municipalities, equal to about 94% of the population in OTA 2 – Central Lazio, Acea Ato 2 managed the entire IWS (aqueduct, sewerage and waste water treatment), and the IWS was partially managed in another 18 municipalities.

<sup>45</sup> Acea was entrusted with the running of the capital's aqueduct service since 1937, the water treatment system since 1985 and the entire sewerage system since 2002, effective 1<sup>st</sup> January 2003.

<sup>46</sup> Including the management of two municipalities outside the area (Conca Casale and Rocca d'Evandro).

The five companies<sup>47</sup> represent, cumulatively, **about 71% of the population served in the water sector by the entire Group.**

The integrated water service (IWS) involves **the entire cycle of drinking water and wastewater**, from the collection of water from the springs until its return to the environment, and is regulated by a **management agreement signed between the Company that takes charge of the service and the Area Authority** (AGB – Area Governing Body). ARERA has defined the essential minimum contents that are uniform throughout the country, of the **“Model Convention” which regulates relations between the entrusting bodies and the service operators.** For the main regulatory interventions in the water sector undertaken during the year by ARERA, see paragraph *Context analysis and business model* (Group Profile chapter), and for more details see the Authority’s website.

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

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

which also have an impact on the infrastructure to be implemented. The companies operate in compliance with the procedures of the **certified management systems**, in particular, for Acea Ato 2, Acea Ato 5 and Gesesa in the areas of Quality, Environment, Safety and Energy, for Gori in the areas of Quality, Environment and Safety and for AdF in the areas of Quality and Safety (see, for further details, *The corporate identity, The management systems*).

## CONSISTENCY, INTERVENTIONS AND REMOTE CONTROL

All companies are progressively **digitising the networks**, with **studies, field surveys and data entry in the georeferenced information system (GIS).** In particular, at 31.12.2020, **Acea Ato 2 has about 85% of the networks traced in the GIS system; Acea Ato 5** has digitised **about 3,800 km** of the water network at 31.12.2020 and has almost completed, in 2020, the surveys on another 1,100 km (22 municipalities), as part of the four-year plan to complete the surveys and mapping in GIS of the networks of all the municipalities managed. **Gori** and **Gesesa** have georeferenced the stocks shown in table 25 and are continuing to survey and update the data; in particular, Gesesa has already georeferenced the **water sites** (wells, springs, reservoirs/partitions) and the **sewage lifting and treatment plants**, including their functional diagrams.

In 2020, **AdF** completed a **census of the sewerage network** in all the municipalities it manages, surveying 1,731 km and about 30,000 wells during the year; it also started a project to include the P&I (Piping & Instrumentation Diagram) of the plants in the georeferencing system (for 280 new P&Is included in 2020).

**TABLE NO. 25 – WATER MAINS AREAS 2020 (georeferenced data)**

COMPANY	DRINKING WATER NETWORK (km)	SEWERAGE NETWORK (km)
<b>Acea Ato 2</b>	12,764 (723 km of aqueduct, 1,111 km of supply network and 10,930 km of distribution)	5,958 (more than 4,000 of which for Rome)
<b>Acea Ato 5</b>	5,884 (1,218 km of supply network and 4,666 km of distribution network)	1,619
<b>Gori</b>	5,141 (869 km of supply network and 4,272 km of distribution network)	2,625
<b>Gesesa</b>	1,581 (175 km of supply network and 1,406 km of distribution network)	509 (among outfalls, main and secondary collectors)
<b>AdF</b>	8,271 (1,989 km of supply network and 6,282 km of distribution network)	1,731 (among outfalls, main and secondary collectors)

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

Each year, the Companies carry out:

- **infrastructure interventions** such as **modernisation or strengthening of the plants** the **remote control of infrastructures**, the **completion**, the **extension** or the **drainage of pipelines and networks**, to contain the losses and improve the efficiency and quality of the service provided;
- **interventions to improve utility management** (such as installation and replacement of meters);
- **interventions to protect people and territory**, aimed at ensuring the **quality of the drinking water** distributed and the water returned to the environment (such as Water Safety Plans – WSPs – and laboratory controls; see also the chapter

*Institutions and the Company* and the section *Relations with the environment*).

For a quantification of the main interventions carried out by the companies during the year and the analytical checks on drinking water and waste water carried out independently or by Acea Elabori, see table no. 26.

**Acea Ato 2** continued the activities aimed at rendering **the supply system managed more solid, safe and resilient**, in compliance with the Concession’s capacity. In fact, with the support of Acea Elabori, **Acea Ato 2 has planned two strategically important interventions.** These are the new upper sections of the **Peschiera Aqueduct**, for which the final design has been completed and the authorisation phase has been initiated in preparation for the bidding process, and the new **Marcio Aqueduct**, for which the technical and economic feasibility project was completed in 2020.

<sup>47</sup> These are the main Companies of the Acea Group, operating in the water sector in Italy and consolidated in the financial statements using the line-by-line method (100% Acea SpA). The other notable operational companies that are owned by Acea and consolidated using the equity method, are not included in the NSF 2020, with the exception of certain global data aimed at representing the general dimension of the Group, as specified in the text from time to time (see also *Relations with the environment* and the *Environmental accounts*, as well as the chapter, outside of the scope of the NFD pursuant to Legislative Decree 254/2016, *Water Company data sheets and overseas activities*).

During 2020, Acea Ato 2 continued with **the installation of instruments that optimise pressures in the distribution network, managing their control in a dynamic and effective way** (hydraulic valves, pressure reducers, etc.). In particular, **92 hydrovalves** were installed to optimise the operating pressures of the networks, and **136.2 km of the water network** were reclaimed. Acea Ato 2 has started activities for the commissioning of a plant (Casa del Guardiano) in the mu-

nicipality of Santa Marinella, in order to **increase water availability** in the municipalities of Allumiere and Tolfa, completed new tanks serving the municipalities of Guidonia and Ciampino (Albuccione tank – Preziosa tank) and activated the degassers serving the Peschi and Camporesi wells in the municipalities of Grottaferrata and Ciampino. In addition, the programme to install flow-limiting devices on rural utilities was continued in order to limit non-drinking consumption.

**TABLE NO. 26 – MAIN INTERVENTIONS ON THE DRINKING WATER AND SEWERAGE NETWORKS AND CONTROLS ON DRINKING WATER AND WASTEWATER (2020)**

**INTERVENTIONS ON DRINKING WATER NETWORKS, METERS AND WATER TESTS**

<b>TYPE OF WORK</b>	
<b>ACEA ATO 2</b>	
interventions due to network failure/leak detection	<b>32,630 interventions</b> (33,446 due to faults, 816 leak detection)
meter installations (new installation and replacement)	<b>15,294 interventions</b> (11,626 new installations and 3,668 replacements) and <b>131,684 mass replacements</b> under contract
network extension	<b>7.8 km</b> of expanded network
network reclamation	<b>136.2 km</b> of reclaimed network
drinking water quality control	<b>11,875 samples</b> collected and <b>365,633 tests</b> performed

<b>ACEA ATO 5</b>	
interventions due to fault	<b>11,110 interventions</b> of repair
planned interventions	<b>43 interventions</b> (9 on the supply network and 34 on the water distribution network)
meter installations (new installation and replacement)	<b>26,611 interventions</b> (2,911 new installation and 23,700 replacements)
network extension	<b>0 km</b> of expanded network
network reclamation	<b>43.4 km</b> of reclaimed network
drinking water quality control	<b>2,751 samples</b> collected and <b>116,327 tests</b> performed

<b>GORI</b>	
interventions due to network failure/leak detection	<b>16,538 interventions</b> (14,517 due to faults, 2,021 leak detection orders)
planned interventions	<b>12,733 interventions</b>
meter installations (new installation and replacement)	<b>65,461 interventions</b> (11,030 new installation and 54,431 replacements)
network extension	<b>1.23 km</b> of expanded network
network reclamation	<b>49.03 km</b> of reclaimed network
drinking water quality control	<b>4,653 samples</b> collected and <b>141,288 tests</b> performed

<b>GESESA</b>	
interventions due to network failure/leak detection	<b>5,010 interventions</b> (4,649 due to faults, 361 leak detection)
planned interventions	<b>24 interventions</b>
meter installations (new installation and replacement)	<b>3,273 interventions</b> (including new installation and replacements)
network extension	<b>1.0 km</b> of expanded network
network reclamation	<b>5.52 km</b> of reclaimed network
drinking water quality control	<b>448 samples</b> collected and <b>9,372 tests</b> performed

<b>ADF</b>	
interventions due to network failure/leak detection	<b>9,405 interventions</b> (total, for faults and leak detection)
planned interventions	<b>153 interventions</b>
meter installations (new installation and replacement)	<b>41,698 interventions</b> (including new installation and replacements)
network extension	<b>0 km</b> of expanded network
network reclamation	<b>47 km</b> of reclaimed network
drinking water quality control	<b>3,987 samples</b> collected and <b>137,268 tests</b> performed

**INTERVENTIONS ON SEWERAGE NETWORKS AND TESTS**

<b>TYPE OF WORK</b>	
<b>ACEA ATO 2</b>	
interventions due to network failure	<b>4,931 interventions</b>
planned interventions	<b>823 interventions</b>
network extension	<b>10.9 km</b> of expanded network
network reclamation	<b>19.04 km</b> of reclaimed network
wastewater quality control	<b>7,495 samples</b> collected and <b>124,625 tests</b> performed

**TABLE NO. 26 – MAIN INTERVENTIONS ON THE DRINKING WATER AND SEWERAGE NETWORKS AND CONTROLS ON DRINKING WATER AND WASTEWATER (2020) (cont.)**

<b>ACEA ATO 5</b>	
interventions due to network failure	<b>877 interventions</b>
planned interventions	<b>10 interventions</b>
network extension	<b>1.3 km</b> of expanded network
network reclamation	<b>3.8 km</b> of reclaimed network
wastewater quality control	<b>3,155 samples</b> collected and <b>43,812 tests</b> performed
<b>GORI</b>	
interventions due to network failure	<b>489 interventions</b>
planned interventions	<b>6,431 interventions</b>
network extension	<b>5.64 km</b> of expanded network
network reclamation	<b>6.94 km</b> of reclaimed network
wastewater quality control	<b>1,192 samples</b> collected and <b>25,499 tests</b> performed
<b>GESESA</b>	
interventions due to network failure	<b>232 interventions</b>
planned interventions	<b>8 interventions</b>
network extension	<b>0 km</b> of expanded network
network reclamation	<b>0.1 km</b> of reclaimed network
wastewater quality control	<b>410 samples</b> collected and <b>5,736 tests</b> performed
<b>ADF</b>	
interventions due to network failure	<b>654 interventions</b>
planned interventions	<b>73 interventions</b>
network extension	<b>0 km</b> of expanded network
network reclamation	<b>4.85 km</b> of reclaimed network
wastewater quality control	<b>7,326 samples</b> collected and <b>52,488 tests</b> performed

In **Acea Ato 2** aqueducts and the supply network are equipped with **remote control** systems for collection of quantitative and qualitative data on the infrastructure. The data that the **central system acquires from the meters and sensors connected to the field devices** provide useful information on the state of the network, such as the plant set-up, the status of pumps and valves, hydraulic, chemical, physical and energy measurements, and on its operation, highlighting any alarms and offering the possibility of carrying out remote operations, such as turning pumps on or off, opening, closing or adjusting valves. In view of its complexity and strategic nature **Rome's distribution network is supplied by water centres, where remote control has been implemented in a particularly extensive and capillary manner**, by installing a large number of sensors and measurements of flow and/or pressure and/or level and/or quality. Thanks to the progressive implementation of the remote control system, the **water centres and the points of the distribution network that are partially or fully remote controlled** in 2020 will total **1,230** including also **297 installations** (including Water Kiosks), equipped with remotely controlled quality measurements, and **768 network points** (including 117 water valves). For the **sewage system** the progressive remote control of the entire sector is at an advanced stage **through synergic interventions on both central systems and plants** (large and small treatment plants and sewage lifting plants): **the main treatment plants are already remotely controlled through on-site rooms** and further work is in progress to upgrade the technology and connect them to the central room; the work for rendering the sewage lifting plants remote controlled is also continuing. Some of the water sites managed by **Acea Ato 5** – including supply sources, distribution plants, sewerage lifting plants and treatment plants – **are remotely controlled**. In particular, both **telemetry**

**and command and control activities are carried out and hydraulic parameters** are recorded (water flow, network pressure, reservoir levels, operating status of the electric pumps, **with relevant electrical parameters and qualitative parameters** like clearness and residue colour. At 31.12.2020, there were **322 plants with a remote control system installed** (equipped with hydraulic measurements – flow rates, pressure and levels –, 16 of which were also equipped with **water quality control**) and **111 network points** (with continuous pressure or flow monitoring systems). **The plants** managed by **Gori**, relating to the drinking water, sewage and purification systems, **are all equipped with remote control systems**; as at 31.12.2020, there were a total of **536 plants**, of which 340 water sites, 186 sewage sites and 10 purification sites, at which the same activities as indicated above for Acea Ato 5 are carried out. Based on a **rationale of energy efficiency and resource saving management**, **Gori** has equipped the plants with a **local control** system for the automatic management of electric pumps and valves, with human intervention required only in cases of emergency. **Flow control valves** have been installed and remotely controlled **at all major reservoirs**, to dynamically adjust the amount of resource supplied **according to different scenarios related to water crisis situations**. In addition a project based on the use of **IoT technologies** continued in 2020, with the aim of monitoring essential network parameters (pressures and flow rates) **at points where electricity is absent**, for the remote control of nodes in the water and sewage networks that will improve the quality of service and the efficiency of network pressures and leak detection, for which 95 IoT peripherals were installed on the water and sewage networks. **Gesesa** is planning **the gradual installation of the remote control system at managed water sites**. In 2020, the Company has updated

and reprogrammed the PLCs (Programmable Logic Controllers) of the existing sewage lifting stations and started implementing remote control on 4 stations; this activity will continue in 2021 as well. AdF continued to implement the remote control system for its plants in 2020, **extending the system to another 52 sites**. The Company has set itself the objective of improving the monitoring of networks (district flow measurements and control valves) and minor reservoirs, with a view to **reducing inefficiencies** and increasing plant control. AdF has also set up automatic tools to facilitate predictive maintenance on sewer lift pumping systems, frequency analysis of alarms, and the status of priority process meters for management and budgetary purposes. Finally, it has launched projects to **implement automatic network regulation methods** depending on pressure conditions, and **testing of innovative battery-powered** pressure and flow rate sensors with NB-IoT technology and the related management and measurement analysis platform.

**Sustainable water management** is also achieved by **limiting losses** from distribution networks. **All Group companies are fully committed** to this issue, also thanks to the creation of **organisational structures dedicated to protecting resources and limiting losses**. The Water Resources Protection Unit of Acea Ato 2, for example, includes among its responsibilities “*the promotion of the sustainable use of water resources through the protection of sources and the achievement of objectives to reduce water losses; the identification of areas of protection of water sources, the development of mathematical models for the prediction of water availability and quantitative monitoring of sources*”. The companies carry out districtisation, inspection and reclamation of the networks, installation of automatic valves and other pressure control instruments, as well as verification and calibration of meters, identification of abnormal consumption and also initiatives to combat illicit connections and improper use of the resource. The specific activities undertaken in 2020 by each Company are illustrated in the dedicated paragraph (*Water losses*) of the chapter *Water Segment* in the section *Relations with the environment*, to which reference should be made.

## UTILITY MANAGEMENT AND SERVICE CONTINUITY

The companies continued in 2020 with the **installation of new meters and the replacement of old ones** (see figures in table no. 26). As part of the **mass replacement of meters** activities, Acea Ato 2 has pursued the **IoT pilot project, Development of Water Meter Remote Reading** carried out in collaboration with Areti, which has led to the development and testing of a patented product called **Proteus**, which logs the impulses communicated by the device installed on the meter and transforms them into readings to be sent to the Management Centre, which is connected to the billing systems. The radio module is equipped with an integrated battery and a non-removable SIM card with GPRS or NB-IoT connectivity. Around **13,000 Proteus NB-IoT** will be installed and **deployed** in 2020 on as many water utilities and “nasoni” (drinking fountains) in Rome, and **development of the system** to maximise its effectiveness and efficiency continued. The objective of the project is to develop increasingly effective remote reading solutions and install them on all managed water accounts. At 31/12/2020, Acea Ato 2 had about **30,000 remote reading meters installed**. AdF has massively implemented remote meter reading in the territory through drive-by and walk-by reading, **installing more than 41,000 meters in 2020 that cover around 35% of the entire meter fleet**. This made it possible to increase the frequency of the readings while facilitating data collection and minimising interactions with users, given the risks related to the Covid-19 pandemic. AdF is also testing other systems for collecting readings and data, through the use of concentrators, in battery-powered and mains-powered versions.

The **continuity of the water supply** is one of the fundamental service parameters for customer satisfaction, which has been subject to regulation by the ARERA. Table no. 27 shows the data of the last three years relating to **disruptions and water reductions, urgent** (due to accidental breakdowns of pipelines or plants, energy interruption, etc.) **or planned**, for the Companies in question.

**TABLE NO. 27 – NUMBER, TYPE AND DURATION OF DISRUPTIONS IN THE SUPPLY OF WATER (2018-2020)**

TYPE OF DISRUPTION	2018	2019	2020
<b>ACEA ATO 2 <sup>(*)</sup></b>			
urgent disruptions (no.)	1,721	1,304	1,359
planned disruptions (no.)	269	204	212
<b>total disruptions (no.) <sup>(**)</sup></b>	<b>1,990</b>	<b>1,508</b>	<b>1,571</b>
suspensions lasting > 24hrs (no.)	199	170	178
<b>ACEA ATO 5 <sup>(*)</sup></b>			
urgent disruptions (no.)	552	428	532
planned disruptions (no.)	149	338	568
<b>total disruptions (no.) <sup>(**)</sup></b>	<b>701</b>	<b>766</b>	<b>1,100</b>
suspensions lasting > 24hrs (no.)	2	0	0
<b>GORI <sup>(*)</sup></b>			
urgent disruptions (no.)	5,431	1,755	3,340
planned disruptions (no.)	91	218	105
<b>total disruptions (no.) <sup>(**)</sup></b>	<b>5,522</b>	<b>1,973</b>	<b>3,445</b>
suspensions lasting > 24hrs (no.)	0	0	0

**TABLE NO. 27 – NUMBER, TYPE AND DURATION OF DISRUPTIONS IN THE SUPPLY OF WATER (2018-2020) (cont.)**

GESESA (*)			
urgent disruptions (no.)	106	107	90
planned disruptions (no.)	30	31	57
<b>total disruptions (no.) (**)</b>	<b>136</b>	<b>138</b>	<b>147</b>
suspensions lasting > 24hrs (no.)	18	3	1
AdF (*)			
urgent disruptions (no.)	3,814	1,978	2,535
planned disruptions (no.)	51	179	693
<b>total disruptions (no.) (**)</b>	<b>3,865</b>	<b>2,157</b>	<b>3,228</b>
suspensions lasting > 24hrs (no.)	237	175	178

(\*) The 2018 and 2019 figures for Acea Ato 2 and Gori have been consolidated. The 2020 figures for Acea Ato 2, Gori, AdF and Gesesa are still being consolidated. Any adjustments, after data consolidation, will be reported in the next reporting cycle.

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

### WATER DISTRIBUTED AND RETURNED TO THE ENVIRONMENT

The quality of the drinking water distributed mainly safeguards aspects related to health and safety and is therefore an essential element of the service. The same approach also applies, however, to the water returned to the receiving water bodies, as regards safeguarding ecosystems. Consequently, all the Companies independently carry out controls on drinking and wastewater using internal laboratories or with the support of the Acea Elabiori Group Company (see table no. 26).

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

All the Water Operations Companies have started preparations or begun to implement Water Safety Plans (WSP), aimed at preventing and reducing the risks inherent to the drinking water service; the activities in question, conducted in 2020, are illustrated in the dedicated (*Water Safety Plans – WSP*) section of the *Water Segment* chapter in the *Environmental relations* section, to which reference should be made.

The spring water collected to supply the Rome and Fiumicino

area starts from levels of excellence, while in the Castelli Romani area and other areas of northern Lazio the volcanic nature of the terrain adds mineral elements to the aquifer such as fluorine, arsenic and vanadium, in concentrations exceeding those envisaged by the law. Acea Ato 2 has been working for some time to resolve these issues, such as by decommissioning some local sources of supply and replacing them with higher quality springs. In 2020, Acea Ato 2 built new drinking water plants and upgraded/expanded existing plants in the municipalities of Marino, Grottaferrata, Castel Gandolfo, Tolfa, Ariccia, Velletri, Rignano Flaminio, Fiano Romano, Civitavecchia and Pomezia. Plants and reservoirs were also commissioned to increase mixing and thereby ensure the resilience of water distribution systems.

To ensure effective and proactive monitoring of the quality of water collected and distributed, in 2020 AdF developed a plan for the installation, by 2022, of online measurement instrumentation to monitor the quality of sources (see in-depth box). The Company also carried out a major project on the Isola del Giglio desalination plant in order to innovate the plant technology, guarantee operational continuity and optimise production both in terms of quantity and quality. The process applied consists of reverse osmosis achieved with a “two step” system, generally applied in the production of ultra-pure water. Lastly, in 2020 AdF continued its systematic monitoring activities regarding the presence of arsenic, hexavalent chromium, and thallium in water, the latter not envisaged by current regulations but included following a contamination phenomenon that occurred in Tuscany, in the municipality of Lucca.

### ONLINE MONITORING OF THE QUALITY OF SUPPLY SOURCES AT AdF

The quality of supply sources may be subject to more or less sudden variations which may not be intercepted in time by laboratory analysis, while they are measured effectively through the installation of online measurement systems. This method of reading “indicator-parameters” does not constitute an alternative to laboratory analysis, which provides precise and certified results, but rather it is a supplementary system.

The installation of online measurement systems and the uptake of remote control

makes it possible to continuously monitor the quality of the water and activate early warning systems as provided for in the new quality guidelines for the safety of drinking water specified by the recent EU Directive 2020/2184.

The plan drawn up by AdF is based on the quantitative incidence of the resource drawn from every supply source, the qualitative significance of the monitored parameters, the qualitative basin to which the sources pertain, and the specific features of each in-

dividual application. With the update, scheduled for before the end of 2022, it will be possible to control up to around 75% of the resource collected from the environment, leaving the remaining 25% to a “case by case” assessment.

The plan includes the advanced monitoring of the arsenic parameter for “trace” concentrations in water from the Galleria Alta di Santa Fiora source, carried out through an high-tech online analyser, activated in testing during the course of 2020.

Gori supplies its users with quality water, collected from deep wells. The qualitative characteristics of the water distributed are verified by the “Francesco Scognamiglio” internal laboratory, located in Pomigliano d’Arco, which uses cutting-edge instrumentation. In 2020 the laboratory **optimised the analytical process for the determination of metals**, using a single piece of equipment (inductively coupled plasma mass spectrometer, ICP-MS), instead of the three previously required, able to perform determinations of all metals indicated by current legislation on water for human consumption. Optimization has also reduced the time required to perform analyses and, above all, reduced laboratory consumables, reagents, the quantity of technical gas and electricity consumption.

In 2020, **Gesesa** continued to implement an **extraordinary control plan** for the detection of tetrachloroethylene in the wells (Campo Mazzoni and Pezzapiana) serving the city of Benevento; the values found were below the threshold set by regulations on the suitability of water for drinking. The Company also **participates in the technical round table**, together with the Ente Campania Water Authority, local, provincial and regional institutions, Arpac and the Local Health Authority, **for the monitoring and characterisation of the aquifer in question**.

In 2020, **115 Water Kiosks** were in operation (**95 owned by Acea Ato 2**, 29 installed in Roman Municipalities, 66 in the province of Rome, and **20 owned by Gori**), dispensing chilled natural or

sparkling water to the public and tourists free of charge in the areas where Acea Ato 2 operates and at minimal cost where Gori operates. The water distributed is the same as the aqueducts and the quality is **certified by strict regular checks** conducted by Acea and the relevant local health authorities. The water dispensers have a **flow rate of 180 l/h**, allowing a 1-litre bottle to be filled in 20 seconds. Each Water Kiosk is fitted with a **monitoring device** linked to the Acea Ato 2 remote control systems and is also equipped with USB power supply sockets for recharging devices such as mobile phones and tablets, as well as screens for transmitting Company/local council information. **The initiative continues to be highly popular: in 2020, the “Kiosks” supplied a total of 27,682,000 litres of water** (of which 23,382,000 litres from Acea Ato 2 Water Kiosks), with a percentage of sparkling water of around 57%. In addition to the **social benefits, the environmental benefits** are also worth noting: **the litres dispensed in fact account for around 554 tons less plastic over the year, 6.7% more than the 2019 figure** (amounting to around **18.5 million 1.5-litre bottles**) and to **around 968 tons of CO<sub>2</sub> not emitted into the atmosphere (up by 3.9%)**, from the bottles not produced<sup>48</sup> and net of emissions due to the energy consumption of the Kiosks and the CO<sub>2</sub> added to obtain sparkling water.

Acea Ato 2 is also responsible for water up to the “point of supply” for the **drinking water fountains** in the territory of Rome. In 2020 Acea launched the **Waidy app**, which allows users to identify the water supply points located in the city (see the *Communication, events and solidarity* section in the *Customers* chapter).

## THE PERCEIVED QUALITY OF DRINKING WATER, RESULTS OF THE 2020 SATISFACTION SURVEYS

Acea **measures customer habits and perceptions regarding the quality of the drinking water supplied**. Customer satisfaction surveys conducted twice yearly call for an in-depth review of this topic.

For **Rome and Fiumicino**, the **opinion on taste, smell and clearness of the water to drink** expressed by the sample of interviewees **was stable** compared to 2019, and the average of the two surveys was equal to **7.7/10**. Global satisfaction **in the province was 6.7/10** (6.9 in 2019). In addition, **46% of the interviewees in the Capital state they normally drink tap water at home** whereas **28% state they never drink it** (in 2019 they were 50% and 31%, respectively). These percentages **in the suburban areas were 16%** for those **regularly drinking tap water** (in line with the figure for 2019) and **50%** for those who do not (45% in previous surveys). Among the **reasons given by those who never drink tap water, in the Capital the habit of drinking mineral water is still prevalent in 48%** of cases. The same reason is given in the province in **47%** of cases. For **Acea Ato 5** customers in Frosinone and

vicinity, in 2020 the overall opinion expressed on drinking water came to **6/10** (it was 6.1/10 in 2019). **The percentage of respondents** stating that they **habitually drink** tap water remains limited and in a slight downward trend at **21%** (it was 24% in 2019), while the percentage of those stating that **they never drink it**, equal to **59%** is still high (slightly lower than in 2019). For the latter, the main reasons given are “it is not good for my health (too much calcium, presence of minerals)” for **34%**, while **32%** have the habit of drinking mineral water. In the Sarnese Vesuviano district, the overall opinion on drinking water expressed in 2020 by **Gori’s** customers was **6.1/10** (a slight increase on the 5.9/10 reported in 2019). The number of **interviewees** stating that they **habitually drink** tap water fell slightly, going from 25% in 2019 to **23% in 2020**, while the percentage of those stating that they **never drink it** increased slightly from 52% in 2019 to **53%** in 2020. The main reason cited by those who do not drink tap water is “it is not good for my health”, equal to 30% in 2020 (it was 32% in 2019).

For customers of **Gesesa**, in Benevento and province, the overall opinion expressed on the quality of drinking water is **6.6/10** (same value as in 2019); **there was a slight increase** in the percentage of customers who **say they drink tap water regularly, which was 13% in 2020** (against 11% in 2019) and a decrease in the percentage of those who state that they never drink it, which came to **56%** (against 64% in 2019); the prevailing reason was also “it is not good for my health” in this area, as reported by **34%** of respondents. For customers of **AdF**, a Company operating in the province of Grosseto and Siena, which entered the reporting scope in 2020, the overall opinion expressed on drinking water was **7/10** (compared with 6.9/10 in 2019). The percentage of respondents stating that **they habitually drink tap water was 35%**, while the percentage of those stating that they **never drink it, was 45%**. For the latter, the main reasons given are “I don’t like the taste”, for **34%**, while **33%** have the habit of drinking mineral water.

The collection of wastewater and its treatment prior to being returned to the environment takes place through a complex system and a configuration **organised by “areas”** comprising **wastewater**

**treatment plants, sewerage networks** connected thereto and the associated **pumping stations**. **Acea Ato 2** manages 645 sewage lifting plants, 164 treatment plants and about 6,852 km of sewer

<sup>48</sup> The figure, although significant, is certainly underestimated because it does not take into account the emission savings induced by not transporting the bottles by road/rail.

networks (of which about 6,000 km mapped on GIS). The Company has launched an important **project to centralise its treatment plants** (see the box in the *Water Segment* chapter of the *Environmental relations* section).

The **Acea Ato 2 Environmental Operations Centre constantly monitors data recorded remotely using cutting-edge technology** relating to **hydrometric and rainfall information** for the Rome area, shared with the Rome Hydrographic and Tide Gauge Operations Office, as well as data on the **quality of water** of the water bodies: In 2020, **321 samples were taken at 27 sampling points** on the Tiber and Aniene rivers and on Lake Bracciano.

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

**For the watering network** of the Municipality of Rome and the Vatican, currently supplied by the Grottarossa plant, in the future the water coming out of the CoBis treatment plant – about 250 l/s – will be used, treated to make it suitable for reuse.

The infrastructure of the water treatment and sewerage service managed by **Acea Ato 5** includes, as at 31.12.2020, **225 sewage lifting plants, 131 purification plants and approximately 1,775 km of dedicated networks** (of which approximately 1,600 georeferenced). **Gori** manages 2,625 km of network serving the water treatment and sewerage system and **10 purification plants** some serving individual municipalities and others serving inter-municipal areas of the Sarnese-Vesuvius agriculture. Wastewater entering and leaving the plants is constantly monitored in order to limit its environmental impact; in support of this activity, wastewater, both domestic and non-domestic, from industries in the area that discharge into the sewer system or into surface water bodies in the managed area is monitored. As at 31.12.2020 the infrastructure of the water treatment and sewerage service **managed by AdF** included **288 sewerage lifting plants, 148 purification plants and over 1,731 km of sewerage networks**. In the OTA in which **Gesesa** operates, the infrastructure managed by the Company includes **19 sewerage lifting plants, 32 treatment plants and 509 km of dedicated networks**. For the city of Benevento, the Municipality of Benevento is planning the design of a centralised treatment plant, including connection outfalls. **In 2020, Gesesa completed the revamping of two plants** (serving the municipalities of Castelpagano and Morcone) and planned the revamping of other treatment plants.

## QUALITY LEVELS REGULATED BY ARERA IN THE WATER SECTOR

The Regulatory Authority for Energy Networks and Environment (ARERA) defines the **specific and general levels of contractual quality for the water sector**<sup>49</sup>. With **resolution 547/19**, issued at the end of the year, **the Authority amended and supplemented the current regulations with effect from 1<sup>o</sup> January 2020, establishing**

**an incentive system** divided into bonuses and penalties to be attributed **from 2022** based on operators' performance. With **Resolution 235/2020** of 23 June 2020, **ARERA adopted an "Emergency Regulation"** on various aspects, in order to **mitigate**, with the introduction of some of flexible elements, **the effects of the Covid-19 health emergency on the economic and financial balance of management of the IWS** and on the **conditions of performing the services**. In this sense, as far as contractual quality is concerned, **for the first two years of application of the performance assessment mechanism**, the 2020 objective is assumed as having been pursued (for the purposes of determining the class and the related objective for the year 2021) and the quality objectives for the two-year period 2020-2021 are assessed cumulatively. Consequently, for the purposes of applying the bonus or penalty factors in 2022, with reference to the years 2020 and 2021, the level reached cumulatively **at the end of 2021** will be the element assessed.

Again for 2020, therefore, **Acea Ato 2** presents its performance **according to levels of improvement of the contractual quality standards defined by the Authority**. In fact, in 2016 ARERA accepted the request from the Area Governing Body (Mayors' Conference of OTA 2 – Central Lazio) requesting the recognition of bonuses related to meeting **more challenging standards**. The improvement standard concerns **43 indicators out of the 47 established by the resolution**. **The tariff related recognition of the award** intervened in the year after that of the communication on performance, as far as the limits that the proposed improvement levels were reached and aggregated (see also the box relating to prizes and sanctions in the chapter *Institutions and the Company*). In order to allow the Operational Technical Secretariat of the Area (STO) to verify performance, each year Acea Ato 2 must produce Lists containing data on performance for the previous year. Having completed the appropriate assessments, the Technical Secretariat proceeds with quantifying the award of economic competence to the year of reference<sup>50</sup>.

**The table illustrating the performance of Acea Ato 2 shows the improvements implemented by the Company next to the standards provided by the ARERA**, as well as, where pertinent, the average actual completion time for the services and, as prescribed, the degree of compliance of the improvement standard. **Acea Ato 2's performance in 2020** (see table no. 28), although not yet consolidated and to be understood as indicative of performance trends, shows **average compliance of over 90%**; in particular, excellent results were achieved for the following services: transfers, response to complaints/requests, response to emergency calls, punctuality of appointments, estimate and execution of water connections with simple work, estimate of sewer connections with inspection.

For **certain services** envisaged by the Service charter annexed to the Convention Agreement, **Acea Ato 5 also achieved results that were higher than the standards imposed by the Authority** (see table no. 29). In some cases, **Acea Ato 5's 2020 performance estimates**<sup>51</sup> show improvements compared to the final performance data for 2019, such as the execution of

<sup>49</sup> For most of the services the regulation of contractual quality aspects is in force from July 2016 according to resolution 655/15/R/Idr or RQIWS (*Regulation of the contractual quality of the integrated water service*).

<sup>50</sup> In January 2020 Acea Ato 2 sent the STO the 2019 data related to the performance of contractual quality, and following verification the Secretariat calculated a bonus of about € 33.1 million.

<sup>51</sup> The deadlines for delivering data to the authority are later than the deadline for publishing this document. Therefore, on this occasion the best estimations available for all companies at the time of publication are presented, and should be understood as indicative of the trends in the services; the consolidated data is published in the subsequent reporting cycle.

water connection with simple work, responses to written requests for information, transfers and execution of complex sewer connections and complex work; for other indicators, the percentage degree of compliance fell, for example for estimates for water connection with inspection, reactivation and deactivation of the supply. For **Gori**, the 2020 contractual quality performance estimates (see table no. 30) showed improvements compared to the previous year, particularly for services related to the execution of simple works, the execution of complex connections, both water and sewer, and the response to complaints and written requests for information; most of the remaining compliance percentages remain high, with the exception of performance related to the execution of complex works, which fell. Also with regard to **Ge-sesa**, the 2020 performance estimates (see table no. 31) indicate improvements, for example, for the execution of water connections with simple work, estimates for work with an inspection, execution of simple work, responses to complaints and written requests for information and execution of complex work, while for other services the percentages of compliance fell, for example, for arrival at the location of the emergency call and activation

of supply. For **some of the services** envisaged in the Service charter, **AdF is pursuing higher standards than those imposed by the Authority** (see table no. 32). AdF's 2020 performance estimate, with the exception of performance related to the execution of simple work and execution of complex sewer connections which have lower compliance percentages compared to 2019, all show very high compliance rates.

Resolution 655/2015 provides for a mechanism of **automatic indemnities to be granted to customers** in the event of off-standard services related to the "specific" indicators. The unit value of the compensation varies according to the delay in the execution of the service<sup>52</sup> (see box on investigations, bonuses and penalties in the *Institutions and the Company* chapter).

The water companies, as required by the Authority, **communicate commercial performance data to users in their bills once a year**<sup>53</sup>, Acea Ato 2, Acea Ato 5 and AdF also publish them online, and all publish **information on the quality of the drinking water distributed** on their websites.

**TABLE NO. 28 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ACEA ATO 2 – (ARERA parameters, Acea Ato 2 improvement standards and performance – 2019 data are consolidated, 2020 data are estimated)**

**ACEA ATO 2 – CONTRACTUAL WATER QUALITY SEGMENT**

**SPECIFIC LEVELS OF QUALITY**

SERVICES	ARERA STANDARDS	ACEA ATO 2 IMPROVEMENT STANDARD	average actual completion time for services				degree of compliance
			average actual completion time for services		2019	2020	
			2019	2020			
estimate for water connection with inspection	20 working days	15 working days	7	95.4%	5.7	98.0%	
estimate for sewage connection with inspection	20 working days	15 working days	/	/	3.5	100.0%	
execution of the water connection with simple work	15 working days	10 working days	5.3	95.8%	6.7	95.9%	
execution of the sewage connection simple work	20 working days	15 working days	/	/	/	/	
supply activation	5 working days	3 working days	4.7	90.4%	5.8	88.0%	
reactivation or takeover of the supply without changing the meter rate	5 working days	3 working days	1.8	95.7%	2.3	95.6%	
reactivation or takeover supply with changes to the meter rate	10 working days	6 working days	3	100.0%	2	100.0%	
reactivation of supply following disconnection for late payment	2 working days	1 weekday	0.7	94.2%	0.7	92.6%	
deactivation of supply	7 working days	3 working days	2.6	95.8%	3.1	95.7%	
transfer of registration	5 working days	3 working days	0.1	99.9%	0.2	99.6%	
estimates for works with inspection	20 working days	15 working days	8.2	93.0%	4.9	98.7%	
completion of simple work	10 working days	6 working days	3.6	100.0%	13.4	77.8%	
punctuality band for appointments	180 minutes	120 minutes	1.2	99.0%	0.7	99.0%	
reply to complaints	30 working days	20 working days	12.1	97.4%	6.2	99.5%	
reply to written enquiries	30 working days	20 working days	9.4	98.1%	5.6	99.8%	
billing adjustment	60 working days	55 working days	5.2	100.0%	6.3	100.0%	

<sup>52</sup> The unit value indemnity is € 30, € 60 or € 90 according to whether the service is completed in a time less than double the standard, in a time ranging between double and triple the standard, or in triple or more than triple time with respect to the standard.

<sup>53</sup> The obligation to notify all end customers of the levels of quality achieved in the previous year in the bill by 30 June is in force (article 78.1 Resolution 655/2015).

**TABLE NO. 28 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ACEA ATO 2 – (ARERA parameters, Acea Ato 2 improvement standards and performance – 2019 data are consolidated, 2020 data are estimated) (continued)**

**GENERAL LEVELS OF QUALITY**

			ACEA ATO 2 PERFORMANCE			
			2019		2020	
completion of complex water connection	90% of the services within 30 working days	90% of the services within 20 working days	20.2	78.7%	27.6	84.6%
completion of complex sewage connection	90% of the services within 30 working days	90% of the services within 25 working days	/	/	1	100.0%
completion of complex works	90% of the services within 30 working days	90% of the services within 20 working days	30.4	63.5%	43.1	76.2%
maximum time for the agreed appointment	90% of the services within 7 working days	90% of the services within 5 working days	2.8	97.5%	2.5	95.2%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	90% of the services within 2 minutes from the telephone conversation with the operator	3.3	91.0%	2.6	97.9%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	95% of the services within 20 working days from receipt of the request	9.7	98.5%	6.9	99.7%
reply to the emergency call (EC)	90% of the services within 120 seconds	90% of the services within 110 seconds	48	98.1%	55	96.2%

**NOTE** The 2020 data are being consolidated and have still not been submitted to the STO or reported to ARERA. The symbol “/” is used when there have been no services during the year, whereas “-” indicates that the average time cannot be calculated because the services is on/off.

**TABLE NO. 29 – MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ACEA ATO 5 – (ARERA parameters, improvement standards from the Service charter, and Acea Ato 5 performance – 2019 data are consolidated, 2020 data are estimated)**

**ACEA ATO 5 – CONTRACTUAL WATER QUALITY SEGMENT**

**SPECIFIC LEVELS OF QUALITY**

SERVICES	ARERA STANDARDS	ACEA ATO 5 IMPROVEMENT STANDARD (from SC)	ACEA ATO 5 PERFORMANCE			
			average actual completion time for services		degree of compliance	
			2019	2020	2019	2020
estimate for water connection with inspection	20 working days	10 working days	9.9	81.5%	10.8	72.5%
estimate for sewage connection with inspection	20 working days	10 working days	10.3	94.5%	18.3	94.5%
execution of the water connection with simple work	15 working days		5.2	93.9%	3.1	100.0%
execution of the sewage connection simple work	20 working days		31	66.7%	-	-
supply activation	5 working days		9.5	56.2%	11.2	55.5%
reactivation or takeover of the supply without changing the meter rate	5 working days		2.6	94.1%	5.2	73.3%
reactivation or takeover supply with changes to the meter rate <sup>(*)</sup>	10 working days		n.a.	n.a.	n.a.	n.a.
reactivation of supply following disconnection for late payment <sup>(*)</sup>	2 working days		n.a.	n.a.	1.0	99.5%
deactivation of supply	7 working days	5 working days	4.3	86.9%	6.7	77.4%
transfer of registration	5 working days		0.6	98.9%	0.4	99.6%
estimates for works with inspection	20 working days		6.7	81.5%	10.2	80.0%
completion of simple work	10 working days		140	50.0%	-	-

**TABLE NO. 29 – MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SEGMENT (2019-2020) – ACEA ATO 5 – (ARERA parameters, improvement standards from the Service charter, and Acea Ato 5 performance – 2019 data are consolidated, 2020 data are estimated) (continued)**

punctuality band for appointments	180 minutes		2.6	99.3%	1.5	99.7%
reply to complaints	30 working days	20 working days	12.6	96.7%	13.0	94.7%
reply to written enquiries	30 working days	10 working days	13.6	92.5%	11.4	97.0%
billing adjustment	60 working days		15.5	97.8%	9.0	95.0%

**GENERAL LEVELS OF QUALITY**

			ACEA ATO 5 PERFORMANCE			
			2019		2020	
completion of complex water connection	90% of the services within 30 working days	90% of the services within 20 working days	8.1	93.5%	9.4	91.3%
completion of complex sewage connection	90% of the services within 30 working days	90% of the services within 20 working days	13.7	45.5%	11.0	75.0%
completion of complex works	90% of the services within 30 working days		15.5	93.3%	11.9	95.6%
maximum time for the agreed appointment	90% of the services within 7 working days		5.5	84.2%	5.8	76.3%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	90% of the services within 70 minutes from the telephone conversation with the operator	53.2	90.0%	61.1	89.9%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	95% of the services within 10 working days from receipt of the request	16.3	76.5%	18.3	74.5%
reply to the emergency call (CPI)	90% of the services within 120 seconds		53.1	98.0%	83.0	85.8%

(\*) In this case there were no services found that were the subject of a resolution.

(\*\*) In 2019 the standard did not apply as the Company did not provide for “reactivation”, but rather the termination and creation of a new contract. From 2020, these were adjusted to the REMSI resolution.

NOTE the symbol “/” is used when there have been no services during the year, whereas “-” indicates that the average time cannot be calculated because the services is on/off.

**TABLE NO. 30 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – GORI – (ARERA parameters and Gori performance, 2019 data are consolidated, 2020 data are estimated)**

**CONTRACTUAL QUALITY WATER SECTOR – GORI**

**SPECIFIC LEVELS OF QUALITY**

SERVICES	ARERA STANDARDS	average actual completion time for services	degree of compliance	average actual completion time for services		degree of compliance
				2019	2020	
<b>GORI PERFORMANCE</b>						
				<b>2019</b>	<b>2020</b>	
estimate for water connection with inspection	20 working days	6.7	99.5%	12.1	96.2%	
estimate for sewage connection with inspection	20 working days	7.6	98.0%	14.9	95.9%	
execution of the water connection with simple work	15 working days	17.5	77.0%	24.5	77.8%	
execution of the sewage connection with simple work	20 working days	44.0	66.7%	-	-	
supply activation	5 working days	6.3	84.3%	21.3	84.4%	
reactivation or takeover of the supply without changing the meter rate	5 working days	2.8	93.7%	2.7	92.9%	
reactivation or takeover of the supply with changes to the meter rate	10 working days	/	/	/	/	
reactivation of supply following disconnection for late payment	2 working days	0.5	99.5%	0.7	95.4%	

**TABLE NO. 30 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – GORI – (ARERA parameters and Gori performance, 2019 data are consolidated, 2020 data are estimated) (continued)**

deactivation of supply	7 working days	4.3	92.2%	4.9	92.8%
transfer of registration	5 working days	0.4	98.3%	0.8	97.5%
estimates for works with inspection	20 working days	6.0	99.7%	8.6	97.4%
completion of simple work	10 working days	39.3	66.7%	11.5	74.4%
punctuality band for appointments	180 minutes	1.7	99.0%	1.6	98.9%
reply to complaints	30 working days	16.7	89.8%	11.7	91.5%
reply to written enquiries	30 working days	8.5	96.3%	4.3	99.6%
billing adjustment	60 working days	18.0	100.0%	17.0	100.0%

**GENERAL LEVELS OF QUALITY**

		GORI PERFORMANCE			
		2019		2020	
completion of complex water connection	90% of the services within 30 working days	27.5	75.2%	34.11	76.5%
completion of complex sewage connection	90% of the services within 30 working days	39.5	57.7%	33.48	74.0%
completion of complex works	90% of the services within 30 working days	29.0	70.1%	49.69	59.8%
maximum time for the agreed appointment	90% of the services within 7 working days	4.3	92.7%	5.4	83.0%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	1.7	94.3%	1.44	96.3%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	9.1	97.7%	5.9	97.5%
reply to the emergency call (EC)	90% of the services within 120 seconds	67.5	92.4%	65.0	91.6%

**NOTE** The symbol “/” is used when there have been no services during the year, whereas “-” indicates that the average time cannot be calculated because the services is on/off.

**TABLE NO. 31 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – GESESA – (ARERA parameters and Gesesa performance, 2019 data are consolidated, 2020 data are estimated)**

**CONTRACTUAL QUALITY WATER SECTOR – GESESA**

**SPECIFIC LEVELS OF QUALITY**

SERVICES	ARERA STANDARDS	average actual completion time for services	degree of compliance	average actual completion time for services	degree of compliance
		GESESA PERFORMANCE			
		2019		2020	
estimate for water connection with inspection	20 working days	7.2	97.0%	4.2	98.8%
estimate for sewage connection with inspection	20 working days	/	/	/	/
execution of the water connection with simple work	15 working days	16.1	58.4%	10.9	85.2%
execution of the sewage connection with simple work	20 working days	/	/		
supply activation	5 working days	19.1	44.4%	70.6	34.8%
reactivation or takeover of the supply without changing the meter rate	5 working days	1.4	97.8%	2.5	97.7%
reactivation or takeover of the supply with changes to the meter rate	10 working days	/	/	/	/
reactivation of supply following disconnection for late payment	2 working days	0.6	97.3%	2.2	60.0%
deactivation of supply	7 working days	2.3	94.1%	2.7	98.7%
transfer of registration	5 working days	0.6	99.1%	0.6	98.9%
estimates for works with inspection	20 working days	16.2	77.6%	9.1	97.0%

**TABLE NO. 31 – THE MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – GESESA – (ARERA parameters and Gesesa performance, 2019 data are consolidated, 2020 data are estimated) (continued)**

completion of simple work	10 working days	18.3	64.0%	1.8	100.0%
punctuality band for appointments	180 minutes	96	92.4%	108	97.4%
reply to complaints	30 working days	26.6	75.8%	11.2	99.7%
reply to written enquiries	30 working days	25.2	94.4%	10.4	99.5%
billing adjustment	60 working days	/	/	16.2	100.0%

**GENERAL LEVELS OF QUALITY**

		GESESA PERFORMANCE			
		2019		2020	
completion of complex water connection	90% of the services within 30 working days	19.82	81.5%	28.4	84.3%
completion of complex sewage connection	90% of the services within 30 working days	/	/	/	/
completion of complex works	90% of the services within 30 working days	12.81	92.5%	3.04	96.4%
maximum time for the agreed appointment	90% of the services within 7 working days	2.06	98.9%	2.5	98.9%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator	-	75.0%	16.5	51.3%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request	16.8	99.4%	11.2	99.6%
reply to the emergency call (CPI)	90% of the services within 120 seconds	-	85.4%	85	82.5%

**NOTE** The symbol “/” is used when there have been no services during the year, whereas “-” indicates that the average time cannot be calculated because the services is on/off.

**TABLE NO. 32 – MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ADF – (ARERA parameters, improvement standards from the Service Charter, and AdF performance – 2019 data are consolidated, 2020 data are estimated)**

**CONTRACTUAL QUALITY WATER SECTOR – ADF**

**SPECIFIC LEVELS OF QUALITY**

SERVICES	ARERA STANDARDS	AdF IMPROVEMENT STANDARD (from SC)	average actual completion time for services		degree of compliance	
			2019	2020	2019	2020
estimate for water connection with inspection	20 working days		4.2	98.8%	n/a	96.8%
estimate for sewage connection with inspection	20 working days		4.8	99.5%	n/a	95.8%
execution of the water connection with simple work	15 working days		5.4	100.0%	5.9	95.8%
execution of the sewage connection simple work	20 working days		n.a.	n.a.	n.a.	n.a.
supply activation	5 working days		4.2	93.7%	5.3	94.1%
reactivation or takeover of the supply without changing the meter rate	5 working days		1.8	98.2%	2.5	97.6%
reactivation or takeover supply with changes to the meter rate	10 working days		n.a.	n.a.	n.a.	n.a.
reactivation of supply following disconnection for late payment	2 working days		0.3	99.8%	n/a	97.6%
deactivation of supply	7 working days	5 working days	2.5	97.3%	n/a	99.1%
transfer of registration	5 working days		0.5	99.6%	0.1	99.9%
estimates for works with inspection	20 working days		4.5	99.5%	n/a	98.0%
completion of simple work	10 working days		6.1	90.9%	8.3	83.3%

**TABLE NO. 32 – MAIN SPECIFIC AND GENERAL LEVELS OF CONTRACTUAL QUALITY IN THE WATER SECTOR (2019-2020) – ADF – (ARERA parameters, improvement standards from the Service Charter, and AdF performance – 2019 data are consolidated, 2020 data are estimated) (cont.)**

punctuality band for appointments	180 minutes		1.3	99.3%	1	99.1%
reply to complaints	30 working days	25 working days	15.1	98.8%	13.3	98.7%
reply to written enquiries	30 working days	25 working days	17.0	99.3%	13.7	99.1%
billing adjustment	60 working days		15.9	100.0%	13.3	100.0%
<b>GENERAL LEVELS OF QUALITY</b>						
			<b>ADF PERFORMANCE</b>			
			<b>2019</b>		<b>2020</b>	
completion of complex water connection	90% of the services within 30 working days		13.5	90.9%	14.2	94.2%
completion of complex sewage connection	90% of the services within 30 working days		10.9	100.0%	21.7	81.0%
completion of complex works	90% of the services within 30 working days		18	90.4%	15.5	93.8%
maximum time for the agreed appointment	90% of the services within 7 working days		2.6	99.5%	3	99.8%
arrival at the location of the emergency call	90% of the services within 3 minutes from the telephone conversation with the operator		1.7	93.8%	6	95.1%
reply to written billing adjustment requests	95% of the services within 30 working days from receipt of the request		16.5	100.0%	15.8	100.0%
reply to the emergency call (CPI)	90% of the services within 120 seconds		45	97.2%	50	95.2%

## PRICING

As a result of the **social and health crisis caused by Covid-19**, in implementing ARERA's provisions, **Acea Energia** interrupted the suspension of electric power and natural gas supplies for late payment during the period of maximum emergency and **voluntarily adopted extraordinary measures** with regard to payments by its customers throughout Italy: **all debt collection measures were suspended and exceptional instalment plans were introduced**. With regard to the water service, Group companies also **suspended** debt collection activities, especially **disconnection of service**, well before ARERA's provisions, as well as introducing the opportunity for users in financial difficulty to request **the deferment of payment terms or payment in instalments** of bills due or about to fall due.

### ELECTRICITY SERVICE PRICING

In Italy, with regard to the electricity sector, there are two main types of market (net of the residual safeguard segment): the *standard market* and the *free market*. For the protected market service, the operator offers the customer standard services at fixed prices based on the ARERA regulations and the quantities supplied wholesale by the Sole Purchaser. In the free market the services offered and related prices are the result of free competition among all operators. In this context,

customers can choose their own suppliers based on their preferences. The **costs** of supplying electricity are made up of **four items of expenditure: energy** (supply and retail marketing), **transport and meter management** (costs for delivery to customers and reading consumption), **system charges** (costs for activities in the general interest of the electricity system, borne by all end customers) and **taxes** (consumption tax and VAT).

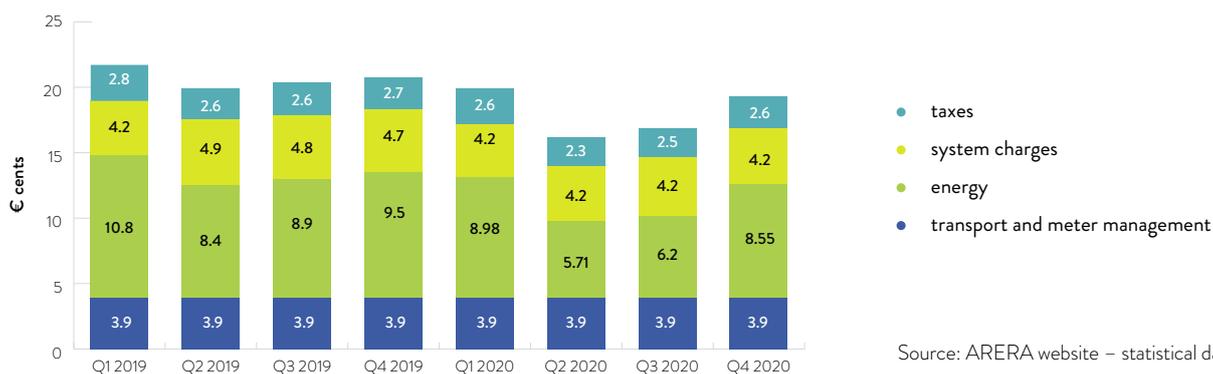
The **protected market** service, confirming the constant downward trend in favour of the free market, currently has a participation rate of 47.7% of Italian customers (domestic and non-domestic) (53.6% the previous year).

The expansion of the **free market** is evident observing the volumes of electricity sold: free market customers consume **82.7% of the energy comprehensively sold** to the end market (80.6% in the previous year)<sup>54</sup>.

In this segment, with **"standard" consumption** – amounting to **2,700 kWh/year**, with 3 kW power – the overall annual expenditure for electricity amounted to about **€ 483 in 2020** (17.9 € cent/Wh), a **decrease** compared to the previous year (with an average cost of 20.6 € cent/Wh, about € 557 per year), with a generalised reduction of all the items except transport and meter management, which remained the same.

<sup>54</sup> Based on the number of served collection points and the volumes sold in 2019 (ARERA, *Annual report 2020*).

**CHART NO. 27 – ELECTRICITY PRICE TREND FOR A STANDARD DOMESTIC CUSTOMER (€ CENT/kWh) (2019-2020)**



### WATER SERVICE PRICING

By Resolution no. 580/2019/R/IDR of 27 December, the Energy, Networks and Environment Regulatory Authority approved the **Water Tariff Method (WTM-3) for the period 2020-2023**, the guiding principles of which are to overcome the Water Service Divide, making operating and management

costs more efficient, promoting environmental sustainability and increasing the public’s awareness of their water consumption habits. Moreover, the added tools and checks envisaged ensure that any **tariff increases are only possible as a result of investments actually made or certified improvements in management.**

**TABLE NO. 33 – AVERAGE WATER PRICES APPLIED (2020)**

Company	€/mc
Acea Ato 2	1.68
Acea Ato 5	2.68
Gesesa	1.65
Gori	2.35
AdF	3.77

### CUSTOMER CARE



THE **MyAcea app**, FOR MANAGING ELECTRICITY, GAS AND WATER CONTRACTS: **installed by 290,000 customers, +61%** COMPARED TO 2019



«Digital service point» ACTIVATED FOR THE COMPANIES **in the water sector**



OVER **1,363 GWh of «green» energy** SOLD BY **Acea Energia** TO CUSTOMERS OF THE FREE MARKET, **+ 20.3%** COMPARED TO 2019



**105.5 tonnes of paper/year saved, +92%** COMPARED TO THE 2019 FIGURE, THANKS TO CUSTOMERS OF THE ELECTRICITY AND WATER SERVICES WHO HAVE CHOSEN ELECTRONIC BILLING

### CUSTOMER CARE POLICY

The **customer** is one of **Acea’s key stakeholders**, to whom the Company pays the utmost attention. **The aim is to improve customers’ experience when they come into contact with Group companies** (so-called “customer journey”).

The **operating companies** pursue this objective in **their daily relations with customers**, while in the Holding Company the **Data**

**Driven Management Unit (ITS)** ensures integrated management of the **monitoring** of customer/end-user relations in the Group, **identifying actions aimed at optimising customer experience** in agreement with Industrial Segments and Companies.

Using a **dedicated unit** within the Executive Assistant and Board Relationship Function of the Parent Company, **Acea monitors**

how **requests made by consumer associations are handled**. Although, due to the Covid-19 health emergency, the Holding Unit was unable to organise the usual face-to-face meetings with the main consumer associations, **it continued to gather requests from local communities through special meetings organised remotely** and continued to raise awareness of the use of **exclusively dedicated** digital and telephone channels, **implemented by the companies to respond adequately to the new needs** emerging during the lockdown period.

**The Consumer Associations** recognised by the National Consumer and User Council (CNCU) also support and represent customers who intend to resort to a **joint settlement procedure** for the out-of-court settlement of **commercial disputes**, used by Acea for several years. Following the Memorandum of Understanding for ADR (Alternative Dispute Resolution) settlement, signed back in 2016 **by 19 Consumer Associations** and the **Companies Acea Energia, Areti, Acea Ato 2 and Acea Ato 5, the ADR Body<sup>55</sup>** was set up, **joined by Gesesa on 1<sup>o</sup> December 2020**. The Body allows customers of the signatory companies of the Protocol<sup>56</sup> access to the **out-of-court resolution of disputes via the ADR procedure**. In 2020 the Authority received a **total of 419 requests for procedures** (327 deemed acceptable, in accordance with the rules and regulations, and 92 not applicable), **of which 279 for the water sector and 140 for the energy sector**.

Some time ago **Gori** also signed a **Memorandum of Understanding** for the settlement of disputes with local consumer associations, and **handled 116 settlement requests** during the year. In addition, **178 requests for ARERA settlement were completed**. In 2020, Gori proposed campaigns aimed at customers, for example on the correct protection of meters and systems from frost or on the quality of water distributed, transmitting them on various channels and using videos and other media for the web and the press. The Covid-19 emergency did not affect this activity, instead, it broadened this action.

At the beginning of the year, **Acea Ato 5** launched a phase of discussion with the consumer associations that are members of the OTUC (Organismo di Tutela dei diritti degli Utenti e dei Consumatori [Consumers Rights Association]) and trade associations to verify and **reorganise the consumer service points** and the mem-

oranda of understanding signed for the activation of dedicated service points. This activity was interrupted with the onset of the health emergency and relations with Consumer Associations were managed through digital channels. Activities to encourage user regularisation also continued in 2020, based on a memorandum of understanding signed in November 2019 by Acea Ato 5, the Segreteria Tecnica d'Ambito (STO) of OTA 5 – Southern Lazio and by the OTUC. Lastly, thanks to the agreement signed at the Chamber of Commerce of Frosinone **with the Trade Associations** (Federlazio, CNA, Confimpreseitalia, Unione Artigiani Italiani and Unindustria), **a dedicated email channel** for companies and small entrepreneurs continues to be active, as well as the possibility of resolving **procedures by appointment, simplifying and accelerating administrative procedures**. In collaboration with municipal administrations, Acea Ato 5 also developed **information campaigns**, through posters and promotion on the institutional web channels and media of local authorities, to raise awareness of **the protocol** already signed with STO and OTUC **to remedy abusive practices** and promote the **water bonus** and the **possibility of access to payment in instalments in case of economic difficulties** related to the emergency situation and according to the relevant ARERA provisions. The Company publishes a weekly column called **“Acea Ato 5 Informs”** in the most widely read provincial newspaper, distributed through a **Newsletter** to consumer and trade associations, in which it addresses issues related to the management of the water service, users' rights and new developments in the sector, providing **accurate information to the public and promoting the main initiatives undertaken**.

**AdF** has a **relationship of collaboration and direct and constant discussion with the Consumer Associations active in the area**. During 2020, as a result of the provisions related to the Covid-19 health emergency, it was not possible to organise meetings in person, but the discussion of individual cases with the representatives of local Associations took place regardless via online meetings. These included cases such as the suspension of debt collection activities in the lockdown period, changes in the timing of the procedure to obtain recognition of the supplementary water bonus, etc.

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

## DISPUTES WITH CUSTOMERS 2020

Legal proceedings **brought by customers** against companies of the Acea Group mainly concerned disputes relating to **charges for service supply, adjustments, pricing structures and service activation delays**.

Disputes in **2020** totalled **576**, slightly **decreased** compared to 2019 (1,000 disputes

began in 2019, mainly due to challenges to payment orders relative to companies Acea Ato 5 and Gori).

As at **31 December 2020**, the **total number of disputes pending with customers** (including disputes initiated in previous years) **amounted to 2,181**. The situation was affect-

ed by the overall slowdown imposed on activities, including those of a legal nature. This type of litigation is, in any case, the one that can be resolved most quickly and with a less costly procedure.

As part of the **measures to combat the phenomenon of “disputed activations/contracts”** and **“unsolicited supplies”<sup>57</sup>**, **Acea Energia** has defined and applies **specific procedures**, depending on the channel used. For customers of the free market, in the event of a

contract proposal signed using door-to-door sales or by telephone, **the Company carries out procedures to verify the correct behaviour of the sales operator**, the clear presentation of the content of the contract signed, and, above all, the customer's awareness of

<sup>55</sup> Since February 2017 the ADR Body has been included by resolution in the list maintained by the Authority.

<sup>56</sup> It should be noted that three other Group companies active in the water sector, not included in the scope of the NFD, are signatories of the Protocol, and have received a total of 16 requests for ADR procedures, 10 of which are considered eligible.

<sup>57</sup> In compliance with ARERA resolution 228/17 and article 66 quinquies of the Consumer Code.

having made a choice by means of a confirmation call aimed at limiting the risk of misunderstanding and belated exercise of the right of withdrawal. Acea Energia **checks the completeness and absence of alterations of all printed contracts** and **listens to all the telephone records produced by the sales reps**. In the event of issues being detected, **the IT systems stop activation of the new offer**.

The **digital sales channel envisages elements**, such as signing the contract with a **biographometric signature using a tablet and an app**, the digital acquisition of pre-contractual and contractual documents and their transmission to the Company's back-end systems, **aimed at eliminating the risk of errors and/or tampering**. However, Acea Energia has found evidence of possible **additional risk factors of misuse of the tablet** by agents, such as photographic scanning of non-compliant identity documents and various other instances; consequently, in **February 2020**, Acea Energia **suspended door-to-door sales** with biographometric signatures as a precautionary measure **to implement specific risk monitoring and mitigation tools**, which came into operation in March. Door-to-door sales activities were then suspended due to the health emergency and use of the tablet remained suspended throughout 2020. The Company has, however, **reintroduced the systematic execution of confirmation calls**, previously considered unnecessary, **also for acquisitions with a digital process**, to ensure second-level monitoring of the process.

Since **September 2020**, Acea Energia has implemented a **new digital sales process** with electronic signature based on a **one-time password (OTP)** for the telemarketing channel, and on an experimental basis, for physical networks. The customer contacted, who has expressed interest in receiving a contract proposal, **can receive in advance**, at his/her e-mail address, **all the pre-contractual and contractual material in digital format** and proceed only later, if desired, with the digital signature of the contract, by entering the OTP received via SMS on the mobile phone number indicated. Signing of the contract by digital signature is the only method envisaged for acceptance of the proposal and this **reduces the risk of persuasive phenomena** induced by the sales network.

As part of **the Agency Mandate** regulating the relationship with the sales reps. network, Acea Energia, as mentioned, **verifies performance**; in 2020, it **analysed 762 contract proposals, which were the subject of complaints** for cases of "disputed activations/contracts" or "unsolicited supplies" (with an increase, compared to the 468 cases in 2019, which was less than proportionate to the overall production increase of the sales network). As a result of the verification activities, intensified in 2020, **401 cases of "unfair commercial practices"**, 53% of the cases analysed, **were reported** to the Agencies. As is customary and consistent with the provisions of its agency agreements, Acea Energia carried out a **mandatory training programme for sales representatives** (see the *Suppliers* chapter) and maintained, in the aforementioned agreements, **bonus/malus mechanisms related to the quality of the contracts acquired**.

Acea Energia's **commercial action on the free market** aims to meet the **different needs of customers**, from households to large industrial customers. The offer of **new commercial products**, launched in 2020, was carried out, in some cases, **in partnership with other companies**, as a strategic and commercial lever, capable of creating value over time and of benefiting from the positive values associated with partner brands (see box on commercial offers). In this regard, mention should also be made of the two Power Purchase Agreements (PPA) signed by Acea Energia and ERG (through its subsidiary ERG Power Generation) for the supply of a total of 1.5 TWh of energy from renewable sources in the period 2020-2022. *"The contracts we have finalized with ERG,"* – said the Chairman of Acea Energia – *allow us to diversify the supply of energy for our end customers and ensure more stable price dynamics, using a tool such as the PPA that promotes development and production from renewable sources and thus supports the energy transition process which Acea Group is committed to.*

In 2020, **confirming the trend of recent years, the "green" energy sold to free market customers increased (20.3% compared to 2019 volumes)** – see the box on commercial offers – while **the incidence of this item on the total energy sold in the year to free market customers by Acea Energia** (approximately **4,572 GWh**, see also the *Environmental report*) **stood at 30%**.

Acea Energia paid particular attention to the acquisition of highly reliable **"multi-site customers"** in various industries, from banking to services to ensure a **multi-year customer base** and launched initiatives to offer **value-added services** to employees of this type of customer, proposing "welfare" commercial offers for the supply of electricity and gas.

As part of its direct marketing and caring activities, in 2020 Acea Energia **added to the reserved area available on its website and the related online services** that customers can use to manage their supply independently. **Autonomy, time saving, respect for the environment and safety**: these are the pillars of communications to customers. Online services were the subject of the cross channel campaign **"We stay close to you, even from afar"**, launched in March 2020 to coincide with the closure of branches and physical offices following national safety provisions related to the Covid-19 emergency. The campaign, via print, posters, DEM, social and BTL on site, was "customised" to the target customer market. The Company has also launched a campaign on various channels to **increase brand awareness** in areas where commercial action has particular development potential. The main visual shows an illuminated city which the "pin", the distinctive symbol of the Acea Energia brand, stands out on. The communication plan was designed from a cross-media perspective with presence in the press and on digital, social and TV channels, as well as billboards in the city of Rome.

In 2020 Acea Energia reshaped its commercial offer, maintaining some offers launched in 2019 and introducing new electricity and gas products. It has also started selling (in a pilot phase) **new value-added products (VAS)**.

New products:

- **Acea Insieme:** an electricity and/or gas offer created during the lockdown period to give customers the opportunity to activate a value for money offer by fixing the price of the Energy and Gas Components for 12 months.
- **Acea Assicura** (systems insurance): together with its partner Axa, Acea Energia began selling insurance policies to cover failures of electricity and natural gas systems for customers who have activated supplies with Acea Energia in the free-market. The activity was launched in a pilot phase on a limited number of sales channels and will be extended and confirmed in 2021.
- **Light Boiler and Special Climate** (boilers and air conditioners): Acea Energia has started selling value-added products such as high energy efficiency boilers and air conditioners. With the purchase or replacement of obsolete equipment with that offered by Acea Energia, the customer can

take advantage of the transfer of credit in accordance with current regulations. The offer proposed by Acea Energia consists, in addition to the physical asset, of services such as consulting, installation and assistance, aimed at ensuring a “turnkey” solution. The “pilot” trial started in 2020 and will be consolidated in 2021.

Acea Energia has also prepared offers, limited in time, for customers who have signed **Acea Open** with Amazon coupons and **Acea Giga Extra** with gigs of Wind3 network usage as a gift.

Offers launched in 2019 and confirmed in 2020:

- **Acea Come Noi:** electricity and/or gas offer allowing the customer to buy electricity and gas at wholesale prices, **variable over time**, for a small monthly contribution.
- **Acea FastClick:** an electricity and/or gas offer for **more digitized customers; subscription is online** with web billing and domiciliation of bills.
- **Acea Viva:** offer supplying “green” energy produced from renewable sources with a Guarantee of Origin responding to the needs of **customers who are more attentive to the environment** and linked to the activation of the web bill. The offer **is also formulated for large business clients** and

constitutes an asset of strategic positioning, strengthened by personalized communication solutions offered by Acea Energia. The **total volume of “green” energy sold<sup>58</sup> by Acea Energia in 2020 is estimated at 1,363 Gwh**, with an **increase of 20.3%** compared to the final<sup>59</sup> 2019 figure (1,133 GWh), **confirming the growth trend noted in recent years.**

Finally, in compliance with the provisions of the Authority, Acea Energia has prepared the differentiated **PLACET offers** – Free Price at Equivalent Protected Conditions – for families (domestic use) or small businesses (non-domestic use). This type of offer is included in the package of commercial proposals at freely determined prices but **with contractual conditions defined by the Authority.** The economic conditions are decided by the seller and renewed every 12 months; the price structure and the contractual conditions (e.g. guarantees, instalments) are determined by the Authority. The uniformity of the price structure and contractual conditions, the exclusion of any additional service and the possibility of activating energy supplies (electricity and gas) only separately and with two separate contracts make PLACET offers **easily comparable with each other.** See also the website: [www.acea.it](http://www.acea.it), dedicated to customers on the free market.

The “**Acea con Te**” [Acea with You] **loyalty program**, for domestic customers on the free market, recorded a **51% increase** in registered customers in 2020 compared to 2019, confirming the upward trend. During the year, the limitations of activities caused by the health emergency did not allow tickets to events to be given away; however the **Emozioni da Prima Fila** [Front Row Excitement] competition continued throughout. Acea Energia has continued this activity (the heart of the programme) by offering prizes to registered customers in the home, kitchen, children, hi-tech, personal and voucher categories. **All customer engagement initiatives carried out in 2020 were marked by a particular attention to the needs of families:** for example, Acea Energia made available free discounts on goods and services used in the daily management of the family budget. In addition, with a view to improving customer experience, in the second half of the year, the Company interviewed customers to get a better idea of their expectations and define an action plan.

It should also be noted that **Acea Innovation**, which joined the Commercial industrial area in 2020, has completed the preparation phase for developing services, sales and staff structures and in 2021 will launch the so-called “**smart services**” offer, marketing of insulation systems for thermal insulation, energy efficiency services, residential photovoltaic and solar thermal systems and

local composting systems for the transformation of organic waste (SmartComp).

**Water companies** have also undertaken communication initiatives aimed at customers. Given the health emergency situation and a particularly dry summer, **Acea Ato 2** deemed it appropriate to propose communication actions aimed at raising awareness among users for a more conscious use of water resources, with particular focus on the municipalities of the Province of Rome. The communication campaign called “**Preserviamo il futuro**” [Let’s save the future], conducted with the Parent Company, was published in June in the main web and press media and involved putting up around 7,000 posters; between the end of August and September the campaign was given a recall in the press and on the web with greater use of the latter which can be adapted to the various formats (including social) to allow for greater coverage.

**Acea Ato 5** wanted to make customers aware of specific issues, such as communicating meter readings and mitigating the risk of meters freezing, and inform them about the planned replacement of the meters. In addition, the Company launched the “**Water Identity Card**” project to raise awareness of the quality of the water it supplies. The project envisages the creation of a fully-fledged water ID (available digitally or in a printable version) indicating the values of the main analytes that characterise it in each area of the

<sup>58</sup> Like the 2019 figure, the figure for G.O. certified green energy sold in the year also includes the main Group companies’ internal consumption, which contributes approximately 425 GWh (424 GWh in 2019) out of an estimated total of 1,363 GWh. The final calculation is expected in March 2021, and the consolidated data will be updated in the next reporting cycle.

<sup>59</sup> The figure not yet published in 2019 was slightly higher, equal to 1,144 GWh.

centres served, enabling users to access relevant data and information by indicating their residential address. **AdF** has strengthened communication within its social channels by introducing the concept of the “**AdF Community**”, creating a virtual space for sharing useful information and providing support, especially in the changed context caused by the Covid-19 health emergency.

## CONTACT CHANNELS AND PERFORMANCE

In all customer relations, Acea is committed to **guaranteeing the respect of privacy in the management of personal data**. In particular, Acea has adapted its organisation to better respond to the evolution of the relevant legislation, updated<sup>60</sup> in line with the new European regulations (**General Data Protection Regulation – GDPR**)<sup>61</sup> on the protection of personal data (see in-depth analysis in *Corporate Identity, The Internal Control and Risk Management System*)

In addition to **traditional contact channels** (call centre and branches), Acea makes **digital contact channels** available to customers. The **crisis resulting from the Covid-19 health emergency** has, in fact, **made it even more important to spread the use of remote channels** to ensure continuity of service and customer support.

On this basis, **Acea**, during the period of national lockdown, **launched a communication campaign** with the hashtag **#IORESTOACASA**, present on the main national and local newspapers, online and in print. The campaign aimed to raise public awareness on compliance with the prevention measures imposed during the lockdown and at the same time remind them how they could independently manage their own water, electricity and gas supplies, 24 hours a day via digital channels, in particular through **the customer area MyAcea** (see also, the Customers, *Communication, events and solidarity* chapter).

To further strengthen communications in this area, a promotional **video was made with the aim of presenting the MyAcea customer area** and the main services available online, promoting them in an original and engaging manner as a valid alternative to traditional channels. **The video was also uploaded to the screens of all Acea water kiosks in Rome and the Province of Rome.**

The **MyAcea** self-care platform, also available in the form of an app for mobile devices, allows the customer to **manage all the water, electricity and gas user accounts active with the Group companies through a single account**, seeking to **facilitate the User Experience** and simultaneously **add to the available operations**, while the processing of documents continues to be ensured by the Companies that manage the various services. **The MyAcea app, installed by about 290,000 people**, saw further growth of the user base, with **an increase of 61% in 2020** compared to the previous year (180,000 people in 2019).

In addition, in order to meet the needs of **water customers** spread over a large area where many physical service points have been closed, the **Digital Service Point was launched**. The initiative, referred to below, began in October with Acea Ato 2, followed in November and December by Gori and Acea Ato 5; similar implementation projects have already been planned for 2021 for the other Group companies.

Throughout 2020, in order to better respond to customer needs, particularly in light of the restrictions related to the health situation, **Group companies implemented initiatives aimed at improving remote contact channels and increasing the digitisation of commercial procedures.**

In 2020 **Acea Energia** implemented a new portal for **large customers** to access all the information relating to supplies, payments, contracts, invoices and consumption data. The project will continue in 2021, with the introduction of features that will, for example, allow customers to access data from energy markets. The Company has also separated the reserved areas dedicated to its customers, **maintaining the free market on MyAcea** and creating a **new reserved Customer Area for the protected market**. About 135,000, **Acea Energia customers** have installed the MyAcea app and about 40,000 the Rome Electricity Service app. 146,941 customers logged in at least once to the reserved area on MyAcea (free market, about 40% of the customer base) in the last 12 months and 224,867 to the Customer Area (protected market, 33.5% of the customer base).

In January, **Acea Ato 2** activated new features for instalment payments, **with digital acceptance by e-mail**, in accordance with ARERA's requirements<sup>62</sup>. **From June**, the head office branch was opened exclusively for customers with a **reservation via the Ufirst app**, which allows them to schedule an appointment date and time using a smartphone or a **call centre**. In September, **provision of the e-mail address was made mandatory** when changing or creating new customer information, verified by sending an e-mail to the customer with a link that, if clicked, checks the address as “verified”. In **October**, Acea Ato 2 introduced the **Digital Service Point, which provides customers with all the services offered at the branch via a video call system with the assistance of an operator**. To access the Digital Service Point, after booking, all the customer needs is a computer with a webcam or a smartphone and an internet connection. **In just three months of activation in 2020, the service proved very popular, with over 2,370 video calls made**. Lastly, in December, the Company introduced the new digital transfer service, which enables the transfer procedure to be managed by telephone, with digital acceptance by e-mail of the contractual conditions. In 2020, Acea Ato 2 added further to the features of the MyAcea customer area, with **the new “Digital mailbox”**, a simple and immediate way of **viewing all the communications relating to the supply contract**, such as contractual documentation, reminders and service limitation or suspension notices. The increased offer and the improved usability of online services led to an **increase of about 53% in the number of subscribers to the MyAcea customer area pertaining to Acea Ato 2**, equal, as at 31/12/2020, to **307,885 associated user accounts** (201,309 in 2019).

**Acea Ato 5** has been particularly committed to the **innovation of relationships with users**, encouraging the adoption of increasingly effective systems and solutions to improve the ability to communicate and manage customers through **digital channels**, and at the **end of 2020**, it also activated the **Digital Service Point**, with video calling by appointment and assistance from an operator, to add to the other remote channels, such as toll-free numbers, the MyAcea app, e-mail and the web portal. The Company carried out information campaigns through traditional press channels and innovative channels (email marketing, text messaging) to promote **the use of remote contact channels** (toll-free number, dedicated numbers, MyAcea platform and app, website and email) and **web bills** and replicated the Group's #IORESTO-ACASA communications campaign, adapting it to its area of reference. The new digital services and information campaigns activated by **Acea Ato 5** led to an **increase in the number of subscriptions to the relevant MyAcea area**, for a total of **43,829**

<sup>60</sup> Legislative Decree no. 196/2003 as amended and supplemented by Legislative Decree no. 101/2018 and subsequent amendments and additions.

<sup>61</sup> Regulation EU 679/2016 (GDPR).

<sup>62</sup> Resolution 311/19 (Remsi).

**associated user accounts** (+33% compared to the 2019 figure of 32,853 user accounts), equal to about 22% of total contracts.

In 2020 AdF promoted the use of the MyFiora reserved area through the advertising campaign **“MyFiora ti semplifica la vita”** [MyFiora makes your life easier]. The initiative focused, among other things, on raising awareness of the advantages for customers of using the online service point MyFiora and the dedicated app. The campaign was distributed through traditional media (print, TV, billboards) and digital media (web and social). In particular, for digital activities, new ways of “targeting” audiences were introduced through “re-marketing” campaigns on web and social channels. Overall, these initiatives led to an increase in **MyFiora subscriptions of 41,761 log-ins**, for a total of **53,329 associated user accounts** (+39% compared to 2019), approximately **23% of total active contracts**. In July 2020, AdF also activated the **video call** service-by-appointment, enabling customers to handle requests remotely. The Company has also invested in developing the telephone channel, implementing fully digitalised management of certain types of requests. Starting in the last quarter of 2020, a number of tools were activated to optimise call centre performance and offer customers the experience of a state-of-the-art digital service increasingly in line with expectations; among the new features, the digital transfer has brought particular benefits, thanks to the considerable reduction in processing times.

**Gori** increased its communication activities aimed at participation in digital services (MyGori and Bolletta Web) and recorded a very substantial increase in customers registered to the **MyGori** reserved area in the year, reaching, as at 31/12/2020, **119,370 registered subscribers**, **47%** more than the 2019 figure (81,388 registered users). **Gesesa** promoted the use of remote channels, with information campaigns on toll-free numbers, through social media and traditional media (posters), and created two specific campaigns – **“4 Modi per Inviare l’Autolettura”** [4 Ways to Send the meter-reading] and **“In Contatto con Te”** [In Contact with You] – on how to send the meter-reading via the app and the online area MyGesesa, the toll-free number, and the mobile phone number via SMS. As at 31.12. 2020, **the MyGesesa reserved area** had reached **7,400 subscribers** (4,000 in 2019).

**Acea8cento** provided management services for the Group’s **main operating companies** for a number of **remote channels** – telephone, fax, webform, mail, social networks – used mainly for commercial purposes and consolidated the **Net Promoter Score** (NPS) on the service dedicated to Acea Ato 2 and Acea Energia customers, which guarantees an objective measurement of the level of customer satisfaction. The activities of Acea8cento were absorbed by the operating companies in mid-2020<sup>63</sup>. **Acea Ato 2** internalised **management of the call centre service contract with the external supplier**; the contact centre service is managed

on a One Call Solution (OCS) basis, in order to promptly meet the needs expressed by customers in a single managed contact. The **quality of the telephone service is constantly monitored** by means of anonymous questionnaires provided to customers by specialist companies. All contact personnel are periodically given training updates both in terms of procedures and methods of interaction with the end customer. Acea Ato 2, also manages **the chat service** to help customers browse the website and, after registration, use the services available in the customer area MyAcea. Similarly, **Acea Energia** has taken over the activities previously provided by Acea8cento. It manages the **social channel** (Facebook) for free market customers and the dedicated **chat channel** internally, while for the protected service (Rome Electricity Service) the chat channel is managed by the external supplier, via use of SnapEngage Live Chat software, the toll-free commercial numbers for the free market and the protected market, outbound campaigns, back office customer care activities, the toll-free number for scheduling appointments at the branch, the Padius toll-free number and the Premium toll-free number.

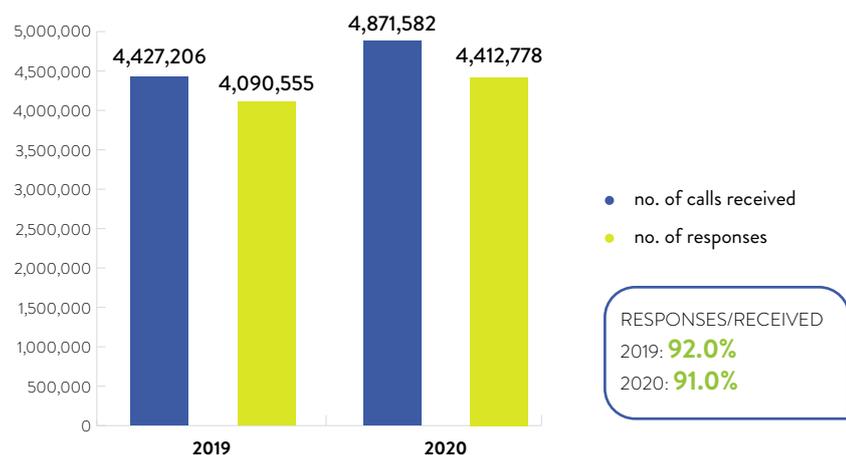
The Parent Company performs **mystery customer surveys** to **check the quality of the telephone channels and the branches**. The results are shared with Service Managers and contact operators and facilitate the identification of areas for improvement in each contact channel to take any necessary corrective measures. In 2020, a **mystery survey trial** was also conducted **on the chat channel** – which became increasingly important in the pandemic phase – with satisfactory results.

In 2020, **Acea toll-free numbers** – according to two-year data recalculated with the inclusion of AdF – **received more than 4.8 million calls, an increase of 10% compared to 2019** (approximately 4.4 million calls). The greater use of remote contact channels by customers (toll-free numbers, apps, web) is also to be considered in relation to branch closures in compliance with the measures introduced to counter the spread of the Covid-19 epidemic. The **overall level of service**, represented by responses to total calls received, despite the increase in calls received in the year under review, **was 91%** (see chart no. 28 and tables nos. 34 and 35 for individual Company performance, at the end of this section).

Through its collaboration with Padius, a startup committed to facilitating communication for people with hearing impairments, **Acea Energia** has provided customers with the **Padius app** (free and available for all devices), by means of which it is possible to contact the call centre – on a phone line with a dedicated and priority queue – by writing text messages in chat that are read to the operator by a computerized voice, while the operator’s answers are returned to users in written form, **facilitating access to all the commercial services**.

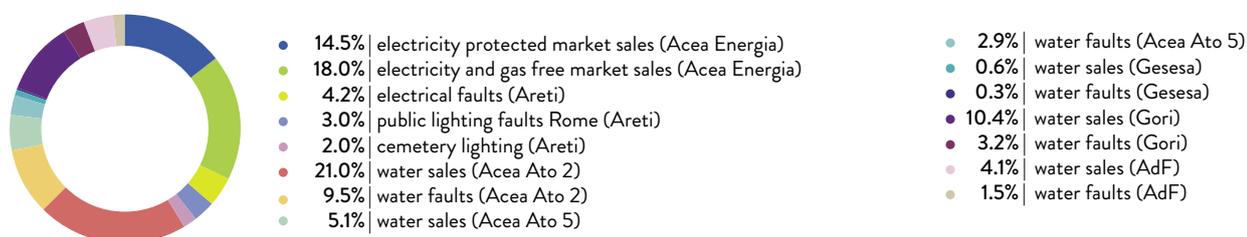
<sup>63</sup> After having sold business units (customer care) to operating companies, Acea8Cento performed its own dissolution without liquidation and was removed from the companies register on 1<sup>o</sup> August 2020.

### CHART NO. 28 – TOTAL TELEPHONE CALLS TO ACEA TOLL-FREE NUMBERS (2019-2020)



**NOTE** The data for the two-year period has been recalculated to include AdF, included in the reporting scope from 2020, to ensure comparability.

### CHART NO. 29 – PERCENTAGE BREAKDOWN OF INBOUND CALLS TO ACEA TOLL-FREE NUMBERS (2020)



As a result of the provisions issued by the Government, caused by the health emergency, **commercial branches were closed to the public for extended periods**, from March onwards. **All performances for the year, therefore with the marked decrease in attendance at branches, were affected by the particular circumstances.** The Companies have reopened as permitted, with the end of the lockdown, taking care to **reorganise access to ensure maximum safety for users and staff**, and only by appointment. Customers were able to **arrange appointments** by e-mail and via telephone channels, or via the web, and later, for some companies, such as Acea Ato 2 and Acea Ato 5, through a **dedicated app** (Ufirst). In the last quarter of 2020, as mentioned, the digital service point, which will be progressively expanded, was launched. **For all companies, the specific circumstances of the year also provided an opportunity to implement important changes in the way they manage their points of contact with customers;** as already mentioned, not only were the functions of the digital channels enriched to ensure a full response

to customer requests, but the management procedures were also redesigned with a view to greater “clustering” and improvement of the ability to respond to specific customer needs.

**The branches at Acea’s headquarters in Rome**, in Piazzale Ostiense, for the electricity, gas and water services managed by **Acea Energia** and **Acea Ato 2**, received a total of **88,723 customers** in 2020 (last year’s figure was 204,542 customers), with high levels of service. At the branches managed by Acea Ato 2 **outside Rome** (12 branches – Ostia and the province of Rome), 16,963 customers were received (the figure was 79,691 total visits in 2019), with a **service level** (customers served/tickets issued) of **99.8%**, an average waiting time of 7’43” and an average service time of 7’32”. If the overall figures for **all the companies in the scope** of consolidation are considered, 163,527 customers were received at the branches (the same figure for the previous year was 555,496 customers received). See table nos. 34 and 35 for the performance over the last two years of the individual Companies.

#### NEW ACEA ENERGIA POINTS

Acea Energy confirmed its commitment to the optimisation of its physical network and in 2020, despite the limitations caused by the Covid-19 health emergency and in compliance with all the relative safety measures, it opened **new “Acea Energia Points”**, in Rome and outside Rome using a

Shop in Shop formula, i.e. setting them up in pre-existing multi-brand stores. In the Acea Energia Points, a point of reference for customers who want to activate an electricity and gas account on the free market, activities **aim to digitalise procedures as much as possible**, guaranteeing **reduced**

**waiting times, quality of service and an improved customer experience.** During the year the services offered were broadened, **including post-sales activities as part of the supply procedure.** The total Acea Energia Points as at 31.12.2020 **were 90**, and in 2021 these will continue to grow, even outside Lazio.

Operating Companies also handle **written complaints, following up the processing of cases using information systems: from reporting to resolution.**

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

For the **Public Lighting service**, responses to **written complaints/requests** are handled directly by Areti. In 2020 a total of **3,462 complaints/requests** were received, a **reduction** compared to the 3,715 recorded in 2019. The Company **replied to 93%** of them by 31 December.

On the **website [www.acea.it](http://www.acea.it)** dedicated to the **free market** and on the website **[www.servizioelettricoroma.it](http://www.servizioelettricoroma.it)** dedicated to **the protected market of Acea Energia** there are **guides to reading the bill**. Guides for reading bills are also available for customers of the **water service**, found in the **Water section** of the Acea Group website **[www.gruppo.aceait.it](http://www.gruppo.aceait.it)**.

A major project to **restyle and review the bills of all Acea Group water companies** was launched and implemented in 2020. In brief, the project consisted of the following phases:

- a graphic restyling of the water bill **simplifying and rationalizing the contents by: introducing a brand new, modern and attractive graphic layout**; introducing new symbols and using colours to help customers read and understand them;
- the new e-mail template for the web bill, designed with the intention of giving users an impression of a Company that is digitally ready and aware of sustainability issues;
- the new interactive bill, designed as a navigable dashboard available to the customer, which will be released in January 2021 and will start on a pilot of 7,000 domestic users of Acea Ato 2.

The new layout of the printed bill was communicated to customers by means of a flyer attached to the bill and on the website, with an update to the section entitled “Guide to reading your bill”.

Following the #IORESTOACASA communications campaign, in May 2020 **Acea Ato 2** launched a communication campaign dedicated entirely to the **web bill service and smart**

**payment channels**. The campaign was heavily featured in major web and printed media publications. As at **31/12/2020**, the number of **Acea Ato 2 users with digital billing** was **230,049 (174% more** than the figure of 83,909 users with web billing in 2019); thanks to electronic billing, **the paper savings in the year** generated by the Company amounted to **29.6 tons**.

**AdF** promoted the use of digital channels through the “**AdF Digital**” communication campaign, which focused in particular on three narrative strands: **web bill, MyFiora app and digital payments**. The campaign was broadcast through traditional media (print, TV, billboards) and digital media (web, newsletter and social) with the aim of reaching as wide a target of customers as possible and led to **76,759 users with active web bills**, an increase of **172% compared to 2019**, equal to about **33% of total users**, with a paper saving in 2020 of **9.9 tons per year**.

In 2020 **Gori** launched the campaigns “**Un click solidale**” and “**Un click per il Sarno**”, thanks to which subscription of **the web bill service reached 114,469 (+96.5%** compared to 58,515 users with web bills in 2019), with a saving of **10.6 tons/year of paper**.

**Acea Ato 5** has promoted the use of digital channels and **the activation of the web bill service**, emphasising, among the other benefits of the combination, the prompt receipt of the bill. As at 31.12.2020, the Company reached **34,654 users with the active service** (approximately **144% more** than the 14,218 users in 2019); this generated a saving of **4.2 tons of paper per year**.

**Gesesa** has contacted users with a telephone number in their records to encourage subscription of the web bill, illustrating all the benefits in terms of time, security and environmental impact. As at 31.12.2020, the number of users with an active web bill reached **7,690 (210% more** than the 2,482 users who had the service active last year), **equal to 13% of total users, with a saving of 0.5 tons/year of paper**.

Thanks to the awareness and communication initiatives implemented by **Acea Energia**, already mentioned above, **the number of people opting for the “electronic bill”** has increased. As at 31.12.2020, there were **344,946 active supplies with the BollettaWeb [web bill] option** (184,726 in the free market and 160,220 in the protected market), an increase of **31%** compared to the 2019 figure (263,244 supplies with a web bill). **In terms of environmental protection, this equates to 50.7 tonnes/year of paper saved**.

**Overall**, therefore, thanks to the web bill service and the customers who activated it, **105.5 tonnes of paper were saved in the year, around 92% more than the 2019 figure** (55 tonnes of paper).

**TABLE NO. 34 – ENERGY: TOLL-FREE NUMBER AND BRANCH PERFORMANCE (2019-2020)<sup>(\*)</sup>**
**TOLL-FREE NUMBERS**

	u. m.	2019	2020
<b>COMMERCIAL TOLL-FREE NUMBER (Acea Energia) – MORE PROTECTED SERVICE</b>			
total calls received	no.	900,450	704,705
total answers	no.	827,230	669,300
service level (% of answers to calls received)	%	91.9%	95.0%
average waiting time before answer	min. sec.	2'50"	2'03"
average conversation time	min. sec.	6'38"	6'06"
<b>COMMERCIAL TOLL-FREE NUMBER (Acea Energia) – FREE MARKET (Energy and Gas)</b>			
total calls received	no.	784,997	874,990
total answers	no.	705,154	790,935
service level (% of answers to calls received)	%	89.8%	90.4%
average waiting time before answer	min. sec.	1'54"	1'36"
average conversation time	min. sec.	6'08"	7'18"
<b>FAULT TOLL-FREE NUMBER (Areti)<sup>(**)</sup></b>			
total calls received	no.	291,538	202,639
total answers	no.	285,962	200,612
service level (% of answers to calls received)	%	98.1%	99.0%
average waiting time before answer	min. sec.	1'15"	0'51"
average conversation time	min. sec.	3'10"	3'08"
<b>PUBLIC LIGHTING SERVICE – FAULT TOLL-FREE NUMBER (Areti)<sup>(**)</sup></b>			
total calls received	no.	143,158	147,878
total answers	no.	140,249	146,399
service level (% of answers to calls received)	%	98.0%	99%
average waiting time before answer	min. sec.	0'53"	0'44"
average conversation time	min. sec.	2'42"	2'49"
<b>CEMETERY LIGHTING – COMMERCIAL/FAULT TOLL-FREE NUMBER (Areti)</b>			
total calls received	no.	103,473	96,183
total answers	no.	98,995	89,874
service level (% of answers to calls received) <sup>(***)</sup>	%	95.7%	93.4%
average waiting time before answer	min. sec.	0'54"	0'49"
average conversation time	min. sec.	4'52"	4'34"
<b>BRANCHES<sup>(****)</sup></b>			
<b>ACEA ENERGIA – BRANCH FOR ENHANCED PROTECTION SERVICE</b>			
tickets issued	no.	88,127	34,258
customers served	no.	83,632	32,369
service level (% customers served/tickets issued)	%	94.9%	94.5%
average waiting time	min. sec.	12'10"	8'40"
average service time	min. sec.	11'34"	11'34"
<b>ACEA ENERGIA – FREE MARKET BRANCH (Energy, Gas and offers)</b>			
tickets issued	no.	65,884	32,880
customers served	no.	64,215	32,250
service level (% customers served/tickets issued)	%	97.5%	98.1%
average waiting time	min. sec.	4'42"	4'46"
average service time	min. sec.	11'46"	11'44"

(\*) The volumes of channels subject to sector regulation are consistent with the calculation methods envisaged for reporting to ARERA.

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

(\*\*\*) The figure relative to the level of service in 2019 was modified to correct typing errors.

(\*\*\*\*) The figures relative to the branches were heavily affected during the year by the closures implemented by the Covid-19 health emergency, which moved their customer contact mainly to digital channels.

**TABLE NO. 35 – WATER: TOLL-FREE NUMBERS AND BRANCH PERFORMANCE (2019-2020) <sup>(\*)</sup>**
**TOLL-FREE NUMBERS**

	u. m.	2019	2020
<b>COMMERCIAL TOLL-FREE NUMBER (ACEA ATO 2 – Rome and province) <sup>(**)</sup></b>			
total calls received	no.	723,198	1,021,728
total answers	no.	652,776	905,658
service level (% of answers to calls received)	%	90.3%	88.6%
average waiting time before answer	min. sec.	2'15"	2'22"
average conversation time	min. sec.	4'42"	4'25"
<b>FAULT TOLL-FREE NUMBER (ACEA ATO 2 – Rome and province) <sup>(***)</sup></b>			
total calls received	no.	454,441	462,063
total answers	no.	453,871	460,352
service level (% of answers to calls received)	%	99.9%	99.6%
average waiting time before answer	min. sec.	0'15"	0'16"
average conversation time	min. sec.	2'34"	2'34"
<b>COMMERCIAL TOLL-FREE NUMBER (ACEA ATO 5 – Frosinone and province)</b>			
total calls received	no.	199,789	248,266
total answers	no.	181,530	210,167
service level (% of answers to calls received)	%	90.9%	84.7%
average waiting time before answer	min. sec.	1'36"	2'19"
average conversation time	min. sec.	3'59"	3'56"
<b>FAULT TOLL-FREE NUMBER (ACEA ATO 5 – Frosinone and province) <sup>(****)</sup></b>			
total calls received	no.	94,285	138,916
total answers	no.	92,223	128,190
service level (% of answers to calls received)	%	97.8%	92.3%
average waiting time before answer	min. sec.	1'06"	0'40"
average conversation time	min. sec.	1'54"	2'20"
<b>COMMERCIAL TOLL-FREE NUMBER (GESESA – Benevento and province)</b>			
total calls received	no.	19,232	27,078
total answers	no.	17,521	211,66
service level (% of answers to calls received)	%	91.1%	78.2%
average waiting time before answer	min. sec.	0'49"	2'34"
average conversation time	min. sec.	3'23"	4'38"
<b>FAULT TOLL-FREE NUMBER (GESESA – Benevento and province)</b>			
total calls received	no.	13,919	15,814
total answers	no.	10,267	13,046
service level (% of answers to calls received)	%	73.8%	82.5%
average waiting time before answer	min. sec.	0'35"	1'25"
average conversation time	min. sec.	2'06"	2'17"
<b>SALES TOLL-FREE NUMBER (GORI – provinces of Naples and Salerno)</b>			
total calls received	no.	332,248	505,439
total answers	no.	293,015	389,950
service level (% of answers to calls received) <sup>(****)</sup>	%	88.2%	77.2%
average waiting time before answer	min. sec.	3'20"	4'52"
average conversation time	min. sec.	4'55"	5'33"
<b>FAULT TOLL-FREE NUMBER (GORI – provinces of Naples and Salerno)</b>			
total calls received	no.	153,309	153,900
total answers	no.	133,640	141,000
service level (% of answers to calls received)	%	87.2%	91.6%
average waiting time before answer	min. sec.	1'08"	1'03"
average conversation time	min. sec.	3'23"	3'08"

**TABLE NO. 35 – WATER: TOLL-FREE NUMBERS AND BRANCH PERFORMANCE (2019-2020) <sup>(\*)</sup> (continued)**
**COMMERCIAL TOLL-FREE NUMBER (ADF – Provinces of Grosseto and Siena) <sup>(\*\*\*\*)</sup>**

total calls received	no.	152,922	200,699
total answers	no.	139,543	178,239
service level (% of answers to calls received)	%	91.2%	88.81%
average waiting time before answer	min. sec.	2'18"	3'02"
average conversation time	min. sec.	4'45"	5'10"

**FAULT TOLL-FREE NUMBER (ADF – provinces of Grosseto and Siena) <sup>(\*\*\*\*)</sup>**

total calls received	no.	60,247	71,284
total answers	no.	58,579	67,890
service level (% of answers to calls received)	%	97.2%	95.2%
average waiting time before answer	min. sec.	45"	50"
average conversation time	min. sec.	3'34"	3'32"

**BRANCHES <sup>(\*\*\*\*\*)</sup>**
**ACEA ATO 2 (Rome – head office branch) <sup>(\*\*)</sup>**

tickets issued	no.	50,531	21,585
customers served	no.	50,440	21,536
service level (% customers served/tickets issued) <sup>(****)</sup>	%	99.8%	99.8%
average waiting time	min. sec.	5'19"	4'00"
average service time	min. sec.	14'16"	17'35"

**ACEA ATO 5 (2 branches in Frosinone and province)**

tickets issued	no.	93,598	23,945
customers served	no.	91,888	23,945
service level (% customers served/tickets issued)	%	98.0%	100%
average waiting time	min. sec.	22'00"	10'00"
average service time	min. sec.	7'59"	9'50"

**GESESA (1 branch in Benevento and province) <sup>(\*\*\*\*\*)</sup>**

tickets issued	no.	13,755	n/a
customers served	no.	13,755	n/a
service level (% customers served/tickets issued)	%	100%	n/a
average waiting time	min. sec.	6'48"	n/a
average service time	min. sec.	9'25"	n/a

**GORI (6 branches in provinces of Naples and Salerno)**

tickets issued	no.	202,209	42,609
customers served	no.	190,650	40,397
service level (% customers served/tickets issued) <sup>(****)</sup>	%	94.3%	98.4%
average waiting time	min. sec.	14'11"	14'32"
average service time	min. sec.	10'27"	10'21"

**AdF (7 branches in provinces of Grosseto and Siena) <sup>(\*\*\*\*\*)</sup>**

tickets issued	no.	41,392	8,250
customers served	no.	38,033	7,647
service level (% customers served/tickets issued)	%	91.8%	92.7%
average waiting time	min. sec.	10'00"	6'00"
average service time	min. sec.	13'00"	15'00"

<sup>(\*)</sup> The volumes of channels subject to sector regulation are consistent with the calculation methods envisaged for reporting to ARERA.

<sup>(\*\*)</sup> Some 2019 figures relative to the Acea Ato 2 toll-free numbers were adjusted after consolidation. The 2020 figures, both for free-toll-free numbers and the branches, are currently being consolidated and have still not been submitted to the Authority.

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

<sup>(\*\*\*\*\*)</sup> The data on levels of service published in 2019 for Acea Ato 2 and Gori were modified to correct typing errors.

<sup>(\*\*\*\*\*)</sup> Estimated data.

<sup>(\*\*\*\*\*)</sup> The figures relative to the branches were heavily conditioned, during the year, by the closures implemented by the Covid-19 health emergency, which moved their customer contact mainly to digital channels.

<sup>(\*\*\*\*\*)</sup> The branch closures and a technical issue with the queue management system led to a lack of sufficient data to monitor the performance of waiting times.

<sup>(\*\*\*\*\*)</sup> Estimated data. The values in relation to the branches refer to 7 branches in the first two months and 2 branches, with appointment-based access, in the second half of the year, after the lockdown.

## COMMUNICATIONS, EVENTS AND SOLIDARITY



17° PRESS, OUTDOOR & PROMOTION KEY AWARD FOR THE ACEA CAMPAIGN **#IORESTOACASA**. ALL CONTRACTUAL TRANSACTIONS WITH CUSTOMERS WILL TAKE PLACE REMOTELY, **24/7**



**Acea's FIGHT AGAINST THE Covid-19** EMERGENCY: A DEDICATED PAGE ON THE OFFICIAL WEBSITE



ACEA **School 2020** ONLINE EDITION: AROUND **4,000 students** TOOK PART IN **Let's Defend Water!**



**Waidy app:** CREATED BY ACEA FOR THE IDENTIFICATION OF **the 6000 water supply points** PRESENT IN THE TERRITORIES SERVED BY THE GROUP

### COMMUNICATION

The **Communication Function** of the **Holding directs and coordinates communication and information strategies and initiatives**, defining **the development of the Group image**.

The Function monitors **journalistic information**, ensures the management of **relations with the mass media**, including the drafting and distribution of press releases, the preparation of press reviews and the organisation of press conferences for the various business areas. It also coordinates communication activities and internal dissemination of documents, news and editorial content, **brand enhancement, management of corporate identity**, creation of **institutional, advertising and commercial campaigns**, organisation of **public or institutional events**, development and management of **environmental education and solidarity projects**, as well as special projects and external events aimed at **strengthening the bond between Acea and the territory**.

In-house expertise also covers the design and production of **photographic and video services**, management of the **Group's modern and historic documentary and photographic archives**, and the **promotion of Acea sites/plants for educational and cultural purposes**.

The Communication Function also defines **digital strategy** and **digital identity**, in line with the strategic guidelines defined by Top Management, the positioning of the Group in the digital ecosystem, through the design, development and management of **the institutional website** and the websites of the Companies that align with the corporate identity. It is responsible for the operational management **of social channels** to **disseminate and promote brand awareness, the Group's values and mission** and the initiatives it carries out.

In 2020, **the Group's advertising was heavily influenced by the Covid-19 emergency**. With the closure of its branches to the public, ordered in accordance with the guidelines on prevention measures published by the Italian Ministry of Health, **in mid-March, as part of the #IORESTOACASA initiative**, Acea launched a campaign in the main national and local newspapers, online and in print, aimed at **informing customers about the possibility of managing all the operations relative to their water, electricity and gas supply contracts from home** (see the dedicated box).

### #IORESTOACASA. ACEA'S COMMITMENT TO CUSTOMERS

As a way to respond immediately to the restrictions implemented as a result of the unexpected pandemic, Acea, as part of the #IORESTOACASA initiative, **created and developed**, using only internal resources, **an informational campaign for its customers**, that was featured in major national and local Italian newspapers, online and in print. Its aim was to **promptly inform all customers** that they could now **manage all**

**their energy supply contracts, for water, electricity and gas, online, from home, 24 hours a day.**

The volume of the communication was indeed large, comprising a total of **113 press releases** in major daily Italian newspapers and **online for a month on over 30 Italian information sites**. The campaign was also used by the Group Companies: Acea Ato 5, Gesesa, Gori, Umbra Acque

and Acquedotto del Fiora, appearing both online and in print in local press.

With this initiative, **that was already aired on 15 March**, Acea became the first Company in its field to create an *ad hoc* campaign in response to the emergency pandemic.

In September, **the campaign was awarded the 17° Press, Outdoor & Promotion Key Award** for the Transport and Energy category.

In May, again with the aim of encouraging customers to use digital channels, Acea Ato 2 and Acea Ato 5 conducted a **communication campaign on web bills** broadcast in the press and digital reservations, and between July and September **an important campaign on saving water** was launched by the same companies operating in the water sector, using various forms of communication (press, digital and posters). In **October 2020**, a campaign started for **Acea Energia**, aimed at **highlighting the valuable**

**relationship with customers**, improving **brand reputation** and extending awareness in Lazio and outside the region, also involving Tuscany, Campania, Lombardy and Puglia in the target reached. The campaign, which had a significant media response, was developed through targeted, transverse actions that involved various media (print, digital programmatic and reservation, TV on demand, billboards and events) and continued until January 2021. Also in October, Acea **continued its commitment of many years**

to schoolchildren, involving many schools and thousands of children, **creating a fully digital event: Acea Scuola – DifendiAMO l'acqua!** [Acea School – Let's Defend Water!], dedicated to sav-

ing water and sustainability; the event was advertised with a **communication campaign on air on digital programmatic**, registering **10 million impressions on 200 websites** (see the box for details).

### “ACEA SCHOOL – LET'S DEFEND WATER!” 2020 DIGITAL EDITION

Despite the health emergency situation, **Acea wanted to implement this educational project**, which was already active for many years and involved thousands of young people, to raise awareness around environmental sustainability.

To this end, the 2020 edition, focussing on protecting water resources, was created through **three virtual events, accessible throughout the country**. Young people and their families were able to access the event through the dedicated page on the Acea website. The 3D event took place over **three days in October**, from 4-9 p.m.,

each dedicated to different elements of the water cycle: **The journey of water, environment and water quality, sustainability and saving water**. The project was **followed by around 4000 people** and aimed at **providing them with a multimedia experience** which, guided by the young talent Valeria Vedovatti, considered the journey of water, from its source to our homes, and explained Acea's work and the technologies used by the Company to ensure the protection and quality of our natural resources and water service.

During the 2020 edition, Acea introduced

“**Waidy**”, the new app, created by the Company, used to identify the 6000 water supply points active in areas served by the Group, inviting everyone to use water more responsibly and reduce their use of single-use plastics.

In December, the educational projects were only offered to schools in Rome and the Metropolitan city as support to educational activities, and came with the possibility to enter into a contest, pertaining to the same themes, to win three vouchers that for use by winning schools to purchase materials to aid distant learning.

Other campaigns went on air to draw attention to particularly important events organised by Acea, such as, **in November**, the second edition of **Sustainability Day, entirely digital this year too**, with a debate between representatives of the institutions, research and experts in the sector on sustainable development strategies (see the box in the *Strategy and Sustainability* chapter of *Corporate Identity*).

Lastly, two other important campaigns were carried out between the end of November and December to support initiatives of the operating companies. In particular, **the information campaign on the advantages of Areti's new 2G meters**, aimed at customers of the IX Municipality of Rome, the area where replacement is ongoing, and the campaign to promote the **digital service point and new MyAcea services of Acea Ato 2 and Acea Ato 5**.

**Visits to Acea plants** were affected by measures for the Covid-19 pandemic emergency and were **suspended at the end of February**. In the first two months of the year, Acea's facilities received **a total of 3 visits**, two from Italy and one from abroad, **for a total of 54 visitors**, recording data not comparable to attendance in the previous year, in a situation of normality (35 visits, for a total of 2,323 people in 2019).

The **Digital and Corporate Media Unit**, within the Communication Function, defines the digital strategy and digital identity and manages communication on digital channels of the Acea Group. The **corporate website [www.gruppo.aceait](http://www.gruppo.aceait)** expresses **the Group's values, mission and industrial positioning**.

In line with the 2020-2024 Industrial Plan, **the Group's website tells the story of the Company**, highlighting its commitment to sustainability and innovation, transversal elements that increasingly characterize its method of operating to ensure greater efficiency in the services provided to customers, thanks in part to the quality of work of its people. The site **shows corporate content**, offers an **area dedicated to services** and stands out for its **transparency-based approach**. The corporate website is the result of an in-depth **analysis of positioning and digital strategy**, with particular focus on **visual communication** and a clear organisation of content, facilitating smooth and intuitive browsing, thanks to original layout and graphics, consistent with the Group's brand identity.

By employing an effective, engaging language and the use of **images and videos**, Acea promotes its people, skills and **daily commitment to the regions it operates in**.

The result of the work on the corporate website and on the Group's entire digital ecosystem has led Acea to enter **the top 10 of Webranking Italy 2020-2021**, the survey conducted by Lundquist and Comprend that assesses **the transparency of communication on the digital channels** of the main Italian listed companies, confirming its position **among the “4-star” companies and thus further improving its position** compared to 2019, the year in which it was ranked best improver, i.e. the best listed Company by score increase at global level. The ranking also enhanced the Wikipedia entry, citing Acea as best practice. Lastly, **the Company was included in the “silver class” of .trust**, the analysis conducted by Lundquist that assesses the ability of Italian listed companies to **tell their story in a clear, engaging way**, positioning themselves in the most virtuous quadrant corresponding to “**narrators**”, including “*the companies that provide complete content built following the narrative and proactive involvement of the user stakeholder, balancing information and stories, rational and emotional elements, website and social media*”.

During the year, the **Acea website highlighted the initiatives put in place to respond to the Covid-19 health emergency**, ensure essential services in the area and safeguard its people. **A dedicated page was created** and constantly updated with information on the initiatives undertaken to express closeness to the community. Press releases and service notices were issued to update users promptly and communication campaigns were carried out to encourage the use of digital contact channels.

The website publicised the main 2020 events, organised by the Company or in which the Group took part, such as the second edition of Sustainability Day, **the Ecomondo and Maker Faire Rome** events (see the box for details). The Company also promoted the **events which it has long associated its brand with** through sponsorship (see the dedicated paragraph below), such as the Film Festival. With regard to activities aimed at schools, particular emphasis was placed on the **DifendiAMO l'acqua!** [Let's defend water] educational programme, dedicated to raising awareness of the responsible use of water (see the dedicated box).

In November, Acea participated in **Ecomondo**, the biggest trade show dedicated to *green economy* and to promoting a development model promoting transition to a **sustainable industrial ecosystem**. The trade-show presented the various initiatives implemented to plan and build **smart city through technical innovations and a green and circular economy** and, since it took place **on a digital platform**, it was extended **by two weeks**, giving the public a better opportunity to learn about the participating companies' profiles, innovations, participate in conventions, workshops and one-to-one meetings (see also in *Relationships with the environment, Environmental sustainability and its main challenges*, analyses of Acea Ambiente projects, presented at the event). **Acea's CEO was also present at the digital event**, and took part in the International Plenary Session "Governments and Green Enterprises in the new global context", **along with the Chairman**, representing Utilitalia in the In-depth Thematic Session "Financing Climate Neutrality- Italy for Climate Roadmap to steer the funding of the Recovery Plan". The Chief Executive Officer highlighted Acea's growing commitment to sustainable success, stating that: "*For Acea, growth and creating values are closely related to achieving sustainability goals that increasingly characterise their performance indicators. The Business Plan we presented last week signif-*

*icantly increases the importance of sustainability in relation to our business choices and in the Group's operational management*".

In December, Acea, who this year was awarded the "**Premio Imprese per Innovazione**" (Enterprise Award for Innovation), promoted by Confindustria and dedicated to companies that have successfully invested in R&I (see chapter *Institutions and the Company*, for more information), renewed its participation in the **Maker Faire Rome - The European Edition**, a point of reference for new technological trends and innovations. The event took place online for four days, attracting thousands of virtual visitors, including makers and start uppers who, connected from all over the country, were able to appreciate contributions made by participating companies. Acea, in particular, presented the most innovative industry 4.0 solutions, which it applies to its industrial sectors, especially the water and environment sectors.

Acea introduced the **Waidy** app for the water sector, downloadable from any app store (Apple and Android) or using the dedicated QR code on the water supply points, which, through the **geolocation of around 6000 drinking water supply points** in areas served by the Group, allows you to view, in real time, the points nearest to you and learn about their history. The app also, through a smart water grid system, enables

you to report faults, in case of water fountain malfunctions, and to request qualitative and quantitative water parameters, provided through a direct link to the MyAcea portal. With the Waidy app, you can also track your daily water consumption and become a part of the "*water community*", a new interactive channel used for communication with other users. In relation to the Environment sector, Acea presented the new release of **Acea SmartComp**, created in collaboration with Enea and the University of Tuscia to promote the widespread, authorised, local processing of organic waste produced by large public service utilities such as canteens, hospitals, shopping centres, airports, and stations. With SmartComp you can transform your organic waste into compost locally, through an aerobic process that produces **ready to use fertiliser** in around 90 days. The project guarantees less waste production and continuous savings on management costs for the entire waste management system throughout Italy, for the recovery procedures of individual consumers, and a positive impact on the environment, thanks to reduced greenhouse gas emissions from removing waste transport. "*The annual Maker Faire Rome event - stated Acea's CEO, who was present at the event - is an opportunity to confirm our commitment and attention to innovation and new technologies*".

Over the year, the area of the **corporate website dedicated to innovation was broadened** to give greater emphasis to the Group's commitment and projects in this area. In addition, **the section dedicated to "stories" was redesigned** to include initiatives for the community and territory and business activities, using different narrative strands **to involve all stakeholders and illustrate the Company's life and commitment** to them., combining the human dimension, technology and sustainability.

On all the pages of the site, **sustainability** is highlighted as a key element for the growth and creation of value of the Group. Indeed,

in addition to being discussed in the section "**Our commitment**", sustainability becomes a **cross-cutting value**, with references to initiatives and projects dedicated to each area.

Also worth mentioning is the communication which focused on the **artistic lighting of monuments** and the main **symbolic lighting** concerning the usual activities of raising **public awareness** on the prevention of diseases such as breast cancer or other events with high social impact, but also **the special lighting with the Italian flag colours of some institutional offices, to express closeness to the community following the Covid-19 health emergency** (photo gallery on the corporate website).



As happens every year, for the **Shareholders' Meeting**, the “Browseable Reports” of the Acea Group were published, which make the **Consolidated Financial Statements** and **Sustainability Report** accessible interactively, with open data and multimedia content. The online reports present Acea’s results, values and projects and provide the possibility of **capturing the multiple threads that link the two annual reports in a single frame**.

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

Lastly, in 2020, **the project for the creation of the new Areti website was launched**, which will present informative content aimed at electricity distribution users and will go online in 2021.

The new Group website, active on the [www.gruppo.acea.it](http://www.gruppo.acea.it) domain, has been online since June 2019, so the 2020 statistical data are not fully comparable with those of the previous year, while from the next reporting cycle a clear comparison of the two-year period focused only on visits to the corporate pages will be possible<sup>64</sup>. In the year, there were about **29.8 million page views**, equal to **7.4 million accesses**; although, in absolute terms, the **desktop** connection mode prevails with **60.3%** (4,517,158 accesses) and **tablet** connection remains limited, at **2.5%** in the

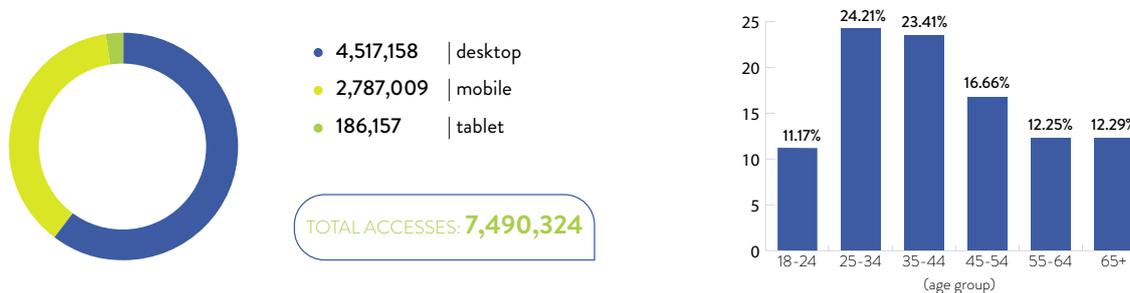
year (186,157 accesses), the increase in **mobile** phone access to the site was confirmed, at **37.2% in 2020** (2,787,009 accesses), as well as the concentration of visitors in the age range between 25 and 44 years.

As regards the **Acea Energia website** ([www.acea.it](http://www.acea.it)), **more than 2.6 million accesses were recorded in 2020**, an **increase of more than 30%** compared to the 2019 figures (more than 2 million accesses), **in part related to the Covid-19 emergency** and the campaigns to raise awareness on the use of digital channels. Accesses were predominantly from desktop (59%), followed, by mobile phones, (39%) up from 2019 and tablet (2%). The website, dedicated to the sale of electricity and gas on the free market and constantly updated with commercial offers, provides quick, user-friendly navigation with original, innovative user features to facilitate customer journeys and interactions with all touchpoints.

In addition to the “stories” section where topics related to sustainability and innovation in the energy sector are discussed, **a new guides section was created** in 2020 to provide useful information to users on topics such as **wind energy, spending simulators, energy saving** and other topics related to our market, which contributed to the increase in accesses.

On the website [www.servizioelettricoloroma.it](http://www.servizioelettricoloroma.it), **dedicated to protected market customers, 400,237 accesses** were recorded in 2020, a figure **that more than doubled** compared to 2019 (about 182,000 accesses), with 70% connecting via desktop, 28% via mobile and 2% via tablet.

### CHART N. 30 – ACEA 2020 CORPORATE SITE: HOW TO ACCESS AND AGE RANGES



In 2020 Acea **consolidated and strengthened its presence on social media** (see the dedicated box), thanks to a storytelling strategy in line with the communication and the “tone of voice” of the Group’s institutional website.

The editorial plan **focused on content for each channel**, aimed at enhancing Acea’s commitment in the area, including in the context of the Covid-19 health emergency. The main events of the year were followed through *ad hoc* planning and supported with influencer marketing projects.

### ACEA NUMBERS ON SOCIAL MEDIA

After their debut on social media last year, Acea **reinforced its presence on all the main networks**. The key 2020 figures are:

Acea Group’s **Facebook** page gained a fanbase of around 4689 followers (100% more than in 2019) and had a total of around 48300 interactions. Posts have been predominantly focussed on corporate content and cultural events sponsored by the Group. Thanks to continued moderation, user requests received on the page are directed to dedicated support channels; the **Instagram** account had around 3633 followers (+134% compared to 2019) and 16388 interactions. Through

direct and informal communications, the channel aims at involving users through stimulating images and content, to raise awareness around the work carried out by the Company at the national level and for communities.

The **Twitter** profile had over 4,503 followers (+4.7 compared to 2019) who interact with Acea through comments and sharing (8,780 interactions); it’s one of the main touchpoints for **updates on corporate content and Group results**, as well as for interaction with various **institutional stakeholders**.

<sup>64</sup> In fact, in order to maintain the best comparability with the data published in 2019, the 2020 data on this occasion still includes visits to MyAcea pages. For the 2020-2021 period, however, it will be possible to compare standardised periods and separate the data from visits to commercial pages

## ACEA NUMBERS ON SOCIAL MEDIA (continued)

The **LinkedIn** profile, which has been active for the longest, increased in popularity since the previous year, with **46,964 followers, increased by nearly 40%** compared to 2019; this also led to an increase in conversations and interactions, which amounted to around 19,798. Acea uses this channel to confirm its presence and reinforce the importance of multiutility, also in attracting new talent and skills.

The **YouTube** profile is active as well, with 944 subscribers and collects all Acea's videos.

In addition to the corporate profiles, the Company is present on **Facebook** and **Instagram** with **Acea Energia**. Both channels were used for the promotion of electricity and gas offers and for the dissemination

of commercial initiatives on the free market, also with the support of **special influencer marketing projects**. Facebook and Instagram respectively reached 14,034 (+3% compared to 2019) and 701 followers (+35% compared to 2019) and both have become important touch-points for **managing customer requests**, also by inviting customers to use online services available in the MyAcea customer area of the website [www.acea.it](http://www.acea.it). During the year, the Group **also used social media to enhance more institutional communications**, thanks to their media partnership and the CEO's involvement in national events on sustainability and green energy efficiency.

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

**Press releases and press conferences** in 2020 disclosed **the economic results achieved, the initiatives carried out** by the Group and **information of public interest** relating to the provision of services. In coordination with other Functions/Departments of the Holding Company, such as Investor Relations & Sustainability, Legal and Corporate Affairs and Administration, Finance and Control, the Media Relations Unit prepares **press releases on the main corporate appointments**, such as the **Shareholders' Meeting**. Through press articles, television, radio and web reports, the Unit ensured media coverage of the main events and initiatives carried out by Acea, with particular focus on improving **corporate communication content, such as business operations and the Industrial Plan**. Thanks to a constant **exchange of information with the operating companies**, the Unit **provides feedback on reports of inefficiencies** arriving via emails and direct telephone contacts and those published in newspapers, interacting with the press offices that are available to publish the Company's replies.

Media Relation manages the national and local **press review** on a daily basis, making it **available through the Company's Intranet**. This activity is complemented by the transmission of additional and timely information about the Group or relevant to the business managed, thanks to the regular **monitoring of press agencies and the web** (web news, social media and blogs).

The **communications** that accompanied **Acea initiatives of particular importance in 2020** included, by way of example:

- the January press releases relating to the **placement of a € 500 million bond** issued under the nine-year EMTN Programme;
- **communication on the "PlatOne" project**, funded by the European Union, as part of the "Horizon 2020" Framework Programme for Research and Innovation, for which **Acea is responsible for coordinating the "pilot" in Italy**;
- **communications relating to the Covid-19 emergency**, which took place over the course of the year, starting **with the suspension of the disconnection of water and electricity supplies** in March 2020 and **branch closures**, through to the symbolic lighting of institutional offices with the Italian colours – in collaboration with the institutions involved – and the **"Biosafety Trust" certification**, obtained thanks to the

actions taken by Acea in managing the risk of infection, such as smart working, hours of training provided and insurance policies for employees;

- communications, in April and May, on the consolidation of Acea's position in **the waste recycling and treatment** industry, with **completion of the acquisition of 70% of the capital of Simam and 60% of the capital of Ferrocarril and Cavallari**;
- the event and the communication, in collaboration with the Municipality of Rome, about the **launch**, in August, of the **Waidy app**, recommending responsible use of water and contributing to the reduction of plastic;
- the communication on **the 2020-2024 Business Plan approved in October**;
- the events and communications related to **projects**, implemented **throughout the year, to upgrade lighting, in artistic and functional terms**, in collaboration with the Municipality of Rome, of places such as the Basilica of Santa Maria in Trastevere, the Pantheon, the Arch of Constantine, Piazza del Popolo, the Borgo di Ostia Antica and the gardens of San Basilio;
- communications on approval of **the plan for the replacement of electricity meters** with the new **2G meters of Areti** and the launch, in November, of the information campaign;
- communications and press **releases in December on the agreement between Acea and the Carabinieri** for the supply of the **Smart Comp mini-composting plant** and approval of the project for the installation of **the first 100 Acea recharging stations for electric vehicles in Rome**, which effectively ratified the Group's entry into the electric mobility sector.

Media Relations also provided media coverage of the **main events and initiatives in which Acea participated or which it held** through press articles, television, radio and web services, including those in the field of value liberality and sponsorship.

## EVENTS AND SOLIDARITY

The **economic value distributed to the community** in 2020 was **€ 7 million<sup>65</sup>** (€ 6 million in 2019). Of which about 1 million was allocated to sponsoring cultural, social and sporting events.

The appropriations in the form of **donations** for major initiatives were equal to **€ 1.97 million** (1.36 in 2019).

Acea offers its services, such as the **supply of electricity and water** or the **switching on/off of public lighting**, at cultural or sporting events with large publicor also in **special circumstances at events demonstrating solidarity or of a symbolic nature**, such

<sup>65</sup> This item also includes costs borne for "fairs and conventions" but not "technical" sponsorships.

as, for example, the special switching on or off of lighting of the Colosseum, Palazzo Senatorio or other symbolic buildings, on the occasion of special anniversaries, such as the World Day against violence to women, the World Day for children's rights, the City against the death penalty and many others. In 2020, dramatically **marked by the Covid-19 pandemic emergency**, in addition to the projects mentioned above, **Acea stood by the institutions**, emphasizing, by **projecting the colours of the Italian flag on the main government offices**, Italy's sense of unity and solidarity. For this activity, which continued throughout the year and beyond, these services, referred to as **"technical sponsorships"**, reached **a total economic value of approximately € 1.2 million<sup>66</sup>, a significant increase compared to the previous year** (approximately € 241,000 in 2019).

The Company participates in the main events related to its business activities and supports, every year, **including with sponsorships**,

initiatives considered of high cultural and social value for the **development of the areas it operates in and for the benefit of the community** (see also the boxes at the end of the section). The **Sponsorship and Value Liberality Function advises on and manages requests** from the entire region and from the Group's corporate structures, **to submit them to the Executive Committee**, a body with responsibility for Institutional Relations, Sponsorships and Donations. The sponsorship initiatives approved by the Executive Committee are subject to an Integrity Due Diligence, for an ethical and reputational assessment of the proponents, according to best practices.

In the months of March, April and May, Acea decided to **allocate a portion of the sponsorship funds to support hospitals and facilities engaged in the management of the social and health emergency offering assistance to the public**, including the more disadvantaged (see the dedicated box).

### ACEA'S FIGHT AGAINST THE COVID-19 EMERGENCY

In consideration of the current climate, which is particularly complicated, ongoing in Italy and the rest of the world, **Acea wanted to support the local authorities that worked on the front line**, by offering ample technical and financial support. It therefore approved a budget allocated for the purchase of **ICU equipment**, for structures included in the Covid-19 network receiving critical patients, including **important hospitals** such as the Gemelli University Polyclinic, the National Institute for Infectious Diseases "L. Spallanzani" (INMI), Istituto Dermatopatico dell'Immacolata (IDI) of Rome and San Pio di Benevento Hospital. During the period of greatest need, **electricity was supplied free of charge to the mobile hospital** set up by the Rome Palidoro Mobile and Specialised Carabinieri Unit Command. In the following months, at the end of lockdown, the main focus was on **prevention, protection and primary needs**,

particularly with respect to the country's most at-risk categories. To this end, contributions have been made to associations (the Italian Multiple Sclerosis Association (AISM), Community of Sant'Egidio) for the **procurement of medical equipment** (FPP2 and FPP3 masks, disinfectant gel, single-use downs and gloves, thermoscanners), and for purchasing and **distributing food** (Caritas Onlus [NP Charity Organisation] in Florence, S. Anna Pastoral Centre in Rome, the Italian Red Cross).

Granting the requests received from the major institutions – the Presidency of the Republic, the Presidency of the Council of Ministers, the Constitutional Court and the Capitol – wanting to send a strong signal to Italians and to express a sign of solidarity and hope, the Acea Group illuminated their respective institutional buildings with the Italian colours.



<sup>66</sup> The figure of precisely € 1,179,025 includes an estimated € 221,100 that have still not been invoiced at the time this document is published.

With the easing up of the most restrictive measures, in late spring, the support of cultural events and events of social interest resumed, including some sporting events, which were held adopting strict safety measures in compliance with the regulations in force, with the aim of helping to relaunch the territory and provide the public physical or virtual places to meet, after the long period of isolation.

Among the main events supported in 2020, two major exhibitions stand out: the exhibition dedicated to the centenary of the birth of **Alberto Sordi**, which retraced the life and artistic career of the actor, while offering a picture of Italian history, against the backdrop of his house-museum in Rome opened to the public for the first time. The art exhibition “*Ecce Homo – the encounter of the divine and the human for a different anthropology*”, set up at Villa D’Este in Tivoli and included in the celebrations for the centenary of the birth of Pope John Paul II.

Thanks to the partnership of Acea with the **Fondazione MAXXI**, from October and for the following six months, the public were offered free admission to the Museum’s Permanent Collection every Friday of the month, to rediscover the works of art of Italian masters at the turn of the millennium.

During the year, the **Teatro dell’Opera di Roma** continued to be

supported to promote culture and in particular opera music and ballet, as was the **Festa del Cinema**, the international event held at the Auditorium Parco della Musica in Rome, which this year also involved cinemas in order to relaunch the sector.

Alongside young business initiatives and the promotion of innovation, Acea, together with the National Association of Young Innovators, presented the **ANGI Award**, the bearer of a message and a commitment to technological development, to the best innovation leaders and launched the national competition of ideas **Italian Smart Design** in collaboration with the University of Florence.

Among the main sporting events that took place during the year, Acea associated its brand with the Golden Gala, the international athletics meeting, the *Six Nations* rugby event and the **Italian Paralympic championships** organised by FISPE. As every year, the initiatives aimed at children, **Acea Volleyball School** and **Acea Camp**, were also supported.

In addition to the lighting of monuments and buildings aimed at enhancing the artistic heritage or with a strong symbolic value already mentioned, **Christmas lights** were put up as usual in various points of the Capital, from the centre to the suburbs.

The following boxes describe the main events supported by the **Acea Group in 2020**, through sponsorships or donations.

## 2020: ACEA FOR CULTURE, INNOVATION AND SUSTAINABILITY

sponsor of the “**Ecce Homo**” exhibition, organised at Villa d’Este (Tivoli) to celebrate 100 years since the birth of Papa Giovanni Paolo II (Centro Europeo del Turismo Srl)

main sponsor of the **Alberto Sordi 1920-2020** exhibition, organised in the Casa-Museo in Rome to celebrate 100 years since the actor’s birth (C.O.R. Srl)

technical sponsorship in **tribute to actor Gigi Proietti**, with special lighting of the Senate Palace and Colosseum (Rome)

partnership for **free entry**, every Friday of the month from October 2020 for six months, to the **Fondazione MAXXI** permanent collections

sponsor of the **International Festival of Jewish culture**, conversations and events in the fields of science, current affairs, literature, cinema and extraordinary visits to the Synagogue (Atrix cooperative)

partner sponsor of 30 nights of film and special events at the **Floating Theatre** from 24 August to 24 September 2020 (Playtown Roma Cultural association)

contributed as private partner and sponsor of the 2019/2020 Theatre Season at the **Rome Opera House Foundation**

sponsor of the **2020 Ostia Antica theatre performances** (I Borghi Srl)

sponsor of the 2020 theatre season at the **Argentina Theatre** and made contributions to the “Acea ti porta al Teatro” (Acea brings you to the theatre) initiative, which included a Christmas greetings video created for Acea employees with readings by actors combining poetry and sustainability (Rome Theatre Foundation)

sponsor of the 31st edition of the **Mariso Bellisario Award, “Women at High Altitude”**, promoted by the Bellisario Foundation, which for years has promoted the talent and merit of women

sponsor of the **Concert for the commemoration of Holocaust victims** that took place at the Parco della Musica Auditorium on 23 January 2020 for Remembrance Day, under the aegis of the Presidency of the Republic (Euroforum Srl)

sponsor of various cultural initiatives and summer events outside Rome, such as the **Tolfa Jazz Festival 2020** (ETRA cultural association), the **Civitavecchia Summer Festival 2020** (Stazione Musica Cultural Association), the International Terra di Siena Film Festival (All Star Agency Srl), the **Geothermal Hills Festival** (Municipality of Monterotondo Marittimo)

partner sponsor of the 15th edition of the **Rome Film Festival**, that took place from 15-25 October 2020 (Cinema Foundation for Rome)

sponsor agreement with LUISS – Free International University of Social Studies “Guido Carli” on **renewable energy, sustainable solutions, technological innovations and circular economy**. Of all the collaborative projects on electric mobility, the electric cars and shuttles provided to the university and their charging columns, installed by the Company, were branded with the Acea logo (LUISS)

sponsor of the **ANGI Prize**, rewarding the best initiatives of young Italians, and participated in the Innovation Technical Table at the Chamber of Deputies (National Association of Young Innovators)

sponsor of the **Italian Smart Design national competition** for students and recent graduates of architecture and design, on the development of smart urban system sustainable designs (Casa della Creatività Srl)

sponsor of the organisation of two webinars on **Digital Web** that took place in July and November on the smart use of technological innovation, including experiences and solutions)

technical sponsorship of the “**Mi illumino di meno 2020**” [I use less light 2020] initiative, involving switching-off the Colosseum and the Senate Palace to raise awareness around energy saving

technical sponsorship for the **2020 Sustainable Development Festival**, involving the projection of the **UN SDG logo on the Pyramid of Cestius**

technical sponsorship for the 5th anniversary of the **Paris Climate Agreement**, involving special lighting of the Senate Palace

## 2020: ACEA FOR SOLIDARITY

welfare contributions related to the **Covid-19 emergency to support situations of social hardship**, including purchases of health equipment, PPE and food (Community of Sant'Egidio, the Italian Multiple Sclerosis Association (AISM), Caritas Onlus (NP Charity Foundation) in Florence)

welfare contributions related to the **Covid-19 emergency, including donations from employees**, for the purchase of medical equipment, or used to improve or set-up healthcare infrastructures etc., for hospital groups in Rome, such as the Agostini Gemelli University Polyclinic, IDI Hospital, INMI "L.Spallanzani" and S.Pio di Benevento Hospital

participated at the **International Day against violence to women**, the **International Day of children's rights** with **technical sponsorships**, such as the red lighting of the piezometric tower in the Octavia area, the special lighting of the Senate Palace, and in the **19th Edition of the City against the Death Penalty, Rare Disease Day, European "Fragile-X" Awareness Day, the Childhood Cancer Awareness Campaign**, with lighting interventions/switching-off lights at the Colosseum or special projections on the Monument

technical sponsorship involving lighting the Senate Palace pink, as part of initiatives for the **2020 Pink Ribbon** (LILT – Italian Cancer League), and, again, lighting the facade of Palazzo Montecitorio pink for the metastatic **breast-cancer awareness-raising campaign**

contributions for the purchase of a **mammary ultrasound system** (Susan G. Komen Italy)

contributions to support **social services for LGBT youths and group homes** (Gay centre/Gay Help Line)

technical sponsorship involving **projecting the Italian flag colours** over the entire Baths of Caracalla archaeological complex, on the facades of the Senate Palace, Chigi Palace and the Consulta Palace, on the Clock tower of the Quirinale Palace, on the facade of the Spallanzani Hospital of Rome

## 2020: ACEA FOR SPORT AND YOUNG PEOPLE

official partner of the **Golden Gala 2020** that took place at the Olympic Stadium in Rome, in September 2020 (FIDAL)

sponsor of the **"2020 Six Nations Rugby"** tournament that took place between February and March of 2020 (FIR)

hospitality package, championships series A of the **A.S. Roma** and **S.S. Lazio** for the 2019/2020 sports season (Soccer Sas and Infront Italy SpA)

main sponsor for sports activities in the 2019/2020 season of **S.S.D Santa Lucia**, the **wheelchair basketball** society, activities in relation to sports in Rome since the 1960s (S.S.D. Santa Lucia Srl)

support to **sports activities and events** operating in areas outside Rome: basketball (ASD Virtus Basket Siena), football (Frosinone Calcio), running (ASD Filippide D. LF Chiusi Avis Castiglione del Lago, Amatori Podistica Terni, Athletic Terni)

title sponsor of the 2020 edition of the **School Volleyball Tournament – Acea Trophy**, for **high school students in Rome and province**, managed by Fipav Lazio (Fipav Lazio)

main sponsor of **Acea Camp**, for students between the ages of 6 and 16, to raise-awareness around and encourage the practice of sports activities. The event took place in Rome between June and July 2020 (Beside Management Srl)

sponsor of the **project for schools "Differenzio anch'io"** [I can make a difference] in 2020 for the school year 2019/2020 that combines sports activities with educational activities on circular economy (ASD Virtus Basket Aprilia)

sponsor of an **inclusive pedagogy project**, that took place between June and July 2020, at the Basilio, Centocelle, and Marconi schools, with the purpose to combat, through artistic workshops, exclusion and social hardship in public primary schools, sponsored by the Department of People, School and Community Solidarity of the Municipality of Rome (Mus-e Roma NPO)

contributions for the project **"Scuola in sicurezza"** [Safety at school] for the provision of safety equipment and prevention systems (sanitising gels, masks, thermoscanners) to all the schools in the municipal territory of San Vittore del Lazio (Municipality of San Vittore del Lazio)

contributions for the purchase of individual desks to improve safety in 4 schools in Frosinone (Municipality of Frosinone)

contributions for expanding the project **"Aula verde Lab – Outdoor education"** [Green Classroom Workshop – Outdoor Education], an open space bordering two schools, by installing two gazebos equipped with eco-sustainable materials, to house the students on rotation (Municipality of Terni)

donation of 5000 bottles to students to take advantage of the water kiosk installed previously at the University's DEMM (Law, economics, management and quantitative methods) department (University of Sannio)

# SUPPLIERS



## CONSOLIDATED EXTERNAL COSTS

In 2020, the Group's **consolidated external costs** totalled about **€ 1.99 billion** (+2.6% compared to 2019). This change was due to the effects of opposing trends, including, on the one hand, the reduction in costs for the purchase and transport of energy component, and the increase in certain procurement costs brought about by the change in the scope of consolidation.

**Procurement of goods, services and works** related to the Group Companies subject to reporting are managed centrally by the **Purchases and Logistics Function** of the Parent Company, with the exception of Gori, AdF and Gesesa, which independently manage their business<sup>67</sup>. The **total value** recorded in 2020, also including the amounts of the water companies that are not centrally managed, came to **over € 1.2 billion**, a slight drop compared to the previous year (over € 1.3 billion, including Gesesa and Gori)<sup>68</sup>. Regarding the centrally-managed companies, the value of 2020 procurement was approximately € 1.1 billion in 2020, compared to the € 1.2 billion in 2019.

## PROCUREMENT POLICIES

The Purchases and Logistics Function defines **policies and guidelines** and manages as a service the procurement of goods, services and works required by the Holding Functions and the main Group Companies. To perform its duties, it **values the technical skills of the buyers**, handles the **requests of "internal customers"** (Functions/Companies in the Group) and develops a **transparent relationship with suppliers**.

The Function also oversees the centralized management of

the Group's **materials, logistics and warehouses**, managing the **operations of the central warehouse** and the **local warehouses** to serve operating staff in the field. In 2020, the project for the **expansion of the S. Palomba Logistics Hub** was completed and a **new warehouse** was constructed, which increased the **storage capacity by an additional 5,000 m<sup>2</sup> on the ground and 2,100 pallet racks** and where the Company Acea Elabori built a **measurement laboratory to check water meters**, which is currently being tested.

The same year saw the **supply of new-generation electricity meters**, whose logistics flows are entirely managed through the use of **palmtops, which track their movement** between the Company's own internal warehouses and the external warehouses of its contractors.

## DEALINGS WITH SUPPLIERS AND PROCUREMENT MANAGEMENT

The **Acea Code of Ethics** recalls the reference principles<sup>69</sup> that should guide **relations between Acea**, as a contracting authority and its suppliers (contractors and subcontractors):

- compliance with **rules and procedures**, including processes of due diligence aimed at assessing any **risks of corruption**;
- the principles of **transparency** and **protection of competition**;
- principles of **good faith, loyalty, professional propriety**;
- **promotion of ethical and sustainability aspects**, such as respect for the protection and safety conditions of workers, the quality of goods and services, respect for the environment and the pursuit of energy savings.

Suppliers issue a **declaration of acceptance and commitment to comply with the prescriptions contained in the Code of Ethics**, attached to the documents produced for participation in tender procedures for the awarding of works, goods and services. Any violation of the principles contained therein revealed by audits will result in the **exclusion from the tender or cancellation of the award**.

<sup>67</sup> For the NFD scope, see *Disclosing sustainability: methodological note*.

<sup>68</sup> It should be noted that the value of orders for Gori and Gesesa in 2019 came to a total of € 156 million (€ 144 million attributable to Gori, according to data adjusted after consolidation, and € 12 million attributable to Gesesa). In 2020, the total amount of orders for Gori, Gesesa and AdF, included for the first time in this reporting cycle, was € 177 million (about € 60 million for AdF, about € 101 million for Gori and about € 16 million for Gesesa).

<sup>69</sup> The *Acea Code of Ethics*, approved by the Board of Directors, is shared on the Company intranet and is available online at [www.gruppo.aceait](http://www.gruppo.aceait), "Governance" section. The Code devotes article 15 to suppliers, as well as numerous other references in the text. Particular attention is paid to social safeguards in higher-risk contexts: "In supply contracts with at-risk countries, defined as such by recognised organizations, contractual clauses have been introduced that involve: compliance of the supplier with specific social obligations (e.g. measures that guarantee employees respect for their fundamental rights, the principles of equal treatment and non-discrimination, protection against child labour)" (Code of Ethics, art. 15.2).

Acea mainly uses tenders<sup>70</sup> to identify suppliers, adopting transparency criteria: during 2020, **76% of procurements, managed centrally<sup>71</sup>, were assigned through a tender procedure**, a figure that is slightly down on 2019 (81%).

For centrally-managed Group companies, the Purchases and Logistics Function has **published on the website<sup>72</sup>** – “Supplier” Area – **the documentation relating to purchases** regulated by the *Public Procurement Code*<sup>73</sup>. **Operators who are interested in participating in tenders** can **freely access the portal of the Qualification Systems** and the portal for **participation in online calls for tenders**. The **web portal** is based on the same operational procedure as traditional tenders: it checks the adequacy of the supporting document, acknowledges possession of the el-

igibility requirements, discloses the bids and displays the ranking.

The Administration, Finance and Control Function **monitors the payment times of suppliers**. In 2020, for companies in the scope<sup>74</sup>, the average delay of payments made was 42 days<sup>75</sup>. The same figure, if weighted based on the amounts, decreases to approximately 23 days<sup>76</sup>. This occurred for about 35% of the value of payments made during the year, while the **percentage of amounts paid on a regular basis was 65%, an improvement** compared to the 57% recorded in 2019.

Disputes<sup>77</sup> between the Company and suppliers mainly concern litigation due to failure to pay invoices and legal action concerning tender contracts.

## COLLABORATION BETWEEN THE PARTIES FOR THE PROTECTION OF EMPLOYMENT AND MEASURES TO COMBAT COVID-19

The Joint Committee, set up by virtue of the **Protocol on Water Tender Contracts** between Acea SpA, Acea Ato 2, the Trade Unions and the Trade Federations, in recent years, by means of collaborative discussions, facilitated the transparency of information and reduced the number of critical issues regarding the safety and organisation of the work of contractor Company personnel. In an agreement with the Parties, Acea also confirmed its commitment to promote the **employment protection of workers**, combating forms of undocumented work or labour that does not comply with the applicable collective bargaining agreements. From 2019, in fact, the Labour-Management Relations Unit contributed to the drafting and application of the **social clause**, to safeguard employment levels **in the event of a change of contract**, for both water contracts and those for the electrical and water contact centre, guaranteeing the **transfer of staff from the outgoing companies to the incoming companies**, without repercussions in terms of employment.

The signing of the Protocol, shared for the regulation of Covid-19 containment and prevention measures in Water Tender Contracts,

on **19 June 2020** was particularly important. The Parties constituted an **“Advisory Committee for the analysis and proposal of improvement actions for safety in construction sites”** pursuant to the provisions of the “shared protocol for the regulation of measures for the prevention and containment of the spread of the Covid-19 virus in workplaces”.

The Committee was composed of the Head of the Acea Ato 2 Procedure, the Head of Labour-Management Relations of the Acea Group, Employers of the Contracting Companies and their Representatives and RSPP, Territorial RLS and RLS and RSA of the Companies and by a representative from the territorial Trade Union Organisations Feneal-UIL, Filca-CISL, Fillea-CGIL.

The **duration of the Protocol depends on the permanency of the risk of contagion** from Covid-19 defined by the Authorities and the Relevant Bodies. Pursuant to the provision contained herein, the Committee carried out **systematic meetings on a weekly basis throughout 2020**. The meetings will continue also in the future, when necessary, and at least monthly.

## DISPUTES WITH SUPPLIERS IN 2020

With regard to **non-payment of invoices** for supplies of goods, services and works, there has been a decrease in the number of disputes that have arisen: **12 in 2020** (compared to 22 in 2019). These are injunctions concerning invoices that were not paid for reasons of a formal nature and are quickly resolved by settlement proceedings.

With regard to the remaining litigation relating to **procurement contracts**, which mainly concerns the registering of reserves by contractors, contract terminations and compensation for damages, in **2020 8 legal actions** were initiated, with a decrease in the number of disputes (20 in 2019).

We point out, moreover, that **15 disputes were lodged for administrative reasons** (23 in the previous year) on the matter of **calls to tender**.

As at 31 December 2020, the **total number of disputes pending with suppliers** (including disputes initiated in previous years) **amounted to 137**, an increase compared to 2019, when there were 112 disputes, due to the scope of reporting being smaller.

The dispute situation outlined above was affected by the overall slowdown imposed on activities, including those of a legal nature.

<sup>70</sup> Acea issues tender procedures for the procurement of works, goods and services in compliance with current legislation (Legislative Decree no. 50/2016), with reference to the ordinary and special water and energy sectors. In particular, for tenders in special areas involving amounts below the EU threshold, Acea applies Internal Regulations consistent with the principles of the EU Treaty for the protection of competition. Finally, for tenders that do not fall within the scope of application of the *Code on public contracts* (so-called “extraneous or private law”), selection procedures are used which comply with the principles of free competition, equal treatment, non-discrimination, transparency and proportionality.

<sup>71</sup> Equivalent to 86% of overall volumes, including companies that are not centrally managed.

<sup>72</sup> In compliance with what is required by the National Anti-corruption Authority (ANAC) and envisaged by the so-called “Anti-corruption Law” (Law 190/2012).

<sup>73</sup> Legislative Decree no. 50 of 18 April 2016 and subsequent amendments and additions. *Code of Public Contracts*.

<sup>74</sup> The 2020 analysis produced by Administration, Finance and Control also included the companies Gori, AdF and Gesesa, which have provided data even though they are not managed at the centralised level. Apart from the data of these three companies, in direct comparison to 2019 performance, 2020 performance would have been an average delay of 42.5 days and a weighted average delay of 22 days, and 67% of amounts paid on time.

<sup>75</sup> The calculation of the data is the result of the simple average of the difference between the expiry date of the bill in the system and the date of actual payment.

<sup>76</sup> The calculation of the figure is the result of the average of the difference between the expiry date of the bill in the system and the date of actual payment weighted according to the amount of the bills.

<sup>77</sup> The figures for the 2020 dispute refer to all the Companies within the NFD scope (see *Disclosing Sustainability: Methodological Note*).

## SUSTAINABILITY CRITERIA IN TENDERS

In 2020, for the Group Companies under analysis, including the three companies in the water segment that are not managed centrally, **over 6,500 orders/contracts** were processed, for a total of **more than 2,500 suppliers** involved (please see the *Order Analysis* below). Within the centralised management of tenders, which covers 86% of the total value of procurement within the 2020 scope of consolidation, amounting to around 3,000 orders/contracts managed, as a **requirement for participation**, for **100% of tenders for the award of works contracts** and for numerous contracts for the purchase of goods and services, Acea requires **UNI EN ISO 9001 quality management system and the UNI ISO 45001:2018 occupational health and safety certifications**. Furthermore, for **the 149 product categories subject to tender** and relating to the purchase of goods, services or works, **evaluation criteria of the technical offer based on the following systems are included during the tender process, when applicable: UNI EN 14001 – UNI CEI 50001 – ISO 37001 – FSC Chain of Custody**.

In 2020, these criteria were included in **potentially eligible tenders, awarded on the basis of the most competitive bid criterion** (57 eligible tenders out of a total of 102 tenders awarded with OEPV, equal to 56%). Specifically, for some tenders for water, electrical and civil engineering works awarded with the method indicated, **rewarding criteria** were also included regarding the use of **ecological vehicles, additional training of workers in the area of safety**, and the possession of **certifications** (where not already participation requirements) in the following areas: **environment, health/safety, energy efficiency, the use of environmentally sustainable materials and corruption**. Furthermore, sustainability criteria on materials, such as recycling, reuse and the reparability index, were also added to the Technical Specifications for Group Company procurement.

Out of the companies that are not managed centrally, Gesesa also required UNI EN ISO 9001, UNI EN ISO 50001 and UNI ISO 45001 certification as a requirement for an **electromechanical tender**. In May 2020, **the first tender** under the Procurement Code **dedicated to innovative start-ups and SMEs** registered on Acea's registers for innovative Start-ups and SMEs was launched, specifically in the "Robotics" and "Digital Infrastructure" categories. The tender included a technical proof-of-concept trial as part of the awarding of the contract, in order to test the effectiveness of the solutions proposed by the participants.

With attention to the "green" criteria in procurement practices, in its tender documents Acea includes as binding parameters or rewards the regulatory references to the **Minimum Environmental Criteria (MEC)** adopted by Decree of the Ministry for the Environment, Protection of Land and Sea<sup>78</sup>. In 2020, the reference to CAMS was applied in tenders related to the rental services for **generators, ordinary and extraordinary maintenance contracts for lifting systems, the purchase of computers and printer cartridges**, thus expanding the product categories already covered by the CAMS in the event of a tender (such as paper, office furnishings, public lighting – supply and design of LED lighting fixtures – work clothes, cleaning of buildings, maintenance of green areas, vehicles), and confirming, also for the year in question, the application of **9 CAMs out of the 10 applicable to the Group's supply types**.

It should also be noted that, as part of its circular procurement approach, Gesesa has focused heavily on **recycling the material used** at the end of its life, as part of a project to revamp the Santa Lucia purification plant, which was carried out in 2020. Other projects will be carried out in 2021, implementing the same approach.

## ANALYSIS OF PROCUREMENTS AND THE SUPPLY CHAIN

### SCOPE

The information and data presented in the paragraph in an aggregated manner, for 2020 data, concern all companies included in the scope – please see *Disclosing Sustainability: Methodological Note* – including the three companies operating in the water sector, Gesesa, Gori and AdF, which are not managed centrally, whose data, where available, have been aggregated for ease of comparison with 2019 data. The two-year period was also illustrated according to the new division by business areas, which come into place in 2020. Some more detailed data related to the 2019 supply chain analysis, and for which full aggregation could not be performed, instead refer only to the centrally-managed scope (accounting for 88% of the 2019 order value). This is specified in the text.

**2020 tenders** for the supply of **goods**, the performance of **services** and the completion of **works**, as indicated above, were managed centrally by the Holding Company for all Companies subject to analysis, with the exception of Gesesa, Gori and AdF, although **the aggregate data for the year are presented here**. As initially mentioned, **contracts awarded** had a **comprehensive financial value** of over **€ 1.2 billion**<sup>79</sup>, down slightly down from the aggregate figure

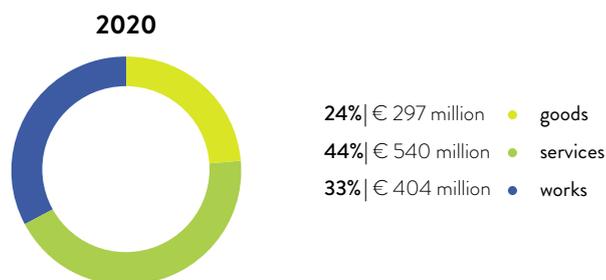
for 2019 (around € 1.3 billion). In absolute terms, the largest reduction in amounts compared to the previous year was recorded for goods (-36%), while services and works increased by 4% and 7% respectively (see table no. 36).

By analysing **the value of procurement** for the **macro-areas of business**, reorganised in accordance with the new macro-structure – Network Operations (electricity grids), Generation,

<sup>78</sup> From the website [www.minambiente.it](http://www.minambiente.it): "Minimum Environmental Criteria (CAM) are the environmental requirements defined for the various phases of the purchasing process, aimed at identifying the best design solution, product or service from an environmental point of view throughout the life cycle, taking into account market availability. [...] Their systematic and uniform application makes it possible to spread environmental technologies and environmentally preferable products".

<sup>79</sup> The amount of purchases managed at the centralised level refers to tenders awarded during the year, without any distinction between investments and operating cost, annual and multi-annual contracts. Purchases of commodities, regularisation orders and inter-Company orders are excluded. The figures for the three water companies that are not centrally managed, for a total of € 156 million, do include all purchase types.

## CHART NO. 31 – VALUE OF PROCUREMENT OF GOODS, SERVICES AND WORKS AND PERCENTAGE ON TOTAL (2020)



**NOTE** Figures are rounded off to the nearest unit.

Commercial, Water Operations, Engineering Operations, Environment Operations (waste-to-energy and environmental services) and Corporate (Acea SpA) – we find a general **decrease** in the **overall numbers**, which correlate with the decrease in the “goods and services” item in particular, regarding

the **Generation, Commercial, Corporate, Environmental Operations** areas, and to a greater extent **Network Operations**. On the other hand, there was an **increase** in procurement for the **Water** and **Engineering segments** (please see chart no. 32 and table no. 36).

## CHART NO. 32 – ORDERS (GOODS, SERVICES, WORKS) BY BUSINESS AREA (2019-2020)



**NOTE** Figures are rounded off to the nearest unit and the 2019 figures, to which the figures for Gesesa and Gori were also added, were reclassified according to the new macro organisational structure introduced in 2020, to facilitate the comparison of the two years. The **Network Operations** Department includes the Company Areti, the **Generation** Department includes companies Acea Produzione, Ecogena and, from 2020, all the FTV companies borne by Acea Sun Capital. Included in **Commercial** are: Acea Energia, Acea8cento (until July 2020) and, from 2020, Acea Innovation. The **Water Operations** Department includes the companies: Acea Ato 2, Acea Ato 5, Gori, Gesesa and, from 2020, also AdF. The **Engineering Operations** Department includes Acea Elabori. **Environment Operations** includes: Acea Ambiente, Aquaser and, from 2020, Acque industriali. Present in the **Corporate** segment is only Acea SpA.

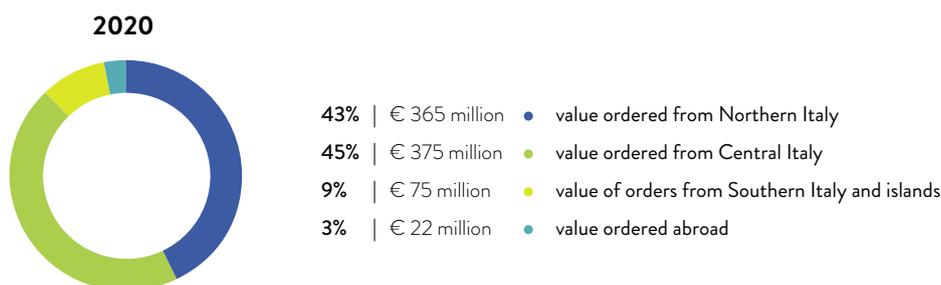
The Group Companies included in the scope of consolidation, as mentioned previously, made a total of **6,552 Purchase Orders** during the year, involving **2,529 suppliers**. The figures are not directly comparable with those of the previous year<sup>80</sup>, due to the expansion of the scope of consolidation and, specifically, to the entry of AdF which, alone, accounted for over 1,700 orders/contracts and about 400 suppliers during the year. Taking **only centralized data** into consideration, in **2020 around 3,000 orders/contracts were managed**, compared with the more than 2,800 in 2019, indicating an increase that is reflected in the number of suppliers, which increased from 1,462 to 1,573.

The **geographical distribution of suppliers** for the year in question was relatively balanced, with **33% in the macro-area of northern Italy, 45% in central Italy**, of which 30% in Lazio and **20% in southern Italy and the islands**<sup>81</sup>, with the remainder abroad, at 2%. The **geographical distribution of the value of procurements among the macro-regions**, in terms of percentage of the total amounts (837 million for goods and services and 404 million for works), was more concentrated in northern and central Italy, which account for 89% of “goods and services” and 81% of “works”. During the year, 30% of the value of “goods and services” and **44% of the value of “works”** were concentrated in **Lazio** (charts nos. 33 and 34 and table no. 37).

<sup>80</sup> To obtain a comparison, if one removes the 2020 orders/contracts data for the AdF contribution (1,735 orders/contracts), the largest in the new scope, a total of 4,817 orders/contracts is obtained, and this can be compared with the 2019 figure, which includes the contribution from Gori and Gesesa (1,068 orders/contracts for Gori and 756 for Gesesa), and comes to 4,667, with evidence of a slight increase. Similarly, by removing the 2020 figure for the number of suppliers from AdF’s contribution (421 suppliers), one obtains a total of 2,103 suppliers which, when compared to the 2019 figure of 2,062, including Gori and Gesesa (414 and 186 suppliers, respectively), it would mirror the slight increase.

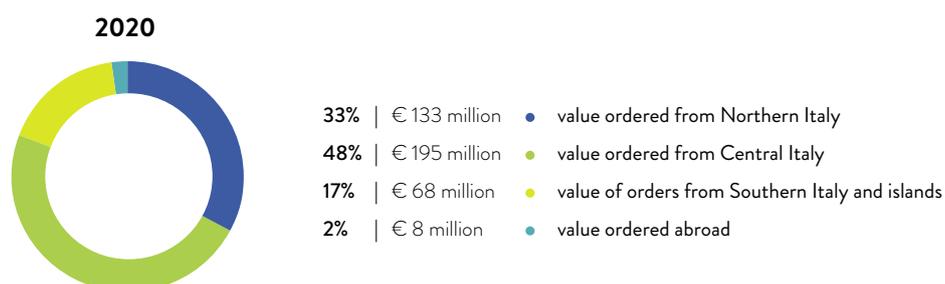
<sup>81</sup> For the 2019 figures managed at the centralised level, equivalent to 88% of the supply, supplier distribution was equivalent to 33% in northern Italy, 57% in central Italy and 8% in southern Italy and the islands, although this is not directly comparable with 2020.

### CHART NO. 33 – GEOGRAPHICAL DISTRIBUTION OF THE AMOUNTS USED FOR THE PURCHASE OF GOODS AND SERVICES IN ITALY AND ABROAD (2020)



NOTE Figures are rounded off to the nearest unit.

### CHART NO. 34 – GEOGRAPHICAL DISTRIBUTION OF THE AMOUNTS OF WORKS AWARDED IN ITALY AND ABROAD (2020)



NOTE Figures are rounded off to the nearest unit.

The macro-data for 2020 procurement presented in table no. 36 relate to all the companies within the scope of consolidation, including Gori, Gesesa and AdF, which are not centrally managed by the Holding Company. In order to facilitate comparison between the two-year period, 2019 data were integrated with the data for Gori and Gesesa (in the 2019 NFD scope) and broken down according to the new division of business areas,

which came into place in 2020. The regarding 2020 procurement nationwide, shown in table no. 37, also refer to all the Companies within the scope however, unlike the previous table, 2019 data have not been combined with the data of Gori and Gesesa and therefore refer only to the centrally-managed scope (amounting to 88% of total procurement during the year in question).

TABLE NO. 36 – PROCUREMENT NATIONWIDE (2019-2020)

	u. m.	2019 <sup>(*)</sup>	2020	Δ % 2020/2019
<b>VALUE OF CONTRACTS</b>				
goods	million €	461	297	-36
services	million €	518	540	4
works	million €	378	404	7
<b>total</b>	<b>million €</b>	<b>1,357</b>	<b>1,241</b>	<b>-9</b>
<b>GOODS, SERVICES AND WORKS AS A PERCENTAGE OF TOTAL ORDERS</b>				
goods	%	34	24	-30
services	%	38	44	15
works	%	28	33	16
<b>VALUE OF ORDERS BY BUSINESS AREA <sup>(**)</sup></b>				
Network Operations	million €	344	212	-38
Generation	million €	36	28	-21
Commercial	million €	94	86	-9
Water operations	million €	596	633	6
Engineering Operations	million €	19	37	95

**TABLE NO. 36 – PROCUREMENT NATIONWIDE (2019-2020) (continued)**

Environment Operations	million €	103	82	-20
Corporate	million €	166	162	-2
<b>NUMBER OF PURCHASE ORDERS MANAGED</b>				
POs for goods, services and works	no.	4,667	6,552	40

(\*) In 2019, figures for Gori and Gesesa were also included; the comparability of data from 2020 and 2019 was only affected by the wider scope of DNF 2020, mainly impacted by the entry of AdF (that accounts for around 60 million procurements and 1,735 POs, for example).

(\*\*) The distinction by business area reflects the new macrostructure which came into force in 2020; to ensure comparison of the general figures of the procurements, the 2019 figures were reclassified according to the same subdivision of the areas.

**NOTE** All the figures in the table are rounded off to the nearest unit.

**TABLE NO. 37 – PROCUREMENT NATIONWIDE (2019-2020)**

	u. m.	2019 (*)	as % of total/year	2020	as % of total/year
<b>NUMBER OF SUPPLIERS OF GOODS, SERVICES AND WORKS NATIONWIDE</b>					
suppliers north Italy	no.	484	33%	819	33%
suppliers central Italy	no.	836	57%	1147	45%
suppliers Lazio	no.	654	45%	757	30%
suppliers south Italy and islands	no.	110	8%	516	20%
foreign suppliers	no.	32	2%	47	2%
<b>total suppliers</b>	<b>no.</b>	<b>1,462</b>	<b>100%</b>	<b>2,529</b>	<b>100%</b>
<b>GEOGRAPHICAL BREAKDOWN OF AMOUNTS FOR GOODS AND SERVICES</b>					
value ordered from Northern Italy	million €	287	33%	365	43%
value ordered from Central Italy	million €	505	57%	375	45%
value ordered from Lazio	million €	385	44%	252	30%
value of orders from southern Italy and islands	million €	53	6%	75	9%
value ordered abroad	million €	33	4%	22	3%
<b>total value of orders for goods and services</b>	<b>million €</b>	<b>878</b>	<b>100%</b>	<b>837</b>	<b>100%</b>
<b>GEOGRAPHICAL BREAKDOWN OF AMOUNTS FOR WORKS</b>					
value ordered from Northern Italy	million €	49	15%	133	33%
value ordered from Central Italy	million €	249	77%	195	48%
value ordered from Lazio	million €	242	75%	177	44%
value of orders from southern Italy and islands	million €	25	8%	68	17%
value ordered abroad	million €	0	0%	8	2%
<b>total ordered for works</b>	<b>million €</b>	<b>323</b>	<b>100%</b>	<b>404</b>	<b>100%</b>

(\*) The 2019 figures do not include Gori and Gesesa (for a total of € 156 million), for which all the information represented in the table was not available, and therefore cannot be directly compared with the 2020 column, that comprises all the companies within the scope of DNF 2020 (see *Communicate sustainability: methodological note*).

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

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

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

The **Supplier Qualification Unit**:

- coordinates working groups to identify the **qualification requirements**;
- draws up the **Qualification Regulations**;
- establishes **Qualification Systems** of European significance<sup>82</sup> and **Supplier Lists** for so-called “below threshold” or private contracts.

During the year, the product tree shared among the centrally-managed Group Companies<sup>83</sup> included **537 product groups** and, as at 31 December 2020, the responsible Unit had managed **147 qualification Lists/Systems**.

**Companies can access a portal for qualification** via Acea’s corporate website ([www.gruppo.aceait](http://www.gruppo.aceait), “Suppliers” section), which is integrated with the supplier database, and enter directly **online applications for registration in the Qualification Systems/Lists** related to the product groups of interest. The designated Unit examines them, **verifying that they meet the requirements and managing communications with the supplier**. During 2020, a **total of 798 applications for registration** in the **Qualification Systems/Lists** were **processed** (+14% compared to the 700 applications in 2019), amounting to **616 successful applications** in total. Specifically:

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

**In June 2020, the Acea Group’s new purchasing portal was launched, “Jagger-one”**; to this end, during the first half of the year, the modules for the **integrated management of tenders, supplier data and qualification** were designed and developed, which were preparatory activities for the **implementation of the Group’s Vendor Rating**, which was launched in the last quarter of the year and shown below in the relevant box.

The **qualification requirements** requested of suppliers to register on the Qualification System are “**standard**” – these include **requirements of a moral nature envisaged by the laws in force** in the sector – and “**specific**”, i.e. they refer to the product group or groups included in each Supplier List.

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

- **UNI EN ISO 9001 certification** (binding requirement for all the “works” product groups and for almost all the “goods and services” Qualification Systems);
- **UNI EN ISO 14001 certification** (for inclusion in Qualification Systems for special non-hazardous waste, cleaning services, armed surveillance service and concierge/reception);
- **Registration with the National Environmental Operators’ Register** or authorisation to manage a plant for the recovery/disposal of waste (for inclusion in Waste Management Systems);

- **OHSAS 18001/UNI ISO 45001 certification** (for inclusion in the Qualification System for the electro-mechanical maintenance of industrial plants and cleaning services);
- **UNI EN 15838:2010 certification** (for inclusion in the “Call Centre and Back Office” Qualification System);
- **SA8000 certification** (for inclusion in the “Cleaning services” Qualification System);
- **UNI 10891 certification** (for inclusion in the “Armed surveillance service and concierge/reception” Qualification System).

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

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

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

**In order to be able to register for the Qualification Systems relating to the Single Regulations for Goods and Services and Works** which, for 2020, were **110 out of 147 total Qualification Systems/Lists** (“qualification phase”), on the Vendor Management platform suppliers must complete a **self-assessment questionnaire on the Quality, Environment, Safety, Energy and Social Responsibility management systems** that are considered **important for sustainability**.

In 2020, **363 suppliers completed the self-assessment questionnaire** (245 for goods and services and 118 for works), a **5% increase** compared to the 345 of 2019. They represent over **83% of the total number of qualified suppliers in the year** (equal to 438)<sup>84</sup>.

As mentioned above, the **platform was updated** during the year and only part of the questionnaires received could be tracked by the online system, which is why the precise results of the analysis are not shown here. During 2020, the Manage Systems Unit commissioned **60 Desktop Audits** from a specialised Company to verify the compliance of the declarations made by suppliers in the self-assessment questionnaire, which was completed during the qualification phase.

Furthermore, in continuity with a practice that has been consolidated for several years, **Purchasing and Logistics**, in synergy with the Sustainability Planning & Reporting Unit, sent a panel of **79 Group suppliers** (117 in 2019) an **in-depth questionnaire** to assess their commitment on **environmental issues**, with a particular focus on energy consumption. **37 companies responded to the questionnaire in full** and the results of the survey are shown in the **Relations with the environment** section, in the chapter on **The Use of Materials, Energy and Water** (Energy consumption paragraph), to which reference is made.

<sup>82</sup> Pursuant to article 134 of Legislative Decree no. 50/2016 as amended.

<sup>83</sup> Therefore, all companies within the NFD scope, as per the Methodological Note, with the exception of Gesesa, Gori and AdF, the latter falling within the scope as of this reporting cycle.

<sup>84</sup> The number of qualified suppliers does not coincide with the 616 successfully processed applications for registration in Qualification Systems, as suppliers can also register in more than one Qualification System.

AdF also applies **preferential sustainability criteria**, where relevant, when **registering operators on the Suppliers List** and when qualifying them in one or more of the product categories contained within it. For example, by requesting ISO 14001:2015 certification from operators applying for qualification in the product category: drain

cleaning services – waste disposal. Furthermore, AdF launched the **Circular Economy Protocol** in 2020, aiming to **protect local suppliers and enhance the quality and socio-environmental sustainability of the supply chain**, which was **drafted with the involvement of stakeholders** (please see the box for more details).

### ADF'S CIRCULAR ECONOMY PROTOCOL RECEIVED A SPECIAL MENTION AT COMPRVERDE 2020

The Company AdF, that operates in the management of SII in OTA 6 Ombrone, in Tuscany (in particular in the provinces of Grosseto and Siena), created, with the objective to support development in the area of reference and increase the sustainable performance of said area, the **Circular Economy Protocol**, entrusting part of the goods, services and works, not subject to Procurement Code provisions, to less local economic operators. To that end, AdF implemented a Qualification System suitably dedicated to the “non core business” contracts, creating an “*ad hoc* Register”, available online from November, and accessible only to local businesses.

The companies interested in enrolling should meet the requirements of quality, price and reliability, and also **share the same ethic on innovating procedures and committing to reducing environmental and social risks and impact**, and committing to a transparent and responsible work relationship. In the assessment of services, social and environmental responsibility will also be considered and the suppliers will be subject to assessment on these aspects. To enrol on the register, in addition to stating that you are compliant with the corporate principles of the *Code of Ethics* and the MOG 231/2001, there are also “**incentivising criteria**”, such as, for example, the hiring of personnel belonging to “protected categories” as well as regulatory provisions, good safety practices on work sites, as well as regulatory compliance, vehicles with low environmental impact, etc. The number of incentivising criteria included, as specified in the Circular Economy Regulations adopted by AdF, and which can be viewed at [www.fiora.it](http://www.fiora.it), is relative to the bracket required.

The supply procedure will continue to be based on principles of free competition, equal treatment, non-discrimination, transparency, economy, correctness, health and safety, inclusion and diversity and social security compliance. In that view, AdF has focussed attention also on the issue of financial support to its suppliers, who may have difficulty finding resources, by signing two **Agreements with local credit institutions**, to offer **low-interest financial facilities to companies that enrol in the AdF registers on circular economy**.

The initiative was well received and, though the *ad hoc* Register was only online from November, 29 suppliers had already enrolled by 31.12.2020. The Protocol is the result of activities of **sharing and comparison between AdF and its stakeholders**, including the institutions and local actors, such as Tuscany Region and local bodies, AIT, ARERA, Trade Unions, Trade Union Organisations, the University of Siena and the University Hub of Grosseto, local Credit Institutions and Associations, that participated in the preparation of the document, providing methods that were fundamental in obtaining the final version.

The Protocol, **the first initiative of its type in the water sector Italy**, received – on 9 October 2020 – significant recognition at the national level, by the **Compraverde Buygreen Forum 2020**, dedicated to public and private Green Procurement politics, projects, goods and services, for a fairer and more sustainable economy, receiving a **special mention at the Compraverde awards**, in the “**Vendor Rating and Sustainable Purchases**” section of the large enterprises category, for its “*great care dedicated to the territory, demonstrated through the creation of a dedicated register for local sustainable suppliers*”.

**Once qualified**, the supplier’s headquarters can be subjected to a second-party **Audit on Quality, Environment, Safety, Energy and Social Responsibility (QESES) Management Systems** to verify the **actual application** of active certified Management Systems and the management methods of **other areas relevant to sustainability**. In 2020, **the situation related to the Covid-19** pandemic prevented audits being carried out at suppliers’ headquarters, which were partly replaced by **audits on the Teams platform** and the **remote** sharing of documentary evidence. Although the number of audits in the year does not allow for a comparison with previous years, nor does it allow for significant statistics to be compiled, this method **made it possible to maintain an active relationship with the supply chain on quality, environmental, safety, energy and**

**social responsibility** issues and allowed for a more in-depth documentary analysis.

**Each supplier** was **sent feedback** indicating the degree of compliance per scheme and overall, as well as a **report with recommendations for improvement**.

Over the year, Acea also continued with the **TenP working group** as part of the **Global Compact Network Italy** to raise awareness around the supply chain.

Furthermore, **Acea Ato 2**, during a recent procurement of Granular Activated Carbon used for water purification, add a provision to its purchase specifications to conduct **Audits at manufacturing plants located abroad**, especially in “at-risk countries” (please see the relevant box).

### ACEA ATO 2 AUDIT ACTIVITIES AT PRODUCTION SITES OF GOODS SUPPLIED ABROAD

The Acea Group’s *Ethics Code*, as already recalled, “*in compliance with the Universal Declaration of Human Rights, the ILO Conventions and principles issued by the United National Global Compact, to which Acea formally and sustainably complies*”, regulates, in article 15, relationships with supplies and also covers cases of contracts with suppliers from “at-risk countries”, as defined by the Organisations acknowledged.

In compliance with this principle, **Acea Ato 2**, in cases of the **provision of Granular Activated Carbon**, materials mainly used in water treatment procedures for water for human consumption, **included in its Chapter on purchases provisions on the performance of Audits** at production plants, in order to verify the level of compliance with

specific local regulations or even simply with social and environmental recommendations.

To that end, the Company composed a dedicated work group that, during 2020, implemented the **preparatory activities for the development of the Audits** to be carried out at the relevant plants, identifying and contacting **local organisations specialised in social and environmental due-diligence issues**. These local consultants were **identified in conjunction with the Ministry of Economic Development, that follows with interest the initiative**. For 2021, the first Audit will be carried out at the **two plants located in India** that manufacture Granular Activated Carbon for Acea Ato 2.

In order to **assess suppliers during the contract execution stage**, Acea implemented the **Group Vendor Rating** during the year, which will run on the new e-procurement platform and **monitor various performance indicators**,

including a **composite sustainability indicator**. For the latter's calculation model, **the Company ECOVADIS was involved in the project** (please see the relevant box for more details).

## IMPLEMENTED THE GROUP VENDOR RATING PROJECT AND PARTNERSHIP WITH ECOVADIS

The implementation of the new purchases portal of the "Jagger-one" Group, as indicated in the chapter, was also in preparation of the second part of the project, with the aim to **activate the Group's Vendor Rating**, and was launched in September 2020.

The Group's Vendor Rating system, that will be implemented on expiry of the other Vendor Models previously applied, by Areti, for example, aims to analyse, **evaluate and monitor the performance of the suppliers to increase the level of competition and quality of the services provided and products supplied**. The model was defined for goods, services, works and for the combined product supplier/group, using criteria that was objective (non-discretionary) and as automatic as possible. The **Vendor Rating index** is calculated on the basis of the weighted combination of detail indicators that monitor the main aspects relative to the **execution phases of the contract: punctuality, quality and safety**. The model includes an **additional rewarding indicator** that monitors **aspects related to social and environmental sustainability**.

In the final quarter of the year, the following phases were carried out:

- assessments and in-depth analyses of single indicators and their calculation methods;
- integration of the model with new indicators aimed at monitoring any faults in the strategic components in the execution phase and any technical non-compliance in the works execution phase;
- implementation of the **"Phase 1 indicators"**; these are automatic

indicators, whose data required for the calculation are extracted directly from the source systems (response to invitations, suspensions/Black List, inspection, penalties for tardiness and technical penalties).

**The Group Companies were actively involved in the project**, especially **the Units designated to the management of contracts, works, assessments on levels of safety at the construction sites and management of safety at work**, to define holders, methods of collecting and transmitting the relevant data, recorded using templates needed to calculate the **"Phase 2 indicators"**, used for monitoring the **performance of the supplier in the contract execution phase** (reserves, appeals, safety assessments at construction sites and accidents). All the data will be received in the system automatically and objectively, so as to guarantee that the evaluation of the supplier is transparent and impartial.

**The indicator relative to monitoring the levels of sustainability of supplier practices** will be calculated by **ECOVADIS**, the most important European platform for evaluating CSR companies, whose contract was finalised in December 2020. The model covers the evaluation of the Company services in order to calculate the sustainability rating according to **21 CSR criteria related to the environment, work and human rights, ethics and sustainability in purchases**. The project will continue in 2021 and will integrate sustainability indicators into the Vendor Rating model.

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

Acea considers **occupational safety** a key element of its strategy and has adopted a **safety management model for managing safety along the supply chain** at Group level. Specifically, the Group has structured multiple activities to assess and control the management of safety by suppliers, which are overseen by dedicated organisational structures within the Holding Company and the Operating Companies.

The **Site Safety Unit, in Acea Elabiori, is the structure of reference at Group level** and manages the **safety of works and services contracted out** by Group companies (mainly Acea Ato 2, Acea Ato 5, Areti and Acea Ambiente), **ensuring compliance with the highest standards** and with regulations<sup>85</sup>. To this end, it offers:

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

**Site safety inspections** are mainly related to the **main works** that are the subject of **maintenance contracts for networks and ser-**

**vices in the water and electricity sectors**, but also concern minor contracts<sup>86</sup>.

Activities are distinguished into works requiring **Safety Coordination during the Execution phase** (Coordinators appointed as needed by the Works Director) and works **with random safety inspections**.

The inspections are managed with computer systems to facilitate the operations of the organisational structure. Indeed, the adopted management model provides timely support for the technical and professional audits of contractors, subcontractors and self-employed workers. It makes **on-site controls more efficient**, assigning to safety inspectors **work orders to be verified based on a "rating" higher than a certain threshold**. It allows a Safety Coordinator to be appointed during execution or design, where required.

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

- **19 Safety Coordinators** in the Execution and Design phase, assigned to specific worksites as needed;
- **18 Safety Inspectors**, who assessed and verified the safety standard through random inspections;
- **5 Planners**, who followed the planning and dispatching of the safety inspections to the sites of the contractors;
- **13 Technical Support resources**, who managed the technical and professional audits of the companies engaged in the contracts.

<sup>85</sup> Legislative Decree no. 81/08 "Consolidated Act on Safety", as amended.

<sup>86</sup> Such as electrical or electromechanical maintenance work carried out on plants, meter changes, road repairs, video-inspections and sewerage pumping, etc.

In 2020, the Site Safety Unit:

- carried out the activities in **support of the technical and professional audits of 617 companies** (38% of contractors and 61% of subcontractors and “operated equipment rentals”<sup>87</sup>), about **70% more** than in 2019 (360 companies);
- activated **Safety Coordination in the Execution phase for 286 tasks** and carried out **Safety Coordination in the Design phase for 76 tasks**;
- **carried out 14,904 on-site safety**<sup>88</sup> inspections (+19% compared to 2019).

Following **occupational health and safety audits**, carried out during the **Site Safety Unit’s** inspections, a **total of 1,457 non-conformities were found**<sup>89</sup> (962 “minor”, 337 “medium” and 158 “major”), **down compared to the 2019 figures**<sup>90</sup> **despite the increase in the number of visits carried out**. During the execution of the contract, any conduct that **infringes the current regulations are also corrected** and specific problems that emerge during the work are thoroughly investigated. **During the verification** of the staff of contractor and subcontractor companies, the Site Safety Unit **ascertains that the Employer has provided basic health and safety training** and, where applicable, **specific training**.

## SAFETY CHECK PROJECT

The Innovation Unit of the Parent Company and Acea Elabori launched an experiment to test a solution that enables remote assessments of the safety conditions of personnel that carry out their work in construction sites, as well as the level of compliance with provisions issued by the Employer on Health and Safety.

The Safety Check system, that uses sensors aimed at the safety of operators, enables the identification of potentially dangerous systems and creates an alert system using suitable IoT sensors on site, represents a valid auxiliary instrument to further improve the Company’s safety standards.

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

For example, **at the beginning of the Covid-19 pandemic**, AdF, which carries out its own site inspections, held **coordination meetings with the contracting companies**, defining a shared intervention procedure to minimise the movement of contracted staff and to assess potential infections. These meetings were repeated during 2020 in order to ensure that site procedures and documents were in compliance with national and regional regulations. **Gori** communicated with all its suppliers regarding the emergency and the measures it adopted to contain the infection in the workplace. Furthermore, in Acea the **Training Camp** is operational, a space dedicated to providing training on health and safety at work for staff, which is **used** by the Group’s operating companies to **also train contractors** to safely carry out specific activities related to

the contracts they had been awarded (ascent/descent on medium and low voltage power line poles, access to confined, underground areas, etc.).

Given the exceptional situation in 2020, the **Parent Company** established a **Coronavirus Prevention Committee** which is also committed to **coordinating with the Group Companies** and **with the Contractors** (see also the *Personnel* chapter, *Protection of Occupational Health and Safety* paragraph).

The Companies that carried out site inspections during the year, **above and beyond the work of the Site Safety Unit**, took the **Parent Company’s guidelines into consideration**. Specifically, in order to check compliance with the safety procedures introduced to counteract the spread of Covid-19, **Acea Ato 2** carried out 374 audits during the year, while **Acea Ato 5** carried out 9. Both Companies also saw to raising awareness amongst the employees of contractors regarding occupational health and safety.

This also applies to Companies that are not managed centrally. For example, **AdF carried out 356 audits to check safety conditions and compliance with Covid-19 regulations**, finding 18 deviations relating to missing documents and no cases of procedural issues and/or missing PPE, and **Gori carried out 1,142 on-site health and safety audits**. **Gesesa** carried out regular (weekly) audits on both internal staff and civil engineering companies/suppliers to check compliance with the limitations imposed by the Prime Ministerial Decree (access to the premises, social distancing, etc.). The information collected was sent to the Parent Company.

<sup>87</sup> Operated equipment rental is a contract that involves the rental of work equipment and the performance of a specialized operator, essential for the operation/use of the equipment itself.

<sup>88</sup> The number includes visits for all types of contracts, both main ones and “minor ones”.

<sup>89</sup> For the main contracts, as envisaged in the contract documentation, the results of audits are recorded according to four categories: compliant or non-applicable, minor (generally corrected on the spot), medium and major infractions. The non-conformities are associated with corrective actions and penalties applied by the contracting Company on the basis of the provisions of the tender documentation, and, serious infractions may lead to the suspension of works.

<sup>90</sup> When they were registered, following around 12,400 inspections, 1,741 non-conformities (1,141 minor, 367 medium and 233 major).

With reference to the “**Protocol shared for the regulation of measures to prevent and contain the spread of the Covid-19 virus in workplaces**” undersigned on 14 March 2020 by Trade Union and employment organisations in accordance with the Government and integrated on 24 April 2020, for the entire duration of the pandemic, **each Company**, to carry out its work activities, **was obligated to adopt suitable technical measures** (anti-contagion safety measures). These measures, the same for all involved, follow the logic of precaution and regard the management of the health emergency, **both in relation to work sites and the procurement of foods and supply**, and apply to the owners of the canteens and to all the sub-contractors and subsuppliers present.

Acea SpA and the Group Companies, in compliance with the regulatory provisions, **have defined specific measures to develop activities within the Company sites, including also those carried out by personnel of the supplier/contracting companies**, with a duty to **comply with the protocols on anti-contagion safety defined**, with the penalty of being forced to leave the Company sites in the event of non-compliance; monitoring activities were also carried out to ensure the correct and efficient adoption of the measures established, through periodic checks.

**In the Parent Company a Coronavirus Prevention Committee** was set up for the centralised management of risk mitigation measures and **internal provisions** for coordination with the Group Companies, as well as **information and coordination with the contract companies**.

Beyond the temporary health emergency, Acea works with the conviction that it is necessary to qualify **the Company’s commitment along the entire value chain**.

One of the most relevant aspects relates to the working conditions and the **health and safety** of the staff of companies supplying goods, services or works, which are entrusted by the contracting companies to manage or operate a part or all of their business processes. To this end, the Sustainability Planning and Reporting and the Occupational Safety Units of the Parent Company, along with the Units of the Holding Company or the Operating Companies in charge, in various capacities, of relations with suppliers, created a project called **Sustainability and Safety, a Virtuous Pairing**, aiming to actively involve the contractors who work with Acea to put on training sessions and to improve the process of collecting and reporting accident data in particular.

During the year, the **Occupational Safety Unit** was able to hold a **single awareness-raising meeting with Acea SpA contractors, at the La Fornace Conference Centre, on the issue of safety**, during which, in addition to showing the firms the I-Auditor platform used for the operational management of contracts, also introduced the *Sustainability and Safety, a Virtuous Pairing* project and presented the most important KPIs that all contractors, of works and certain types of services, should provide, starting from the next year. To **test the process of collecting new KPIs, a pilot survey was carried out** on a sample of around 150 contractors, the majority managed by Acea Elabori also on behalf of Group Companies.

From the analysis of the data provided by the **81 companies** that **responded** to the survey, **of which 16% in the top-list of suppliers in terms of volume of orders**, it emerged that: there were **40 occupational accidents** involving Acea’s contractors’ staff during the year, of which **3 were due to work transfers** and **almost all (36) involved minor injuries**. The **main causes of accidents** are **tripping, impacts,**

**slipping, cuts, crushing and falls from height. The frequency index is 7.93**, while the gravity index is **0.33**. There were no fatal accidents.

Lastly, **no cases of occupational diseases** were recorded for contractors’ staff during the year.

### INVOLVEMENT OF SUPPLIERS ALSO IN OTHER SENSITIVE ISSUES

Some Group Companies also carry out activities for the **involvement and awareness of suppliers with respect to other aspects**, such as technological evolution and Group guidelines, so that there is constant alignment and adequate training of partners working on behalf of the Company.

In 2020, **Areti** continued with its training campaign on the “mass replacement of metering units” and “user management – tablet use for meter change”, training **101 operators of its contractors**, amounting to a total of **592 hours of training** divided into 19 training sessions.

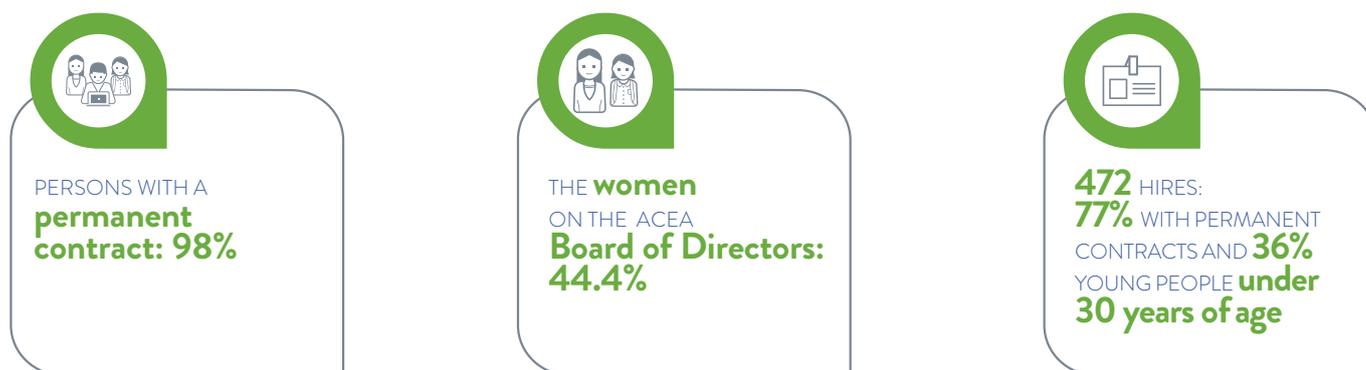
Furthermore, **50 workers** of contractors were trained to use a new type of “joints”, which will be implemented by **Areti** during 2021, for a total of **350 hours of training**, carried out with the contribution of the supplier and 4 internal teachers.

Finally, **Acea Energia** monitors the **quality of the sales service provided by the door-to-door and/or telemarketing agencies** in the “domestic” and “micro-business” segments of the deregulated market, and in accordance with the Agency Mandate, **it trains those who work in the name and on the behalf of Acea so that they can convey adequate information to customers** (please also see the chapter on *Customers*). In 2020, Acea Energia carried out a **training programme**, providing **714 hours of training** in total, of which 300 hours were delivered to **668 door-to-door sellers**, for a total of 60 days, and 414 hours delivered to **teleselling agency workers**.



# STAFF

## ACEA'S EMPLOYEES



The health emergency, which occurred during the year, affected personnel management, with particular reference to the issue of employee health protection. Therefore, Acea promptly and effectively reconsidered its working tools and methods to facilitate the transition from face-to-face working to remote working for most of its staff. This has led to the development of the IT infrastructure, the

reorganisation of training to the digital sphere, the implementation of extraordinary precautionary measures to protect the health of people and *ad hoc* initiatives to help them cope with both personal and professional difficulties caused by the pandemic.

In 2020, there were **6,374 people in the workforce of the Companies within the reporting scope<sup>91</sup>**.

**TABLE NO. 38 – CHANGES IN EMPLOYEES BY MACRO SEGMENT (2018-2020)**

BUSINESS AREA	2018 (no. of employees)	2019 (no. of employees)	2020 (no. of employees)
Water operations	1,741	2,695	3,303
Network Operations	1,301	1,272	1,280
Generation	78	81	87
Commercial	443	437	392
Environment Operations	286	304	338
Engineering Operations	237	262	274
Corporate (Acea SpA)	656	665	700
<b>total</b>	<b>4,742</b>	<b>5,716</b>	<b>6,374</b>

(\*) The 2020 figures also include 419 people at AdF and 28 people at Acque Industriali, as the other companies included in the scope during the year have staff seconded from other Group companies or do not have such staff.

The **Water Operations** segment recorded the **highest numbers and accounts for 52% of the total**, in line with the number of Companies included and the percentage of business on the Group's operations. The **Network Operations** segment followed, which **represents 20% of total figures**.

### COMPOSITION AND TURNOVER

The **Human Resources Management Department** of Acea SpA handles the **administration of the personnel** employed by the subsidiaries on their behalf according to defined procedures. To this end, the Department uses computer systems (SAP HCM, SIPERT PY, Success Factor) operating at the Group level for the **management of employee records, salaries, merit plans**, etc. The inclusion within the scope of 447 employees at AdF and Ac-

que Industriali is the factor that most affected the increase in the workforce, from 5,716 in 2019 to 6,374 in 2020. However, this expansion in scope does not change the overall composition of the Group's workforce, which remains in line with the previous two-year period.

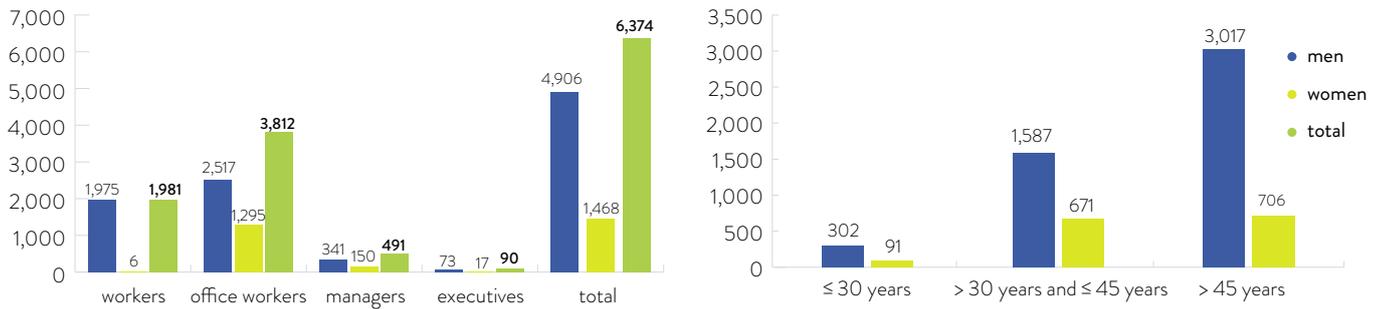
Specifically, the **male presence is prevalent, equal to 77% of the total**. The figure reflects the presence of technical-specialistic and operating skills that, to date, have mainly been offered by men in Italy. The **professional structure is stable** and consists of **60% of-office staff, 31% workers, 8% managers and 1% executives**. The distribution by age groups is characterized for **58% by people over 45 years of age**, while those belonging to younger age groups – **between 30 and 45 and under 30** – represent respectively **35% and 6%** of the workforce.

<sup>91</sup> The chapter illustrates the data for Companies within the NFD scope (see *Disclosing sustainability: Methodological Note*), with the exception of Acea Innovation and Acea Sun Capital, which have staff seconded from other Group companies or do not have staff. The total workforce, for all the Companies within the consolidation, was 7,650 during the year (7,576 in 2019).

With regard to the **level of education**, we confirm **the steady increase of university graduates, who rise to 25% of the total** (23% in 2019) and

**the stability of diploma holders**, whose percentage remains around **50%** (for the above data, please see chart no. 35 and table no. 39).

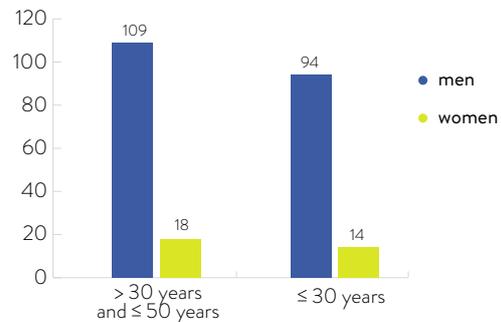
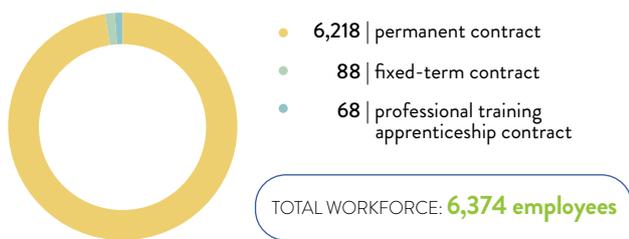
**CHART 35 - COMPOSITION OF THE STAFF: GENDER, AGE AND CATEGORY (2020)**



**98% of the workforce** are employed with a permanent contract, which is in line with 2019. The **length of the employment relationship** indicates the **stability of employment: 55%** of the peo-

ple who left during the year worked for the Group **for 30 to 50 years** and **45% up to 30 years** (please see chart no. 36 and table nos. 39 and 41).

**CHART NO. 36 - CONTRACT TYPES AND LENGTH OF THE EMPLOYMENT RELATIONSHIP (2020)**

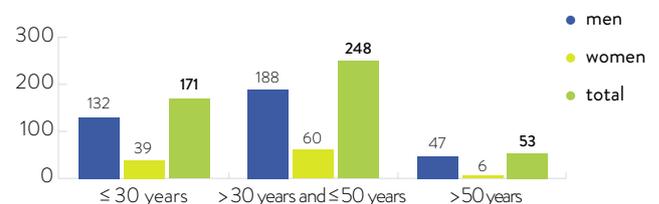


In 2020, **472 people** (367 men and 105 women) were hired, **77% with a permanent contract**, divided into 282 hires from the external labour market, 105 stabilisations (of which 36 young people that have completed internships in the Company), 63 in-

ternalisations, 21 apprenticeships and 1 re-hire (see chart no. 37 and table no. 41).

**36% of newly hired staff** during the year were aged **30 or under**.

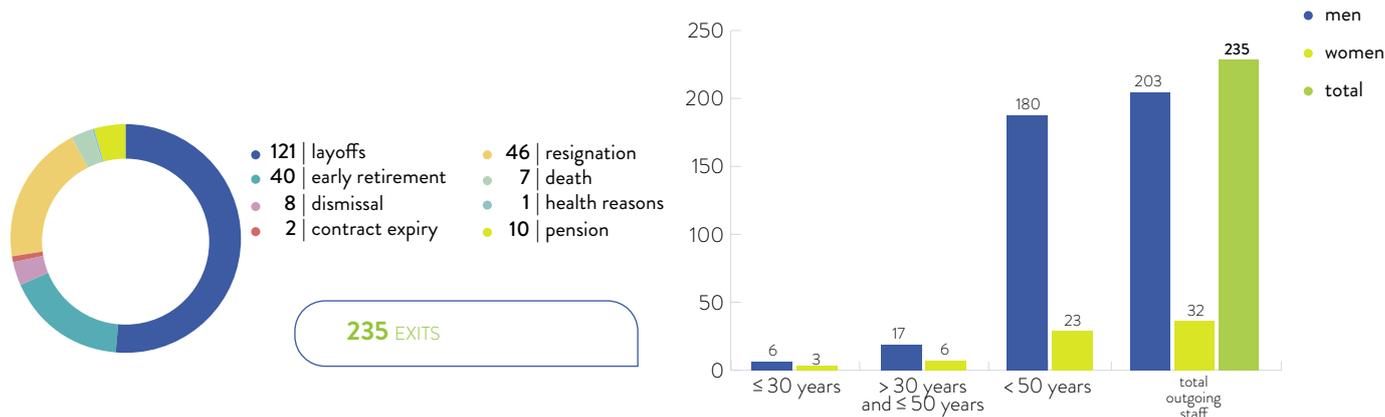
**CHART NO. 37 - TYPES OF ENTRIES AND AGE OF THE STAFF (2020)**



There were **235 people** who left the Company in 2020 (203 men and 32 women): 121 with a form of voluntary and incentivised early retirement, 40 as part of voluntary redundancy plans, with the agreed and incentivised termination of the

employment contract, 10 retired, 46 resigned, 8 dismissed and another 10 for different reasons (see chart no. 38 and tables no. 41 and 42). **86% of the outgoing staff** was over **50 years of age**.

**CHART NO. 38 – TYPES OF EXITS AND AGE OF THE STAFF (2020)**



The **rate of turnover** was **11.1%** (11.6% for men and 9.3% for women), the **incoming rate** was **7.4%** (7.5% for men and 7.2% for women) and the **outgoing rate** was **3.7%** (4.1% for men and 2.2% for women) (see table no. 40).

### WOMEN IN ACEA

In 2020, there were **1,468** women working at Acea (1,286 in 2019). This expansion of the scope and the consequent inclusion of 116

women working at AdF and Acque Industriali do not substantially change the proportion of women within the Group's total workforce, which is slightly greater than last year, at 23% (it was 22% in 2019).

**The proportion of female executives within total executives** (17 out of 90) is equal to **19%**. **The percentage of women in managerial positions** is **30%** of the category (150 out of 491) (chart no. 39, while **women accounted for 43%** (696 out of 1,600) of the **graduates** in the Group.

**CHART NO. 39 – THE DISTRIBUTION OF THE STAFF FROM A GENDER PERSPECTIVE (2020)**

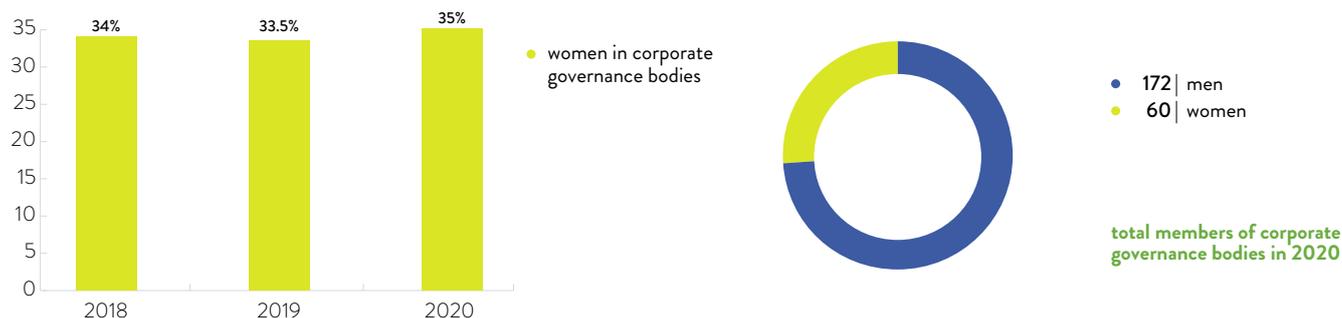


In the **corporate governance** of the reporting companies (Boards of Directors, Boards of Statutory Auditors and Supervisory Bodies), **60 women**, are operational, **35% of the total** number of members (in 2019, women in the governance bodies totalled 52, equal to 33.5%).

In the **Parent Company**, the percentage of **women** on the **Board of Directors** was **55.5% up until July** (5 women out of 9 members) **and 44.4%** (4 women out of 9 members) **in the second half of the year, following on from the replacement**

**of a female Director.** On the **Board of Statutory Auditors** the **percentage reached 60%** (3 women out of 5 members, of which 2 substitutes), figures above the quotas required by law (Law no. 120/2011). We also report that every internal board committee includes one or more women, and that the Chair of the Control and Risks, Appointments and Remuneration, Ethics and Sustainability Committees is assigned to a female Director (see also *Corporate Identity*, section *Corporate governance in Acea*).

**CHART NO. 40 – PRESENCE OF WOMEN IN THE CORPORATE GOVERNANCE BODIES (2018-2020)**



**TABLE NO. 39 – GENERAL DATA ON PERSONNEL (2018-2020)**

u.m.	2018			2019			2020		
	men	women	total	men	women	total	men	women	total
<b>COMPOSITION OF THE STAFF</b>									
<b>number</b>									
executives	60	12	<b>72</b>	70	11	<b>81</b>	73	17	<b>90</b>
managers	289	127	<b>416</b>	311	137	<b>448</b>	341	150	<b>491</b>
clerical workers	1,897	1,012	<b>2,909</b>	2,293	1,133	<b>3,426</b>	2,517	1,295	<b>3,812</b>
workers	1,342	3	<b>1,345</b>	1,756	5	<b>1,761</b>	1,975	6	<b>1,981</b>
<b>total</b>	<b>3,588</b>	<b>1,154</b>	<b>4,742</b>	<b>4,430</b>	<b>1,286</b>	<b>5,716</b>	<b>4,906</b>	<b>1,468</b>	<b>6,374</b>
<b>WOMEN IN ACEA</b>									
<b>%</b>									
women out of the total workforce			<b>24</b>			<b>22</b>			<b>23</b>
female executives out of total executives			<b>17</b>			<b>14</b>			<b>19</b>
female managers out of total managers			<b>31</b>			<b>31</b>			<b>31</b>
female graduates out of total graduates			<b>44</b>			<b>43</b>			<b>43</b>
<b>WOMEN IN ACEA</b>									
<b>number</b>									
university graduates	593	470	<b>1,063</b>	755	567	<b>1,322</b>	904	696	<b>1,600</b>
high school graduates	1,816	537	<b>2,353</b>	2,275	583	<b>2,858</b>	2,541	643	<b>3,184</b>
other qualifications	698	44	<b>742</b>	955	45	<b>1,000</b>	1,018	55	<b>1,073</b>
not defined	481	103	<b>584</b>	445	91	<b>536</b>	443	74	<b>517</b>
<b>total</b>	<b>3,588</b>	<b>1,154</b>	<b>4,742</b>	<b>4,430</b>	<b>1,286</b>	<b>5,716</b>	<b>4,906</b>	<b>1,468</b>	<b>6,374</b>
<b>AVERAGE STAFF AGE</b>									
<b>years</b>									
average Company age	49	45	<b>48</b>	48	45	<b>48</b>	48	45	<b>47</b>
average age of executives	54	52	<b>54</b>	53	51	<b>53</b>	53	51	<b>53</b>
average age of managers	51	49	<b>50</b>	51	49	<b>50</b>	51	49	<b>51</b>
average age of clerical workers	48	45	<b>47</b>	48	44	<b>47</b>	47	44	<b>46</b>
average age of workers	48	51	<b>48</b>	48	48	<b>48</b>	48	49	<b>48</b>
<b>AVERAGE SENIORITY OF THE STAFF</b>									
<b>years</b>									
average corporate seniority	19	15	<b>18</b>	17	15	<b>17</b>	16	14	<b>16</b>
average seniority of executives	17	19	<b>18</b>	17	16	<b>17</b>	17	16	<b>17</b>
average seniority of managers	21	19	<b>20</b>	20	18	<b>19</b>	20	18	<b>19</b>
average seniority of clerical workers	20	15	<b>18</b>	18	14	<b>17</b>	17	14	<b>16</b>
average seniority of workers	17	29	<b>17</b>	15	18	<b>15</b>	15	18	<b>14</b>
<b>TYPE OF EMPLOYMENT CONTRACT</b>									
<b>number</b>									
staff under a permanent contract	3,476	1,105	<b>4,581</b>	4,327	1,256	<b>5,583</b>	4,783	1,435	<b>6,218</b>
<i>(of which) part-time staff</i>	25	95	<b>120</b>	26	95	<b>121</b>	22	102	<b>124</b>
permanent staff	44	33	<b>77</b>	27	8	<b>35</b>	69	19	<b>88</b>
staff under apprenticeship contracts	68	16	<b>84</b>	76	22	<b>98</b>	54	14	<b>68</b>
<b>total</b>	<b>3,588</b>	<b>1,154</b>	<b>4,742</b>	<b>4,430</b>	<b>1,286</b>	<b>5,716</b>	<b>4,906</b>	<b>1,468</b>	<b>6,374</b>

(\*) In 2020, the 447 employees of AdF and Acque Industriali are also included, as the other companies that have joined the DNF perimeter have personnel seconded from other Group companies or do not have such staff.

**TABLE NO. 40 – MOVEMENTS OF PERSONNEL (2018-2020)**

u.m.	2018			2019			2020		
	men	women	total	men	women	total	men	women	total
<b>INCOMING STAFF: CONTRACT TYPE</b>									
<b>number</b>									
permanent	97	29	<b>126</b>	337	70	<b>407</b>	283	82	<b>365</b>
fixed-term	20	10	<b>30</b>	22	9	<b>31</b>	67	19	<b>86</b>
professional apprenticeship contracts	41	11	<b>52</b>	9	5	<b>14</b>	17	4	<b>21</b>
<b>total</b>	<b>158</b>	<b>50</b>	<b>208</b>	<b>368</b>	<b>84</b>	<b>452</b>	<b>367</b>	<b>105</b>	<b>472</b>
<b>OUTGOING STAFF: REASONS</b>									
layoffs	80	14	<b>94</b>	153	16	<b>169</b>	103	18	<b>121</b>
early retirement	7	0	<b>7</b>	46	7	<b>53</b>	35	5	<b>40</b>
retirement	2	1	<b>3</b>	2	1	<b>3</b>	10	0	<b>10</b>
terminations	11	2	<b>13</b>	7	3	<b>10</b>	8	0	<b>8</b>
other reasons (*)	28	13	<b>41</b>	29	9	<b>38</b>	47	9	<b>56</b>
<b>total</b>	<b>128</b>	<b>30</b>	<b>158</b>	<b>237</b>	<b>36</b>	<b>273</b>	<b>203</b>	<b>32</b>	<b>235</b>
<b>TURNOVER RATES, INCOMING AND OUTGOING RATES PER AGE GROUP (**)</b>									
<b>%</b>									
turnover rate	8.0	6.9	<b>7.7</b>	13.7	9.3	<b>12.7</b>	11.6	9.3	<b>11.1</b>
incoming rate	4.4	4.3	<b>4.4</b>	8.3	6.5	<b>7.9</b>	7.5	7.2	<b>7.4</b>
≤ 30 years	-	-	<b>2.2</b>	1.7	2.4	<b>1.9</b>	2.7	2.7	<b>2.7</b>
> 30 years and ≤ 50 years	-	-	<b>1.9</b>	4.7	3.7	<b>4.5</b>	3.8	4.1	<b>3.9</b>
> 50 years	-	-	<b>0.3</b>	1.9	0.4	<b>1.5</b>	1.0	0.4	<b>0.8</b>
outgoing rate	3.6	2.6	<b>3.3</b>	5.3	2.8	<b>4.8</b>	4.1	2.2	<b>3.7</b>
≤ 30 years	-	-	<b>0.3</b>	0.2	-	<b>0.1</b>	0.1	0.2	<b>0.1</b>
> 30 years and ≤ 50 years	-	-	<b>0.4</b>	0.4	0.5	<b>0.5</b>	0.3	0.4	<b>0.4</b>
> 50 years	-	-	<b>2.6</b>	4.8	2.3	<b>4.2</b>	3.7	1.6	<b>3.2</b>

(\*) For 2020, the item includes: 7 deaths (not due to accidents at work), 46 resignations, 1 disability and 2 contract expiries.

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

**TABLE NO. 41 – AGE GROUPS, EMPLOYMENT CONTRACT LENGTH (2018-2020)**

number	2018			2019			2020		
	men	women	total	men	women	total	men	women	total
<b>STAFF AGE GROUPS</b>									
≤ 25 years and ≤ 30 years	169	70	<b>239</b>	203	80	<b>283</b>	302	91	<b>393</b>
> 30 years and ≤ 50 years	1,688	704	<b>2,392</b>	2,166	789	<b>2,955</b>	2,384	900	<b>3,284</b>
> 50 years and ≤ 60 years	1,387	337	<b>1,724</b>	1,703	374	<b>2,077</b>	1,822	419	<b>2,241</b>
> 60 years	344	43	<b>387</b>	358	43	<b>401</b>	398	58	<b>456</b>
<b>total</b>	<b>3,588</b>	<b>1,154</b>	<b>4,742</b>	<b>4,430</b>	<b>1,286</b>	<b>5,716</b>	<b>4,906</b>	<b>1,468</b>	<b>6,374</b>
<b>INCOMING STAFF: AGE GROUPS</b>									
≤ 30 years	78	25	<b>103</b>	77	31	<b>108</b>	132	39	<b>171</b>
> 30 years and ≤ 50 years	67	24	<b>91</b>	208	48	<b>256</b>	188	60	<b>248</b>
> 50 years	13	1	<b>14</b>	83	5	<b>88</b>	47	6	<b>53</b>
<b>total</b>	<b>158</b>	<b>50</b>	<b>208</b>	<b>368</b>	<b>84</b>	<b>452</b>	<b>367</b>	<b>105</b>	<b>472</b>
<b>OUTGOING STAFF: AGE GROUPS</b>									
≤ 30 years	7	6	<b>13</b>	7	0	<b>7</b>	6	3	<b>9</b>
> 30 years and ≤ 50 years	14	5	<b>19</b>	19	7	<b>26</b>	17	6	<b>23</b>
> 50 years	107	19	<b>126</b>	211	29	<b>240</b>	180	23	<b>203</b>
<b>total</b>	<b>128</b>	<b>30</b>	<b>158</b>	<b>237</b>	<b>36</b>	<b>273</b>	<b>203</b>	<b>32</b>	<b>235</b>
<b>DURATION OF THE EMPLOYMENT CONTRACT OF THE OUTGOING STAFF</b>									
≤ 30 years	49	16	<b>55</b>	85	13	<b>98</b>	94	14	<b>108</b>
> 30 years and ≤ 50 years	79	14	<b>93</b>	152	23	<b>175</b>	109	18	<b>127</b>
<b>total</b>	<b>128</b>	<b>30</b>	<b>158</b>	<b>237</b>	<b>36</b>	<b>273</b>	<b>203</b>	<b>32</b>	<b>235</b>

# HOURS WORKED, SALARY AND PENSION FUNDS

## HOURS WORKED IN ACEA

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

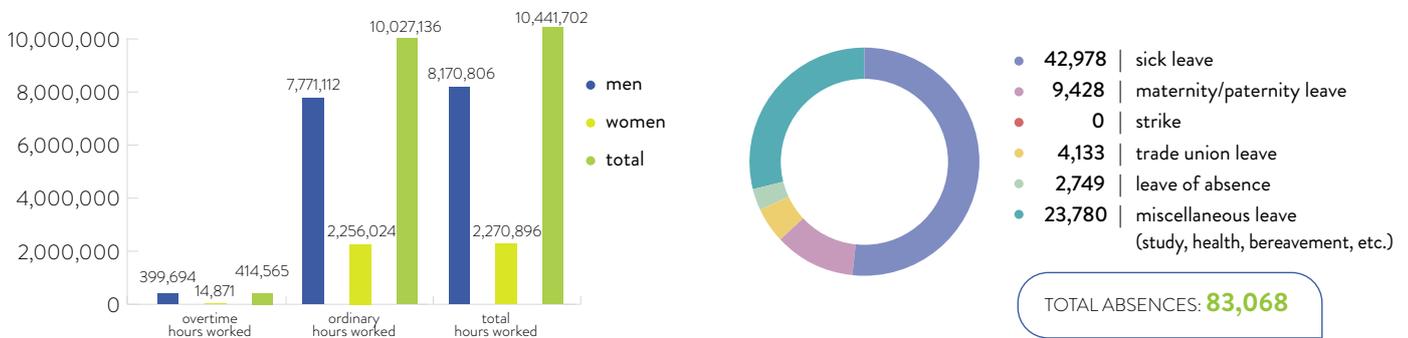
Following on from the Covid-19 health emergency, in accordance with the safety measures put in place at government level, Acea reorganised the working conditions of more than 3,700 employees, mainly those with administrative responsibilities, switching them from face-to-face

work to remote, with work being carried out from home. **Ordinary and overtime hours worked during the year**, excluding executives, **increased**, mainly following on from the inclusion of hours worked by AdF and Acque Industriali staff, and amounted to **10,441,702 hours**, of which **78% were attributable to male personnel** (equal to 8,170,806 hours) due to the greater number of men in the workforce (77% of the total). Analysing the **overtime hours, the influence of gender** is even more evident: **96% of overtime is in fact attributable to men and only 4% to women** (please also see the sub-paragraph *Remuneration*).

**Days of absence totalled 83,068**, mainly due to **illness, leave** (for reasons of study, health, etc.), **maternity/paternity leave, trade union reasons, as well as others** (study, health, generic) (see chart no. 41 and table no. 42).

The **absenteeism rate for the year was 3%**, down compared to the 3.85% of 2019 (3.3% male absenteeism rate and 2.3% female absenteeism rate).

CHART NO. 41 – HOURS WORKED BY THE STAFF AND ABSENCES (2020)



In addition to leave, staff can access reduced working hours, in accordance with the terms defined by the Company: in 2020, **part-time** staff amounted to around **2% of total staff**.

For **managers** and **stage-three workers, independent scheduling is permitted**, which allows the “personalized” management of work schedules, in compliance with contractual provisions.

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

Lastly, **smart working** is the agile and flexible working method that Acea has adopted since 2018 to promote work-life balance. This year, the Company **was able to promptly and effectively manage the reorganisation of the work required as a result of the pandemic**, thanks to the decision taken in

the previous two years, connecting most staff via smart working (please also see the *Staff Development and Communication paragraph*).

## REMUNERATION

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

The Company also adopts a **remuneration policy** that applies **merit-based principles** to the fixed and variable components of the remuneration, determining remuneration that is above the minimum salaries set by the National Collective Bargaining Agreements.

In 2020, the **total gross average salary per capita** was **€ 43,000**, excluding executives, (it was € 45,000 in 2019) (see table no. 42).

CHART NO. 42 – AVERAGE SALARIES AND RATIO BETWEEN BASE SALARY AND REMUNERATION (2020)



By analysing the data by gender, the ratio between the “base salary” and the gross actual remuneration is 87% for women and 80% for men. The activities with the highest additional remuneration (on-call, shifts, allowances, overtime, etc.), such as the work of emergency services technicians who rotate in 24-hour shifts, are mainly performed by male staff.

## PENSION FUNDS AND DEFINED CONTRIBUTION PLANS

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

The pension funds of reference for Acea staff are: **Previndai**, reserved for executives, and **Pegaso** (managed jointly by Util-

italia and Trade Union Organisations) for non-management staff, to whom the National Collective Bargaining Agreements of the electrical and gas-water segments apply.

The **Pegaso Fund** adopted a 2019-2021 Strategic Plan that illustrates the organisation’s management guidelines, including instruments for measuring ESG factors (environmental, social and governance).

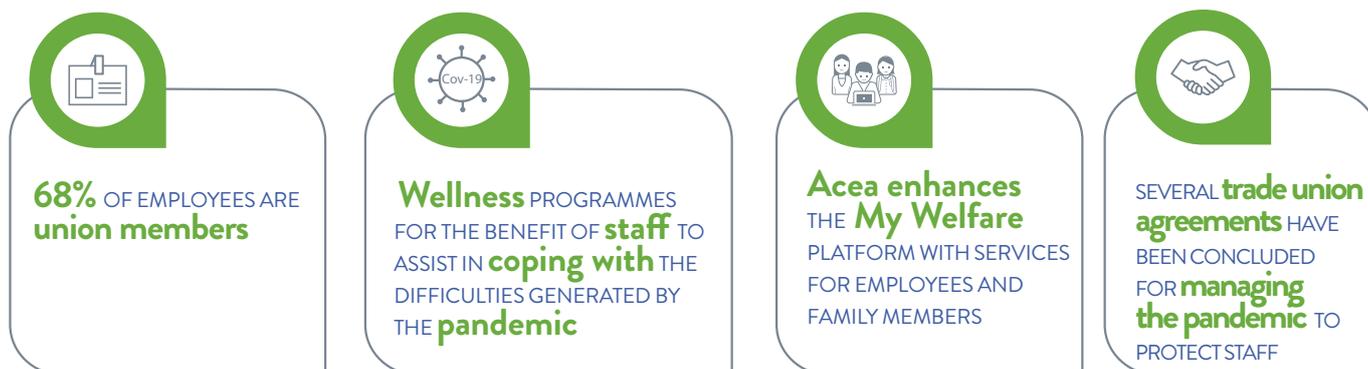
The number of Acea employees participating in the Pegaso Fund during the year was 2,909, with an increase of 3% compared to 2019.

By analysing the distribution by gender of the members, 76% are men and 24% are women (please see table no. 42). The Company paid approx. € 5.8 million of TFR (Severance Pay) and approx. € 1.9 million of supplemental contribution to the Fund.

**TABLE NO. 42 – HOURS WORKED, ABSENCES, REMUNERATION AND MEMBERS OF THE SUPPLEMENTAL PENSION FUND (2018-2020)**

u.m.	2018			2019			2020		
	men	women	total	men	women	total	men	women	total
<b>HOURS WORKED BY THE STAFF</b>									
<b>hours</b>									
regular	5,669,239	1,684,926	<b>6,031,404</b>	6,250,724	1,941,510	<b>8,192,234</b>	7,771,112	2,256,024	<b>1,002,7137</b>
overtime	362,165	27,004	<b>389,169</b>	369,398	29,464	<b>398,862</b>	3,996,94	14,871	<b>414,565</b>
<b>total hours worked</b>	<b>6,031,404</b>	<b>1,711,930</b>	<b>7,743,334</b>	<b>6,620,122</b>	<b>1,970,974</b>	<b>8,591,096</b>	<b>8,170,806</b>	<b>2,270,896</b>	<b>10,441,702</b>
<b>TYPE OF ABSENCES</b>									
<b>days</b>									
sick leave	28,584	12,144	<b>40,728</b>	29,279	10,969	40,248	35,163	7,815	<b>42,978</b>
maternity/paternity	1,159	10,302	<b>11,461</b>	1,118	9,278	10,396	1,499	7,929	<b>9,428</b>
strike	606	138	<b>744</b>	82	28	110	0	0	<b>0</b>
trade union leave	8,076	1,068	<b>9,144</b>	5,159	584	5,743	3,756	377	<b>4,133</b>
leave of absence	1,288	1,127	<b>2,415</b>	1,313	379	1,692	2,015	734	<b>2,749</b>
miscellaneous leave (study, health, bereavement and general reasons)	15,786	8,889	<b>24,675</b>	1,5631	8,022	23,653	18,402	5,378	<b>23,780</b>
<b>total absent (excluding holidays and accidents)</b>	<b>55,499</b>	<b>33,669</b>	<b>89,167</b>	<b>52,582</b>	<b>29,260</b>	<b>81,842</b>	<b>60,835</b>	<b>22,233</b>	<b>83,068</b>
<b>GROSS AVERAGE COMPENSATION BY ROLE</b>									
<b>€</b>									
managers			77,061			78,691			<b>77,347</b>
clerical workers			42,349			43,045			<b>42,075</b>
workers			38,840			39,496			<b>37,369</b>
<b>AGE GROUPS AND GENDER OF THE EMPLOYEES ENROLLED IN THE PEGASO FUND</b>									
<b>number</b>									
≤ 25 years	16	0	<b>16</b>	20	0	<b>20</b>	32	0	<b>32</b>
> 25 years and ≤ 30 years	38	18	<b>56</b>	65	26	<b>91</b>	92	25	<b>117</b>
> 30 years and ≤ 35 years	101	40	<b>141</b>	126	66	<b>192</b>	143	70	<b>213</b>
> 35 years and ≤ 40 years	169	69	<b>238</b>	186	88	<b>274</b>	202	103	<b>305</b>
> 40 years and ≤ 45 years	228	64	<b>292</b>	249	78	<b>327</b>	261	89	<b>350</b>
> 45 years and ≤ 50 years	349	112	<b>461</b>	320	105	<b>425</b>	293	101	<b>394</b>
> 50 years and ≤ 55 years	459	112	<b>571</b>	469	136	<b>605</b>	466	144	<b>610</b>
> 55 years and ≤ 60 years	386	112	<b>498</b>	423	119	<b>542</b>	440	112	<b>552</b>
> 60 years	227	40	<b>267</b>	293	49	<b>342</b>	276	60	<b>336</b>
<b>total</b>	<b>1,973</b>	<b>567</b>	<b>2,540</b>	<b>2,151</b>	<b>667</b>	<b>2,818</b>	<b>2,205</b>	<b>704</b>	<b>2,909</b>

## LABOUR-MANAGEMENT RELATIONS



Acea applies the **Single Contract for the electricity sector** and the **Single Contract for the gas-water sector**. **All the workers** are therefore **covered by national collective bargaining agreements**. In 2020, **unionisation** was around **68%**. There are **288** employees who hold **management or trade union representation positions**; of these, **19 hold positions of Workers' Safety Representatives (RLS)**, designated following an agreement.

The **Labour-Management Relations Unit** of the Parent Company (Human Resources Function) **oversees the Company's policies regarding trade union relations**, ensuring consistency with the Group's objectives. The discussions on the specific corporate requirements are conducted within the framework of national collective bargaining (CCNL) at the sector level, and between companies and internal employee representatives.

The **Labour-Management Relations Model** applied in Acea defines a **system of high-profile trade union relations based on bilateral agreements and participation**, combining **business objectives and social demands**.

The **Labour-Management Relations Protocol** structures the system of union participation and dialogue on three levels – Group, industrial segment and corporate – and defines **some areas of discussion** for each level: *economic and financial performance, employment policies, selection, promotion, development and training of staff, occupational safety, corporate welfare, promotion of diversity and inclusion; industrial policy and investment plans; performance bonus, organisation of working hours, technical and specialized training and professional development.*

In line with the inclusive logic of the Model, Acea has implemented a **procedure for consulting workers**, directly or through their representatives, on central issues such as **safety at work, respect for the environment and the sustainable development of production**. In order to encourage the **involvement of employees** in union relations, an **email address was made available** with which, for example, it is possible to request further information on the agreements reached or provide feedback on the quality of Company initiatives.

There are also **Bilateral Commissions**, composed of Company representatives and employees, **who express their opinions on key issues, such as training, smart working, corporate welfare and occupational health and safety**.

The Company promotes the participatory models of Trade Unions, such as **Unitary Trade Union Representations (RSU)** and **Workers for Safety and the Environment (RLSA)**.

The **main agreements signed during the year with the Trade Unions (OO.SS)**, in addition to training and performance bonus, **concerned measures related to the management of the pandemic**. Specifically, agreements were reached on the organisation of

work, on ways of carrying out smart working during the Covid-19 emergency and on bonuses for operational staff who ensured the continuity of public utility services to the public. Furthermore, **to regulate measures to counter the spread of Covid-19 in the workplace and for the gradual resumption of work activities, Group Agreements were signed with the Trade Unions** in April and May (so-called "Phase 1" and "Phase 2 of the emergency"), in line with the guidelines set out in the Protocols shared between the Government and the National Confederations of 14 March 2020 and 24 April 2020. The agreements set out the safety measures to combat infection, technical and organisational measures for carrying out work activities safely, as well as procedural, information and welfare measures to be adopted by the Group Companies.

Also during the year the **new social security agreement was of particular significance, which regulates the so-called "Isopensione"**, signed on 30 July, to manage generational turnover, in line with the commitments made in the Group Framework Agreement of 14/02/2018 **valid for the four-year period 2021-2024**. The pension accompaniment measure is provided by INPS, with the Company's contribution, and is aimed at managers, office staff and workers who meet the requirements for retirement or early retirement pensions in the four years following the termination of the employment relationship, subject to an order of priority connected to conditions of health, proximity to pension access and the legal category they pertain to.

Acea actively promotes corporate well-being, starting with the **needs of its staff**, which are identified over time through surveys. In 2020, the **Group Welfare Plan was enhanced**, which can be accessed via the **My Welfare platform**, enriching the offer of **services to the individual and to their family** (family services, trips, transfers, health and health insurance, supplementary pension, sports and leisure, etc.), as well as the opportunity to convert their performance bonus into welfare services.

To promote the Plan and welfare initiatives, in 2020 numerous **information meetings** were held remotely and shared via **training videos**.

Acea **has redeployed part of the tax relief** enjoyed thanks to the Welfare Plan **for the benefit of employees**, both with the additional disbursements paid by the Company for individuals who have directed their performance bonus to the supplementary pension schemes, and by offering **health services and preventive checkups** (endocrinological, dermatological, etc.) and creating prevention campaigns aimed at promoting **primary and secondary prevention, healthy lifestyles and mental and physical well-being**. In particular, a communication campaign about telemedicine and medical checkups was organised together with the Company CRA.

Furthermore, employees enrolled in the Acea health insurance fund received **Long Term Care insurance** that protects people in the event of loss of self-sufficiency.

Following on from the Covid-19 pandemic, the Acea Group implemented special **welfare initiatives** over the course of the year, which saw good levels of participation (please see the box for more details).

## WELFARE INITIATIVES DURING THE PANDEMIC

In 2020, Acea rolled out multiple corporate welfare initiatives for the benefit of employees and their families in response to the pandemic crisis, **especially in the lockdown phase**.

In particular, the Company offered:

- the **remote individual psychological support** service, in collaboration with Acea's ACLI (Associazioni Cristiane Lavoratori Italiani) and a professional psychotherapist, to help employees cope with the hardships caused by the pandemic (isolation, fragility, etc.);
- the **collective psychological support** service, through 3 webinars, attended by a total of 1,000 people, aimed at providing employees and their families with tools and advice on how to deal with the pandemic with courage and how to transform limitations into resources, particularly with regard to the adoption of new lifestyles and work;
- the **"Gympass insieme per il benessere"** [Gympass together for wellbeing] **wellness programme**, which encourages the adoption of a healthy and active lifestyle, thanks to the Gympass platform for pursuing numerous activities in gyms and sports facilities and participating in several live streaming courses;

- the **"I Venerdì del Benessere"** [Wellness Fridays] programme was launched on World Food Day in association with the HR Community to promote healthy lifestyles, sharing the importance of prevention and healthy eating;
- actions in **support of parenting**, with new flexible working hours, leave and initiatives aiming towards a better balance between work and childcare, such as the high educational value interdisciplinary digital workshops "My Family Club Acea" and "Back to School".

In December, Acea organised the **"Acea e Fondazione Gemelli" webinar on Covid-19** in collaboration with Gemelli Foundation, which was meant for employees. The main pandemic data of the year were illustrated and questions could be asked to medical experts, as part of this effort.

Finally, Acea conducted an internal survey on the staff's views regarding the organisational and work-life balance solutions adopted in the emergency period and regarding the measures to be implemented subsequently (see also the chapter *The development of people and communication*).

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

- **organisational changes:** in the event of establishment of new Units or changes in assignments or responsibilities, the Human Resources Department issues an Organisational Provision and sends a communication to the competent functions, which post it on the bulletin board and the Company intranet. In the event of organisational changes that affect the staff, the trade union representatives are informed. If they concern a single employee (change in workplace, schedules, etc.), they are notified by the Human Resources Unit of the person's Company;

- **corporate reorganisations:** in the event of reorganisation, as a result of significant organisational and production changes, with effects on working conditions and employment, the methods of informing the employees and the Trade Union Representatives, are regulated by the CCNL applied in the Group and by the Labour-Management Relations Protocols;
- **corporate transformations** (such as alienations, mergers, acquisitions, transfers of Company branches): in cases of corporate transformation, the notices to the employees are regulated by the legislation in force<sup>92</sup>, which anticipates information obligations towards employees that allows them to verify the business reasons for the transactions, the correct methods of the process and the consequences on the employment relationship.

## DISPUTES WITH EMPLOYEES AND TRADE UNIONS (2020)

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

In 2020, there were **46 new labour disputes** (23 in 2019), most of which were **initiated by employees of the Companies**. A total of 13 labour disputes were pending as at 31 December 2020 - including those initiated in previous years.

## OCCUPATIONAL HEALTH AND SAFETY



**Acea ADOPTS THE Biosafety Trust Certification, AN INNOVATIVE CERTIFICATION SCHEME FOR INFECTION PREVENTION AND CONTROL**



**The Committee for THE PREVENTION AND MANAGEMENT of coronavirus AND OTHER INFECTIONS is established**



**Acea TAKES OUT A Covid-19 INSURANCE POLICY TO ENSURE ADEQUATE INSURANCE COVER FOR staff who have contracted the virus**



**More than 12,000 HOURS OF Covid-19 EMERGENCY TRAINING WAS delivered BY Acea SpA TO GROUP STAFF**



**Accident rates IMPROVE: FI 4.84 and SI 0.19**

<sup>92</sup> Article 2112 of the Italian Civil Code and Article 47 of Law 428/90 as subsequently amended and supplemented.

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

Safety management is structured at the organisational level and all Companies for which the Holding Company considers certification important, due to the size of the workforce and the type of activities carried out, have implemented **Certified Management Systems**<sup>93</sup> (please also see the *Corporate Identity, Corporate Governance and Management Systems* chapter).

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

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

The analysis method of the accidents follows the **Guidelines for the classification of accidents**, prepared by Utilitalia and in compliance with the **standard UNI 7249/95**, with reference to the INAIL measurement criteria and the instructions of ESAW (European Statistics of Accidents at Work).

In accordance with the law, Acea **identifies the dangers present in the Company's activities** which may cause injury or illness through inspections carried out jointly in the workplace by the **Head of the Prevention and Protection Service (RSPP)**, the Company Physician, the **Workers' Safety Representatives (RLS)** and the Unit Heads, who are involved from time to time. Then the Company **assesses the risks to workers' health and safety due to the hazards**

**detected in the workplace**, verifies the possibility of **eliminating them**, adopts **preventative and/or protection measures** to implement to keep the risks under control and draws up the Risk Evaluation Document (RAD). In the case of accidents, an investigation is launched to determine the causes of the event and identify appropriate corrective actions to prevent it recurring.

With a view to **constantly improving the operational management of occupational safety**, Acea has developed **Group Safety Guidelines and a HSE (Health, Safety, Environmental) Dashboard** to measure and monitor performance data, also in relation to sector benchmarks, and to implement improvement measures.

In order to **manage the emergency situation**, in February, in accordance with legislation, Acea shared Coronavirus prevention and protection initiatives with the **Group's Workers' Safety Representatives (RLS)** and, in addition to the existing **RSPP (Head of the Prevention and Protection Service) Coordination Committee of the Group**, established the **Coronavirus Advisory Committee**, composed of the RSPP of the main Group Companies, the Labour-Management Relations Unit Head, the Coordinating Physician and Trade Unions, to share information on a regular basis and coordinate the activities to be undertaken.

Furthermore, Acea has implemented **Biosafety Trust Certification** (please also see *Corporate Identity, Corporate Governance and Management Systems* chapter), an innovative certification scheme for infection prevention and control, defined the **Company Policy for the prevention of the spread of the Corona virus and other infections** and established the **Committee for the Prevention and Management of Coronavirus and Other Infections** (please see the relevant box).

#### THE COMMITTEE FOR THE PREVENTION AND MANAGEMENT OF CORONAVIRUS AND OTHER INFECTIONS

The **Committee for the Prevention and Management of Coronavirus and Other Infections** is a body that is included as part of the **Biosafety Trust Certification**.

The Committee is composed of a **Doctor who, with Acea's main Functions**, coordinates infection prevention and management, while monitoring the epidemiological framework.

In particular, the Committee is in charge of **identifying and assessing the direct and indirect risk factors of contagion from coronavirus and other infections**, constantly monitoring the infectious phenomenon in

the different regions in which Acea operates; managing the application of the requirements of the Regulatory Document "**Biosafety Trust Certification**"; proposing **measures for the prevention and protection of worker health, safety and welfare**, including by evaluating environmental microbiological controls carried out to search for viruses or bacteria (e.g. water monitoring); proposing **training and awareness activities for staff**; **supervising the proper and effective implementation of the recommended measures** and implementing **corrective actions to ensure continuous improvement**.

Acea SpA and the operating Companies have **updated their risk assessment documents (RAD) in accordance with the provisions of the measures to combat the spread of the SARS-CoV-2 virus**.

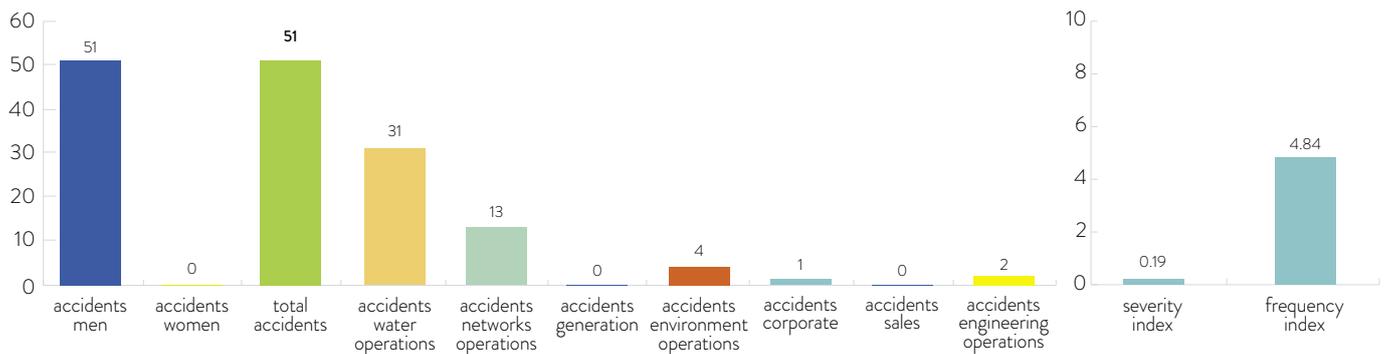
In 2020, despite the expansion of the scope, **all accident figures are significantly lower** than in 2019, which is also thanks to the Company's prompt and effective response to emergency management, especially in terms of reorganising its working methods and implementing the appropriate measures to combat the spread of infection. There were **51 accidents during work** and **9 in transit**<sup>94</sup>, i.e. while

commuting between home and work. The **days of absence** for accidents occurring during work were **2,044** (of which, 324 from accidents that occurred in the previous years), the **frequency index** was equal to **4.84** and the **severity index** was **0.19** (see chart no. 43 and table no. 43). All the accidents involved **minor injuries**, **33** were "**occupational**" accidents and **18** were "**non-occupational**". The **main causes of injury** include: tripping, impacts, slipping, cuts, electrocution, contact with a hot surface and eye injuries.

<sup>93</sup> Acea Innovation and Acea Sun Capital, with seconded staff or no staff, are therefore excluded.

<sup>94</sup> Accidents *in transit* relate to travel from home to work and from work to home, using private or Company vehicles, which take place outside of working hours, as established by the relevant Federutility note.

**CHART NO. 43 – ACCIDENTS AND INDICES (2020)**



**NOTE** Male frequency index **4.84** and female frequency index **0**; male severity index **0.19** and female severity index **0**. There were no fatal accidents during the year.

By observing **the distribution of accidents from a gender perspective** (net of those during *commuting*), it emerges that **all the accidents involved male staff**, 45 workers, 2 members of administrative staff, 3 members of technical staff and 1 manager.

The Companies with the highest number of accidents include: Acea Ato 2 (14 accidents), Gori (13 accidents) and Areti (13 accidents), which naturally have **greater exposure to the risk** of accidents in relation to the type of activity performed.

Among the **initiatives** undertaken to **ensure the highest level of workplace safety** (please see the relevant box), Acea, in addition to smart working for most administrative staff, has also **reorganised the workplace and access to Company offices**, implementing **procedures for managing common areas** and **planning attendance using a software application**. It has also developed the **APP A4 platform**, which was designed to offer its staff a self-diagnosis tool that uses a number of parameters to assess the state of health of employees before they enter the Company premises.

Operational staff, who continued to provide services in the field and in contact with the public, were given specific **personal protective equipment (PPE)** and provided **with information sessions** on their correct use. Furthermore, in collaboration with the hospital staff of the **Tor Vergata Hospital**, the Company offered its employees the opportunity to take voluntary **serological tests**, which saw **3,000 people** take part. At the Company Medical Centre, **lateral flow test kits for qualitative identification of the virus in saliva samples** have been made available and an **agreement** has been established with **Gemelli Hospital** and the **Paidieia Clinic** for staff and their family members to take **molecular swabs and rapid antigen swabs**. In order to support personnel that have contracted Covid-19, the Company took out a **Covid-19 insurance policy** to provide them with adequate insurance coverage, which was later extended to family members. Lastly, with a view to providing staff with health prevention tools, the Company implemented a **flu vaccination campaign aimed at employees and the family members who live with them**.

#### MEASURES TAKEN BY ACEA TO CONTAIN THE SPREAD OF COVID-19

To cope with the Covid-19 pandemic emergency, starting in February the Acea Group has rolled out several prevention and protection measures to manage the risk of contagion. In particular, the Company has:

- had **Circulars, Internal Guidelines**, and specific **Health Protocols** drawn up by the Competent Doctors as well as the **Protocol for the Management of Covid-19 cases** in the Company, in order to ensure that the response to the emergency is effective and coordinated;
- **revised the Risk Assessment Document**, to include the new assessment of the biological risk related to the SARS-CoV-2 virus, **and of the emergency plans**, prepared measures for prevention and protection from contagion and shared information on the correct

behaviour to adopt to prevent contagion;

- organised **screening campaigns** for employees and the staff of contractors;
- intensified the **cleaning, sanitising and sterilising of workplaces**, scheduled periodic sanitisation activities as an additional preventive measure and installed hand sanitisation devices;
- installed **thermo scanners for measuring body temperature** at the entrances to the premises;
- **applied antimicrobial films** on lift buttons, food and drink dispensers, bathroom handles and staircase handrails, and multi-layer antibacterial entrance mats on which to wipe shoe soles at the entrances.

To raise staff awareness regarding the safety measures adopted, in October Acea launched the **“Campagna Covid-19”** [Covid-19 Campaign], put on by the Communication Department in collaboration with the Human Resources and Technology & Solutions Departments and the Committee for the Prevention and Management of Coronavirus, and shared a few visuals and **FAQs on Covid-19** and preventive measures on the intranet (please also see the sub-paragraph *Internal Communications*). A monitoring unit overseeing the behaviour of employees in re-

lation to the measures put in place to combat the spread of infection was established and **supervisory actions and inspections** were carried out.

Lastly, with the aim of assessing staff’s opinions on the effectiveness of the safety initiatives put in place within the Company, a dedicated **survey** was carried out.

The Parent Company’s **Occupational Safety Unit** is also tasked with promoting healthy working environments and **mitigating**

**work-related stress.** Over the course of the year, particular attention was paid to protecting staff with specific mental and physical challenges, which were made more vulnerable by the pandemic.

**The Group Companies train workers and supervisory staff regarding occupational health and safety** in compliance with current legislation (please also see the sub-paragraph below *Staff training and development*).

In 2020, the training provided by Group Companies in partnership with the activities carried out by the Parent Company were mainly focused on the measures adopted to prevent the spread of Covid-19 and this was done via **e-learning** with *ad hoc* training videos and tutorials.

Below are some initiatives carried out:

- **Acea SpA** provided more than **12,000 hours of Covid-19 emergency training** to Group staff;
- **Acea Ato 2** delivered a total of 17,207 hours of occupational health and safety training to its employees, of which 18% on SARS-CoV-2 prevention. Furthermore, the Company held **meetings between top management and operating staff, both face-to-face and remotely**, aimed at increasing employees' awareness of **safety at work**. It installed "**safety boards**" at operating locations to share information and data with employees and planned an experiment with a smart-watch to monitor the health and safety parameters of workers on duty at the Roma Sud plant;
- **Acea Ato 5** delivered a total of **2,758 hours of safety information and training, involving around 262 resources** in total. In addition to training on the management of work in **confined environments, with suspected pollution and at risk of exposure to vibration and noise and courses for supervisors**, it also carried out a campaign to raise staff awareness around the evolving pandemic situation, via the work of the activities of the Coronavirus Management Committee;
- **AdF** delivered a total of **2,399 hours of safety information and training**, especially regarding Covid-19 issues, involving

**415 resources in total.** Operating personnel (**127 people** for 375 hours of training) were also trained to use the new **multi-gas detectors and cranes** with a self-supporting, removable gate with space for a retractable, fall-prevention device. Lastly, thanks to a collaboration with a **young Italian start-up called StartSmart**, the Company experimented with training in **confined spaces in virtual mode**: by using a viewer and two controllers, it was possible to simulate the intervention on a pot hole and interact with all the typical elements of a confined environment;

- **Acea Ambiente** disseminated informative videos about anti-COVID measures at some of its facilities and provided e-learning training for Covid-19;
- **Areti** continued staff training at its **Training Camp**, albeit reorganising in accordance with the new rules imposed by the pandemic, a **space dedicated** to training on **workplace health and safety**, (safe ascent/descent on medium and low voltage power line poles; safe access to confined underground areas; the use of work/safety tools, training for emergencies in a dangerous environment, etc.). In 2020 a total of **7,883 hours of training took place, involving 647 people**;
- **Acea Elabiori** organised safety training courses for the main reference figures (supervisors, executives, First Aid and Fire Safety Officers, safety coordinators in the execution and design), by delivering a total of **5,547 hours of quality and safety training, involving 251 participants**;
- **Aquaser** continued to **train drivers**, with the aim of making them more aware of Company procedures and safety, in particular with respect to **road safety, as well as creating the Coronavirus Handbook training video for Company staff**;
- **Gori**, given the high accident levels recorded last year, **enhanced its training** for its operating staff to increase their safety skills, awareness and professionalism;
- **Gesesa** provided Covid-19 training initiatives, involving 13 operational units.

In 2020, 15,600 safety training hours were delivered to Group personnel in total.

**TABLE NO. 43 – HEALTH AND SAFETY (2018-2020)**

number	2018	2019	2020
<b>BREAKDOWN OF ACCIDENTS BY OPERATIONAL AREA</b>			
Water Operations	43	70	31
Network Operations	15	16	13
Generation	0	0	0
Commercial	1	0	0
Environment Operations	5	4	4
Engineering Operations	1	3	2
Corporate	1	2	1
<b>total</b>	<b>65</b>	<b>95</b>	<b>51</b>
<b>ACCIDENT INDICES</b>			
total days of absence	2,453	2,884	2,044
<b>frequency index (FI) (number of accidents per 1,000,000/working hours)<sup>(*)</sup></b>	<b>8.02</b>	<b>9.74</b>	<b>4.84</b>
<b>severity index (SI) (days of absence per 1,000/working hours)<sup>(*)</sup></b>	<b>0.30</b>	<b>0.30</b>	<b>0.19</b>

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

**NOTE** The Water Operations area includes 5 companies, the Networks Operations area 1, the Generation area 3, the Commercial area 3, the Environment Operations area 3, the Engineering Operations area 1 and the Corporate area 1. The data in the table does not include accidents *currently being assessed*.

## HEALTH MONITORING

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

Formally appointed **physicians** administer **pre-employment visits** to employees; **preventive** or when changing jobs; **periodic**, according to the Risk Assessment Plan; **at the request of the worker**; in the event of termination of employment, where required by current legislation; **before resuming work** following an absence due to ill health lasting more than 60 consecutive days. Workers **exposed to specific risks** are included in a **targeted check-up programme**.

**Company physicians work with employers and officers from the Risk Protection and Prevention Service (RPPS)**, in **assessing the risks** to which employees are exposed, **which is necessary for the preparation of the health monitoring plan**.

At the head office, a **First Aid office** ensures that staff and visitors have a first line of intervention in case of an illness that does not require an immediate hospital visit.

In 2020, **2,007 check-ups** were carried out on the same number of employees, of which **1,655** were also sent to the Diagnostic Centre for **laboratory analysis tests**, for a total economic value of approximately € 289,000 (including the fee for the Company's first aid service).

Health monitoring includes the **prevention of occupational diseases** that workers may contract due to **prolonged exposure to the risk factors** existing in the work environment. In the context of the work performed by the companies of the Group, for which Acea provides the health monitoring service, **there are no risk profiles likely to cause occupational diseases**. The competent doctor has the task of cooperating with the employer in order to define preventive measures and health protocols for the risk profiles associated with specific duties, monitoring any damage to workers' health, issuing suitability assessments, and applying limitations and prescriptions, where necessary, in order to prevent possible occupational diseases. In 2020, in Acea, **there were no reports of suspected occupational diseases**.

## HUMAN CAPITAL DEVELOPMENT AND COMMUNICATIONS



2020 was a critical year because of the Covid-19 pandemic and its impacts on the social and, especially, the working spheres.

Acea strove to redefine its approach and way of managing relations with staff, in order to ensure people had the **tools and skills** required to effectively adapt to changing working and living conditions. Specifically, the Company worked with the aim of **preserving people's involvement in the Group's identity**; and **developing skills**, with remote training, and **organisational well-being**, via targeted initiatives.

One of the main tools that allowed the Group to limit Company attendance and ensure social distancing was **smart working**. This agile working format, which had already been in place in the Company since 2018, and the related accompanying actions, which had been undertaken in the previous two years – such as creating a **pathway for the development and sharing of remote working culture**, the enhancement of work equipment and the **assignment of laptops to personnel**, the **digitalization of business processes**, the **creation of a digital workspace on the Teams platform** –, allowed Acea to promptly adapt working methods to the Covid-19 containment measures, by expanding smart working to **over 3,700 employees, mainly administrative staff**, which amounts to 60% of the entire Company population, from the very beginning of the health emergency.

To support personnel to adapt to the changing work setting, a **training course** on smart working was created for employees and managers and, in order to monitor the level of staff satisfaction and motivation, in July a **survey** was carried out, to which approximately 3,000 people replied, which aimed to gather feedback on the measures adopted by the Company to manage the Covid-19 emergency and indications for new initiatives to be implemented.

### PERSONNEL SELECTION

The **selection** process is regulated by a **Group procedure**, which governs the search for skills in the labour market.

Acea further **strengthened its recruiting network**, heavily focusing on social media channels. There were **238 personnel searches in 2020**, of which some were published on the Company website and concerned **individual profiles** or **several candidates for one or more positions within the Group Companies**.

The selection process can include **several stages depending on the specifics of the search**: CV screening, online challenges using *gamification* (technical quizzes and business games to assess numerical reasoning, verbal ability, visual-spatial skills, logic), video interviews, assessment of soft skills, motivation and skills through collective tests and individual interviews. During the year, a **process to inte-**

grate and develop new tools to support the selection process was also launched. These tools will cover both the **recruiting stage** (tests on soft skills and the digital mindset) and the **curriculum screening stage**, by implementing a dedicated system that supports the decision-making process of Group recruiters using AI.

The **Covid-19 emergency** and the need to guarantee the safety of the candidates made it necessary to **rethink selection activities in a completely digital manner, safeguarding compliance with time**

**frames for incorporating new resources and operational continuity.** It was within this context that a few **virtual selection days** were organised for the roles of **Process Engineer and BPI Product Owner**, which saw the involvement of over 900 candidates, and for **Cyber Security professionals**, which saw the involvement of 100 candidates (please see the relevant box).

Lastly, a **selection day was held to identify 23 professionals for Acea Ato 5**, which involving 584 candidates.

## CYBER SECURITY SELECTION DAY

The evolution of the business and of the reference regulations has required strengthening of the **Cyber Security** structures in the Group Companies. To this end, a **selection day** was planned in February 2020, with the aim of identifying, through a structured process, **12 suitable candidates for Acea SpA, Acea Ato 2 and Areti**. The initiative involved an initial recruiting phase which required numerous recruitment channels for identifying the suitable candidates was difficult due to the

complexity of the profile and low supply. A questionnaire was then sent out to the top candidates to measure their skill level and knowledge on Cyber Security. The candidates with the highest scores were given group tests and an in-depth interview, remotely. Both the group tests and the in-depth interviews, conducted remotely, were an effective way of successfully identifying all the suitable candidates in the weeks that followed.

In 2020, Acea also participated in **professional orientation events** promoted by university bodies, to meet new graduates and soon-to-be graduates to include in their selection processes. Following on from the health emergency, these events were held virtually, using digital platforms. This allowed the Company to broaden the territorial scope of its research pool and virtually meet thousands of students and young people regardless of their geographical distance.

Some **Live Webinars about the Acea Group** were made for these events to explain the search and selection process and answer the questions of the participants.

The main events that Acea took part in are:

- **Virtual Job Meetings**, during which soon-to-be graduates and new graduates from the Faculty of Engineering at “La Sapienza” University were met;
- **Al Lavoro di AlmaLaurea**, the career day open to soon-to-be graduates and graduates from all faculties;
- **Campus & Leaders & Talents**, organised by the Faculty of Economics at “Tor Vergata” University;
- **Brain at Work**, open to soon-to-be graduates and graduates from all faculties;
- **Technical Engineers High-Flyers Day**, organised by AlmaLaurea and dedicated to Engineering candidates.

## GROUP CULTURE AND STAFF ENGAGEMENT

The expression **of the Group’s identity** is defined by the **Leadership Model**, which represents the Company’s values – **initiative, teamwork and action** – and identifies the measurable and observable conduct of people relevant for the achievement of strategic objectives and **assessed by the bonus and remuneration systems**. The three value drivers just mentioned guide people through the main stages of their career in the Company: **selection, welcoming, training, rewards and development**.

Out of the **employee engagement initiatives** aimed at increasing the sense of belonging to the Group carried out in 2020, we should note:

- the initiatives **to support innovation**, to create workshops and communities on the topic of *open innovation*;

- the initiatives **to support business**, for the preliminary design of change management to aid the implementation of the Salesforce system adopted by Acea Energia;
- **“pre-boarding”** for the welcoming of new hires, who are provided with a multimedia presentation of the Group’s business, values and working methods;
- **the 2021 Diversity and Inclusion plan**, designed in 2020 in line with the 2020-2024 Sustainability Plan and with the objectives of the 2030 Agenda, which outlines targeted actions with an internal impact (employees) and external (customers, communities, institutions, etc.).

In 2020, in addition to facilitating **support for people, enhancing the role of human resources and contributing to maintaining a good corporate climate**, during the difficult moment experienced due to the pandemic in particular, an **HR Special Projects Unit** was established within Acea SpA’s Human Resources Department.

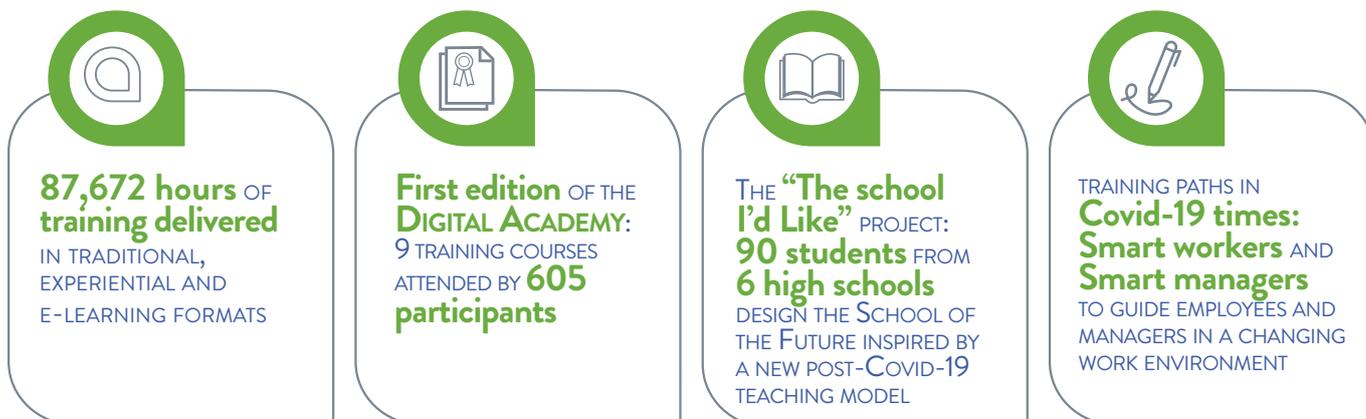
The Unit is tasked with fostering the involvement of staff in internal and external initiatives, aimed at promoting corporate welfare and inclusion and, during the year, put on the following special projects:

- **PIÙ BUONI A NATALE... PIÙ AIUTI**, in collaboration with **the internal Media Relations and Communications Unit**, established to support families in need via the **Banco Alimentare Lazio Onlus** thanks to the purchase of charitable vouchers to collect food supplies to be delivered to charities and families experiencing difficulties. The Company contributed to the initiative with an additional amount equal to the total amount of the contribution made by its employees;
- **GEMELLI**, in collaboration with the **Sponsorship and Value Liberality Department and the Labour-Management Relations and Workplace Safety Units**, to support the **Agostino Gemelli University Polyclinic Foundation**, to which Acea donated 200 pulse oximeters and, at the same time, aimed at informing employees on measures to prevent infection, via a webinar that is open to all Group employees, in which Professor Luca Richeldi spoke, Italy’s leading expert in pneumology;
- **“Acea ti porta a teatro”**, created to support the restart of local cultural and artistic activities and pay tribute to employees,

carried out in collaboration with **Rome Theatre**, putting on a theatre *reading*, accompanied by music played live by Acea employees, with the participation of well-known artists

who read excerpts from world literature and poetry about water, energy and sustainability, exclusively for the Group employees.

## STAFF TRAINING AND DEVELOPMENT



Acea focuses heavily on the **developing professional skills** needed to achieve the Group’s business objectives. In fact, staff training is aimed at **preserving the Company’s operational continuity**, ensuring the acquisition of adequate technical-specialist skills and the mandatory updating of compliance regulations (workplace safety, privacy, etc.), and **increasing the Company’s competitiveness, by equipping it with innovative and strategic skills**, in response to emerging professional needs. Furthermore, via its training activities, Acea spreads knowledge of value, behavioural and leadership models within the Group, consistent with the Company’s vision and mission.

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

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

Acea has access to **funded training through membership in inter-professional organisations** for ongoing education – Forte Fund (National Inter-professional Joint Fund for Ongoing Education in the Tertiary Sector), Fondirigenti and Fondimpresa – to which the main Group companies belong.

For some time now the Company has adopted blended learning methodologies, using a mix of learning environments (classroom, e-learning and app). In 2020, the pandemic crisis led to an acceleration of the **transformation of the training model**, with the redesign of all training pathways remotely, via “synchronous” training, for example webinars, alternated with “asynchronous” training, such as videos and e-learning courses.

Since the beginning of the lockdown, the digital platform **Pianeta-cea** has been made accessible to the entire Company population, thereby ensuring large-scale staff training.

Furthermore, **to support staff working from home**, and particularly those who are trying out agile work for the first time, the Training Unit of the Holding Company, with the support of Talent Garden, has made **Antea, a new digital platform dedicated to smart working and agile working methods**, available to the entire Company population. It is filled with content, videos, in-depth information, with the option of meeting experts and joining a dedicated community. Also in collaboration with Talent Garden, two training courses have been organised: “**Smart Worker**” aimed at employees, and “**Smart Manager**”, for managers, which involved **766 employees** in total (please see the relevant box).

### TRAINING PATHS IN COVID-19 TIMES: SMART WORKERS AND SMART MANAGERS

The respective objectives of the “**Smart Workers**” and “**Smart Managers**” courses was to steer employees towards the achievement of corporate objectives in the **new digital and virtual working environment**, sharing mindsets and behaviours oriented towards the development of **flexibility, responsibility and autonomy**, and to guide managers towards the adoption of adaptive leadership and the promotion of a model of

relations with staff based on trust and empowerment in a smart, digital and virtual context.

The “**Smart Worker**” pathway was organised in **3 sessions** including **5 thematic webinars**, taught to a total of **593 participants** over **3,689 hours**; the “**Smart Workers**” pathway included **4 training sessions**, involving a total of **173 participants** taught over **590 hours**.

The **Managerial Academy**, which held its **third edition** in 2020, confirmed itself to be a **training programme of managerial excellence in collaboration with Ama and Atac Rome** and with the **scientific partnership of the Luiss Business School**.

The two training programmes are **Elios**, dedicated to senior managers, and **Aurora**, for people engaged in professional development, and are divided into **three areas** that aim to implement the Leadership model defined by Acea: **“themselves”**, in terms of resourcefulness and achievement; **“others”**, for promoting teamwork, mobilizing talent and developing relationships; **“the market”**, i.e. understanding the relevant business segment and creating value for customers and the community

through an innovative approach. The **Elios Programme** included **5 training sessions** in 2020, involving **74 Group employees**, and was carried out digitally in its entirety, while the **Aurora Programme** was redesigned for remote use and will be launched in January 2021.

The new methods of working that were adopted in 2020 have accelerated technological innovation and Acea, in response to this requirement, launched its **Digital Academy**, a training programme aimed at the entire Company, to increase the Group’s digital skills and expertise, aimed at innovating business processes (please see the relevant box).

## THE DIGITAL ACADEMY

The **Accademia Digitale** training project began with the definition of the digital skills considered strategic for the Group that were defined within **Acea “DNA Digitale”** [Digital DNA], consistently with industrial objectives and in support of the evolution process. The “Digital DNA” is a mapping model of digital competences understood as the ability to use knowledge, personal, social and/or methodological skills, applied in work situations and in professional and personal development (as defined in the European Commission’s *European Qualification Framework*).

Thanks to the contribution of **more than 4,000 Group colleagues**, who filled in a dedicated questionnaire, it was possible to detect

the level of coverage of each of the digital skills that make up the ‘Digital DNA’. Based on the data collected, **9 training courses** were carried out, involving a total of **605 participants** from Group companies. The training courses **Digital Evolution** (313 participants) and **Digital Culture** (149 participants) focused on the dissemination of functional elements to initiate a change in the organisational mindset and share a new language, acting on the **cultural dimension**, while the training courses **New Clients, Customer Journey, Data Analytics, Data Driven, Industry 4.0, IoT, Agile** which involved a total of 143 participants, aimed to introduce knowledge and skills consistent with technological and digital developments and the growing central role of the customer.

Another important training course, which involved 109 participants, was the **“Communication Skills”** course, focused on **business presentation** logics and responsibility of the communication process, to facilitate the effective management of remote work.

The **“Agire sostenibile per fare la differenza”** [Sustainable Action for Difference] course was also created, aimed at **increasing the Group’s sustainability culture**, together with Acea’s Stakeholder Engagement and Sustainability Unit.

## “SUSTAINABLE ACTION FOR DIFFERENCE”

The **“Sustainable Action for Difference”** training course was designed as part of the process of **increasing the value of sustainability in Acea’s business model**. In the first phase, conceived with the aim of making sustainability increasingly widespread within the Group, the course involved **20 Sustainability Ambassadors**, identified within the main Functions and Operating Companies, who were able to learn more about the main standards, frameworks and reference

regulations on sustainability. This was followed by a workshop-type training involving **63 people**, including not only the Ambassadors but also other colleagues who became part of a ‘satellite network’, with the aim of **designing new or existing activities and operational processes by applying the elements of sustainability**. The course will end in 2021 with the presentation of completed projects.

Via the Pianetacea platform, in 2020 **e-learning** training was delivered to the **entire Company population** on the Group’s **governance model**, with a focus on the legislation pursuant to Legislative Decree no. 231/01, regarding the Administrative Responsibility of Entities and the new Organisation, Management and Control Model implemented by Acea, on the *whistleblowing* procedure and on the *Code of Ethics*, which was also the subject of training in the initial *onboarding* process for new recruits.

During the year, e-learning training on **coronavirus prevention** was provided for **2,800 employees** and included the change in regulations and the emergency measures implemented by the Group, the biological risk, the correct use of Personal Protective Equipment (PPE) and a focus on organisational well-being. Since September, a **training course on Cyber Security** has also been launched.

The Group Companies also carried out remote training independently, for example:

- **Acea Ato 2**, to support Company process managers in managing the new day-to-day way of working and interacting imposed by the pandemic, created the training catalogue entitled **“Smart Working? Smart Manager”**, with practical suggestions and guidelines. It concluded the **“Interpersonal Skill”** training course, which was launched in 2019, dedicated to personnel working in the Commercial Unit and aimed at developing soft skills related to customer relationship management: *opening, listening, solution, objections and closing*. The Company has focused **training staff who were hired in the last 3 years**, with the **“Incontro di Immagini”** [Meeting of Images] development project and the **“Accorciamo le distanze”** [Bridging the Gap] programme aimed at enhancing careers, assessing the technical and soft skills developed, and examining the motivational sphere and aspirations of the person. Lastly, Acea Ato 2 designed and launched a training course **aimed at managing risks and oppor-**

tunities arising from environmental aspects and impacts closely related to the Company's activities (delegating functions, waste management, climate change, environmental authorisations, sustainability, etc.), for senior management and their staff;

- **Acea Ambiente**, in collaboration with TuttoAmbiente, launched an **advanced training course on waste management**, which is open to all employees;
- **Acea Elabiori** launched the **EPC Academy** training course on specific regulations, processes and procedures connected to construction processes, carried out training for apprentices and provided training for technicians involved in design on the (Building Information Modelling) **BIM methodology**, which adopts a design approach, gathering and combining all the data involved in planning infrastructure design;
- **AdF** carried out management training as part of the “**Progetto Walk The Talk**” [Walk The Talk Project] aimed at consolidating the agile philosophy also through experiential activities and on the topics covered by Legislative Decree 231/01 and regarding anti-trust;
- **Acea Ato 5** oversaw, in particular, the **Integrated Quality, Environment, Safety and Energy Management System**;
- **Areti** mainly provided training on the **Agile Methodology**, providing 906 hours of training to 46 people. It provided training to new hires, involving 41 resources for a total of 3,930 hours of training on the standards and values of the organisation and specific operating techniques. It handled workplace safety training, providing in the Training Camp and using the “**virtual reality**” method, to simulate activities in confined spaces. It has also provided training to support the “**Smart Meter 2G**” project, in preparation for the wide-spread installation of the meters, which

also involved contractor's staff, and in the “**Automazione BT**” [LT Automation], designed within the Trade School, which involved 232 people for a total of 1,495 hours of training offered;

- **Gesesa** offered staff training on **environmental matters**, on communication and on **Legislative Decree 231/01**, and on managerial issues with the “**Leadership & People Management**” project, which aims to enhance the management style of Company managers.

The **traditional and experiential training activities** and on the **e-learning platforms** provided a total of **587 courses** (655 in 2019), amounting to **1,402 editions**, in which **5,187 people** took part in total, of which 25% women.

The **total training hours provided** are **87,672** (in traditional, experience-based and e-learning training formats), down compared to the 126,607 hours in 2019 (see table no. 44).

The **total training hours per capita**<sup>95</sup> are **14** (23 in 2019). When analysing data from a gender perspective, the hours of training per capita provided to male staff amounted to 13 and those provided to female staff amounted to 17. The breakdown by qualification is as follows: 9 hours for managers, 24 for executives, 14 for employees and 10 for other workers.

In 2020, training activities were guaranteed through the implementation of distance learning courses, however the digital method led to a decrease in the hours of training provided during the year, as the average duration of the courses was reduced compared to in-attendance training.

The **overall costs incurred** for the provision of the courses, net of scheduling for training and the preparation of the spaces allocated to it, were equal, in 2020, to **€ 1,829,726**.

**TABLE NO. 44 – TRAINING (2019-2020)**

**TRADITIONAL AND EXPERIENCE-BASED TRAINING COURSES AND THEIR COSTS**

course type	courses (no.)		training (hours)	
	2019	2020	2019	2020
managerial	9	13	11,322	11,108
safety	184	65	32,650	10,059
governance model	20	29	3,430	3,031
operating-technical	435	468	51,843	41,442
<b>total</b>	<b>648</b>	<b>575</b>	<b>99,244</b>	<b>65,640</b>

**COURSES AND COSTS OF TRAINING PROVIDED WITH THE PIANETACEA E-LEARNING PLATFORM**

Whistleblowing	0	1	0	804
general training	0	1	0	480
GDPR – new European privacy regulation	1	0	7,088	0
Code of Ethics	0	1	0	6,740
antitrust law	1	1	2,153	977
unlawful business practices	1	1	1,750	1,170
project management	0	1	0	454
administrative liability of entities (Legislative Decree no. 231/01)	1	1	6,965	2,426
safety	1	3	746	5,585
QESE management systems	1	1	5,009	1,982
unbundling	0	0	0	0
Legislative Decree no. 202/05	1	1	3,651	1,414
<b>total</b>	<b>7</b>	<b>12</b>	<b>27,362</b>	<b>22,033</b>

<sup>95</sup> The indicator was calculated by comparing the number of hours attended with the total number of employees.

**TABLE NO. 44 – TRAINING (2019-2020) (cont.)**

**BREAKDOWN OF TRAINING HOURS BY QUALIFICATION AND GENDER**

title	2019			2020		
	men	women	total	men	women	total
executives	1,493	489	<b>1,982</b>	631	157	<b>787</b>
managers	9,542	4,060	<b>13,602</b>	8,090	3,746	<b>11,837</b>
clerical workers	53,525	20,650	<b>74,175</b>	34,473	20,548	<b>55,021</b>
workers	36,758	90	<b>36,848</b>	19,976	51	<b>20,027</b>
<b>total</b>	<b>101,319</b>	<b>25,289</b>	<b>126,607</b>	<b>63,170</b>	<b>24,502</b>	<b>87,672</b>

Staff's professional development, via **promotions**, involved **885 people** during the year, of which **22% were women** (197 women). To better support employees in their professional growth, over the year Acea carried out the implementation of the **Succession Planning and Career and Development Paths** model, which, by identifying the target positions and the mapping and analysis of technical and soft skills of individuals, allows it to build individual career and development plans. The people involved are part of specific skill, potential and motivation assessment and enhancement programmes, using objective and transparent evaluation criteria.

In 2020, in order to effectively manage the critical issues related to the pandemic and continue to invest in the professional development of individuals, Acea adopted an **innovative, digital approach** which ensured greater flexibility and optimization in **Assessment centre** and **coaching** processes.

In regards to the **Assessment Centres**, **ad hoc programmes** were established to support people's development, based on their specific needs and targets, which involve the individuals directly in the process of building awareness of the skills they possess (strengths and areas for improvement), with the ultimate aim of defining **Individual development plans** (please see the relevant box).

**INDIVIDUAL DEVELOPMENT PLANS**

**Individual development plans** provide for specific professional growth actions for each employee involved in evaluation processes through the **Assessment centres**.

Following the joint and transversal analysis of the assessment results, the role coverage and the aspirations of the individuals themselves, individual reports are drawn up that contain precise and specific in-

dications on the development and training tools needed to develop or strengthen the areas of intervention and fill the gaps detected.

In addition, a **catalogue** of all intervention tools has been drawn up **describing the objectives, methodologies and macro programmes inherent in the development and training actions that can be implemented**.

**COLLABORATION WITH UNIVERSITIES AND HIGH SCHOOLS**

Acea develops **partnerships and cooperation with universities**, participates in studies and research, meetings between companies and students and stipulates agreements to promote internships and apprenticeships. Acea consolidated relations with "Tor Vergata", "La Sapienza", LUISS Guido Carli, Studi Europei di Roma, "Federico II" di Napoli and Cassino universities via the conclusion of agreements aimed at encouraging the transition of graduates into the working world. Despite the difficulties intrinsic to the health emergency, in 2020 Acea **renewed the agreements for curricular and extra-curricular internships** with the Universities of "Roma Tre", "Tor Vergata" and "La Sapienza". It also set out specific agreements for the master's degree in "Procurement Management – Procurement and Tenders" and the Maris master's degree in "Reporting, Innovation and Sustainability", both created by the Faculty of Economics of "Tor Vergata" University in Rome. Lastly, it launched new contacts and relationships with *placement* from the University of Calabria, the Polytechnic of Turin,

Bicocca University of Milan and the European University of Rome. Thanks to these interactions, in 2020 Acea established **35 training internships** and **16 curricular internships**. It hired **17 young graduates** and stabilized the positions of **36 young people** previously holding internship positions.

The Company also utilizes the **professional skills** of its staff in university master's degrees and courses and for **technical projects**. In 2020, qualified **Company staff** worked as teachers or provided corporate testimonies for **university master's degrees**, covering, in particular, issues related to **energy**, the **environment, sustainability** and **innovation**. Specifically, **Acea Produzione** collaborated with **SAFE**, a centre of excellence for studies and training on issues related to energy and the environment, establishing *placement* relationships that have led to the inclusion of a participant on the **Management of Energy Resources Master's Degree**.

The **Acea Group** also renewed its commitment to **support and collaborate** with schools, on the "The School I Would Like" project (please see the relevant box).

**THE "SCHOOL I'D LIKE" PROJECT**

The "School I'd Like" project involved **90 students** from **6 high schools** in Lazio and Campania, who were asked to redesign the **School of the Future**, by proposing a **new teaching model** based on their experience they had on account of Covid-19.

The project, carried out entirely remotely in May, was divided into four **webinar sessions**, preparatory to the phases of project work and **development of the project proposal** by the students, with the support of

the Elis consortium.

Below are the 6 actions proposed by the students:

- **Didactic approach** Rethinking the teaching schedule by balancing in person and remote learning activities;
- **Teacher-student** relationship: establishing a new relationship, with mutual respect, based on listening, trust, availability, collaboration and inclusiveness;

## THE “SCHOOL I’D LIKE” PROJECT (continued)

- **Educational syllabus:** including in the syllabus subjects that help prepare students for the world of work and, more generally, that help them to become aware and responsible young citizens;
- **Tools:** enhancing technological tools to facilitate distance learning;
- **Infrastructure:** enhancing school premises by transforming them into places for meeting and sharing;
- **Extra activities:** experimenting with new activities to foster socialisation, integration and to prevent and counteract bullying.
- The 6 actions were collected in a **Manifesto** presented to the headmasters of the schools involved, who undertook to implement the students proposals.

## INCENTIVE SYSTEMS AND STAFF EVALUATION

The **Performance Management System**, governed by Company procedures, is the operational application of the **Leadership Model** and has the following objectives:

- **leverage personal contributions** to the Group’s performance, including through the achievement of individual objectives – the measure of the “what” – and **in relation to the behaviour** – the measure of the “how”;
- ensure **the continuous improvement of performance** at the individual and **team** levels.

In this perspective, **performance** is understood as a set of measurable results, and observable behaviours of the person with **respect to a specific objective**.

The **remuneration policy** adopted envisages short-term and long-term fixed and variable remuneration measures (MBO, LTIP).

The **long-term (three-year) incentive Plan (LTIP)** is reserved for the **CEO and senior managers**, made up of **Executives from the Group with strategic roles and responsibilities**.

The earning of any bonus with a **three-year cycle**, is aimed at ensuring the continuity of Company performance, guiding the actions of management towards **medium and long-term results**.

The **LTIP calculation system** is calculated as a percentage of the Gross Annual Remuneration (GAR) and is subject to the level of achievement of objectives of an economic and financial nature (Gross Operating Profit – GOP and Return on Invested Capital – ROIC), identified by the Nomination and Remuneration Committee. Both objectives are linked to the appreciation of shares on the stock market (Total Shareholder Return – a measurement of the performance and appreciation of the value of Acea’s shares compared to a basket of comparable companies).

The long-term incentive for the 2018-2020 period was paid to recipients at the end of the three-year period and thus at the end of the year. In 2020, the main parameters of the **new long-term incentive plan** were assessed and a **composite sustainability indicator** was defined, to which a percentage weight was given, in line with market best practices. In this regard, we should highlight that the **ESG objectives envisaged are aligned with the Group’s strategic, industrial and sustainability planning**, and are considered to be relevant to the creation of sustainable value in the long term.

The **short-term incentive system** (annual), **Management by Objectives (MBO)**, is applied to **senior and middle managers** (managers and executives) and entitles them to receive a monetary bonus based on the achievement of objectives established in the performance management system. The system is divided into **Group objectives**, the same for all involved, and **individual objectives**.

Regarding the **Group’s objectives**, the system provides “access gates” consisting of **four objectives**, three of an **economic and financial nature** (EBITDA, Gross Profit, Net Financial Position) and one linked to the **composite sustainability**. For the assignment of **individual objectives**, managers can choose from the macro-objectives in the **dedicated Catalogue** that includes targets of the

Group’s strategic planning, creating a direct link between strategy and the Company’s operational management.

In 2020, Acea confirmed the **integration of sustainability** within the Company’s activities, maintaining the **link between remuneration mechanisms and the achievement of social and environmental objectives** and establishing a **sustainability objective, valid at Group level**, for 100% of the recipients of the MBO incentive. In 2020 about **50% of the Company population included in the MBO system set individual goals having an impact on sustainability**.

The **performance bonus is awarded annually to managers, employees and workers**, including with part-time employment contracts, fixed-term contracts and apprenticeship contracts. A financial amount is allocated to employees as recognition and to **share the good results achieved by the Company**. The **criteria for awarding the performance bonus**, as defined by an agreement with the trade unions, promote **individual employee contributions** by providing for an **additional percentage** beyond the basic value of the bonus, linked both to the achievement of **collective objectives** (increases in productivity, quality, efficiency and innovation) and to the **assessment of conduct** in accordance with the Leadership Model.

In 2020, during the pandemic caused by the Covid-19 health emergency, Acea paid an **extraordinary bonus of € 300** to staff that continued to carry out activities as normal in April.

There are also **benefits** for employees, including those with part-time, fixed-term contracts and apprenticeship contracts, such as **meal vouchers**, a discount on electricity tariffs (for staff hired before 9 July 1996), the subsidies recognised through the Company Recreational Club (CRC) and a **supplementary health insurance** policy. An insurance policy is also available for all employees, which, in the event of death, guarantees the beneficiaries the payment of monetary compensation. Additional benefits are offered to managers, such as the use of a Company car and the reimbursement of fuel costs.

## INTERNAL COMMUNICATIONS

At Acea, the **Internal Media Relations and Communications Unit** handles communication to employees and contributes to **promoting the Group’s principles, values and strategic objectives** and developing a **shared Company culture**.

In the emergency that marked 2020, digital platforms played a central role, such as the **My Intranet** portal, the Group’s digital environment serving staff and dedicated to sharing internal information. With the aim of making My Internet increasingly inclusive and responsive to the needs of employees, in 2020 certain **functions** were optimized, such as the release of a new and better performing **search engine**, as well as the **integration of external tools** (Teams and Forms) and **with the two new operating portals** of the Water Companies and Areti.

A special section of My Intranet was also set up to provide information on the **measures to combat infections** implemented by the Company for its employees.

In addition to the Intranet, employees were able to use the Acea4You app, made especially to manage their physical attendance in the Company, prevent groups forming, and to request additional services, including booking COVID Tests and flu vaccines, as well as meals or canteen space.

In 2020, internal communication initiatives remained in line with the pillars of strategic planning: **sustainability, welfare, safety, engagement, solidarity and innovation**. However, the Covid-19 pandemic made it necessary to review both the activities planned, the methods and the tools used, as well as the role of internal communication, which was a constant presence alongside employees, to keep them promptly informed but, above all, to make them feel like an integral part of the Company's community and overcome the physical distancing imposed by the health emergency.

Therefore, the Internal Media Relations and Communications Unit supported **corporate welfare** initiatives designed to foster mental and physical well-being of staff and their families, such as **collective webinars** and **the psychotherapeutic support consultancy service, the Acea Group programme and "Gympass together for wellness" and "Wellness Fridays"** (please also see the paragraph *Labour-Management Relations*).

Also in regard to **promoting a culture of well-being and prevention**, the Internal Media Relations and Communications Unit, in collaboration with the Labour-Management Relations Unit and the non-profit association **Susan G. Komen Italia**, organised the **"Preveni con Acea"** [Prevent with Acea] campaign for the third year running, despite the pandemic, which is dedicated to primary and secondary prevention activities. This year, the initiative, which ran across 3 days, allowed **377 breast, dermatological and endocrinological screenings** to be carried out free of charge, double the number of services provided last year (please also see the paragraph *Labour-Management Relations*). Furthermore, in collaboration with the Human Resources Department, Technology & Solutions Department and the Coronavirus Prevention Committee, the **"Campagna Covid-19"** [Covid-19 Campaign] was also run, aiming at informing staff about all the initiatives adopted by the Group to protect workplace safety and in terms

of welfare and training, in response to the health emergency (please also see the paragraph *Workplace Safety*).

Another area of widespread internal sharing regarded **IT security**, partly as a result of the massive use of agile working methods, which led to an increase in cyber threats and attacks at the same time. That is why the **"Cyber Security – La Sicurezza informatica nel Gruppo Acea"** [Cyber Security – The IT Safety of the Acea Group] Campaign was established, promoted by the Cyber Security Unit in collaboration with the Human Resources Department with the aim of raising employee awareness around the issue (please also see the sub-section *Staff Training and Development*). The social impact of the health emergency has made focusing on **charity** paramount, which is why Acea proposed the **#IODONODACASA** [#IDONATEFROMHOME] campaign to employees at the beginning of the pandemic, created to support the extraordinary health activities of the **Lazzaro Spallanzani National Institute for Infectious Diseases**.

As part of the **"SOSTeniamoci – Noi per la Sostenibilità"** [SOS Support Us – We Stand for Sustainability] awareness-raising campaign, **4 water kiosks** were installed at headquarters, in addition to the existing ones, to reduce the use of plastic. The value of sustainability, combined with that of innovation, was also promoted through the installation of **multimedia signage**, innovative communication tools placed in the common areas and in the lifts of the Headquarters and CEDET data centre, which allow us to avoid using paper.

To foster the **engagement** of staff and encourage a sense of belonging to the Group, once again this year, despite the pandemic and in compliance with the restrictions, **6,025 Christmas gifts** were given to Group employees, thanks to which it was possible to support the **Telethon Foundations** by purchasing the products promoted by the foundation. Lastly, corporate values were promoted with the **"Proteggerò l'Azienda che mi protegge"** [I Protect the Company that Protects Me] campaign, created with the input of the Ethics Officer, to raise awareness about the *Code of Ethics* and the new "Communicate Whistleblowing" Platform (please see *Corporate Identity, Corporate Governance and Management Systems*).

## DIVERSITY AND INCLUSION



APPROVED THE **survey** THAT WILL BE ADMINISTERED TO STAFF TO DETECT NEEDS AND EXPECTATIONS IN THE FIELD OF **Diversity & Inclusion**



Acea RECEIVED AN OVERALL SCORE IN **Bloomberg's Gender Equality Index** OF **70.49%**



Acea PARTICIPATES IN THE **Inspirational Talks Role Model** PROGRAMME FOR THE FOR THE PROMOTION OF **STEM (Science, Technology, Engineering and Mathematics)** EDUCATION AMONG FEMALE STUDENTS

**Inclusion, protection of diversity** (gender, age, disability, religion, race, etc.), **combating sexual harassment and bullying** are issues **monitored at the governance level**. Indeed, Acea has a *Code of Ethics* and a *charter for the management of diversity* and an active **Ethics and Sustainability Committee**, which, among other things, has the responsibility of assisting the Board of Directors in matters of **diversity**, with the task of **promoting the culture of valuing diversity and combating all forms of discrimination**.

Acea is one the signatories of the **"Utilitalia Pact – Diversity makes the Difference"**, drafted by the Commission for the Management and Promotion of Utilitalia's Diversity, and has adopted a Group procedure on the **"Protection, inclusion, promotion of the diversity and well-being of workers"** and, in 2020, signed the **CEO Guide to Human Rights** by the World Business Council for Sustainable Development (WBCSD).

Acea has also adopted measures to support parents, such as the

extension of **parental leave** for additional three months for family reasons for both mothers and fathers; the **extension of paternity leave**, with the recognition of two more days of paid leave to be taken within two months of the birth, adoption or foster care of the child; **hourly leave for taking children to the first days of nursery school, preschool or elementary school** and the **holiday bank**.

Towards the end of 2020, **Company top management approved the creation of a survey**, to be disseminated in 2021, which will identify the needs and expectations of staff **in the area of Diversity & Inclusion**. Acea will implement targeted initiatives on the basis of these findings.

Acea has been assessed by the **Bloomberg Gender Equality Index (GEI)**, an index that measures companies' performance on gender equality and which takes five pillars into consideration: *female leadership and talent pipeline, equal pay, inclusive culture, sexual harassment policies and pro-women brand*. The **overall rating** assigned to Acea is **70.49%**, which places it above the average for the sector (66.72% and the sample analysed (66.46%).

In 2020, the Company continued to take part in the "Business School System" project, coordinated by the Elis consortium, helping to create the "**Inspirational Talks Role Model**" initiative: a programme for the promotion of **STEM** (Science, Technology, Engineering and Mathematics) training programmes **among female middle and secondary school students**. The project involved more than 100 women professionals, including four from the Acea Group who as role models shared their experience of professional success in male-dominated sectors.

Acea participated in the **Marisa Bellisario Foundation**, which focuses on **promoting female talent** in the workplace. It sponsored the 32nd Edition of the "Women at High Altitude" Award, awarding a graduate in Computer Engineering who has distinguished herself for her excellent training, and supported the "**2020 Pink Ribbon**" campaign this year again, focused on the importance of breast cancer prevention, promoted by Anci together with the Airc and LILT associations. Lastly, the Company participated in the **International Day Against Violence To Women**, the **International Day Of Children's Rights** with technical sponsorships, and contributed to support the **social service for LGBT youths** and group homes (please see the chapter *Communication, Events And Solidarity*).

In compliance with the law<sup>96</sup>, there are **employees belonging to protected categories** (disabled, orphans, etc.) who are guaranteed support services, assistance and technical support tools to facilitate the performance of the tasks entrusted to them. In 2020, **313 employees** (213 men and 100 women) belonged to protected categories.

In 2020, there were no cases of discrimination against Group employees in Acea.

## COMMUNITY LIFE AT ACEA

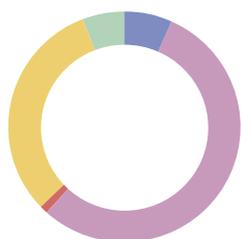
Some structures perform work of a social nature, directly involving employees: the Company Recreational Club (CRC), the Gold Medal Association and the Association of Christian Italian Workers (ACIW). The number of members enrolled in the Company Recreational Club (CRC), including managers, remained unchanged compared to the previous year and amounted to **4,619 people**. The **CRC** was responsible for **managing the Company's crèche**, open to children of employees and children of residents of Municipality I, and accommodating 20 children in the first half of 2020 and 25 in the second half. The Covid-19 pandemic situation prevented in-person teaching activities from March to July; however, it was guaranteed that activities would continue remotely, thanks to the timely reorganisation of operating procedures.

The Club **offers cultural, sport, tourism, economic, commercial initiatives and personal services**, and its aim is to enhance the free time of its members, without losing sight of aspects of social interest. An important solidarity tool among employees is the **Emergency Fund**: an initiative **in support of the relatives of deceased**, in-service or retired employees. All employees can join by signing a form, which they must send to the Human Resources Department or to the CRC, in which they authorise the deduction from the payroll of a small contribution that is allocated to the Fund.

The Company Recreational Club enters into **agreements** for employees and their families with institutions that offer health services, dental services, legal advice, etc. and active commercial agreements, sports ticket sales, theatre and music events, which can be viewed on a dedicated portal with constantly updated contents and accessible on the Intranet ([www.cra-acea.it](http://www.cra-acea.it)). It is also responsible for informing employees, by sending newsletters.

The Association of Christian Italian Workers (ACIW) is very active in Acea and **promotes social initiatives, solidarity and support**. Examples of that support are the presence of the Chaplain from whom employees can seek guidance, and the organisation of meetings for families, also with the intention of creating a **support network** for employees. The association is also involved in **providing services** such as **mortgage and loan advice, school assistance** for children of employees attending lower and upper-secondary schools, and various other initiatives benefiting employees, such as the organisation of language courses and cultural and sports activities. The ACLI (Association of Christian Italian Workers) was very active in 2020 **in its support for initiatives of social value in the local area** (Banco Alimentare [food bank], Caritas, etc.).

### CHART NO. 44 – MEMBERS THAT HAVE USED CRC SERVICES (2020)



- 156 | members who have utilized tourism services
- 1,230 | members interested in insurance instalments
- 26 | members interested in purchase instalments
- 707 | members who have utilized the so-called "dono della Befana" bonus benefits
- 128 | members who have utilized scholarships

<sup>96</sup> Italian law no. 68/99.

# SHAREHOLDERS AND INVESTORS

Acea is a listed Company that **provides to the financial community**, through its **Investor Relations & Sustainability Department** and in partnership with the competent corporate structures, a continuous, timely and **useful flow of information for the correct assessment of the current and future situation of the Group**, highlighting particular **Environmental, Social and Governance (ESG)** items. The information is conveyed through current and potential **direct relationships** with analysts and investors, and through **specific communications** (price-sensitive press releases, Company presentations, credit ratings, stock performance, highlights, etc.) that are made available on the institutional website ([www.gruppoaceait](http://www.gruppoaceait)), respecting the fundamental principles of propriety, clarity and equal access.

Additionally, working with the competent structures, the **Corporate Affairs and Services** Department is responsible for the management of information flows with the **Supervisory Authorities** (Consob and Borsa Italiana) and the corporate obligations required by law for listed companies.

## ECONOMIC FLOW TO SHAREHOLDERS AND INVESTORS

For shareholders, at the Shareholders' Meeting, the Board of Directors proposed the distribution of a dividend of € 0.80 per share (+2.6% on the € 0.78 in 2019), equivalent to € 170 million received (having been € 165.8 million in 2019), which correspond to a payout of 60% on net income, after allocations to third parties in 2020.

Over the year, ACEA showed performance substantially in line with the Italian market, recording a **drop of 7.0%. The stock recorded on 30 December** (last day of opening of the market in 2020) a closing price of € 17.15 (capitalisation: € 3,652.3 million).

The maximum value of € 21.8 was achieved on 29 January 2020, while a minimum value of € 12.4 was achieved on 18 March. Average daily volumes were about 165,000, slightly more than in 2019.

**TABLE NO. 45 – PERFORMANCE OF STOCK EXCHANGE INDEXES AND ACEA SHARES (2020)**

	change % 31/12/20 (compared to 31/12/2019)
ACEA	-7.0%
FTSE Italia All Share	-5.6%
FTSE MIB	-5.4%
FTSE Italia Mid Cap	-5.8%

€ 98 million are allocated to **financing** stakeholders (compared to € 106.1 million in 2019). The change is essentially due to the reduction in interest on bonds. The average overall all-in cost of the Acea Group's debt on 31/12/2020 was 1.74%.

Regarding **the composition of medium/long-term** debt consolidated as at 31/12/2020, approximately 77.6% of the total amount derived from transactions on the capital market (corporate bonds). Regarding the banking sector, Acea

mainly deals with entities whose mission is **to finance strategic infrastructure**, such as the European Investment Bank (EIB, 9.4% of the consolidated debt) and the Cassa Depositi e Prestiti (CDP, 4.9% of the consolidated debt). These Institutions ensure loans, to entities with creditworthiness such as Acea, with a maturity of more than 10 years, in line with the duration of the concessions (water and electricity) owned by Companies of the Group called to make the relevant investments.

## AGENCY RATINGS

**TABLE NO. 46 – RATINGS 2020**

agency	long-term rating	short-term rating	outlook
Moody's	Baa2		stable
Fitch	BBB+	F2	stable

Both **Moody's** and **Fitch confirmed Acea's rating**. The assessments expressed reflect the approval of the Group's

strategic focus on regulated businesses and the positive results achieved.

## FINANCIAL DISCLOSURE

During the year Acea participated in **numerous events** (meetings, extended presentations, *investor conferences*, *roadshows* and *reverse roadshows*), **with about 220 investors and sell-side analysts, in both equity and credit**. In consideration of the global health emergency caused by Covid-19, most of the communication events were held in “virtual” mode.

In addition, **conference calls** with the financial community were held, also on the occasion of approval of the annual and interim results and the presentation of the 2020-2024 Business Plan, and **more than 240 analysts/investors took part in these**.

**Approximately 160 studies/reports on Acea shares** were published during the year under review. Seven **business banks** analyse Acea shares with a high level of continuity, six of which, as of 31 December 2020, express “positive” ratings and one of which express “neutral” ratings.

### ESG ANALYSTS EVALUATE ACEA

An analysis conducted in November 2020 showed that “**sustainable investors**” are showing a growing interest in Acea. Such investors represent almost 5% of the share capital and **about 35% of the total institutional investors**. These are mainly European funds (4% of Acea’s capital), followed by North American investors.

In the last year, characterised by the pandemic crisis, **institutional investors’ further increased their interest in ESG issues**, which are increasingly integrated into investment decisions.

In 2020, the Investor Relations & Sustainability Department was created with the objective of marrying and integrating aspects of a **financial nature with the Group’s sustainability goals and ESG aspects** in relations with Italian and foreign analysts and institutional investors, ensuring the correct valuation and positioning of the Acea Group.

Over the year, Acea the opinions of analysts, ratings and benchmarks were as illustrated below.



The **CDP (formerly the Carbon Disclosure Project)**, supported by more than 500 international investors, promotes worldwide attention to the management of climate change risks and impacts, inviting companies to provide detailed and timely information on their ability to manage the issue. Based on the data and information received, each year the CDP publishes a ranking of its assessments for each organisation. Acea, already evaluated for years, received an **A- score** in 2020, in line with the previous year, confirming its position in the **Leadership area** (for details, see the box in the chapter on *Strategy and Sustainability*).



In 2019 Acea received the first **sustainability solicited rating** from the independent agency **Standard Ethics (SE)**, with an **EE-** rating (*investment grade*), scale F/EEE) and in 2020 both the *long-term expected rating* (from stable to EE+) and the outlook (from stable to positive) **improved**. Lastly, it should be noted that, again in the year in question, **Acea’s was included among the 15 largest listed EU Multiutilities** that make up the **SE European Multi-Utilities Index**. This index, together with the SE European Utilities Index, intends to provide an overview of the level of sustainability progressively achieved by European companies operating in the essential public services sector.

**ISS ESG** ▶ **ISS ESG** (formerly ISS Oekom) gave Acea a C+ rating (scale D-/A+), in line with the ratings already issued previously.

The Group’s ESG performance was also analysed by **Sustainalytics, VigeoEiris, MSCI, FTSE Russe I ESG, Refinitiv**.

In the year in question, Acea was included in the **Bloomberg Gender Equality Index**. This index includes 325 companies, from a panel of around 6,000 organisations analysed, which best recognise **gender equality** in terms of both disclosure and business practices (for more details see the paragraph on *Diversity and inclusion* in the *Staff* chapter). Lastly, it should be noted that, in the last part of the year, the performance of **preparatory activities for the first issue of sustainable finance instruments** by Acea, through the definition of a Green Financing Framework, led to the issuing of the Acea’s first Green Bond in January 2021.

## INSTITUTIONS AND THE COMPANY



**Acea RECEIVES THE “Prize of Prizes” AND THE “Companies for Innovation Award”**



RESEARCH AND INNOVATION: **projects worth over €13 million** IN THE YEAR



**Acea DEVELOPS THE LabSharing platform** FOR SHARING **know-how** AND STATE-OF-THE-ART EQUIPMENT OUTSIDE THE COMPANY



**Acea IS PARTNER OF THE National Association of Young Innovators**



**Acea took part in THE Energy, Environment AND Sustainability Technical Table** FOR THE DRAFTING OF THE **Manifesto for Energy and Sustainability**

Acea interacts with institutional actors and stakeholders of reference according to a participatory logic in order to generate shared value for the benefit of all stakeholders, primarily the community and the regions it operates in.

## RELATIONS WITH INSTITUTIONS

Relations with the institutions are focused on the economic dimension (taxes and fees) and the social dimension (relations with local institutions, sector authorities, consumer associations and other civil representatives etc.), in line with current legislation and the Group's *Code of Ethics*.

The economic value distributed to **public authorities** in the form of taxes in 2020 is **€ 134.6 million** (approx. € 123.2 million in 2019). The tax rate for the year is equal to 29.2% (it was 28.6% last year). **Based on the most recent Country by Country Report, which Acea filed with the Revenue Agency in 2020, and refers to 2019 data**, most taxes are **paid in Italy**, for 98% of the overall value<sup>97</sup>. The remaining 2% is paid in the Dominican Republic, Honduras and Peru, where the Company operates in the water sector to improve the service, with particular reference to the technical and managerial aspects (see the chapter on *Water Company Data and overseas activities*). Overseas activities are exclusively tied to **managed businesses and cannot be linked to delocalisations carried out to draw fiscal benefits from favourable jurisdictions**. In fact, Acea has not defined a tax strategy and does not intend to establish any aggressive tax planning to gain a competitively advantageous position. **The Tax Management Unit** within the Holding Company's Administration, Finance and Control Department, has the main function of developing tax policy at the Group level, monitoring legislative changes and ensuring periodic compliance, managing – as key owners – the relative risks, which are assessed, managed and monitored within the wider ERM programme. Moreover, the Unit prepares specific reports on the matter for the Control and Risks Committee, where appropriate. Acea interacts with the relevant tax system authorities in a collaborative and transparent manner and the updating of the main legal tax disputes is reported annually in the *Consolidated Financial Statements*, to which reference should be made. In compliance with the relevant legislation, as mentioned, Acea produces a Country By Country Report<sup>98</sup>, which lists the information on taxes paid for each jurisdiction in which the Company operates. The data flow into the *Consolidated Financial Statements*, which are subject to legal audit.

Acea regularly pays contributions and registration fees owed to public and private bodies, such as chambers of commerce, independent administrative authorities, industry associations and representative bodies. In 2020, the total amount of this item was approximately € 2.63 million (€ 2.94 million in 2019).

Partnerships with **public institutions** are aimed at carrying out **initiatives with positive effects in the local region and the public's quality of life** (see the chapters *Customers and the community*, *Personnel* and *Relations with the environment*).

**Article 17** of the Group's **Code of Ethics**, devoted to relations with institutions, the public administration and political and trade union organisations, establishes that: "*Acea cooperates actively and fully with the independent Authorities, establishes relations with the Public Administration by strictly observing the provisions of the law, applicable regulations, provisions contained in the Organisation and Management Model pursuant to Legislative Decree 231/01 and in internal procedures [...]. Acea does not contribute in any way to the financing of political parties, trade unions movements, committees or organisations [...] or their representatives and candidates [...] Acea does not make contributions to organisations with which a conflict of interest may arise [...] In any case, Acea's personnel shall refrain from any behaviour aimed at exerting pressure (direct or indirect) on political and trade union representatives or representatives of associations in potential conflict of interest in order to obtain personal or corporate advantages*".

The supervision of relations with institutional entities is defined by **an organisational model** that attributes **competences and responsibilities** to the corporate structures of reference. In particular, the **Institutional Relations Unit** protects corporate interests and represents the Group's positions in dialogue with Industry associations, Research centres, Standard-setting bodies and local, national and international public and private institutions and bodies. The **Corporate, Legal, Affairs and Services Department** supports the Group Companies for **legal aspects** related to the activities, dealing with communications with the securities market **Supervisory Authorities** (Borsa [Italian stock exchange] and Consob [National Commission for Companies and the Stock Exchange]) and the **Regulatory Function**, in coordination with the relevant divisions established within the Group Companies, as well as relations with the **regulatory bodies** in the relevant sectors, also to minimize exposure to regulatory risk.

The **Group's operating companies**, jointly with the Parent Company, manage the **"technical and specialist" aspects** of the managed services – water and electricity supply, public lighting and the environmental sector – **including through interaction** with administrative, regulatory and control bodies.

<sup>97</sup> The low amount of revenue, and consequently the taxes paid, in relation to the Group's activities in foreign countries has led to the overseas companies being reported as non-material from an economic/financial point of view; in addition, the potential evolution of the sector and other strategic and representative criteria regarding the Group's development and main impacts, have resulted in them not being included within the scope of the Consolidated Non-Financial Disclosure. Moreover, this ensures that the issue of Taxes relating to GRI 207 is not included among the material issues (economic and governance) identified in the last materiality analysis cycle performed by Acea. Although the issue introduced by GRI 207, on Taxes, was not included among the material issues with the involvement of stakeholders and managers, and therefore does not appear in the GRI Content Index, it is in any case mentioned here as testament to transparency and good accounting practice.

<sup>98</sup> The obligation arises for the Parent Company due to its control of Acea International, the vehicle Company through which shares in the overseas companies are held.

In the regulated sectors, the Regulatory Authority for Energy, Networks and Environment (ARERA) has long established **bonus and penalty mechanisms** to encourage the improvement of the performance of service operators. In 2020, **Areti** paid the Authority a penalty of approximately €5.4 million, with reference to the previous year's operations, for regulating the continuity of the electricity service for LV users. It also paid approximately €129,000 to the Cassa per i Servizi Energetici e Ambientale (CSEA) for exceeding the standards set for MV users and €1.1 million to end customers for prolonged and extended interruptions.

Areti also earned approximately € 3 million as a resilience premium on the 2019 accrual.

The same Company appealed to the Lombardy Regional Administrative Court in relation to ARERA resolution no. 270/2020/R/EFR of 14 July 2020, which approved the revision of the tariff contribution to be paid to distributors fulfilling their energy saving obligations under the TEE mechanism. Water companies **Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa** accrued automatic compensations payable to customers during the year of approximately €659,000, €123,000, €47,000, €280,000 and €37,000, respectively, in relation to contractual quality performance. In January 2020 Acea Ato 2 sent the STO the 2019 data related to the performance of contractual quality, and following verification the Secretariat calculated a bonus of about € 33.1 million.

During 2020, AGCM filed an appeal in order to obtain the annulment and/or reform of judgment no. 11960/2019 of the Lazio Regional Administrative Court, which fully upheld the appeals filed by **Acea SpA, Acea Energia and Areti** against the AGCM measure (measure 27496/2018) that jointly sanctioned the companies for €16.2 million for alleged anti-competitive conduct in the energy sales market.

In addition, in relation to the sanctioning measure of the AGCM issued at the end of the proceeding (PS9815) concerning the unsolicited activations of electricity and gas supplies, in its ruling of 24/09/2020, the Lazio Regional Administrative Court rejected the appeal lodged in 2016 by **Acea Energia**. The Company has appealed against this judgment. By way of Resolution no. 533/2019/S/com, the sanctioning procedure concerning the application of a surcharge to domestic end customers for receiving a paper invoice as part of free market offers was also closed against Acea Energia. Following the approval of the commitments submitted by **Acea Energia** in the framework of this proceeding, the Company started to fulfil them at the end of February 2020.

On 27 July 2020, **Acea Energia and Areti** lodged an appeal with the Lombardy Regional Administrative Court against resolution 184/2020/R/com, by which ARERA brought the sector legislation into line with the provisions of the 2020 Budget Law, providing that the provisions on the two-year statute of limitations apply to end customers by virtue of the mere passage of time.

As regards the water sector, **Acea Ato2, Acea Ato5, Gesesa, Acea Molise, Gori, Acquedotto del Fiora and Umbra Acque** appealed to the Lombardy Regional Administrative Court against resolution 186/2020/R/Idr, pursuant to which ARERA also brought the regulations for this sector into line with the 2020 Budget Law on the subject of the two-year statute of limitations applicable to end users.

During the year, 12 treatment plants operated by Gesesa were seized by the judicial authorities.

Finally, as for the litigation procedures of an environmental nature with public enforcement authorities (Arpa, Forestry, etc.), see *Relations with the environment* and the *Environmental Accounts*.

## PROTECTION OF COMMON ASSETS

In synergy with public institutions, private parties and research bodies, Acea deals with **initiatives and projects of an environmental and social nature aimed at protecting common assets**.

In 2020, the water sector companies continued their commitment to increase the reliability of managed water systems and improve water distribution systems.

**Acea Ato 2** prepared the **final design** for the construction of the new upper section of the Peschiera aqueduct, subject to the opinion of the Senior Public Works Council (Consiglio Superiore Lavori Pubblici [CSLP]), and prepared the **technical-economic feasibility plan** for the construction of the two sections of the new Marcio aqueduct. Both projects are aimed at improving the safety of Rome's and the surrounding province's water supply and **increasing the resilience of aqueduct systems** in order to improve the quality of the integrated water service. The Company has also prepared a **preparatory document** for the supply and transport of water within the territory of OTA 2, **with a view to the strategic value and resilience of the infrastructure, environmental protection and the maximisation of effectiveness and efficiency for the service provided to citizens**.

With reference to the **implementation of the Water Safety Plans**, aimed at preventing and mitigating the water risk, in 2020 the Company carried out many activities (also see *Relations with the environment, Water segment*). To date, Acea Ato 2 has completed the inspection and **check list activities for 6 aqueduct systems**, and the **WSP (water safety plan) documents have been sent to the Ministry of Health for 3 aqueduct systems**.

**AdF** has advanced the **project for the development and implementation of the WSP on the aqueduct systems fed by**

**the Santa Fiora springs**, performing the **infrastructural risk analysis**, with an approach based on the FMEA methodology (*Failure Mode and Effect Analysis*). **Gori** took part in the **national working group for the drafting of the "National Guidelines for the Implementation of Water Safety Plans"** and for the development of the National Distance Training Course for team leaders for the implementation of WSPs, collaborating with the Ministry of Health and the Italian National Institute of Health. **Gesesa** entered into a collaborative project with the University of Sannio to start the drafting of the WSPs; it also defined the **extraordinary water efficiency plan which will commence in 2021** with the restructuring of the main water districts.

With regard to **energy distribution**, Acea took part in the **PlatOne project** (PLATform for Operation of distribution Networks), a European consortium of companies and organisations with the goal of developing a technological solution capable of optimising the functioning and management of the electricity network, making it more stable and resilient. In particular, Acea, through Areti and Acea Energia, is one of the organisations responsible for **coordinating the "Italian pilot"** which will be carried out in the Rome area.

**Acea Ambiente** carried out public utility projects which principally concerned the **"Waste to Material" chain**, with the recovery of raw and secondary materials from waste entering dedicated plants, the treatment of fly ash, and the extraction of critical raw materials from treatment sludge. In addition, the Company has started the **UrBees project, for biomonitoring air quality** around the San Vittore plant in Lazio through the use of bees (also see *Relations with the environment*).

With regard to **environmental sustainability and the circular economy**, Acea participated in the activities of the **Italian Industrial Research and Development Centre (AIRES)**, a network of businesses, institutions and technological consortia engaged in the **development of the circular economy and environmental sustainability**, and took part in the **Italian Phosphorus Platform promoted by the Ministry of the Environment and managed by ENEA**, developing dedicated projects, also thanks to the availability of European financing (also see *Relations with the environment*). Lastly, through the **Circular Economy Protocol**, and with the involvement of local stakeholders, AdF has established a **Qualification System reserved for local businesses aimed at supporting the economic relaunch of the area and productive entities**, which is in difficulty due to the pandemic (also see the chapter on *Suppliers*).

## EMERGENCY MANAGEMENT PLANS

Acea is active in the **prevention and management of critical events**, and in the **event of an emergency** it provides support to the **authorities responsible for public health, civil protection and public safety**.

In particular, the Group companies ensure **the highest levels of safety and continuity in the provision of managed services**, in collaboration with public institutions.

To this end, they have established **procedures and tools** that, in the event of critical events (unavailability of central systems, breakdowns, adverse weather conditions, peak demand and network stress, etc.), protect the normal **operating conditions of networks, plants and systems to be restored in a timely manner** (see also the chapter on *Protection of assets and management of internal risks* in the section on *The Company as a stakeholder*).

Each operating Company has **plans for managing emergencies and intervention procedures** and, through the **control centres, constantly monitors the status of networks and equipment** – water and sewage, electricity and public lighting – in partnership with the **Municipal and National Civil Protection and Roma Capitale**.

Whenever an event affects the managed services (damage to plants and/or networks, water/energy crisis, etc.), the companies of the Group notify the competent bodies in order to facilitate the coordination of interventions.

**Acea SpA** has a **procedure for the management of health and environmental emergencies** having an impact on the population, for which **it defines a risk level** (low, medium and high) and consequently organises intervention teams.

The **Areti emergency management plan**, the Company that handles **the distribution of electricity**, deals with widespread breakdowns and unavailability of the grid. It defines the different **states of activation** (ordinary, alert, alarm and emergency), according to the operational and environmental conditions, the **procedures** for the activation (and subsequent reset) of the same states, the **units involved** and the respective roles, and the **resource materials** necessary for maintaining or restoring equipment. It also provides for the appointment of a **Head of Emergency Management** and an employee dedicated to the **management of safety**, in established cases. The **detailed Operating Plans** indicate methods for quickly managing the types of disruption (such as flooding, fires, disruptions to the remote-control network, etc.) and procedures to be followed, for example, **for restarting the electrical system in the event of a blackout** of the National Transmission Grid (NTG) or **re-establishing power for strategic users** (such as parliament,

the government, the State of Vatican City, etc.), **the materials, equipment and resources to be involved** depending on the case. The master plan and detailed operating plans are **updated on a yearly basis** and periodically improved on the basis of analyses of real cases. The effectiveness of procedures and the functionality of equipment are tested by means of drills. In addition, with a view to improving processes, in 2020 the Company **created a platform** for the real-time **acquisition and monitoring of weather events**, in order to prevent potential risks from changes to the operating conditions of the electric grid.

**Plans for the management of emergencies** of the **water companies** and shared with local institutions (such as Governmental Territorial Offices, Local Health Authorities, Area Management Agencies) define conditions that compromise the **continuity and quality of the integrated water service, classify the emergency levels**, describe the **preventive and remedial measures** for the types of unforeseen events (damage to the networks, pollution, water crisis and emergencies related to the sewerage and treatment service) and provide for the division of tasks among the areas involved (technical area and communications). In particular, the Acea Ato 2 Plan was reviewed, consistent with the Water Safety Plan guidelines, and takes 25 critical scenarios into consideration, specifying the consequences, manoeuvres and mitigation actions required for each of them. In 2020, **Acea Ato 2 updated the Emergency Management Plan on the basis of the procedures currently in effect under pandemic conditions and in light of the organisational changes that had taken place within the Company**. In addition, the **Emergency Standing Committee** was established. It meets periodically to approve the Plan, propose interventions and training activities, and decide on actions to be taken under serious emergency conditions.

AdF collaborates with the **Tuscan Water Authority** on the updating of the **Emergency Operating Plan for the drinking water crisis (EOP)**, aimed at monitoring and preventing water emergencies through the periodic reporting of critical issues found within the region, and providing support for operational decisions when an emergency arises. In the context of the critical issues outlined in the Plan, AdF has an **Water Crisis Emergency Management Operating Procedure** which, for every forecast level of severity in terms of water availability, establishes the sequence of activities to be carried out, detailing all of the entities involved, measures to be taken, documents/databases to be consulted/updated/produced, and correspondence to be sent.

**Gesesa** is an active member, together with other authorities such as the Province of Benevento, the Municipality of Benevento, EIC, the Region of Campania, ARPAC [Campania Regional Environmental Protection Agency] and local health authorities, etc., of the **technical panel to ensure that the local aquifer** is safe from tetrachloroethylene pollution.

The **companies of the Group that manage waste treatment plants** ensure the execution of a detailed **routine maintenance plan to reduce plant downtime caused by faults or unexpected events** and minimize unplanned non-routine maintenance work. All the structures of each site are equipped with **Emergency Plans** that take into account the **scenarios identified for endogenous and exogenous emergencies**. These Plans examine aspects related to the **safety of workers**, ensuring their safety with specific behavioural and evacuation procedures, checked on a yearly basis, and aspects related to the **protection of the environment**, identifying the emergency interventions in order

to limit contamination of environmental media (air, water and soil). Permits by virtue of which the plants are managed also include communication requirements and methods for **non-routine or emergency events to the competent bodies**, in order to guarantee the maximum dissemination of information and, where appropriate, the coordination of the intervention. Lastly, in 2020, as a result of the **Covid-19** emergency **Acea Elabiori updated the Grottarossa Centre Emergency Plans**.

## PROJECTS FOR THE INNOVATIVE AND SUSTAINABLE DEVELOPMENT OF THE AREA

In 2020, in continuity with past years and in concert with local administrators, Acea Ato 2 continued the **installation of Water Kiosks** in Rome and vicinity, which made it possible to equip the areas **with 95 kiosks** (see chapter *Customers*, section *Quality delivered in the water segment*). **AdF** also started the project to install Water Kiosks and **surveyed the needs of all Municipalities within the area served**, in view of the tender process for awarding the work to install **more than 50 pumps in the next two years**.

In addition, Acea has collaborated with **ENEA** in the context of a dedicated protocol, **for the development of projects relating to the sustainable management of the waste and water cycle**, with the objective of applying innovative technologies and solutions to the managed industrial projects, principally in the water and waste treatment sectors, in line with the strategic objectives for industrial development in the circular economy. In terms of **smart cities**, in partnership with Roma Capitale, the Company developed the **plan for electric mobility**, also defining the strategy for e-mobility to combat the *mobility divide* due to the infrastructure gap, and started the test phase for the Charging Point Operator and Mobility Service Provider platform, through an internal car-sharing service with 25 electric cars. During the course of 2020, the **platform test phase was successfully completed** and, through the Company Electric Drive Italia, acquired in May 2020, **Acea Innovation was able to complete the development of the Charging Point Operator platform and make the Mobility Service Provider platform available to Acea Energia**. In addition, in 2020 Acea Innovation further developed the existing partnership with Guido Carli LUISS University, offering students not just a mobility services platform (management of charging and booking of the car or a seat in the shuttle), but also electric shuttles for internal mobility. The Company has installed the first charging columns for electric cars and **completed the approval procedure, at the Services Conference, for the installation of 115 columns in the Municipality of Rome**.

In order to promote the innovative and sustainable development of the sectors of reference, Acea establishes **collaborations and partnerships with complementary companies** or organisations operating in sectors similar to the businesses it manages and **with innovative players**.

In 2020, Acea was a partner of the **“Circular 4 Recovery”** call for projects, promoted by Marzotto Venture Accelerator to **select innovative projects aimed at creating eco-friendly development models and fostering the transition to a more sustainable economy**. In particular, the call selects, awards and supports entrepreneurial projects aimed at the development of innovative technologies, solutions and services with a low environmental and social impact in the following 5 Key Focus Areas of the Circular Economy: *Circular Bioeconomy, Circular Water Economy, Circular Energy Economy, New Circular Life Cycles, Circular City & Land*. The Company has **signed specific agreements (MOU) with private**

**companies engaged in the green and circular economy, advanced systems design, innovative recycling treatments, waste recovery and emission reduction sectors**, including the memorandum with Nextesense, aimed at the use of visible-light sanitising lamps (BIOVITAE) in the purification of water and waste; the agreement entered into with the Company OPUS for the creation of an analytical robot for analysing total suspended solids in wastewater, with the possibility of obtaining a joint patent for the product; the understanding reached with the Company RAFT for the production of new technologies for reducing emissions, particularly odorous emissions, through photocatalysis and catalytic oxidation; the collaboration agreement entered into with the SERSYS Group for the joint development of projects and collaboration in the field of waste treatment and specialist analytical activities.

Lastly, in December 2020, in collaboration with Kaggle, the Google platform that hosts the world’s largest community of data scientists, **Acea launched “Acea Smart Water Analytics”, the first global hackathon on Kaggle**, with the objective of developing a mathematical model capable of forecasting water availability at the many different supply sources (wells and aquifers) distributed throughout the territory to safeguard the bodies of water managed by Acea.

The virtuous relationship with the local region is also expressed through the **collaboration between Group companies and the world of school and academic education and research** (in the *Customers* chapter, see the section on *Communication, events and solidarity*, and in the *Personnel* chapter, see the section on *Development of human resources and communication*).

In the context of the **“SOSTenibile” school project**, **Acea Ambiente** distributed 320 water bottles bearing the Company logo to some schools in Umbria. In 2020, **AdF** continued the **“Acquadicasamia” project**, targeted at schools in the managed area, and launched an **online teaching section** for the 2020-2021 year, called AdF Educational, to offer environmental education lessons in a way that is compatible with social distancing restrictions. In compliance with the restrictions, **Gori** continued to interact with the schools throughout the year, in synergy with the local Municipalities, and particularly promoting the **“Plastic Free” project** and the distribution of more than 2,500 bottles to primary school pupils.

**Collaborations between Acea and universities** take place within the framework of **conventions and dedicated agreements**. Examples of this include the Framework Agreements with **the University of Tuscia** and **the University of Cassino and Southern Lazio**, aimed at creating collaboration in the field of **research and innovation**.

In the **energy sector**, Areti has established a collaborative project with the **University of Naples**, on specific technical projects, including **the development of algorithms for estimating and measuring the technical losses** of the low voltage electricity network and the **study of an electronic current transformer capable of solving the limitations inherent in traditional magnetic core devices**. For the electronic current transformer, a **patent application** has been filed, and a public tender process will also be organised for the related engineering and industrial production.

In the context of the **“Smart Metering 2G”** project, and together with **Turin Polytechnic University’s** Department of Electronics and Telecommunications, Areti participated in planning activities for RF 169 MHz coverage for Smart Metering 2G. Areti has commissioned a third-party Company to prepare the **169 MHz distribution model** in the Rome region and Turin Polytechnic University has verified and validated the proposed model.

Working with **Guido Carli LUISS University**, a **scientific research site was opened, aimed at disseminating the model for the leveraging of Company assets**, with the contribution of employees involved in dedicated workshops and, in scientific partnership with the LUISS Business School, a training programme called **Managerial Academy** continued throughout the year, aimed at creating a centre of **managerial excellence in the field of multi-utilities** in the Roman area (see the chapter *Personnel*, paragraph *Training and development of personnel*). Acea Ato 2 entered into a **research agreement** with Sapienza University of Rome's Department of Civil and Environmental Engineering for the completion of academic and research activities **aimed at making water distribution networks more efficient, reducing water losses and protecting the resource**. In addition, in order to assess **the impact of climate change on the availability of water**, it entered into a **collaboration agreement with the CNR's Water Research Institution** for the development of instruments and tools to model the maximum available drinking water flow rates in relation to weather/climatic conditions. Lastly, in terms of initiatives to protect sources of supplies, Acea Ato 2 entered into a **research agreement with Sapienza University of Rome's CERI Geological Risk Prevention and Control Research Centre**, for the study of geological hazards, with the implementation of monitoring systems and the relative reporting for managerial purposes, at the Peschiera and La Capore Springs plants. **Acea Ato 5** entered into an agreement with the **University of Cassino and Southern Lazio**, aimed at creating collaboration in the field of **research and innovation**.

**Gori** established a study, research and technical/scientific support agreement with **Federico II University of Naples' Department of Land, Environment and Resource Sciences**, for the de-

sign of a network to qualitatively and quantitatively monitor the principal aquifers in the area, the performance of hydrogeological analysis for the prevention of water deficits caused by climate change and better resource management.

**Acea Elabori** entered into a Collaboration Agreement with **Sapienza University of Rome's Civil and Industrial Engineering Faculty**, for the development of an effective training course connected to the needs of the world of work, the dissemination of the scientific culture and student support, and the increasing of female enrolment in the Faculty's courses, and signed a **Framework Agreement with the CNR (Italian National Research Council)** to collaborate on minimising the production of sludge and chemical contaminants; on combined treatments for liquid waste, sludge and organic fraction of municipal solid waste (OFMSW) with the recovery of material and energy with a view to a circular economy and sustainable management; on mobile plants for the localised treatment of sludge and waste; on the issue of atmospheric emissions with a focus on innovative solutions and the sustainable management of water resources.

Lastly, Acea has joined the **University of Milan School of Management's Startup Intelligence, Space Economy and Artificial Intelligence observatories**, and is a partner and member of the Scientific Committee of the **Level 2 Master's in Digital Open Innovation & Entrepreneurship**, provided by the **Campus Bio-Medico University of Rome**.

## COMPARISON WITH THE REFERENCE CONTEXT

Acea participates in **Research Centres, Standard-setting Bodies and Industry Associations**, acting as promoter or contributing to studies in the businesses in which it operates.

### THE 2020 MEMBERSHIPS OF RESEARCH CENTRES, STANDARD-SETTING BODIES AND INDUSTRY ASSOCIATIONS

During the course of the year the Group renewed and activated numerous memberships of organisations of interest, including:

- AGICI – Finanza d'Impresa;
- AICAS Associazione Italiana Consiglieri, Amministratori e Sindaci;
- AIDI Associazione Italiana Illuminazione;
- Analysis;
- Andaf;
- ANFOV;
- ASCAI;
- Aspen Institute Italia;
- Assochange;
- Associazione Amici della Luiss Guido Carli;
- Associazione Civita;
- Associazione Geotecnica Italiana;
- Associazione Italiana Internal Auditors;
- Associazione Italiana Esperti Infrastrutture Critiche (Italian Critical Infrastructure Experts Association – AIIC);
- Associazione Elettrotecnica ed Elettronica Italiana (Italian Electro-technical and Electronic Association – AEI);
- Associazione Idrotecnica Italiana (Italian Hydro-technical Association – AIH);
- Associazione nazionale fornitori di elettronica (National Electronics Suppliers Association – Assodel);
- Assonime;
- ASTRID;
- CEDEC Bruxelles (European Federation of Local Energy Companies);
- CEEP Bruxelles (European Centre of Employers and Enterprises providing Public services);
- Centro Studi Americani (Centre for American Studies);
- CDP Worldwide;
- CISPTEL Confservizi Toscana;
- CLUB Ambrosetti;
- Comitato Elettrotecnico Italiano (Italian Electro-Technical Committee – CEI);
- Confindustria Umbria;
- Conseil de cooperation economique;
- CONSEL Consorzio Elis per le Formazione;
- CSR Manager Network Italia;
- Distretto Tecnologico Nazionale sull'Energia (Di.T.NE.);
- E.DSO Bruxelles (European Distribution System Operators' Association for Smart Grids);
- Elettricità Futura ("Future Electricity" formerly Assoelettrica-AssoRinnovabili);
- Energy and Strategy Group – Politecnico di Milano (Polytechnic of Milan) (ES-MIP);
- EURELECTRIC Bruxelles (Union of the Electricity Industry);
- FAI Fondo per l'Ambiente Italiano (Fund for the Italian Environment);
- FERPI;
- FIRE (Federazione Italiana per l'uso Razionale dell'Energia) (Italian Federation for the Rational Use of Energy);
- FISE Assoambiente;
- Fondazione Global Compact Network Italia (Global Compact Network Italy Foundation);
- Fondazione Roma Europa;
- Fondazione Utilitatis (Study and Research Centre for Water, Energy and the Environment);
- Gruppo Galgano;
- IATT (Italian Association for Trenchless Technology);
- ICESP Piattaforma Italiana Economia Circolare coordinata da ENEA;
- I-Com (Istituto per la Competitività – Institute for Competitiveness);
- IGI (Istituto Grandi Infrastrutture);
- InnovUp;
- ISES Italia (International Solar Energy Society – Italian Section);
- Laboratorio dei Servizi Pubblici Locali di REF-Ricerche (Local Public Services Laboratory of REF-Ricerche);
- NORMAN NETWORK;
- Italian Phosphorus Platform coordinated by AENEA and MATTM;
- Servizi Professionali Integrati;
- UNI (Italian Standards Body);
- Unindustria Lazio;
- UPA Utenti Pubblicità Associati;
- Utilitalia (Federazione delle imprese ambientali, energetiche ed idriche) (Federation of Environmental, Energy and Water Companies);
- UNICHIM;
- World Energy Council (WEC).

Acea participates in occasions for dialogue with the business world and the scientific community on issues of national and international importance and offers its own specialist contribution on the occasion of thematic conferences, forums and workshops on topics linked to its managed companies, also presenting publications and works of technical-scientific relevance. In particular, during the year it built a network of relationships with universities, research centres, technology partners, startups and SMEs to strengthen its national and international presence in the field of innovation.

The Group participated in events and organised numerous initiatives, predominantly implemented digitally as a result of the pandemic, which have already been mentioned (see the chapters *Customers and the community*, paragraph *Communication, events and solidarity*, *Strategy and sustainability in Corporate identity* and the section *Relations with the environment*). Here, only the **Sustainability day**, as an occasion for discussion and debate among representatives of institutions and sustainability experts with regard to the challenges facing the green evolution of networks and cities in the time of Covid-19, **Ecomondo**, within the framework of which there has been a growing drive towards sustainability and a concrete commitment to protect and build *smart cities* characterised by technological innovation and the green and circular economy, **Maker Faire Rome**, the largest initiative in Europe devoted to innovation, which this year concerned new technologies and innovative projects for redesigning the future of water and the environment, **SMAU**, the event dedicated to innovation for businesses and the public administrations, in the context of which Acea won the “SMAU Innovation Award” for the second time with the Waidy project.

With regard to sustainability issues, Acea participates in **networks of experts, working groups, studies and sector research** organised by the academic world, civil society, institutions or business entities. Indeed, the Company is active as an associate in the **Global Compact Network Italy Foundation**, the representative body of the United Nations Global Compact in Italy, and in the **CSR Manager Network**, the national association that brings together the main Italian companies active in *corporate social responsibility*.

Acea’s participation in **Utilitalia**, the federation that brings together the *multi-utilities* of water, environment, energy and gas, is also expressed through its participation in **technical panels and topical working groups, including the one dedicated to Sustainability**.

The Company also participates in benchmark analyses on sustainability in Italian *Utilities*, like those carried out by the **Utilitatis** research centre and **Top Utility**.

Acea took part in the **Energy, Environment and Sustainability Tech-**

**nical Panel** for the preparation of the **Manifesto for Energy and Sustainability**, which was delivered to the Italian Minister for Innovation and the Chair of the Council Presidency’s Italia Benessere Steering Committee.

In addition, in 2020 together with its Parent Company’s sustainability representatives, **Acea SpA’s Innovation Unit participated, in the working group on “Innovation and Sustainability” organised by Assonime**, the relevant association of joint stock companies, within which a *paper* was drawn up on how the two issues are related in the business context. To that end, some best practices that Acea has implemented in the **innovative “as a service” model**, the **corporate entrepreneurship** programme and, above all, the **lean procurement processes for startups and innovative SMEs**, as a testament to the competitive sustainability of small-scale suppliers with high technological potential; the most innovative projects with a significant impact in terms of sustainability, such as e-mobility and Acea SmartComp, were also presented.

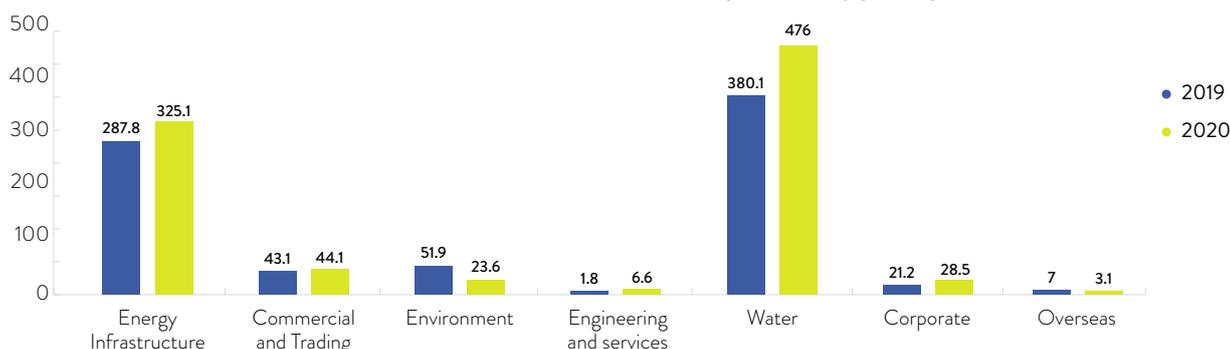
## THE COMPANY AS A STAKEHOLDER

### THE MANAGEMENT OF COMPANY ASSETS

**Acea protects and enhances its tangible and intangible assets**, seeking a sustainable financial position and **governing the internal needs**, linked to the operating management and the **growth prospects**, consistently with the aims expressed in the business mission and the strategic plan.

In 2020 **investments** totalled **€ 907 million, up 14.4%** (€ 792.8 million in 2019). These were distributed by business segment as follows: € 23.6 million for the **Environment** segment, in particular for the revamping of the 4th San Vittore line, for works on the Aprilio plants and the landfill in Orvieto; € 44.1 million for the **Commercial and Trading** segment, especially on activities related to the acquisition of new customers and for IT implementation and licensing projects; € 476.9 million for the **Water** segment, due to the investment plan distributed throughout the entire water cycle supply chain and the main companies and AdF’s consolidation; € 6.6 million for the **Engineering** segment which takes account of SIMAM’s consolidation; € 325.1 million for the **Energy Infrastructure and Generation** segment, partly earmarked for works on MV/LV networks and works on substations and meters and partly earmarked for maintenance works on some power plants. The value also includes photovoltaic plant construction activities. Finally, the **Parent Company** and **Overseas** with investments for about € 28.5 million and € 3.1 million, respectively.

**CHART NO. 45 – INVESTMENT BREAKDOWN BY MACROAREA (2019-2020) (mln. €)**



**Depreciation, amortisation, provisions and write-downs** amounted to **€ 620.5 million** (19.5% higher than 2019 restated). The increase in depreciation and amortisation is associated, net of the changes in the scope, with investments in the period in all business areas and also took into account the developments connected with the technological platform common to the ACEA Group. The effect of the acceleration of depreciation (started at year-end 2019) of first-generation electrical meters plays a part. The increase in the item impairment of receivables is mainly attributable to Areti, which in 2019 benefited from the positive effects following Resolution 568/2019/R/eel which provided for the recovery of the portion related to the network tariffs. The provisions for risks have decreased by € 5.0 million.

## THE COMMITMENT TO RESEARCH AND INNOVATION

**Scientific and technological innovation** at the service of business processes is one of the **pillars** of the **Group's strategic planning**, which in 2020 invested more than **€ 13 million on this aspect**.

To manage **the Group's innovative direction**, the Company **Acea Innovation** was reorganised throughout the year, with the *mission* of enabling the Group's design and innovative initiatives and generate products and services for the business (B2B) and institutional (B2G) markets. In 2020, activities were mainly focused on electric mobility, and Acea SpA's **Technology & Solutions Department** was strengthened, with the *mission* of developing and implementing infrastructures, systems, products and services in the technological, innovative and digital arena, directing and coordinating preparatory activities for the creation of products and services in market segments of interest.

At Acea, **innovation** is a **cross-sectional** strategic lever that is **open** to the external ecosystem; through its innovative approach, the Company aims to **explore new businesses** and create new development models.

The **Innovation Model** identifies the **Group's internal needs and seeks innovative solutions, adopting processes and approaches typical of Open Innovation**, with the **collective generation of ideas** and the involvement of internal and external stakeholders, starting with the conception process, moving on to the trialling of the design concept, to the implementation of the projects. According to this logic, the **promotion of the Group's culture of innovation and the development of internal entrepreneurship are fundamental** and to that end a dedicated *crowdsourcing* platform was created, which collects employees' design ideas and creates a Company space for active involvement.

Also present is the **Innovation Board**, made up of innovation representatives from the various industrial entities, which, in a shared manner, defines and creates the Group's innovation strategy.

To render the approach to innovation systematic:

- the **Innovation Garage corporate entrepreneurship programme was developed**, which leverages on the entrepreneurial skills of employees;
- **idea generation workshops** are organised to creatively address business and innovation needs;
- internal communities **are active, as experimental spaces in which new tools and languages can be collectively studied and analysed, best practice can be shared, and new projects can emerge**, and include the Data Community, an informal space in which professionals from the various businesses meet and exchange knowledge on issues related to the world of data.

Thanks to the **"Innovation garage"** programme, in 2020 **two projects** focusing on the **improvement of customer experience** and **appreciation for water resources** were implemented. One of these is the Waidy project, an app that can be downloaded

from all app stores, **which makes it possible to geolocate public water supply points**, access additional information, and report any faults in real time in terms of the qualitative and quantitative parameters of the water supplied (also see the chapter on *Customers and the community*).

In 2020, **four workshops on issues of interest in the commercial and water sectors, on sustainability, and on data management** were organised digitally. They included:

- the **machine learning workshop** for the Data Community, based on learning-by-doing, with the aim of exploring the potential of machine learning through the development of technical skills in Python, one of the most commonly used programming languages in the world;
- the **SDG Lab course**, with **creative sessions for Group employees** invited to contribute with **ideas and initiatives for Acea's commitment to the main UN Sustainable Development Goals (SDGs)**, generating awareness of the roles that sustainability and innovation have in the creation of shared value.

Valid design concepts emerge from these workshops, and are then developed and implemented by the Company. One of these made it possible to create the **LabSharing platform** for the external sharing of know-how and instruments at Acea's cutting edge (see the *Research and innovation at Acea SpA* box below).

In addition, the Innovation Model provides for the use of the **innovation factory**, a versatile **market analysis, continuous scouting and partnership development** format, used at the national and international levels, **with actors from the innovation ecosystem engaged in sectors of strategic interest to the Group**. Thus, Acea is able to activate privileged channels to access ideas, business and technological opportunities, academic research and new talent to innovate businesses, processes and Company projects. For similar reasons, 2020 also saw the confirmation of involvement in **Startup Europe Partnership**, an Open Innovation programme that puts European scaleups into contact with corporates, and **Elis Open Italy**, the co-innovation programme to combine the innovation needs of companies in the consortium with the offer of startups, innovative SMEs, university spin-offs and research centres.

To intercept innovative trends, scenarios and projects, and discover new suppliers and business partners, Acea has renewed its partnership with **Milan Polytechnic University's Digital Innovation Observatories**, a benchmark of digital innovation in Italy in Italy, participated in the **Artificial Intelligence Observatory**, a discussion-based community for investigating the true potential of Artificial Intelligence, and for the first time became involved in the **Space Economy Observatory**, to explore the technological opportunities and business impacts of the Space Economy and experiment with space technologies.

In addition, the **collaborative projects with Talent Garden**, to develop collaboration on digital transformation and corporate innovation projects, **and with Roma Startup**, the association created to consolidate Rome's startup and innovation ecosystem, were renewed. Lastly, over the year, **ACEA joined Innov-Up, (formerly Italia Startup)**, a non-profit association that represents the ecosystem of Italian start-ups, widened to all private and public bodies, which facilitates the enhancement, visibility and growth, to favour the creation of a new Italian entrepreneurial fabric, **and ANFOV**, an association that promotes discussions between all business and institutions involved on the telecommunications sector and monitors, analyse and promotes the development of the contiguous ICT scenarios.

Finally, **Acea is a partner of the Italian National Young Innovators Association (ANGI)** and, as part of the “National ANGI Award”, collaborates in the awarding of the special “Innovation Leader Award” for young talent in the world of innovation.

In recognition of the results achieved by Acea in the field of innovation, **in 2020 the Company won prestigious awards** (see the box for more details).

## AWARDS IN THE FIELD OF INNOVATION

**Acea’s commitment to innovation** has been recognised by important institutional initiatives. In December, the Company was awarded the “**Premio dei Premi**” [Prize of Prizes]: this award, instituted by the **Presidency of the Council of Ministers on behalf of the President of the Republic**, is conferred annually on companies, industrial groups, public administrations and research bodies that have achieved significant product or process innovation. In particular, the award recognises Acea for having given “*evidence of a structured approach to innovation that has led to the definition of an ‘Innovation Board’ and two organisational units for innovation, in support of corporate strategies*”.

The Company also won the “**Premio Imprese per Innovazione**” [Enterprise Award for Innovation], now in its 11th edition, **promoted by Con-**

**findustria**. This award is given to organisations that have successfully invested in research. The ‘Enterprise Award for Innovation’ participated in the ‘Industry and Services’ section of the above-mentioned ‘Prize of Prizes’. Acea has thus distinguished itself as one of the three large Italian companies that have most distinguished themselves for their work and achievements in innovation in recent years. CEO Giuseppe Gola said: “*Innovation is an **integral part of the Group’s strategy, in terms of technological evolution and as a value that is shared at every level of the Company. We see the future in innovation.** This is why at Acea we are experimenting with an open, shared and participatory culture of innovation, which is a lever to evolve our services and improve the lives of millions of people in our areas of operation.*”

With reference to the Group’s industrial processes and infrastructure, the following boxes illustrate, by way of example, the main **research and innovation projects** carried out in 2020 by Acea SpA’s Technology and Solutions Department, Acea Innovation, Acea Elabori and the Group Operations. We also recall what has already

been illustrated in the paragraph *Relations with institutions*, and in particular in the sub-paragraphs *Some projects for the development of the territory* and *The comparison with the reference context*; also see the chapter *Customers and the community* and the section *Relations with the environment*.

## RESEARCH AND INNOVATION AT ACEA SPA

In 2020, **Acea SpA’s Technology & Solutions Department**, initiated and/or carried out **the following experiments** with the involvement of all Company entities and external start-ups:

- the implementation of the “**UFirst**” project, a full digital booking system for the water companies’ public branches, in particular Acea Ato 2, which was adopted as an anti-crowding solution in the emergency context;
- the activation of a remote helpdesk service for all ADR operatives in **video call mode with augmented reality**;
- the creation of **dynamic dashboards updated in real-time** to identify land displacement in the vicinity of Acea’s strategic assets;
- the creation of **data-driven tools** for correlating primary substation failures with the time taken to identify the cause of the failure;
- the implementation of **artificial intelligence devices in Company vehicles** to map assets, territories and improve in-car safety;
- the creation of a **new navigable web bill** for water, to be activated in 2021;
- the **detection of water leaks** using technologies developed by two innovative start-ups;
- the launch of the **Paso project**, in collaboration with the M2D startup technologies, for the **improvement of the medium volt-**

- **age fault selection process** on the electricity distribution network, which can be achieved by replacing human operations with a synthetic automatic logic, **using data driven techniques**. To this end, clusters relating to fault selection manoeuvres and representative samples were identified in order to carry out *what-if analysis* and benefit estimation, comparing the efficiency and effectiveness of field operations with that obtainable from synthetic logics; the analysis was concluded with excellent results, enabling identification of recurrent causes for the fault selection classes;
- the launch of the “**Safety check**” project at the sites managed by Acea Elabori to remotely check the safety conditions of personnel working at the sites, as well as compliance with the provisions issued by the Employer on health and safety matters. The system detects potentially hazardous situations and returns an alert through the use of special IoT sensors in the field, representing a valuable tool to help further improve the Company’s security standards (see also the chapter on *Suppliers*);
- the implementation of the “**Bonifische anagrafiche**” [Master Reclamation] project, a data retrieval system able to retrieve customer master data, thanks to machine learning and artificial intelligence, and automate internal data quality processes (see also the chapter on *Suppliers*).

## RESEARCH AND INNOVATIVE SOLUTIONS IN ACEA INNOVATION

Acea Innovation was particularly active in 2020 on the **electric mobility** front and, through the Company Electric Drive Italia, acquired in May,

**completed the development of the Charging Point Operator platform and made the Mobility Service Provider platform available to Acea Energia.**

## RESEARCH AND INNOVATION IN NETWORKS OPERATIONS AND GENERATION

In 2020, **Areti**, as part of its electricity distribution activities, launched or implemented several innovative projects, including:

- the **“PlatOne” project**, funded by the European Community, coordinated by the Company and involving 12 partners from Germany, Belgium, Greece and Italy, which promotes a **new approach to managing distribution networks** that makes them **more stable in the presence of large loads of energy from variable renewable sources**, through the use of flexibility measures, storage and demand response services, with smart grid technologies and tools for the automation and control of the network and distributed energy sources;
- The **POLEDRIC project**, for the development and implementation of an innovative technological solution, aimed at the realisation of a “smart pole”, which will be applied to the public lighting poles of the city of Rome; the IP pole will be equipped with a device able to improve the public lighting service (through sensors and the use of advanced technologies) and enable additional environmental, security and communication services (environmental sensors, traffic and parking monitoring sensors, video surveillance and video analysis services, etc.), in a smart city perspective;
- the **“G.I.M.I.” project** (Massive and Targeted Infrastructure Inspection Management), to **reduce undiscovered faults on overhead lines** and asset monitoring, through periodic analysis of satellite images

- and targeted drone inspections;
- the **‘AUTONOMOUS’ project**, to **reduce the incidence of faults in the primary substation**, by means of preventive inspections either autonomously or remotely guided by a UGV (Unmanned Ground Vehicle) drone;
- the **“Automa per Selezione Guasto in TLC”** [Automated Fault Selection in TLC] **project**, aimed at supporting and **automating human operations, with Robotic Process Automation techniques**, from a remote controlled central fault selection system on the network;
- the **“4G Automation” project**, aimed at implementing a **field automation solution for fault selection** using the 4G network, which is much more pervasive and immediately usable compared to fibre optics.

**Acea Produzione** continued the **technical-economic feasibility study for the creation of a battery-based electricity storage system**, evaluating the integration of storage equipment with large photovoltaic plants under development, including for providing network services on TERNA’s ancillary markets, and started the installation of the **WONDERWARE SYSTEM PLATFORM software**, aimed at the continuous monitoring of quantities, analysis and extrapolation of information relating to hydroelectric production plants and photovoltaic plants, preparatory to reporting activities, including for statistical and study purposes.

## RESEARCH AND INNOVATION IN WATER OPERATIONS

**Acea Ato 2** carried out **research activities** and **technological-digital innovation**, with the aim of improving operational performance.

For innovation applied to the management of **water distribution networks**, new-generation techniques were tested – **satellite, noise recorder and fibre optics for searching for hidden leaks** (Noise Logger and Satellite Radar Interferometry) – and the districtisation of **more than 7,000 km of network** was carried out, with the integration of a mathematical model for setting pressure regulation valves and the installation of instrumentation for **advanced remote management**.

With regard to **wastewater treatment**, the main projects concerned:

- the installation of the new ozonolysis station for **sludge reduction** at the Ostia plant, in view of the excellent results already obtained with the testing of the system;
- the **optimisation of the anaerobic sludge digestion compartments**, activated at some of the managed treatment plants, including in relation to the biomethanisation power of the sludge (primary, secondary, etc.);
- the **search for emerging organic micropollutants (EOMs)** to limit their release into the natural environment, as they are potentially hazardous (endocrine disruptors, non-target substances and transformation products).

As part of the protection of **water resources**, **satellite monitoring of safeguarded areas** continued, aimed at detecting morphological changes (new buildings, earthworks, etc.), followed by related verification activities, and **experimentation began on an innovative filtering material to reduce arsenic in water intended for human consumption**.

A technology partner was also selected for the development of the **“Water Management System project (WMS)”**: a user-friendly, multi-channel application solution capable of representing, analysing, monitoring and reporting on huge amounts of data and information from multiple information systems.

With reference to **water purification** activities, at the Grottarossa plant, **Acea Ato 2** conducted studies on the emerging micropollutants present in the treated water (Tiber River) and their outcome in the treatment phases, as well as on the formation of disinfection by-products (chlorine dioxide and sodium hypochlorite).

**Acea Ato 5** conducted experiments on:

- **innovative technological solutions aimed at recovering materials from sewage sludge;**

- **satellite leak detection**, with the analysis of images taken to pre-locate water leaks; the images were subjected to algorithmic analysis and the water network was investigated by satellite buffer acquisition.

**AdF** has strengthened its commitment to research and innovation, **creating a specific dedicated Operating Unit** and launching experiments and research projects on:

- the **qualitative and quantitative characteristics of the water resource of the Santa Fiora springs on Mount Amiata**, the main source of supply under management, through an in-depth study in scientific partnership with the CNR in Pisa - Geosciences and Georesources Institute (IGG);
- **massive remote reading of meters** across the territory through drive-by and walk-by reading, covering around 35% of the installed base of meters;
- the **network data collection platform** (based on Hitachi Lumada), with predictive algorithms and correlations between measurements from innovative sensors installed in the field and remote control and data management platforms already in use;
- the **installation of innovative battery-powered pressure and temperature sensors** with NBloT technology and the related management and measurement analysis platform;
- the launch of the **“WPOM (Wastewater Pumps On-condition Maintenance)” project** for the development of an algorithm to detect anomalies in sewage pumps by processing data from the Wonderware database;
- the construction of a **centralised platform for the treatment of sludge from sewage treatment plants** by means of thermochemical hydrolysis.

As part of the **protection of water resources**, **AdF** has launched **three pilot studies**, which will continue in 2021, to test innovative technologies applied to network management: a **satellite monitoring project to locate water leaks**, a **pressure monitoring and management project**, and the **testing of a predictive methodology** that, based on historical, geomorphological and hydraulic data from the aqueduct graph, can **identify the areas at greatest risk of rupture**.

**Gesesa** continued the **implementation of the remote control system**, starting with the sewage lifting stations.

**Gori** has implemented **IoT technologies and advanced sensor technology** for environmental protection, with the installation of 300 sensors and remote monitoring of wastewater flood drains.

## RESEARCH AND INNOVATION IN ENGINEERING OPERATIONS

**Acea Elabari**, with the involvement of all corporate entities, universities and companies in the sector, launched and/or carried out **the following experiments** in 2020:

- the “**Acea Smart Comp**” project, which applies a *waste transition* logic and proposes a new model of **organic waste management**, from large-scale plants to local and widespread waste management;
- the **LabSharing platform**, developed in collaboration with Acea SpA's Innovation Unit and the Company's Laboratory and presented in Rimini at Ecomondo 2020. The online platform will also allow third parties (organisations, universities, research centres) to make use of Acea's structures of excellence and scientific support in the field of highly complex environmental controls. In particular, **the platform allows you to view the analytical offer, arrange for analyses**

on environmental matrices (water, air, soil and others) and **follow the progress of your order** via a dashboard. Eventually, the platform **will turn into a collection of research projects**, through the 'Showcase' section. The key words of the project are sharing, innovation and sustainability: both as a way of working, participating and collaborating, and as an innovative service;

- the development of **a protocol for the detection of SARS-CoV-2** in the wastewater matrix;
- Research into **microplastics in water**, including through the development of Raman spectroscopy methodologies, in collaboration with ENEA;
- the development of **low-cost smart sensors** for community composting (ENEA-funded project).

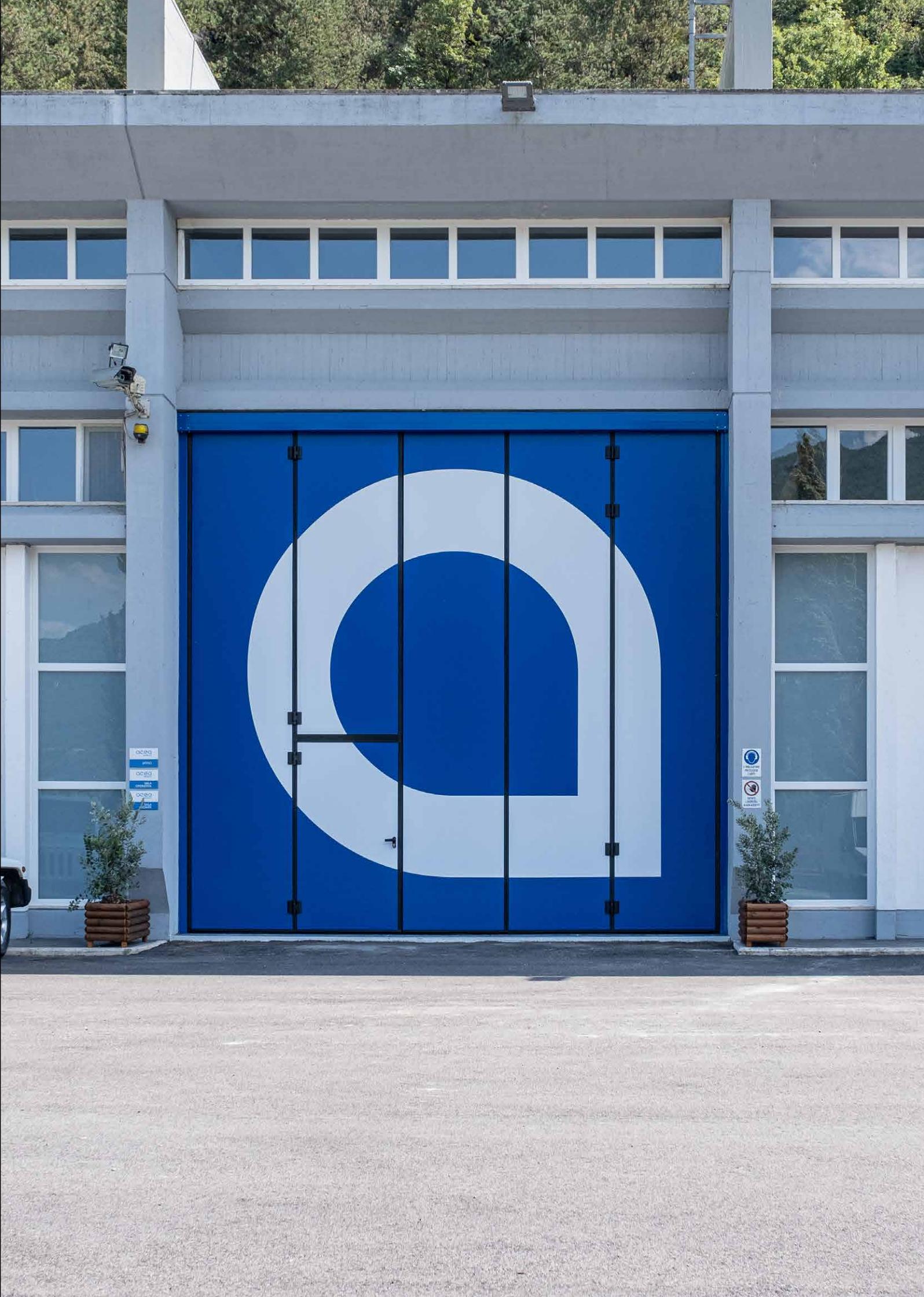
## RESEARCH AND INNOVATION IN ENVIRONMENT OPERATIONS

In 2020 in the Environment Operations the following research and innovation activities are worth mentioning:

- the completion of experimental activities for the development of a plant solution aimed at **recovering sodium bicarbonate and calcium chloride dihydrate** (reaction by-products) from the treatment of Residual Sodium Carbonate (RSC), deriving from the neutralisation phase of the acid fumes produced by the waste-to-energy plants, currently under contract, and the start of activities to define the industrial *scale-up*;
- The completion of **experimental activities for the treatment of fly-ash and bottom-ash** for the recovery of the inert fraction **present** and treatment for the reduction of hazardous char-

acteristics, and initiation of activities to define the industrial scale-up;

- the completion of the feasibility study, carried out with the Polytechnic University of Milan and the National Interuniversity Consortium of Materials Science and Technology, for the implementation of a type of **conversion of the energy content of plasmix** (waste that cannot otherwise be separated from the mechanical sorting processes of plastics) for the **production of methanol** and the definition of the contents of the *Licensing*;
- initiation of the technical-economic analysis and **experimentation of the wet oxidation process of sewage sludge using** Granit Technologies and Engineering's **CleanWOx® technology**.



RELATIONS WITH  
THE ENVIRONMENT







## ENVIRONMENTAL SUSTAINABILITY AND THE PRIMARY CHALLENGES

The primary challenges for environmental sustainability are identified in the **Green Deal**, the European Union growth strategy and the tool to launch the “**Next Generation EU**”. The European post-COVID plan sets the goal of climate neutrality by 2050, through progressive transformation of the economy, with large-scale **investment in renewable energy, energy efficiency, transport with low environmental impacts and upgrading of buildings**, in the context of a **circular economy**, with **inclusivity and innovation** as universal foundations.

As 2020 was struck by the health emergency, the European guidelines remained unchanged and also represent the reference framework for Companies like Acea, which continues its path of growth in a **circular-economy context**, and has taken up the challenge of **combating climate change** through **increased use of renewables** and **green energy in internal consumption**, increased **resilience of electrical and water infrastructure**, a focus on safeguarding **water resources and technological innovation** applied to infrastructure management.

With regard to **climate change**, the Group is undertaking initiatives aimed on the one hand at the process of **adaptation** to these changes, for example, by making infrastructure more resilient and incorporating the analysis of critical scenarios into operations, and on the other hand at the **mitigation** process through the progressive reduction of climate-changing emissions. In 2020, Acea participated in the **CDP – Carbon Disclosure Project**, confirming its presence in the Leadership class and inclusion on the “A-List” (see also *Corporate identity* info. box in the chapter *Strategy and sustainability*), it launched a new **project for alignment with the International Recommendations of the Task Force on Climate-related Financial Disclosures – TCFD** (see info. box) and it set the foundations to proceed with definition of a **science-based target** for reducing climate-change gas emissions.

In the context of the project launched by the Eni Enrico Mattei Foundation, entitled “**De Risk-Co**”, in September 2020, Acea participated in a meeting on “The evolution of business climate disclosure. The perspective of stakeholders”, presenting its own path

regarding the reporting of climate-related themes, from the CDP, which the Company joined in 2006, to the most recent developments mentioned above.

With regard to the **management of water**, in agreement with the relevant institutions, Acea continued preparatory actions for the **construction of the new upper section of the Pescara-Le Capore Aqueduct** to safeguard the water supply in Rome and the Province of Rome. **The design of infrastructure** of strategic importance, together with that of the Marcio aqueduct, is developed following the **Envision protocol procedures, the first rating system for the creation of sustainable infrastructure, which assesses the economic, environmental and social sustainability of the infrastructure**. In addition, the wastewater reuse project has continued, important both for preserving water resources and for the circular economy, and is awaiting completion of the authorisation procedure.

Acea has been investing in the **circular economy** for some years now, with the aim of **reducing waste of resources**, for example by using process waste, and achieving **recovering energy, secondary raw materials** and “**critical**” raw materials.<sup>99</sup> In this regard, it is important to highlight the “**Sludge Mining**” project, aimed at recovering critical raw materials (see info. box in the chapter *Environment segment – waste management*).

The Group contributes to the achievement of several goals defined in the four European Directives of the “circular economy package”. Specifically, **at the Ecomondo event**, Acea Ambiente and Acea Ato 2 presented projects aimed at **development of local composting, the recovery of matter in urban treatment plants and the reduction of sludge** (see info. boxes for details in this paragraph, in the chapter *Environment Segment – waste management* and in the chapter *Customers and communities*, in the section *Communication, events and solidarity*).

With regard to **technological innovation** particular attention is paid to applications that concern the **management of networks and their evolution** (see also the chapter *Institutions and the Company*).

<sup>99</sup> The most important raw materials from an economic perspective, which present a high level of procurement risk, are classed as “critical raw materials”, and these include: vanadium, cobalt, tungsten, metallic silicon, niobium, phosphorus, etc., Brussels, 03/09/2020 COM (2020) 474 final.

Once again this year, Acea participated in Ecomondo, the most important international sustainable-development trade fair in the Euro-Mediterranean area held in Rimini with a digital format. Acea Ambiente, the Group Company operating in the circular-economy sector, contributed to the annual event, **with a conference on the topic of recovery of the organic fraction from the waste processing chain**, on the opportunities and goals of the **new centralised composting and anaerobic digestion plants**, including **biomethane production**, and on research projects underway into **“Utilising compost for precision farming”** and their integration with Companies in the agricultural sector at a regional and national level.

The **projects presented** with reference to the **circular economy** include: “Utilisation of treatment sludge: the experience of the SLUDGE 4.0 project”, “P2Me: Plastic to Methanol”, “Acea and local composting – Acea Smart Comp”, and, in the **water segment**: “Fast method to look for SARS-CoV-2 in wastewater”, presented by Acea Ato 2.

In the field of **biodiversity**, Acea Ambiente presented the **bio-monitoring project using bees** at San Vittore del Lazio. Finally, there was the **LabSharing project**, conducted by Acea and Enea for synergies between laboratories, technology and know-how, supporting research and monitoring in the environmental field.

## ENVIRONMENTAL AND CLIMATE RISKS: IN-DEPTH ANALYSIS AND DISCLOSURE

### CLIMATE RISKS

Climate change is one of the most important environmental and social challenges of our times. Whilst the Covid-19 pandemic has represented the most serious emergency of 2020 and beyond, the issues of economic crisis and climate change have certainly not gone away. The **European Union has defined ambitious measures and goals to reduce its greenhouse-gas emissions** and has set emissions targets for the principal areas of the economy. Specifically, on 5 March 2020 the European Council adopted the long-term strategy for the EU for development with low greenhouse-gas emissions, which was submitted to the United Nations Framework Convention on Climate Change (UNFCCC), as established by the Paris Agreement. The strategy reaffirms the commitment of the EU and the Member States to the Paris Agreement and refers to the approval, by the European Council, of the zero-climate-impact goal for 2050. The EU and the Member States have agreed on an ambitious social and economic transformation, through which they intend to demonstrate that the passage to climate neutrality is not only imperative, but feasible and beneficial<sup>100</sup>.

The next United Nations **Conference of the Parties (COP26)** on climate, organised by the United Kingdom in collaboration with

Italy, has been postponed by one year, to November 2021. Following postponement of the Conference, the Minister for the Environment, Sergio Costa, stated: “*we are determined to maintain our commitment to the challenge of climate change. Tackling climate change requires decisive, ambitious, global action. We will continue to work with our British partners for the success of COP26. Furthermore, between now and November 2021, we will also have a chance to discuss Conference topics through events such as the G20, under the Italian Presidency and the G7, organised under the Presidency of the United Kingdom*”<sup>101</sup>.

In this context, **Acea** has strengthened its **climate-change mitigation and adaptation strategy** i) with an increase in the energy efficiency of Companies and, regarding water, with the reuse of purified wastewater in agriculture and production of drinking water from the Tiber ii) implementing actions aimed at increasing the resilience of infrastructure, and iii) adopting a plan to **significantly increase generation from renewables**<sup>102</sup> and with the dual objective of achieving a **high level of efficiency for final internal usage and usage in energy processes**, and **reducing carbon intensity** (gCO<sub>2</sub>/kWh produced). The results obtained to date are shown in table no. 64 on energy intensity indices and table no. 70 on emission intensity indices.

As mentioned, Acea has initiated alignment with the Recommendations of the **Task Force on Climate-related Financial Disclosures (TCFD)** and since 2019 it has already evaluated climate risks, dividing them into physical and transition risks (see info. box for more details).

### THE ACEA PROJECT FOR ALIGNMENT WITH THE INTERNATIONAL RECOMMENDATIONS OF THE TCFD

In 2017, the Task Force of the Financial Stability Board (**Task Force on Climate-related Financial Disclosures – TCFD**) published the document Recommendations of the Task Force on Climate-related Financial Disclosures, which, right from the introduction, highlights the **potential impacts on the global economy of climate change** and global warming caused by GHG emissions.

The **11 Recommendations on Climate-Related Financial Disclosures** currently represent the benchmark model at international and EU level. They are **applicable to all organisations**, are **focused on risks and opportunities** connected to climate change and increasing the capacity for a panorama based on **precise analyses of scenarios**.

In June 2019, the European Commission, with the intent of providing Companies with guidelines for integration of the non-financial disclosures governed by directive 2014/95 – which in Italy gave rise

to Legislative Decree no. 254/2016 –, issued a Communication entitled *Guidelines on non-financial reporting: Supplement on reporting climate-related information*, which, whilst not binding, “encourages companies” to adopt the recommendations of the TCFD.

The Acea Group, in relation to the business managed has significant CO<sub>2</sub> equivalent emissions, which originate primarily from the generation of electricity, in particular from waste-to-energy plants, and indirectly from consumption of electricity. It has therefore embraced **the global challenge to combat climate change**, aware both of the environmental importance of the issue and the potential opportunities, also of an industrial nature, presented by the energy transition. Starting from the Company’s experience in the context of the CDP, it decided to launch a project to improve management around this issue, **developing analysis of the climate scenario** and climate disclosure

<sup>100</sup> <https://www.consilium.europa.eu/it/press/press-releases/2020/03/05/climate-change-council-adopts-eu-long-term-strategy-for-submission-to-the-unfccc/>

<sup>101</sup> <http://www.governo.it/it/articolo/rinviata-al-2021-la-conferenza-sul-clima-cop26/14659>

<sup>102</sup> More specifically, in 2020 Acea Produzione purchased some photovoltaic systems for 16 MW of power, reaching a total of 52.5 MW.

reporting, according to the approach set out by the Task Force on Climate-related Financial Disclosures (TCFD project).

In particular, the actions initiated, with the support of a qualified consultant, in 2020 included:

- **internal stakeholder engagement;**
- development and assessment of **analyses of climate risk scenarios (both physical and transition related)**, conducted in collaboration with

the main Group Companies and Functions of the Holding Company;

- a **High-Level Session** that was held in December.

The project will continue in 2021, with updating of the processes for analysis of Acea's risks, for improved integration of "climate risks" in ERM, identified via the scenario analyses. The analysis of financial impacts and the definition of a form of climate-related financial disclosure that can be integrated with financial reporting or be independent.

## ENVIRONMENTAL MANAGEMENT

The **Management Systems** integrated and certified according to the UNI EN ISO standards are implemented, or in the process of implementation in the majority by the Company (see the chapter *Corporate governance and management systems* in the section *Corporate identity*). The parent Company itself has an **Integrated Quality, Environment, Safety and Energy Management System** components that facilitates environmental compliance, and a **Sustainability Policy and QESE System** that guides the Group's approach to respecting and protecting the environment, also consistent with the principles set out in the Code of Ethics.

The commitment of the Operating Companies to maintaining the efficiency of the Management System for environmental matters does not entirely exclude situations, usually provoked by contingent circumstances, that generate **non-conformities** that may be challenged by the competent Control Bodies.

During the year the main operating Companies of the group received **around 30 environmental fines**, with the consequent payment of **approximately € 41,500**. An additional **80 environmental disputes** are currently being settled.

The Aprilia plant, seized in 2017 by the Latina Public Prosecutor's Office for aspects related to odorous emissions, since 2019 has operated close to full capacity<sup>103</sup>.

Environmental problems of greater significance are forwarded to the Units responsible, which establish the facts reported and request the necessary action, as well as providing feedback to the Bodies involved. Exceptionally, it may happen that the Company receives significant reports from individual persons; in this case they will be checked and, where needed, it will intervene to resolve them.

With respect to electricity distribution, Areti may receive observations regarding alleged environmental damage in the case of buildings housing electrical plants. However, this concerns **installations indispensable for the correct exercise of the electricity distribution network**, created by the Company following **authorisations granted by Bodies which are custodians of the land** and therefore fully compliant with the legislation of reference, including both town planning and environmental legislation<sup>104</sup>. The Assets and Special Projects Unit, which protects the Company's assets, receives the notes of dispute from the owners of the immovable properties that host **transformer substations** or are adjacent to power lines, and subsequently the Areti Risk & Compliance and Safety Unit **carries out the instrumental checks** in response to the disputes. During 2020, **12 environmental checks were processed and closed** with a positive outcome concerning electromagnetic fields and transformer substations.

## THE MANAGEMENT AND CONTROL OF ACTIVITIES WITH ENVIRONMENTAL IMPACTS

The Group monitors the processes which have the **potential capacity to generate environmental impacts** and in particular the activities which necessitate the use, or envisage the presence in installations, of **materials which are intrinsically dangerous**, such as for example sulphur hexafluoride, radon and dielectric oil. With regard to the latter, in particular, in 2020 Areti continued its **experimentation with vegetable oil**, launched some years ago. Indeed, **dielectric oil** is a substance used as an insulating and cooling fluid in power transformers, which has advantageous technological characteristics and also some environmental issues related to its chemical nature as a derivative of petroleum. The experiment is based on the use of an insulating **liquid of vegetable origin (natural esters)**, which has electrical and physical characteristics similar to oil of a mineral origin, but the significant advantages of a **higher temperature of flammability** and total **biodegradability** and **reusability** at the end of its life. The ongoing experiments, having the precautionary aim of maximising confidence with this new product by minimising any risks and/or defects connected with its use, concerns **three MV/LV transformers designed and built for this purpose** (two with 400 kVA power and the third with 630 kVA power put into operation in 2015). At the moment, **the analyses conducted have not identified changes/anomalies in the composition of the oil** and the planned experimental service life is a minimum of 10 years, during which further checks will be performed on the quality of the dielectric oil. Once the results are in, a decision will be made regarding whether to roll-out the approach.

## SAFEGUARDING OF LAND AND BIODIVERSITY

Areas connected to conservation and the promotion of biodiversity have an increasingly important role in the environmental agenda of leading international institutions. These are clearly set out in the UN Sustainable Development Goals (SDGs) (**Agenda 2030**) and, in turn, the loss of biodiversity is also a focus of the **European Green Deal**, concentrating on the main causes of this degradation, including methods of land use and water basins, excessive exploitation of natural resources and pollution. The guidelines indicate setting binding goals for the recovery of ecosystems that have been damaged, improving the health of protected habitats and species, reducing pollution and making our cities greener. Furthermore, in May 2020, the European Commission published the **EU**

<sup>103</sup> The Aprilia plant was placed under seizure in 2017, for aspects related to odorous emissions. On 14 April 2018, the Public Prosecutor authorised the resumption of operations by removing the seals from the Aprilia plant, without prejudice to the seizure. In 2019 and 2020, the plant operated close to full capacity, although all activities were subject to daily control by a judicial custodian.

<sup>104</sup> In this case, the environmental regulatory reference is D.P.C.M. of 8 July 2003.

**Biodiversity Strategy for 2030** (COM (2020) 380 final) and biodiversity is one of the six environmental goals around which the **Taxonomy of Sustainable Activities** is built.

The Group Companies conduct activities that could potentially have **impacts on biodiversity**, such as processing waste, operation of power plants (thermoelectric, waste-to-energy and even hydroelectric), management of water sources and treatment plants and the distribution of electricity. On this basis, Acea **focuses closely on safeguarding the ecosystems in areas where it operates**, as defined in the procedures of the **Environmental Management Systems** in the context of assessments for the **planning and creation of plants**, as well as **management of operational areas**. Moreover, as required by the Authorisations of existing plants and every time an Integrated Environmental Authorisation (IEA) is renewed for a plant, this is managed by **protecting the flora and fauna** present in the local area and safeguarding the natural environment.

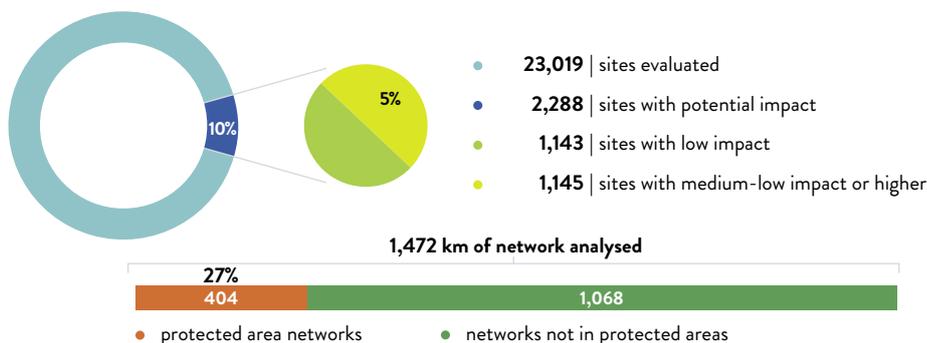
In 2020, the Sustainability Planning & Reporting Unit, in technical partnership with Acea Elabori and in collaboration with Group Companies, conducted a **mapping of the main Operating Companies** (Acea Ato 2, Acea Ato 5, Gori, Gesesa, AdF, Acea Ambiente, Acea Produzione and Areti), **aimed at identifying sites located in areas with high levels of biodiversity**. Specifically, using **QGIS**, an open-source GIS application that allows viewing, organisation, analysis and presentation of spatial data, **each layer**

**of the sites/plants** of the Companies, has been overlaid with the **Protected Natural Areas (EUAP) defined at national level and Sites of the Natura 2000 Network (SCIs/SCZs and SPAs)**<sup>105</sup> defined at European level.

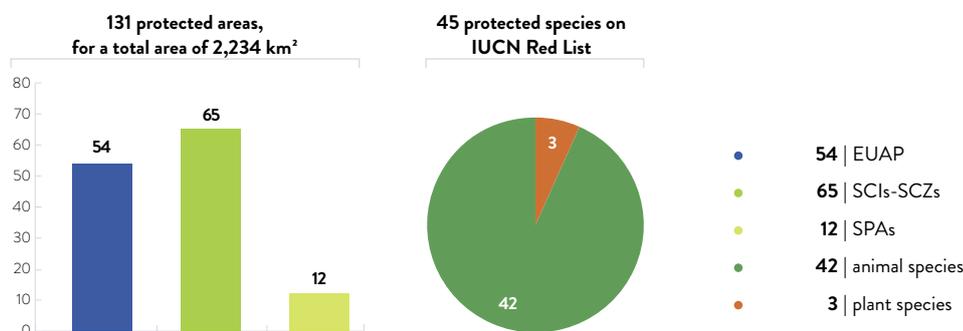
Further analysis has allowed **identification of potential risks and impacts of the different types of Group sites/plants in the areas with high levels of biodiversity affected**, taking into consideration design, operational and management phases, and excluding sites with minor impacts (e.g. Acea Ato 2 Water Kiosks, Areti secondary substations and photovoltaic plants equivalent to residential plants of Acea Produzione).

Analysis **conducted on over 23,000 sites**, including pylons but excluding the networks and pipelines, has shown that **2,290 sites**, corresponding to **approximately 10%**, represent **potential interference with the system of protected areas**. Considering, instead, **only the sites which could have a more significant impact on biodiversity**, the number drops to **1,145** and the total percentage to **5%**. The analyses conducted on the **overhead electricity distribution network (1,472 km analysed)** showed interference with protected areas for approximately **27%**, corresponding to **404 km of network**. The number of natural areas intersected by sites/networks with a significant impact **total 131** (54 EUAP Protected Natural Areas, 65 Sites of Community Interest (SCIs)/Special Conservation Zones (SCZs) and 12 Special Protection Areas (SPAs)<sup>106</sup> for a **total area of 2,234 km<sup>2</sup>**.

**CHART NO. 46 – ACEA SITES/PLANTS AND KM OF NETWORK ANALYSED AND WITH POTENTIAL IMPACTS ON BIODIVERSITY**



**CHART NO. 47 – NATURAL AREAS INTERSECTED BY ACEA PLANTS/NETWORKS AND PROTECTED SPECIES IN IUCN RED LIST PRESENT**



<sup>105</sup> The Protected Natural Areas (EUAP) at national level are those areas recognised officially by the State pursuant to Framework Law 394/91. The Natura 2000 Network, established pursuant to “Habitat” Directive 92/43/EEC, is the main policy instrument of the European Union for the conservation of biodiversity. It is composed of Sites of Community Interest (SCIs) which are then designated as Special Conservation Zones (SCZs), and also includes the Special Protection Areas (SPAs), established by “Birds” Directive 2009/147/EC on the conservation of wild birds. The areas composing the Natura 2000 network are not reserves where human activities are excluded: the Directives intend to guarantee the protection of nature whilst also taking “account of economic, social and cultural requirements and regional and local characteristics”.

<sup>106</sup> Where SCIs/SCZs and SPAs coincide, the areas are counted once amongst SCIs/SCZs.

The detailed results of the analyses conducted, **by individual Company**, are provided in table no. 47.

**TABLE NO. 47 – OPERATIONAL SITES IN PROTECTED AREAS**

operations-Company	protected areas affected (no.)				% sites intersected in protected areas of sites analysed	type of protected areas (land or undersea)	location of sites in protected areas (regions-provinces)	land area affected (km <sup>2</sup> or km)
	activity	EUAP	SCIs-SCZs	SPAs				
Water – Acea Ato 2		20	17	7	13%		Lazio – Rome, Frosinone, Rieti	1,291 km <sup>2</sup>
Water – Acea Ato 5		6	7	5	3%		Lazio – Frosinone, Latina; Campania – Caserta	94 km <sup>2</sup>
Water – AdF	Integrated Water Service (pipelines, drains and treatment)	12	12	11	3%		Tuscany – Siena, Grosseto	14 km <sup>2</sup>
Water – Gori		5	11	6	10%		Campania – Naples, Salerno	634 km <sup>2</sup>
Water – Gesesa		2	9	3	16%		Campania – Benevento; Molise – Campobasso	25 km <sup>2</sup>
Environment – Acea Ambiente, Acque Industriali	WTE and waste treatment plants	0	0	0	0%	-	-	-
Generation – Acea Produzione and associated PV companies	Production of electricity	3	5	3	13%		Abruzzo – Chieti; Lazio – Rome; Umbria – Terni	54 km <sup>2</sup>
Networks – Areti	Electricity transmission and distribution – primary substations and pylons	14	1	0	3%		Lazio – Rome	122 km <sup>2</sup>
	Electricity transmission and distribution – overhead networks (HV, MV and LV)	19	7	2	27%		Lazio – Rome	404 km

**NOTE** where SCIs/SCZs and SPAs coincide, they are only considered once.

In the areas affected, there are many **animal and plant species**, including some on the **International Union for Conservation of Nature (IUCN) “Red List” of Threatened Species** (in the categories “vulnerable”, “endangered” and “critically endangered”)<sup>107</sup>, i.e. at risk of extinction in the short or medium term. These species therefore

represent a conservation priority. **A total of 45 species are potentially affected.** Specifically, there are **3 plant species** (1 critically endangered and 2 endangered) and **42 animal species**, of which 7 are critically endangered, 9 are endangered and 26 are considered vulnerable (see table no. 48 for details).

**TABLE NO. 48 – SPECIES LISTED IN THE IUCN RED LIST WITH HABITAT IN THE PROTECTED AREAS INTERSECTED**

Total number of species	Mammals	Birdlife	Amphibians	Fish	Molluscs and crustaceans	Reptiles	Flora
<b>Critically endangered (CR)</b>		Numenius tenuirostris		Acipenser sturio, Anguilla anguilla, Scardinius scardafa	Belgrandia bonelliana, Margaritifera auricularia	Eretmochelys imbricata	Isoetes sabatina
<b>Endangered (EN)</b>		Neophron percnopterus	Bombina pachypus	Barbus caninus, Chondrostoma soetta, Romanogobio benacensis, Squalius lucumonis	Austropotamobius pallipes, Melanopsis etrusca	Chelonia mydas	Bryum versicolor, Pilularia minuta
<b>Vulnerable (VU)</b>	Balaenoptera physalus, Lepus corsicanus, Miniopiterus schreibersii, Myotis capaccinii, Nyctalus lasiopterus, Physeter macrocephalus	Aquila clanga, Aythya ferina, Larus audouinii, Melanitta fusca, Passer italiae, Podiceps auritus, Puffinus yelkouan, Streptopelia turtur		Alburnus albidus, Cobitis zanandreae, Cyprinus carpio, Neogobius nigricans, Salmo fibreni	Alzoniella cornucopia, Astacus astacus, Belgrandia latina, Radomaniola callosa	Caretta caretta, Dermochelys coriacea, Vipera ursinii	

<sup>107</sup> There are 11 risk categories, from Extinct (EX), applied to species for which there is definitive evidence that the last individual example has died, and Extinct in the Wild (EW), assigned to species for which there are no longer natural populations but only individuals in captivity, through to the category Least Concern (LC), applied for species that are not at risk of extinction in the short or medium term. Between the categories of Extinct and Least Concern, there are the threatened categories, which identify species at progressive risk of extinction in the short or medium term: Vulnerable (VU), Endangered (EN) and Critically Endangered (CR).

Awareness of potential interferences represents a starting point for operations with an increasing focus on safeguarding ecosystems. Plants in the **energy segment**, active in the generation of electricity using fossil fuels and waste-to-energy, are incompatible with protected areas and therefore do not fall within them. Nevertheless, Acea still adopts tools in operational areas for the **monitoring of possible impacts** on the surrounding environment (see the info. box on bees for biomonitoring of environmental quality below). The activities conducted by **Acea Produzione** in areas with high levels of biodiversity primarily regard **hydroelectric plants**, with withdrawals and inputs of water managed in line with the Concessions issued by the competent authorities and applicable regulations. In fact, **Management Projects** have been prepared for all reservoirs (pursuant to Italian Decree of the Ministry for the Environment of 30 June 2004), with relevant impact studies for those in protected areas. For example, on the Castel Sant'Angelo hydroelectric power station, in the context of preparatory and authorisation activities regarding geotechnical assessments aimed at seismic verification of the Casoli dam, an Environmental Impact Study and a Landscape Report were conducted, in order to safeguard the SCI area near the site. On hydroelectric sites, the Company provides for the protection of the habitats of all species present in order to **mitigate the effect of the artificial barrier of the dams**, which interferes with the natural migration of fish and the gradual sedimentation of the riverbed, with consequent variation of the native flora of the banks. In addition, protection of the aforementioned basins ensures the living conditions of the "resident" and "migratory" birds, which use these sites for reproduction/ feeding even during migration.

The activities involved in the **Integrated Water Service**, even though conducted in part on protected sites, are aimed at the **maintenance of optimal environmental conditions** and sites that exist where water is drawn, near to springs, are managed with the utmost attention to the **conservation of existing ecosystems and the preservation of the water flow**.

Likewise, with **treatment activities**, the primary goal is that **discharges**, after appropriate treatment, comply with the limits established by regulations in the sector and are therefore **compatible with the natural habitats of the receiving bodies of water**. In implementation of this commitment, targets have been established for **improved treatment efficiency** for certain Water Companies (see the paragraph *Strategy and sustainability*, sub-section *The 2020-2024 Sustainability Plan and operational goals*).

In addition, some Companies have launched projects aimed at identifying specific impacts, also those of a positive nature, on areas of activity and the species present. Specifically, to check for any critical issues in the habitats surrounding the **major treatment plants** in Rome, **Acea Ato 2** has conducted special monitoring of **areas it is responsible for and the surroundings**. The results of the studies performed at the Roma Nord and Roma Sud treatment

plants have shown that the plants **have a positive effect** on the ecosystem, constituting **synanthropic biodiversity hotspots**, i.e. places where species that coexist or are learning to coexist with humans through mechanisms of evolution and natural selection tend to form a rich and stable ecological community. Indeed, the specific ecological conditions combined with the low impact of man-made structures facilitates the presence of an extremely particular wildlife community. For a number of years, Acea Ato 2 has also been monitoring the presence of **Peregrine Falcons** in part of the **Acqua Vergine springs** area, a **species** which despite preferring open, wild areas, can nest in artificial structures, such as towers and bell towers in heavily built-up areas. Every year a large community including scholars, ornithologists and simple enthusiasts follows the lives of the Peregrine Falcons who live among the Acqua Vergine springs, thanks to a webcam managed by Ornis Italica, an association of researchers promoting the Birdcam.it project, which broadcasts images of a nest situated on Acea infrastructure ([www.birdcam.it](http://www.birdcam.it)).

In the context of the project for development of the Water Safety Plan for the water systems fed by the waters of the Santa Fiora springs (see also the sub-section *Water Safety Plans*), **AdF** launched a **scientific partnership agreement with the Institute of Geoscience and Georesources of the CNR (National Research Council)** of Pisa, also aimed at assessing the vulnerability of the aquifer as a scientific knowledge base for definition of appropriate protection areas by the competent Authorities.

Finally, in order to **limit the potential impacts** of overhead infrastructure for the **distribution of HV and MV electricity on birds**, **Areti employs risk mitigation initiatives** in collaboration with the relevant authorities, making use of the best technological solutions for problems that are likely to occur in sensitive areas or areas of particular naturalistic value. Specifically, through the *Memorandum of Understanding for the Rearrangement of the Electricity Network*, signed by Areti, Terna and the Municipality of Roma Capitale in 2007, works were planned to **dismantle and demolish overhead power lines** within **highly important protected areas**. For details of the works performed in 2020, see the paragraph *Energy distribution*. The electricity network rationalisation works contained in the *Memorandum of Understanding* include operations within the Veio Park, and for this reason, the Company and the Park Authority **signed a pledge of commitment**, in which **Areti** guarantees the financial and operational support to implement a **plan for monitoring of birdlife within the Park for a period of ten years**. Areti's commitment included the printing of **two illustrated volumes providing information** on nesting and wintering **birds**, a study on fatality rates of birdlife along high-voltage and medium-voltage power lines, updating and reprinting of the tourist map of the Veio Park with addition of the paths of power lines involved in the work.

## 150,000 BEES FOR BIOMONITORING OF ENVIRONMENTAL QUALITY

In line with the goals of the European Green Deal and the principles set out in the Integrated QESE and Sustainability Policy of the Group, Acea Ambiente promotes sustainable industrial growth with a focus on protection and safeguarding of land and biodiversity.

The Company has therefore decided to adopt an additional tool to monitor **ecosystem quality** in areas where its plants are located, and in spring 2020, at the San Vittore del Lazio (Frosinone) waste-to-energy plant, it launched the project "**UrBees**", in collaboration with bee-keeping experts and the Sacro Cuore Catholic University (Pia-

cenza and Cremona section), aimed at environmental monitoring by observing the **behaviour of bees, as bioindicator insects**.

Biomonitoring is an innovative tool for environmental control that allows the **effects of pollution to be identified**, observing living organisms and their biological parameters through the study of ecological changes due to the effects of one or more polluting substances present in the various areas of the biosphere.

Honeybees are one of the best "environmental sentinels", supporting plant biodiversity and they enable the determination of **qualitative and**

## 150,000 BEES FOR BIOMONITORING OF ENVIRONMENTAL QUALITY (continued)

**quantitative data regarding the health or lack thereof of a specific ecosystem.** The beehive becomes an **environmental control unit** in which all information collected by the bees in the environment is converted. At the San Vittore del Lazio plant, **three beehives** have been installed, for a total of approximately **150,000 bees** on average, which have enabled acquisition of data for an area of **7 km<sup>2</sup>**, calculated based on the average flight range of the bees, equal to 1.5 km. Both the bees and honey have provided **useful indicators for analyses** aimed at understanding the state of health of the surrounding environment. The foraging bees are sampled on a monthly basis, analysing fine particles or other pollutants identified on the wings. The analyses performed on dead bees in their natural life cycle, and collected

weekly, have allowed detection of other traces, as have those on the honey produced in the summer. The observations made have **highlighted the overall good health of the bees and the absence of instances of unexpected illnesses or depopulation.** The wild areas and woodlands present in the area without intensively farmed fields, have offered an abundant source of nectar for the bees, which produced approximately 10 kg of honey. Amongst the particles collected for analysis, although the bees are excellent sensors for the detection of particulates, particularly PM10 and PM2.5 particles and ultra-fine dusts, **no traces of emissions from the waste-to-energy plant chimney were detected**, but instead only indicators of traffic, local processing and handling of materials.

## MANAGEMENT OF WATER RESOURCES, SPRINGS AND PROTECTED AREAS

Through the Companies **Acea Ato 2, Acea Ato 5, Gori and Gesesa**, the Group mainly uses springs located in uncontaminated areas for water supply.

**The supply system** of the area managed by Acea Ato 2 is composed of **seven large aqueduct systems** that transport water from **14 main sources to the distribution networks** and from numerous

smaller local sources (mainly wells), for a **total flow that exceeds 21,000 litres/second.** The drinking water distribution network extends for, more than **13,500 km.** In addition to this priceless natural resource, Lake Bracciano, and following recent upgrading works on the Grottarossa drinking water plant, also the river Tiber, represent water reserves, after appropriate treatment, to be used only in the event of water emergencies and subject to receipt of all necessary authorisations in the case of the drinking water plant.

## EVALUATION OF THE GROUNDWATER AVAILABILITY

In accordance with that established by the criteria of the Water Framework Directive (WFD, 2000/60/CE), investigation of the availability, in quantitative terms, of potential groundwater resources and the possible impacts associated with the withdrawal of water resources from springs can be performed through monitoring of certain variables and in particular through implementation of a model for the assessment of the hydrological balance.

Regarding the latter, the main aspects can be identified as precipitation (rain and snow), evapotranspiration, surface run-off and therefore infiltration into the soil in the area where the balance is assessed. On this basis, for the refilling areas representative of the aquifers managed by **Acea Ato 2**, a continuous calculation methodology was implemented (from 1990 to today), spatially distributed for quantification of the components of the hydrological balance at a daily level.

**Acea Ato 5** has continued a study on water availability performed on certain important sources. Analysis of precipitation and with-

drawals has been performed for the years 2017-2020. The results clearly show that in 2020, generally, there was a reduction in precipitation and therefore in water availability compared to the previous year, highlighting how rainfall patterns influence refilling of springs. The method used for the study also highlighted how lower available amounts can be forecast.

At **AdF**, in order to monitor the impacts of water withdrawals on sources used, a dedicated report was prepared on sources, which, on a monthly basis, allows assessment of significant changes in methods of utilising wells and significant reductions in the available resources from the source. In addition, a document is monitored and updated on a three-monthly basis and for seasonal forecasts, which is shared with relevant stakeholders (Tuscan Water Authority – ALT), regarding a possible state of water emergency, with indication of critical issues involving “drought” (lack of resources) and management or infrastructural works planned.

In the Municipalities that fall within OTA 5 Lazio Meridionale – Frosinone, **Acea Ato 5** manages **77 sources**, with 44 wells/well fields and 34 springs. In addition to these sources, the Company purchases/sells water through exchange points with other operators and Municipalities. From the sources, the water is transported to the Municipalities through a supply network, which follows a complex distribution network beginning with tanks and dividing elements before reaching all users served, and totalling approximately **5,900 km.**

**Gesesa**, which operates in district 1 Calore Irpino in the Campania Region, for the supply of drinking water, manages approximately **2,040 km** of network, springs, primarily seasonal, and collects the majority of the water utilizing groundwater wells. There are three large collection systems: the Benevento plain, constituted of two well fields, Pezzapiana and Campomazzoni, a

well located at the aquifers of Monte Taburno and a well located near to the Grassano spring.

**AdF**, which operates in Optimal Territorial Conference no. 6 “Ombrone” (ex OTA 6), manages the drinking water system through a network that stretches approximately **8,270 km.** Almost 50% of the water is drawn from the **Fiora springs** located on the slopes of Monte Amiata, while in the Siena area, the most significant systems are the Luco well field and the Vivo aqueduct, which takes water from the three springs of Amiata Ermicciolo, Ente and Burlana, located in the Vivo d’Orcia area. The water system managed by **Gori** in the **Sarnese Vesuviano** territorial district has three main subsystems: Vesuviano, Monti Lattari and Ausino. The Vesuviano System is the most extensive of the three and arises from the functional integration of the Sarno aqueduct and the Vesuviano aqueduct, in turn in-

terconnected with external elements of the Campano aqueduct, the West Campania aqueduct and the Serino aqueduct. This is responsible for supplying the majority of the OTA 3 municipalities. The Monti Lattari System serves the territory of the Sorrento Peninsula, the Island of Capri, and the Stabiese plain. Finally, the Ausino System, represents the supply framework for the municipalities of the OTA that occupy the eastern edge of the territory. The water drawn from endogenic sources represents approximately one third of the total,

while the remainder originates from systems outside the OTA. All of the Companies guarantee operation and correct maintenance of collection infrastructure, primary and secondary water plants, supply systems and distribution networks and user meters. Particular commitment has been invested in extraordinary maintenance works, which can include reconstruction, modernisation and expansion of water plants and networks to meet the real demand and guarantee appropriate updating of technology.

## SUSTAINABLE PLANNING OF WORKS ON STRATEGIC INFRASTRUCTURE: PESCHIERA-LE CAPORE AND MARCIO AQUEDUCTS

In 2019, after the approval issued by the relevant Bodies, Acea Ato 2 began the planning of important works on the Pescara-Le Capore and Marcio aqueducts aimed at **ensuring the continuity and security of the supply** to Rome and the territory of OTA 2. These works are essential for the **resilience of drinking-water system infrastructure**, also in terms of adapting to climate change.

The works to **double the upper section of the Pescara-Le Capore aqueduct system**, which reached the **final design stage** in 2020, involve the construction of **a second 27 km line** that will connect the Pescara spring with the Salisano node. The size of the infrastructure, and the reasonable duration to be guaranteed, have dictated innovative design choices, inspired by the most advanced execution techniques and monitoring technologies, for the definition of which recognised experts in the various engineering fields have been involved. For the works on the Marcio aqueduct, which has the goal of overcoming a series of problems

due to the age of the infrastructure and limited management flexibility, 2021 will see definition of the final design for the works and launch of the authorisation phase.

Furthermore, both designs are developed following the Envision protocol procedures, the first rating system for the creation of sustainable infrastructure, which assesses the economic, environmental and social sustainability of the infrastructure. Specifically, for the Pescara works, the preliminary assessment for the Envision Certification was successfully passed (*Verified* level) and the activities for the design integration were planned in order to obtain the maximum level of certification (Platinum). An assessment of the carbon footprint of the infrastructure is also underway for these works. Also regarding sustainability, in 2020, a call for tenders was issued for the recovery of earth and rock originating from tunnel excavation, classified as a “by-product” under applicable regulations, with an estimated quantity of approximately 800,000 m<sup>3</sup>.

Table no. 49 indicates the location and surface **areas** in square metres of the **zones subject to absolute protection**<sup>108</sup>. It is noted that the sources illustrated are all drawn in “areas under water stress”, as defined at international level<sup>109</sup> by the World Bank Institute. The

water drawn is freshwater<sup>110</sup>, apart from 4% of the amount drawn by AdF, corresponding to approximately 2 million cubic metres, which is from groundwater. The amounts drawn by the Companies from the springs listed are indicated in the *Environmental Accounts*.

**TABLE NO. 49 – THE PRINCIPAL SOURCES UNDER PROTECTION**

sensitive area	municipality	area (m <sup>2</sup> ) <sup>(1)</sup>
<b>IN OTA 2 – CENTRAL LAZIO</b>		
Pesciera springs	municipality of Cittaducale (Rieti, Lazio)	375,322
Le Capore springs	municipality of Frasso and Casapota (Rieti, Lazio)	997,848
Acqua Marcia spring	municipalities of Agosta-Arsoli-Marano Equo (Rome)	1,181,979
Acquoria spring	municipality of Tivoli (Rome)	17,724
Pantano Borghese Acqua Felice springs	municipality of Zagarolo (Rome)	779,143
Simbrivio springs and wells	municipality of Vallepietra (Rome)	194,755
Pertuso springs	municipality of Trevi – Filetino (Lazio)	13,3711
Doganella springs	municipality of Rocca Priora (Rome)	350,000
Acqua Vergine springs	municipality of Rome	500,000
Torre Angela wells	municipality of Rome	70,829
Finocchio wells	municipality of Rome	64,166
Laurentina wells	municipality of Ardea	13,661
Pescarella wells	municipality of Ardea	2,433
Lake Bracciano	municipality of Rome	169,200
<b>IN OTA 5 – SOUTHERN LAZIO <sup>(1)</sup></b>		
Posta Fibreno wells	municipality of Posta Fibreno (Frosinone)	20,000

<sup>108</sup> The areas of absolute protection are the areas immediately surrounding the catchments or off-springs, as defined in Legislative Decree no. 152/2006.

<sup>109</sup> <https://www.wri.org/aqueduct>

<sup>110</sup> Water with total dissolved solids ≤ 1,000 mg/l.

**TABLE NO. 49 – THE PRINCIPAL SOURCES UNDER PROTECTION (cont.)**

Tufano wells	municipality of Anagni (Frosinone)	18,000
Capofiume spring	municipality of Collepardo (Frosinone)	10,000
Madonna di Canneto spring	municipality of Settefrati (Frosinone)	10,000
Forma d'Aquino wells	municipality of Castrocielo (Frosinone)	20,000
Carpello wells	municipality of Campoli Appennino (Frosinone)	15,000
Mola dei Frati wells	municipality of Frosinone	5,000
<b>IN THE PROVINCE OF BENEVENTO – OTA – CALORE IRPINO</b>		
12 wells	municipalities of Benevento, Telesse Terme, Castelpagano, Vitulano, Melizzano, Sant'Agata de' Goti, Cautano and Forchia	9,110
Ciesco spring	Castelpoto	307
Faitillo and Orto dei Ciuffi spring	San Giorgio La Molara	2,412
Gradola spring	Tocco Caudio	707
Monticelli spring	Castelpagano	358
Pietrafitta and Ruggiero spring	Torrecoeso	2,242
San Vito spring	Frasso Telesino	249
Voneventa spring	Molinara	516
<b>IN THE SARNESE VESUVIANO DISTRICT</b>		
Vado spring	municipality of Bracigliano (Salerno)	1,338
Forma spring	municipality of Gragnano (Naples)	322
Imbuto spring	municipality of Gragnano (Naples)	187,159
S.M. Lavorate spring	municipality of Nocera Inferiore (Salerno)	5,971
S.M. La Foce spring and well field	municipality of Sarno (Salerno)	60,202
Fontana Grande source	municipality of Castellammare di Stabia (Naples)	330
centres of Murata, Pugliana, Casaliciello, Santa Lucia and Tartaglia	municipalities of Cercola, Ercolano, Pollena Trocchia, Roccarainola and San Giorgio a Cremano (Naples)	15,473
centre of Monte Taccaro and Angri well field	municipality of Angri (Salerno)	43,072
well field of Suppezza, Gragnano, San Mauro Montalbino, Mercato Palazzo and Santa Lucia	municipalities of Castellammare di Stabia, Gragnano, Nocera Inferiore and Sarno (Salerno)	46,610
wells of Traiano, Stromboli-Vesuvio and Petraro	municipalities of Castel San Giorgio, Mercato San Severino and Nocera Superiore (Salerno)	7,203
21 wells in the province of Salerno	municipalities of Bracigliano, Castel San Giorgio, Corbara, Fisciano, Mercato San Severino, Nocera Inferiore, Nocera Superiore, Pagani and Siano (Salerno)	10,657
4 wells in the province of Naples	municipalities of Castellammare di Stabia, Palma Campania, Roccarainola and San Giorgio a Cremano (Naples)	1,529
<b>IN OPTIMAL TERRITORIAL CONFERENCE NO. 6 "OMBRONE"</b>		
spring of Galleria Alta – Galleria Bassa – Fonte Carolina	municipality of Santa Fiora (Grosseto)	37,046
Ermicciolo spring	municipality of Castiglione d'Orcia (Siena)	3,885
Arbure spring	municipality of Castel del Piano (Grosseto)	7,443
Ente spring	municipality of Arcidosso (Grosseto)	327
Burlana spring	municipality of Seggiano (Grosseto)	2,442
Luco well field	municipality of Sovicille (Siena)	10,063

(\*) The surface area data is estimated.

For the **monitoring of the area** where the springs are located, for several years now **Acea Ato 2** has also used "**satellite observation**". Surveillance is concentrated in the places showing – on the basis of the comparison between two images taken from space at a distance of several months – an **unjustified or suspect morphological variation**, such as new, unsurveyed con-

structions, earth movements, small landfills. The Company performs checks on site to identify any threats to water resources, ensuring **precise monitoring**. In fact, **in 2020**, thanks to the use of a satellite to perform change detection and additional inspections carried out along the supply and collection network, **73 violations were identified**.

# ENERGY SEGMENT

## SCOPE

The chapter *Energy Segment* includes Acea Produzione, the PV Companies under Acea Sun Capital, Areti, the Acea Ambiente and Ecogena energy production plants (Ecogena is only included for data on energy produced and Energy Efficiency Certificates). Waste-to-energy activities are also described in the chapter *Environment Segment – waste management*.



**916 GWh** TOTAL ENERGY  
PRODUCED: **68% FROM**  
RENEWABLES (**625 GWh**)



**210,000 t** OF **CO<sub>2</sub>** SAVED  
THROUGH PRODUCTION OF  
**electricity FROM renewables**  
INSTEAD OF TRADITIONAL SOURCES



**16 MW** OF **PV** PURCHASED, FOR A  
TOTAL OF **52.5 MW** installed

The Group **oversees the entire electricity supply chain** thanks to the operations of independent Companies, as required by the regulation of the electricity market. In particular, Acea is active in the **production** of electricity and heat, in the **distribution** of electricity in the Rome and Formello areas, including the management of public lighting; and in the **sale** of electricity, heat and gas.

Acea focuses on **innovation applied to network management** – remote control, IoT and smart grids – which also supports an **increase in resilience of infrastructure** and optimal management of **prosumers** connected to its energy distribution network, which are constantly increasing in number (see also the chapters *Customers and communities and Institutions and the Company*).

## ENERGY PRODUCTION: FOSSIL AND RENEWABLE ENERGY SOURCES

Acea intends to promote and **increase production of electricity from renewables** and has launched a path of growth in the **photovoltaic** generation sector, with the goal of reaching an installed capacity of 747 MW in 2024, as set out in the 2020-2024 Business Plan. In 2020, 16 MW were purchased, thus reaching 52.5 MW of installed capacity.

### GROUP PLANTS

Through the Companies **Acea Produzione, Acea Sun Capital and Acea Ambiente, the Group produces electricity** primarily from

renewables. **The majority of production is provided by hydroelectric plants and another significant portion, also partially renewable, from waste-to-energy plants utilising paper-mill waste and Solid Recovered Fuel (SRF)<sup>111</sup>.**

**Acea Produzione** is equipped with plants for generation from renewables, both hydroelectric and photovoltaic, and fossil fuels (thermoelectric), with the latter primarily involving the **high-efficiency co-generation plant**. The power park includes:

- **7 hydroelectric power stations** located in the Lazio and Abruzzo regions for a total of **122 MW**;
- **2 thermoelectric power stations**, located within the Municipality of Rome area: Montemartini (78.3 MW)<sup>112</sup> and Tor Di Valle (19.0 MW), for **97.3 MW<sub>e</sub> total available installed capacity**;
- one **photovoltaic park**, for a total of **52.5 MW<sub>p</sub>**, of which 16 MW purchased in 2020<sup>113</sup>.

The generation of energy from waste-to-energy processing is assigned to **Acea Ambiente**, taking place at **two plants** located in San Vittore del Lazio and Terni, and both with percentages of **biodegradable** material (renewable source) varying between 40% and 50%. The total gross electrical power currently available is approximately **58 MW<sub>e</sub>**.

In addition, Acea Ambiente produces electricity using **biogas** derived from the anaerobic digestion process at the Orvieto Technology Hub and the composting plants of Aprilia and Monterotondo Marittimo.

**TABLE NO. 50 – INSTALLED POWER OF THE ELECTRIC POWER STATIONS OF ACEA PRODUZIONE**

hydroelectric power stations	thermoelectric power stations
A. Volta di Castel Madama (Rome) power station – gross power <b>9.4 MW</b>	Tor di Valle power station: high-efficiency cogeneration (CAR) section (*) (Rome) methane fuel – gross power <b>19.0 MW</b>
G. Ferraris di Mandela (Rome) power station – gross power <b>8.5 MW</b>	Montemartini power station (Rome) gas oil fuel – gross power <b>78.3 MW</b>
Salisano power station (Rieti) – gross power <b>24.6 MW</b>	
G. Marconi di Orte power station (Viterbo) – gross power <b>20.0 MW</b>	
Sant'Angelo power station (Chieti) – gross power <b>58.4 MW</b>	
Cecchina power station (Rome) – gross power <b>0.4 MW</b>	
Madonna del Rosario power station (Rome) – gross power <b>0.4 MW</b>	
<b>general total: gross capacity 219 MW</b>	

(\*) The CAR plant in Tor di Valle provides district-heating service in the area south of Rome.

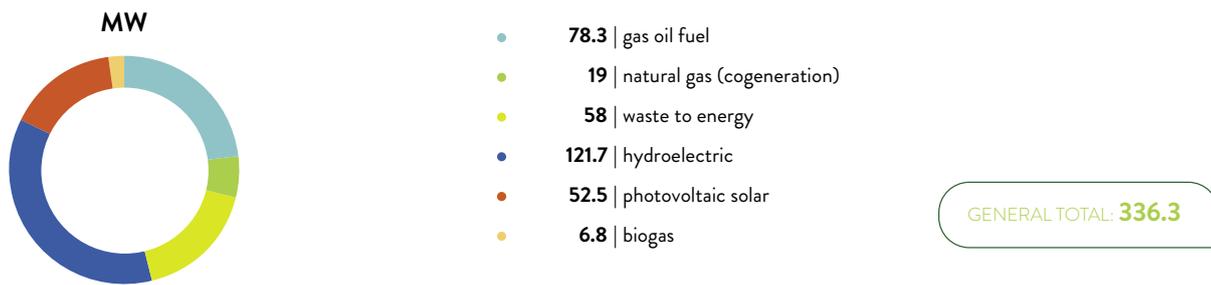
<sup>111</sup> A primary energy source, derived from waste.

<sup>112</sup> The power station is operational only in the event of extraordinary energy demand, and operation can also be managed remotely from the control room at the Tor di Valle Power Station.

<sup>113</sup> The photovoltaic plants purchased are the property of the Company Acea Sun Capital.

The installed capacities of the Group, which overall amount to approximately 336 MW<sup>114</sup>, are presented in chart no. 48, distinguished by energy source.

**CHART NO. 48 – INSTALLED ELECTRICAL POWER OF THE GROUP BROKEN DOWN BY ENERGY SOURCE (MW) (2020)**



**ELECTRICITY PRODUCED**

In 2020, total gross electricity production remained stable, around 916 GWh, -0.4% compared to the 920 GWh of the previous year. On the one hand, low rainfall reduced hydroelectric production and certain issues with the line turbines of the waste-to-energy plants led to reduced energy performance. Meanwhile, there was greater photovoltaic production, due to plants purchased during the year, and biogas production, due to production almost at full capacity for the composting plants of Monterotondo Marittimo and Aprilia, in addition to production of the Orvieto plant.

The share of electricity generated by renewable sources, about 625 GWh, is predominant, corresponding to approximately 68% of the total, with the following contributions:

- 376 GWh from hydroelectric power;
- 147 GWh from waste-to-energy;
- 27 GWh from biogas (Orvieto, Aprilia and Monterotondo Marittimo plants);
- 75 GWh from solar panels (see chart no. 49 and table no. 51).

In January 2020, Acea Produzione completed work to upgrade and increase the efficiency of hydroelectric plants: the last being the Galileo Ferraris di Mandela hydroelectric power station in the province of Rome. This made it possible to optimize the use of available water resources, under the same conditions of installed and licensed power.

The Company also implemented a project at the Tor di Valle High

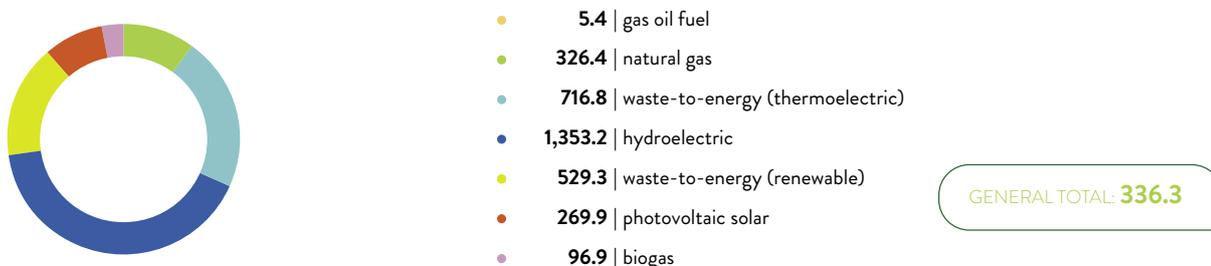
Efficiency Cogeneration Plant (CAR), involving installation of a further two 1.5 MW<sub>e</sub> internal combustion engines, that will be powered by the biogas from the adjacent Acea Ato 2 Roma Sud treatment plant. The Tor di Valle plant will in turn provide the treatment plant with thermal energy to heat the sludge in the digesters<sup>115</sup>. Construction of a 267.3 kW<sub>p</sub> photovoltaic plant has been authorised at the same power station. Works began in November 2020 and will be completed by April 2021.

With regard to the share of green energy from waste-to-energy production, in 2020 the figure was approximately 42% for both plants, being associated to the combustion of the biodegradable fraction of waste used as a primary source. In particular, the renewable share of the fuel (SRF) entering the San Vittore del Lazio plant was equal to 42.5% of the total of waste-to-energy, while in the Terni plant this share was around 42.4%. The percentage was lower than in recent years, particularly at the San Vittore del Lazio plant, due to the change in the composition of SRF for reasons connected to the Covid-19 pandemic: municipal waste was altered, probably due to closures in the initial months and the significant restrictions in subsequent months in the restaurant sector and public services, such as schools, as well as in commercial and industrial settings regarding canteens.

The decrease in energy produced by hydroelectric power plants, equal to about 12% compared to 2019, is primarily due to the lower rainfall recorded during the year.

With regard to thermoelectric energy, the increase in production is due to a greater availability of the Tor di Valle plant.

**CHART NO. 49 – ELECTRICITY PRODUCED SUBDIVIDED BY PRIMARY ENERGY SOURCE (TJ) (2020)**



**NOTE** The values reported in the chart are expressed in TJ (1 GWh = 3.6TJ).

<sup>114</sup> The total installed power includes the Acea Produzione plants, the waste-to-energy plants and the Orvieto, Aprilia and Monterotondo Marittimo plants (Acea Ambiente) for the production of biogas.

<sup>115</sup> In January 2021, the request was submitted to the Ministry for the Environment (MATTM) for preliminary verification for application of an EIA.

**TABLE NO. 51 – ELECTRICITY PRODUCED (BY PRIMARY ENERGY SOURCE) (2018-2020)**

	2018	2019	2020
<b>PRIMARY ENERGY SOURCE</b>	<b>TJ (GWh) (*)</b>		
<b>ELECTRICITY PRODUCED (BY PRIMARY ENERGY SOURCE)</b>			
gas oil fuel	2.0 (0.6)	4.9 (1.4)	5.4 (1.5)
natural gas (cogeneration)	261.9 (72.8)	320.1 (88.9)	326.4 (90.7)
waste-to-energy (approximately 58% of the total in 2020)	718.4 (199.5)	643.8 (178.8)	716.8 (199.1)
<b>total thermoelectric</b>	<b>982.3 (272.9)</b>	<b>968.8 (269.1)</b>	<b>1,048.6 (291.3)</b>
hydroelectric	1,715.5 (476.5)	1,533.4 (426.0)	1,353.2 (375.9)
waste-to-energy (approximately 42% of the total in 2020)	684.6 (190.2)	642.2 (178.4)	529.3 (147.0)
biogas	67.1 (18.6)	71.2 (19.8)	96.9 (26.9)
photovoltaic solar (**)	36.7 (10.2)	95.0 (26.4)	269.9 (75.0)
<b>total renewables</b>	<b>2,503.9 (695.5)</b>	<b>2,341.8 (650.5)</b>	<b>2,249.2 (624.8)</b>
<b>general total</b>	<b>3,486.2 (968.4)</b>	<b>3,310.6 (919.6)</b>	<b>3,297.8 (916.1)</b>

(\*) 1 GWh = 3.6 TJ.

(\*\*) Photovoltaic includes the production at the plants located on sites of the water area (Acea Ato 2 and Acea Ato 5) and at the Orvieto hub, for a total of 1.9 GWh produced. The figure for 2019 has been updated to include energy produced by the plants purchased in the second half of the year.

### THERMAL ENERGY PRODUCED

The **Tor di Valle** thermoelectric power plant generated **approximately 94 GWh of thermal energy**. The heat generated was used to serve 39,852 residents in the area south of Rome (Mostacciano, Torrino and Mezzocammino) by means of a district-heating network which provides a volume equal to 3,627,911 cubic metres<sup>116</sup>. In 2020, **30 of the current 361 thermal substations serving the district-heating network were replaced**, with the goal of constantly increasing process efficiency and service reliability for users (see also the paragraph *Strategy and sustainability, the 2020-2024 Sustainability Plan and the operational goals*). were replace

The Company **Ecogena**, certified as an ESCo (Energy Services Company) in accordance with UNI CEI 11352:2014, **develops**

**the energy efficiency initiatives for the Group** and reports their results to Gestore dei Servizi Energetici (GSE) for the awarding of Energy Efficiency Certificates (EEC).

The activities assigned to Ecogena include also the design and building of cogeneration and trigeneration plants<sup>117</sup> for the production, in combined mode, of **electrical, heat and cooling energy**.

In **2020 cogeneration plants were managed**, combined with **district-heating networks for a total of 4.9 MW of electrical power**. The production of electricity and thermal energy saw a decrease due to the **drop in power draw following the restrictions imposed to contain the Covid-19 pandemic, the closure of many manufacturing and commercial enterprises** and also due to the milder winter compared to the previous year (see table no. 52).

**TABLE NO. 52 – THE PRODUCTION OF ENERGY BY ECOGENA PLANTS AND ENERGY EFFICIENCY CERTIFICATES EEC (2018-2020)**

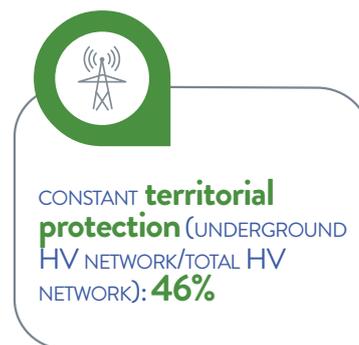
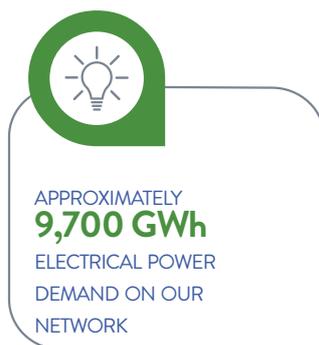
	2018	2019	2020
<b>energy produced</b>	<b>TJ (GWh)</b>		
electricity	54.1 (15.0)	51.5 (14.3)	36.0 (10.0)
of which plants owned by Ecogena	50.3 (14.0)	49.0 (13.6)	32.2 (8.9)
of which plants owned by third parties	3.9 (1.1)	2.7 (0.7)	3.9 (1.1)
thermal energy	95.4 (26.5)	103.3 (28.7)	87.2 (24.2)
of which plants owned by Ecogena	81.1 (22.5)	89.2 (24.8)	73.2 (20.3)
of which plants owned by third parties	14.3 (4.0)	14.0 (3.9)	14.0 (3.9)
refrigeration energy (all owned plants)	34.5 (9.6)	37.6 (10.5)	37.6 (10.5)
	<b>EECs</b>		
<b>Total EECs (all from plants owned by Ecogena)</b>	<b>1,359</b>	<b>954</b>	<b>943</b>

**NOTE** Other information on EECs is provided in the *Energy savings* section of the chapter *The use of materials, energy and water*.

<sup>116</sup> The data is from December 2020.

<sup>117</sup> Cogeneration, i.e. the combined production of electrical and thermal energy, allows high efficiencies to be achieved, between 80 and 90%. Trigeneration, which is a special application of cogeneration, allows use of a part of the thermal energy recovered in order to produce cooling energy in the form of cooled water for air conditioning in rooms or for industrial processes.

## ENERGY DISTRIBUTION



### THE DISTRIBUTION NETWORKS

Areti manages the **electricity distribution network** of Rome and Formello, extending over **approximately 31,000 km** and capable of supplying about **2.8 million residents**. In terms of volumes of electricity distributed, about 9,700 GWh in 2020, Acea is the third largest Italian operator in the sector.

Table no. 53 presents the principal plant data of the Company, including the number of primary and secondary substations, the trans-

formers<sup>118</sup> and the km of overhead and underground distribution lines. **The environmental indicator** related to the **protection of the region**, calculated as a percentage share of the **underground high-voltage network (HV) in relation to the total of the HV lines in use** (overhead and underground), **has improved in recent years, and in 2020 was stable compared to the previous year, equal to 46%**. This also as a result of the ongoing **transformation and modernisation** of the high and very-high-voltage electricity distribution grid.

**TABLE NO. 53 – NUMBER OF OVERHEAD AND UNDERGROUND DISTRIBUTION LINES AND PLANTS (2018-2020)**

Areti				
SYSTEMS AND OUTPUT	u. m.	2018	2019	2020
HV/HV – HV/MV primary substations	no.	70	70	70
HV/HV and HV/MV transformers	no.	166	170	171
transformation power	MVA	7,631	7,781	7881
substations in use	no.	1,3211	13,238	13,292
MV/MV – MV/LV transformers	no.	12,838	12,883	12,897
transformation power	MVA	6,236	6,282	6,298
OVERHEAD AND UNDERGROUND NETWORKS				
high voltage network – overhead lines	km	282	282	282
high voltage network – underground lines	km	243	243	243
medium voltage network – overhead lines	km	424	422	421
medium voltage network – underground lines	km	10,166	10,470	1,0211
low voltage network – overhead lines	km	1641	1642	1,642
low voltage network – underground lines	km	18,306	18,417	1,8511

### MEMORANDUM OF UNDERSTANDING FOR THE REARRANGEMENT OF THE ELECTRICITY NETWORK

2020 saw the continuation of the **plan to modernize the high voltage electricity distribution grid (150 kV)**, defined in the **Memorandum of Understanding** signed in 2010 among Areti SpA, the Municipality of Rome and Terna SpA. The activities conducted are aimed at the pre-defined targets for reduction of environmental impacts, in particular through the demolition of lines and the removal of pylons, as well as energy savings with the completion or launch of works for rearrangement and optimisation of the HV network:

- works continued for dismantling of HV lines no longer in use, with removal of 12 pylons on the 150 kV Flaminia 2 – Smistamento Est 2 line (total of 22.6 km and 74 pylons);

- works were completed for construction of the 150 kV Roma Nord-San Basilio line, involving the new stretch from the Roma Nord Electrical Station for a length of 4 km;
- works have begun for creation of the new underground stretch of the 150 kV Roma Nord-San Basilio line between the Latte Station and the Parco Azzurro terminal area, with a planned length of 3.4 km.

On completion of the works set out in the Plan, in addition to improved service quality, there will be environmental benefits due to lower energy losses and expected energy savings (estimated at approximately 58,000,000 kWh, which is equivalent to the average annual consumption of approximately 20,000 households).

<sup>118</sup> With regard to polychlorinated biphenyls (PCBs), pursuant to Legislative Decree no. 209/99 and Law no. 62/05, Acea disposed of transformers with PCBs above the 500 ppm threshold in 2009. In 2020, 122 transformers with PCBs above 50 ppm but below the 500 ppm threshold, including 28 for public lighting, were reported to Arpa, and 8 transformers were disposed of, for a total weight of 11,320 kg and a quantity of PCBs of 681 ppm.

The management of the electricity distribution network of Rome and Formello is characterized by the **continuous improvement of the performance**, with a particular focus on energy efficiency. Areti implements **initiatives to reduce network losses**, which include the reclassification of medium voltage levels from 8.4 kV to 20 kV and the installation of MV/LV transformers with very low losses. For further information see the *Energy savings* section, in the chapter *The use of materials, energy and water*.

The initiatives launched to **improve the resilience of networks and optimise their management, through technological innovation** applied to the infrastructure, are illustrated in the chapter *Institutions and the Company*.

Also as a result of the activities mentioned above, **energy losses on the network** during the year amounted to **approximately 6% of the total transported**, a decrease compared to the 7% of 2019.

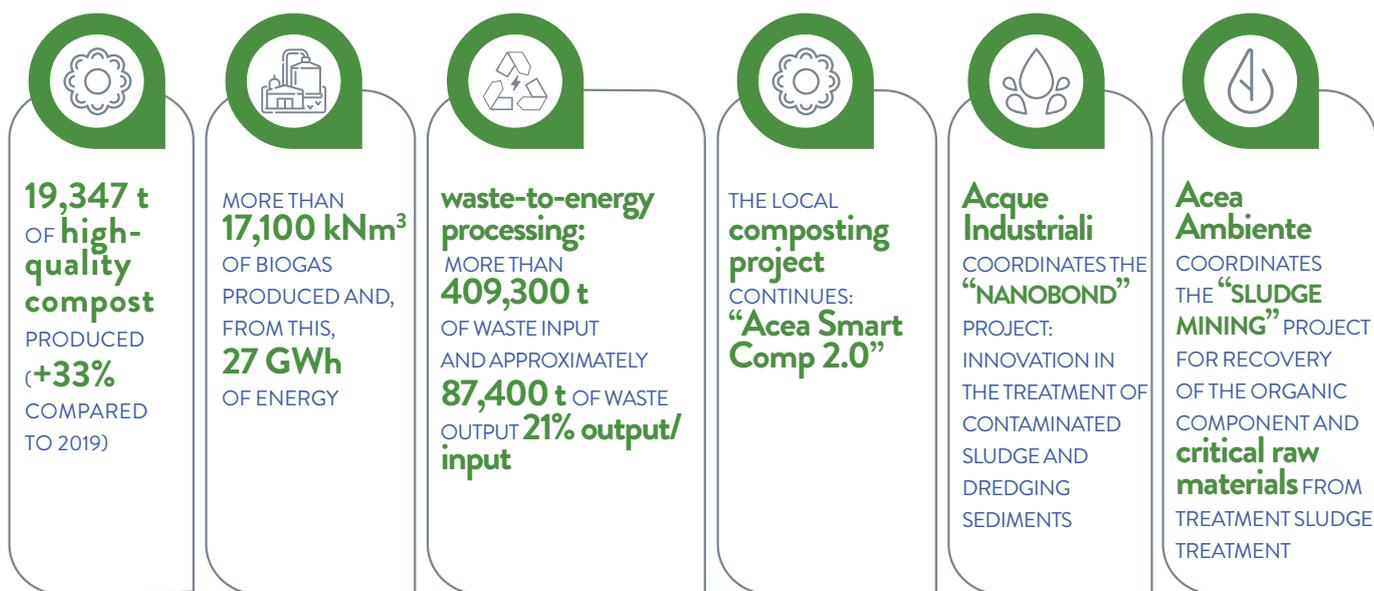
Furthermore, in 2020 Areti began the **replacement of traditional meters with 2G electronic devices**, for a total of 1.7 million units. In addition to the expected benefits for customers (see the sub-section *Service quality* in the paragraph *Customers and communities*), the initiative will also generate positive environmental impacts, with a **forecast reduction in emissions by 2024 of 200 t of CO<sub>2</sub>** due to the convergence of several factors:

- a reduction in operational actions, with consequent decrease in vehicle journeys and kilometres travelled by personnel in the field or by personnel of the contractors performing readings of meters that cannot be reached remotely;
- a reduction in paper bills, no longer issued to end customers upon replacement of the meter;
- a reduction in polluting emissions and carbon dioxide output with the obligation to use electric or low-emissions vehicles, imposed on contractors involved in mass replacement of meters.

## ENVIRONMENT SEGMENT – WASTE MANAGEMENT

### SCOPE

The chapter includes ACEA Elabari, for the project “Smart Comp”; the activities of the waste treatment hub, waste-to-energy plants and compost production plants, all within Acea Ambiente; and the activities of Aquaser and Acque Industriali.



Acea manages the end part waste cycle in order to **recover, recycle and reuse waste in the best possible way** and, when possible, **recover energy**. Specifically, it oversees:

- the **treatment of municipal solid waste (MSW)** and other types of waste (like green waste from separate collection, industrial waste, etc.), **for the recovery of material** and disposal of only the residues in landfills;
- the **treatment of liquid wastes** such as leachates and liquid sludge;
- **incineration with energy recovery** with consequent reduction of the soil needed for disposal;
- the **production of high quality compost** for agriculture.

The management of solid and liquid waste is performed **using advanced technology and modern systems**, recently upgraded or expanded, in order to improve and renew processes and increase recovery of material and/or energy. The Companies operating in waste management **carry out research**, also in collaboration and partnerships with university institutions and

Companies in the circular-economy field. Included in this context is the “**Acea Smart Comp**” **local composting** activity performed by Acea Elabari, the “**Sludge Mining**” project for the **recovery of critical raw materials** coordinated by Acea Ambiente and the “**NANOBOND**” project coordinated by Acque Industriali (see specific info. boxes).

During 2020, **Acea Elabari**, with the support of the University of Tuscia and Enea, has continued with the “**Acea Smart Comp**” **local composting** project. This project will enable the Company to become organic waste free during 2021 and to patent the system for its industrialisation. In 2020, research and development activity led to the creation of a new Smart Comp Unit prototype, which will form the basis of the new version “**Acea Smart Comp 2.0**”, and there are plans for the creation and installation of new-generation machines at Enea, FS, Porte di Roma, Centro ELIS and serving barracks of the Italian Carabinieri military police force.

The “**Sludge Mining**” project, coordinated by Acea Ambiente as the leader in this area, aims to contribute to identification of solutions to two significant problems: the lack of plants for recovery and disposal of treatment sludge, with the goal of offering sector operators, at sustainable costs and in line with circular-economy principles, forms of disposal that promote the recovery and reduction of certain raw materials considered “critical” (*Critical Raw Materials*) by the European Union, such as minerals, nutrients and fossil fuels, due to intensive exploitation of mines and deposits.

The design solution proposed **combines advanced industrial technology and innovative processes for the recovery both of the organic component and materials of value contained within treatment sludge, transforming waste into a resource.** “**Sludge Mining**” combines technologies for upgrading of products obtained from the hydrothermal carbonization reaction, referred to as hydrochar, and the liquid phase. The aim of the process is to **extract the highest-value in-**

**ert products from the solid** (*critical raw materials*), including **phosphorus, silicon and magnesium**, and reduce the content of ash, increasing the concentrators of **carbon**. The carbon produced will be used as a replacement for coal, for the production of advanced materials and innovative biological products, thus contributing to achievement of the goals for **reduction in the use of fossil fuels** in manufacturing and energy industries. The liquid phase will be processed by anaerobic digesters to produce biogas, which will be separated to form biomethane. The process will enable optimised energy efficiency throughout the system. A demonstration plant will be developed aimed at validation of the project.

The project partners, in addition to Acea Ambiente, are the National Interuniversity Consortium of Materials Science and Technology, The University of Florence, the University of Pisa, the University of Siena, the Politecnico di Milano university and the Renewable Energy Consortium for Research and Demonstration.

The following paragraphs provide further details of operational aspects of activities in the circular-economy field.

## WASTE MANAGEMENT: COMPOSTING, WASTE-TO-ENERGY, DISPOSAL OF LIQUID WASTE AND RELATED SERVICES

### INTEGRATED WASTE TREATMENT – ORVIETO PLANT

In Umbria, the Company **Acea Ambiente** manages an important **systems hub for waste treatment, recovery and disposal**, ensuring the integrated cycle of municipal solid waste and equivalent materials, produced in the regional basin that includes all municipalities in the province of Terni. The landfill site is also authorised to receive special waste.

The main plant sections are mechanical biological treatment of municipal solid waste, composting and refining of the organic fraction of the sorted waste and disposal in landfills. Management takes place in accordance with the certified Management Systems (see the section *Management systems* in the chapter *Corporate identity*), with the goal of **maximising recovery of materials** (production of high-quality compost) and supporting both the **production of renewable energy** (utilising biogas produced for energy) and the **reduction of waste sent to landfill**.

In 2020, total waste entering the plant was **106,477 tonnes**. 64% (approximately 67,700 tonnes) was sent to landfill and almost all of the remainder was sent to the **anaerobic digestion and composting** section of the treatment plant for the **production of biogas and compost**. Biogas, used for the production of electricity, is also produced naturally by the landfill (see the *Environmental Accounts* for details). At the Orvieto site there are **two energy production plants** powered respectively by the biogas produced by the anaerobic section of the treatment plant and by the biogas produced by the landfill. The electricity generated is broken down as follows:

approximately **2.5 Mm<sup>3</sup> of biogas** and **5.3 GWh of energy** were produced at the treatment plant in 2020;

- approximately **8.3 Mm<sup>3</sup> of biogas** and **12.3 GWh of energy** were produced at the landfill.

**Overall, approximately 16.5 GWh of electricity was fed into the grid.** The Orvieto hub is also equipped with a **photovoltaic plant** owned by Acea Produzione, which generated about 239 MWh in 2020, used to **cover part of the plant’s electricity consumption**.

### HIGH-QUALITY COMPOST PRODUCTION

Experimentation is currently underway with the University of Tuscia on high-quality compost produced by the Orvieto plant hub, totalling 4,618 tonnes in 2020, for use as agricultural fertiliser, applying the direct product and sowing wheat crops on land at the plant itself.

In addition to the Orvieto site, Acea Ambiente has **three other composting plants** in Aprilia, Monterotondo Marittimo and Sabaudia respectively.

The Aprilia plant, still under seizure, is now operating almost at full capacity, and was the subject of an expansion completed in 2020, which **will enable the recovery of 120,000 tonnes of organic fraction per year**, while the **Monterotondo Marittimo plant**, which has undergone expansion and revamping over the last two years, now has a **recovery capacity of 70,000 tonnes/year for organic waste fraction, green fraction and sludge**. Both sites have implemented a **new anaerobic digestion and composting section**, which has enabled **recovery of electricity and thermal energy**, starting from 2020. For details on the quantities of biogas and energy produced, see the chapter *Energy segment* and the *Environmental Accounts*.

**At the Sabaudia plant**, operations were suspended from 31/10/2019, to allow **upgrading work** on the plant<sup>119</sup>. The liquid waste treatment section is currently inactive. The plant has a treatment capacity of 20,000 tonnes of compostable material per year and the aim is to proceed with upgrading to achieve a capacity of 60,000 tonnes/year.

### INTERMEDIATION AND TRANSPORT OF WASTE

<sup>119</sup> During 2021, it is hoped that the pending authorisation procedures will be concluded so that the tender procedure for the executive design and construction of the new composting plant can be published. The upgrading project will increase the treatment capacity to 60,000 t/year of incoming waste.

In 2020, **Aquaser**, which **loads, transports, recovers and disposes of waste produced by treatment plants**, managed a total of **493,000 tonnes of waste** (580,000 tonnes in 2019).

With regard to **intermediation**, during the year Aquaser took charge of **approximately 207,000 tonnes of waste**, of which **152,000 tonnes of sludge** is attributable to the **Group's water companies<sup>120</sup>**, and in particular approximately **93,400 tonnes to Acea Ato 2, AdF and Acea Ato 5**. The dried out and dehydrated sludge coming from these Companies was sent to the following end destinations:

- 58% to material recovery operations (pretreatments aimed at agricultural use and composting);
- 8% to recovery of energy (waste-to-energy);
- 34% for disposal.

Also this year, due to regulatory constraints direct spreading was not used in agriculture.

Aquaser in particular **used its own means** to transport approximately **52,000 tonnes of non-hazardous waste**.

## WASTE-TO-ENERGY

Energy recovery from waste is an important part of the circular economy, which provides energy and economic advantages, it leads to a **notable volumetric reduction and the biological stabilisation of waste**, avoiding as far as possible the disposal of this waste in landfills as such.

In addition to the activities already described of waste treat-

ment and anaerobic digestion, **Acea Ambiente** also manages the waste-to-energy process through the plants of San Vittore del Lazio and Terni. The two plants are operated according to the certified Environmental Management Systems and registration with the European EMAS III scheme (see also the chapter *Corporate identity, Management systems*).

In its current configuration, the San Vittore del Lazio plant is **the largest in the Lazio Region** and plays an important role in the management of municipal waste, both for the advanced technologies used for its construction and for its considerable treatment potential<sup>121</sup>. It is composed of **three independent lines** of waste-to-energy designed to be fed with refuse-derived fuel (RDF), now called Solid Recovered Fuel (SRF), with these characteristics:

- 52 MW<sub>t</sub> of thermal power for line 1 and 56.7 MW<sub>t</sub> of thermal power installed for each of the other two lines;
- 13.9 MW<sub>e</sub> of electric power for line 1 and 15.1 MW<sub>e</sub> for each of the other two lines, for a total power of approximately 44 MW<sub>e</sub>;
- approximately 400,000 t/year of SRF, sludge and other waste at full capacity.

In 2020, approximately **319,100 tonnes of waste** has undergone waste-to-energy processing, and approximately **269 GWh** of electricity has been produced. There has been a slight decrease in this activity, primarily due to a plant shutdown for technical reasons.

**The Terni plant** is composed of **a waste-to-energy line** and has

**TABLE NO. 54 – THE SAN VITTORE DEL LAZIO WASTE-TO-ENERGY PLANT: OPERATING DATA (2018-2020)**

	u. m.	2018	2019	2020
incinerated fuel	t	357,174	340,531	319,122
gross electricity produced	GWh	306.73	276.27	269.38
conversion efficiency <sup>(*)</sup>	kWh/kg SRF	0.86	0.81	0.84

(\*) Relationship between gross electricity produced and quantity of SRF converted to energy.

the following characteristics:

- 52 MW<sub>t</sub> of thermal power installed;
- 13.6 MW<sub>e</sub> of electrical power installed;
- 120,000 t/year of pulper waste (paper mill waste resulting from the pulping of waste paper), as the maximum potential for incoming waste.

The waste-to-energy plant is **also equipped with photovoltaic**

**systems**, the primary system on the pulper waste pre-treatment area and a secondary system on the adjacent building, which in 2020 generated approximately 483 MWh of electricity, with around 54% consumed on site and the remainder sold to the grid. For data on the emissions of both waste to energy plants see the chapter *Air emissions*, in addition to the data in the *Environmental accounts*.

## DISPOSAL OF LIQUID WASTE

**TABLE NO. 55 – TERNI WASTE-TO-ENERGY PLANT: OPERATING DATA (2018-2020)**

	u. m.	2018	2019	2020
pulper waste converted to energy	t	99,971	94,092	90,215
gross energy produced	GWh	82.41	80.93	76.77
conversion efficiency <sup>(*)</sup>	kWh/kg pulper waste	0.82	0.86	0.85

(\*) Relationship between gross electricity produced and quantity of pulper waste converted to energy.

The Company **Acque Industriali<sup>122</sup>**, which is part of Environment Operations, performs intermediation services and treatment of liquid waste for private and public companies, as well as activities connected to the integrated water cycle, primarily consisting of the **recovery and disposal of organic sludge**, through management of **four main platforms** located in Pontedera, Pisa Nord, Empoli and Poggibonsi. In 2020, the

four plants received over **111,000 tonnes of liquid waste**. For details of the type of incoming waste, the resources used, the waste produced and other specific information, see the *Environmental Accounts*.

Acque Industriali use technologies that **support recovery of raw materials contained in waste, energy savings and efficient use of resources**, such as stripping/absorption of ammonia in a closed

<sup>120</sup> The data detailed here for the sake of completeness concerns sludge for which Aquaser has managed the entire supply chain, from loading to transport and final disposal, originating from the following Group Companies: Acea Ato 2, Acea Ato 5, AdF, Umbra Acque, Publiacqua, Acque, Acea Molise and Umbria2.

<sup>121</sup> With reference to Decree Law 133/2014 (referred to with the name "Sblocca Italia"), the plant has been defined as a strategic structure of primary national interest for the protection of health and the environment, as per Lazio Regional Decree no. 199 of 24/04/2016.

<sup>122</sup> The Company Acque Industriali was included within the reporting scope of the 2020 Consolidated Non-Financial Disclosure.

cycle that enables **recovery of ammonium sulphate**, which can be used as an agricultural conditioner. In 2020, **255,000 tonnes** of this were produced. The Company also provides services for design, creation and management of plants for the treatment of wastewater for third parties, decontamination of polluted sites and environmental consulting for the management of plants, investing in research and development in the relevant sectors, in collaboration with recognised Research Bodies. Included in this context is the “NANOBOND” project, coordinated by

Acque Industriali, which combines traditional technology and innovation to develop an **integrated treatment system for the management of contaminated sludge and dredging sediments**, based on the use of **innovative nanostructured materials** with eco-compatible and environmentally sustainable characteristics. The project, amongst many expected benefits, will also enable **waste to be transformed into a resource**, from a circular-economy and environmental-protection perspective (see info. box for details).

### ACQUE INDUSTRIALI COORDINATES THE “NANOBOND” PROJECT: TREATMENT OF CONTAMINATED SLUDGE AND SEDIMENTS

The project **coordinated by Acque Industriali**, entitled “**NANOBOND**” – **Nanomaterials for the decontamination associated with dewatering of environmental materials** – approved for regional co-financing through the **European Development and Research Fund (POR-FESR 2014-2020)**, proposes the development of a new integrated treatment system for the management of contaminated sludge and dredging sediments, based on the use of innovative nanostructured materials with eco-friendly and environmentally sustainable characteristics. **The project aims to implement tubular elements in draining geotextile for the dehydration of sludge and sediments (dewatering), integrating this with the decontaminating action of nanostructured materials (nanoremediation).** This will allow the removal of contaminants present in wastewater and sediments, significant reduction of the volumes and relative costs of transport and transformation of processed sediments from “**waste**” into a **resource**, for the **management of riverbanks**, recovery of the water component and other possible applications.

Through development of **nanoremediation techniques associated with dewatering**, “**NANOBOND**” approaches dredging and management of sludge and sediments, connected with the **stabilization of watercourses**, providing tangible solutions for hydrogeological instability and maintenance of port areas, increasingly subject to build-up

of sand. This technique is **efficient in terms of its capacity to reduce contaminants and implementation times**, and it is easily scalable for on-site applications on a large scale with competitive costs.

The system **has been tested** on dredging of marine sediments (Port of Livorno), brackish waters (Navicelli Canal) and freshwater (drainage channels), where the need to remove variable quantities of contaminated sediments has become an absolute priority at the regional, national and European level. There has been a particular focus on the choice of **raw materials from renewable sources**, also from **recycling**, starch from tubers and waste paper pulp for the synthesis of nanomaterials/structures, with competitive production and process costs, and environmental compatibility. These are the principles underlying green nanotechnology for the development of nanotechnologies that are safe for the environment and human health (**nano-ecosafety**), which minimise the risks linked to production and use throughout their life cycle.

In addition to Acque Industriali, heading up the project, partners include: the National Interuniversity Consortium of Materials Science and Technology, the Universities of Siena, Pisa, Turin, and the Politecnico di Milano, ISPRA, ERGO (start-up of the Scuola Superiore Sant’Anna high school in Pisa), LABROMARE, BIOCHEMIE Lab and the BARTOLI paper mill for the production of (nano)materials and ASEV Ag. for development and Technology District.

## WATER SEGMENT

### SCOPE

The scope includes the Companies Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa.

Acque, Publicacqua and Umbra Acque, water Companies not included in the scope of the *Consolidated Non-Financial Disclosure* (pursuant to Legislative Decree no. 254/2016). They have been

included only in the water graphs, with evidence of their contribution, and in a few other global data (water fed into the system and analytical calculations). Specific data concerning these Companies are provided in a separate chapter: *Water Company data sheets and overseas activities*.



**6.1 million** CITIZENS SERVED AND **480 Mm<sup>3</sup>** OF DRINKING WATER SUPPLIED BY ACEA ATO 2, ACEA ATO 5, GORI, ADF AND GESESA



APPROXIMATELY **34,100 km** OF DRINKING-WATER NETWORK MANAGED BY ACEA ATO 2, ACEA ATO 5, GORI, ADF AND GESESA



**769,888 analytical tests** ON DRINKING WATER (ACEA ATO 2, ACEA ATO 5, GORI, ADF AND GESESA)

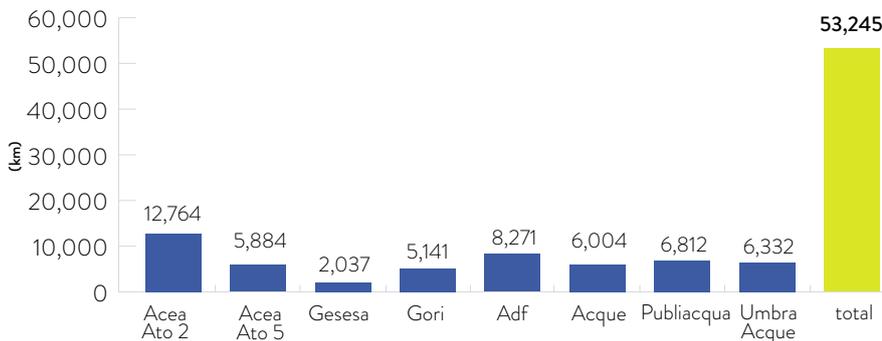
The Acea Group is a national leader in terms of number of citizens served and one of the primary operators in the water sector. Activities regarding **management of water resources** for all phases defined by the **integrated water service** are performed with an increasing focus on preservation and safeguarding of water and natural ecosystems (from springs to receiving bodies of the water returning into the environment).

Safeguarding of water resources translates into the priority action of **recovering leaks** (see the section *Attention to water consumption*), the **circular economy**, activities to combat **climate change**, **protection of springs** (see the paragraph *Protection of the territory*) and also increasingly precise **monitoring** of internal water consumption, with the end goal of reducing consumption.

The **total** pool of users served in Italy by the Group<sup>123</sup> is about 8.5 million residents, with **volumes of drinking water fed into the network in 2020** equal to approximately **1,360 million cubic**

**metres**. The distribution networks of the main Group Companies operating within the integrated water service stretches over 53,000 km (see chart no. 50).

**CHART NO. 50 – THE WATER DISTRIBUTION NETWORK OF THE GROUP IN ITALY (2020)**



**NOTE** The kilometres of network include the aqueducts.

The **volumes of drinking water drawn and delivered by Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa** are equal to approximately **1,074 million cubic tonnes**, with total issue<sup>124</sup> of 480 million cubic metres for **6.1 million citizens served**. For specific data on the three Companies, see the *Environmental Accounts*.

99.9% of the volumes drawn are fresh water, with the remainder, approximately 2 million m<sup>3</sup> being seawater and drawn in the Tuscany area. The sources are located in areas at potential risk of water stress, as defined by the *Aqueduct Water Risk Atlas*, the map drawn up by the World Resources Institute (WRI)<sup>125</sup> that compares water availability with communities present, taking into consideration risks caused by climate change, pollution and ex-

treme weather events (drought and flooding). The Companies in the water segment implement various initiatives to mitigate the impacts associated with these risks, including Water Safety Plans (see the section *Water Safety Plans - WSPs*), investments to secure water supplies and actions to minimise leaks on distribution networks.

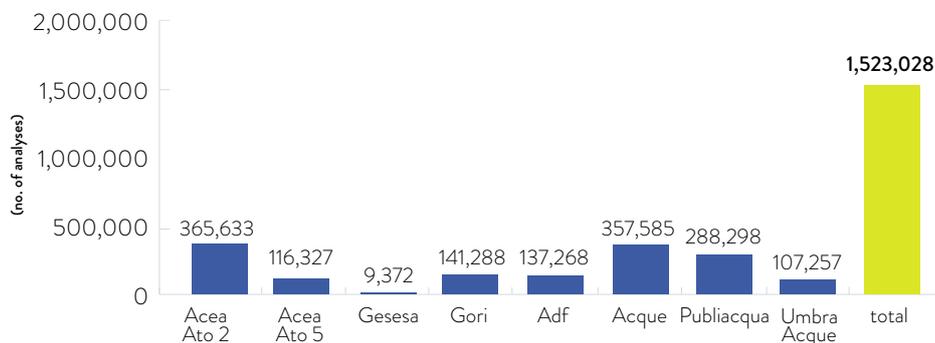
In **OTA 2 – Central Lazio** alone, comprising the city of Rome and 111 other municipalities – of which 79<sup>126</sup> under management at 31 December 2020, in line with 2019 – **the volume of water withdrawn and fed into the network** serving the approximately 3.7 million inhabitants was approximately **691 million cubic metres**<sup>127</sup>.

## WATER QUALITY

Water quality is monitored by all of the Companies of the relative industrial area (see chart no. 51). The **checks**, in addition to those performed by the Local Water Authorities, are performed on a scheduled, ongoing basis and regard both drinking water issued and

wastewater issued back into the environment following the treatment process. The **analyses** on the **drinking water** distributed to users play an **essential role** for the resulting health related effects. Analyses with compliant results, for all Companies, are always above 89% of the total<sup>128</sup>.

**CHART NO. 51 – TESTS OF DRINKING WATER, TOTAL AND BY COMPANY (2020)**



**NOTE** For Acea Ato 2 it is noted that out of a total of 365,633 analyses, 340,178 were performed by Acea Elabori.

<sup>123</sup> The data of the total inhabitants served by the water business, of the volume fed into the network, and the size of the networks and checks on the water (shown in special graphs) include the main Operating Companies of the Group, also those not included within the scope of the *Consolidated Non-Financial Disclosure*.

<sup>124</sup> This refers to the total amount of drinking water dispensed and billed in the network by the Companies within the scope.

<sup>125</sup> For identification of areas under water stress, as indicated by the standard GRI 303, the *Aqueduct Water Risk Atlas* was employed, available on the World Resource Institute website: <https://www.wri.org/aqueduct>.

<sup>126</sup> In 18 other municipalities the integrated water service was managed partially.

<sup>127</sup> The items of the water balance of the past three years were calculated using the calculation criteria supplied by ARERA. See the *Environmental Accounts* for details.

<sup>128</sup> The figure ranges from 89% for Acea Ato 5 to 99% compliance for Acquedotto del Fiora.

In **Rome**, the qualitative characteristics of the resource collected and distributed are monitored through **continuous testing**, with instruments located along the water systems and through **daily sampling** at the collection points and in the distribution network. In Lazio there are areas of volcanic origin where the water has potability problems, linked to the natural presence of some substances in greater concentrations compared to those permitted by the relevant legislation. In these areas, Acea Ato 2 has taken various actions over the years aimed at resolving these problems, increasing the number of drinking water plants capable of removing unwanted substances, reducing them to concentrations well within legal limits.

Regular monitoring of the chemical/biological parameters of the water which circulates in the distribution network of the water system allows the quality safety level to be kept high. Overall, in 2020, 365,633<sup>129</sup> analyses were performed in the area managed by OTA 2, for a total of 11,875 samples, of which 340,178 anal-

yses on 9,311 samples of drinking water were performed at the Grottarossa Laboratories managed by Acea Elabiori.

**The Company Acea Elabiori, accredited pursuant to the ISO/IEC 17025 standard** (in 2020 it obtained ISO/IEC 17025:2018 certification), performs and certifies chemical and microbiological analyses in different substrates, including water (see table no. 56 for the analyses performed on Rome drinking water). **Gesesa** instead uses two outside laboratories (see the *Environmental Accounts* for aggregate and detailed data). **AdF**, which outsources analyses to Publiacque SpA, took 3,987 samples, identifying representative withdrawal points in the context of districts, with equivalent characteristics, into which the entire network of the aqueduct is divided. All withdrawal points are georeferenced using the GPS system and area available in WebGis. In 2020, AdF launched a development project for creation of an in-house laboratory from as early as 2021, with plans for accreditation pursuant to standard ISO IEC 17025:2018.

**TABLE NO. 56 – ANALYSES IN ROME (2018-2020) AND MAIN QUALITY PARAMETERS OF THE DRINKING WATER DISTRIBUTED IN LAZIO, IN CAMPANIA AND IN TUSCANY (2020)**

**ANALYSES PERFORMED BY ACEA ELABORI ON DRINKING WATER – ROME HISTORICAL NETWORK (2018-2020)**

withdrawal area	no. withdrawal points		no. samples			no. analyses		
	2020	2018	2019	2020	2018	2019	2020	
collection	53	437	329	227	21,119	11,968	13,579	
water system and water feed pipes	21	130	164	135	5,167	5,617	4,950	
tanks/water centres	22	152	203	85	6,306	7,096	3,048	
distribution networks	436	3,326	3,095	3,619	109,571	99,835	120,372	
<b>total</b>	<b>532</b>	<b>4,045</b>	<b>3,791</b>	<b>4,066</b>	<b>142,163</b>	<b>124,516</b>	<b>141,949</b>	

**MAIN AVERAGE CHEMICAL AND MICROBIOLOGICAL CHARACTERISTICS OF THE DRINKING WATER DISTRIBUTED IN LAZIO, IN CAMPANIA AND IN TUSCANY (2020)**

parameters	measurement unit	average value Acea Ato 2 (Rome and Fiumicino)	average value Acea Ato 5	average value Gori	average value Gesesa	average value AdF (all Municipalities)	parameter Legislative Decree no. 31/01
chlorides	mg/l Cl	7.2	6.4	59	17.8	25.0	< 250
sulphates	mg/l SO <sub>4</sub>	16.3	11.6	26	28.8	39.0	< 250
calcium	mg/l Ca	101.3	124.2	134	exempt (*)	61.0	not applicable
magnesium	mg/l Mg	19.1	18.4	33	exempt (*)	9.6	not applicable
sodium	mg/l Na	5.5	3.8	42	17.7	16.0	< 200
potassium	mg/l K	2.4	1.0	14	exempt (*)	2.2	not applicable
calculated fixed residue	mg/l	409.3	454.6	663	374.7	297.0	(**)
nitrates	mg/l NO <sub>3</sub>	3.5	4.5	18	12.1	4.6	< 50
fluorides	mg/l F	0.16	0.17	0.46	0.3	0.14	< 1.50
bicarbonates	mg/l HCO <sub>3</sub>	406.3	467.2	580	exempt (*)	196.0	not applicable

(\*) In accordance with Legislative Decree no. 31/01 and in agreement with the health authority, Gesesa is exempted from supplying the parameter.

(\*\*) Maximum value recommended: 1,500 mg/l.

## WATER SAFETY PLANS (WSPS)

The implementation of a **Water Safety Plan (WSP)** is required for all water systems pursuant to the Decree of the Italian Ministry of Health of 14/06/2017, in implementation of European Union Directive 2015/1787, which adopted the WSP methodology developed by the World Health Organization (WHO). The WSP enables **prevention and reduction of the risks inherent**

**in the drinking water service**, assessing dangerous events along the entire water supply chain (collection, treatment and distribution to the user's meter). The risk is calculated on the basis of the severity and probability of the pollution event or water shortage and after such assessment, the following are defined: **actions to mitigate risks, monitoring systems, operating procedures** under normal and emergency conditions, the **water quality control plan**, the methods for **informing** the public and the competent authorities.

<sup>129</sup> The data on analyses of drinking water from 2018 also include tests on aqueducts acquired recently (Civitavecchia and others).

The WSPs must be constantly updated, taking into account changes to plants, evolution of the regulatory context and climate and environmental changes. Finally, their implementation involves internationally recognised methods established by the WHO. In Italy, the Istituto Superiore di Sanità (ISS) has adopted WHO guidelines and will approve WSPs on a case-by-case basis. The first WSP implemented in 2019 in **Acea Ato 2** concerned the water system fed by the new Grottarossa plant for generation of drinking water using water from the River Tiber and, subsequently, the Company launched the WSPs for major aqueduct systems managed. Overall, implementation of the **Water Safety Plans in Acea Ato 2** will involve 100% of the population served by aqueduct systems managed by Acea Ato 2. So far, site surveys have been completed, along with **preparation of checklists for six aqueduct systems. For three aqueduct systems, the WSP documents have been sent to the Ministry of Health.**

In 2019, AdF also launched a project for development and implementation of a **Water Safety Plan**, focused on the aqueduct systems fed by the **Santa Fiora springs**. After the first year of work dedicated to organisation, definition of the project team and mapping of the drinking water system, in 2020 **infrastructure risk analysis** was conducted, with an approach based on the **FMEA methodology** (Failure Mode and Effect Analysis). The results of the analysis highlighted the main critical areas of plants and water networks for which it is necessary to identify and plan structural/management actions. In addition, to perform a detailed assessment of the potential vulnerability of the aquifer, in 2020, AdF launched an agreement for scientific partnership with the Institute of Geoscience and Georesources of the CNR (National Research Council) of Pisa (see also the section *The commitment to research and innovation* in the chapter *Institutions and the Company*). The study will form a scientific knowledge base for the definition of appropriate protection areas by the competent Authorities. During the year, **Gori** created a cloud environment for sharing information regarding the entire drinking water supply chain and useful knowledge for the **WSP implementation and approval process**, to make available also to Institutions. In the context of these activities, a meeting was organised with the ASL NA3 local health authority of Naples, the Campania regional authority and the Istituto Superiore di Sanità for dialogue and preparatory technical training on WSP development, with a particular focus on aqueduct systems and the entire drinking water supply chain. In 2020, **Gesesa** continued with training plans and authorisations on the draining necessary to manage WSPs, which will be prepared in collaboration with the University of Sannio. After mandatory training for personnel that will draft the Water Safety Plans (WSPs), in 2020, **Acea Ato 5** proceeded with acquisition of information on water collection sources.

## WATER LEAKS

Sustainable management of water also requires **minimising leaks from distribution networks** and all Group Companies operating in the water sector are involved in this important area. During 2020, in line with the previous year, there was **intensive activity to search for leaks**, quantified as presented in chart no. 52, in order to recover the greatest possible quantity of water. In particular, this was done by division of the network into districts, i.e. areas not connected to each other and with measured inputs. Dividing the network into water districts makes it possible to

optimize operating pressures with an immediate advantage in terms of reducing lost volumes, facilitating targeted searches for leaks in the most critical districts. The system enables optimisation of network management, supporting repair works and reducing their frequency. With greater control of the individual parts of the network, it is possible to reduce the formation of leaks and promptly and simply identify their existence or other problems. Overall, to date, **Acea Ato 2** has created 399 measurement districts for over 7,000 km of distribution network. The activity consisted of surveys, flow and pressure measurements, map production, user analysis and water balancing, creation of measurement stations, installation of shut-off and adjustment elements, mathematical modelling and searches for leaks. The results of efficiency actions were imported into the GIS systems. Further actions implemented in 2020 to safeguard water resources included: verification and calibration of water meters installed on large water sources and the installation of flow meters on all “minor” sources and in drinking water plants, with the goal of optimising the quality of process measurements, continuation of survey activity and georeferencing of networks under management. **The actions implemented enabled a reduction in water-loss volumes of approximately 4% compared to 2019.**

In 2020 **Acea Ato 5** continued analysis of water networks in 27 municipalities. The Company created **235 districts**, covering 2,026 km of network and, on the basis of precise water-leak identification activity, primarily through acoustic systems, it identified **382 leaks**, of which 97 not acted upon (false positives, unsuccessful, leak already repaired, etc.), **215 repaired** and 70 awaiting works. Finally, using innovative technology such as satellite and aerial searches for leaks, during the year another 25 leaks were identified, some of which are under repair.

In 2020, **Gesesa** continued with development of the division of the water networks into districts, extending the reduction of pressures, in order to cover all municipalities managed. Specifically, three new water districts were created. Following an analysis of the networks, about **7 km of infrastructure was reclaimed.**

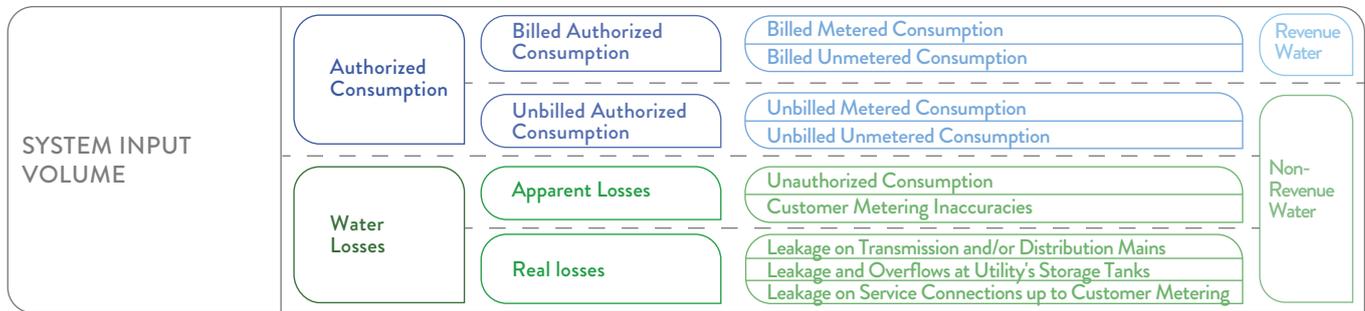
**AdF** conducted intensive activity to search for system leaks on its own water networks. In total in 2020, the Company inspected approximately 2,800 km of distribution network. In the context of division of the network into districts, approximately 280 km of water network has been placed under monitoring and remote control, for a total coverage of 88% of the distribution network. In addition, AdF has launched three pilot studies that will continue in 2021, with experimentation of innovative technologies in the context of network management. Specifically, a satellite monitoring project has been launched for the location of water leaks, covering approximately 600 km of network, and a project for monitoring and management of pressures with automation of water regulation valves. AdF is also experimenting with a **predictive methodology**, which uses historical geomorphological and water data to precisely identify the zones at the highest risk of breakages, reducing investigation areas. The goal is to identify 70% of leaks and probable breakages in 30% of the network. The activities launched have allowed a significant reduction in the volume of water lost, corresponding to approximately 1.5 million m<sup>3</sup> (-5% compared to 2019).

In 2020 **Gori** conducted searches for leaks on 1,608 km of water network, of which 834 km of network was analysed using “systematic” searches for leaks, and 774 km on the basis of “faults”. The “systematic” search for leaks primarily involved the Municipalities of Angri, Capri, Castellammare Di Stabia, Gragnano, Lettere, Marigliano, Massa Lubrense, Nocera Inferiore, Nola, Pagani,

Pomigliano D'Arco, Sant'Agnello, Sarno and Vico Equense, while "fault" searches were spread over the entire territory managed. In addition, in 2020, Gori installed 41 pressure and flow regulation valves and carried out reclamation works on over 60 km of water network, distributed across almost all OTA 3 Municipalities. These

actions enabled a recovery of water resources estimated at approximately 146 l/s over the whole of OTA 3. In the 2020-2024 Sustainability Plan, all of the Companies defined targets for reduction in water-loss volumes.

### CHART NO. 52 – WATER LOSSES



**NOTE** The image refers to the model of the International Water Association.

Thanks to efforts to improve the efficiency of metering and to combat illicit use, at **Acea Ato 2** the overall losses for the year fell to about 42% (they were equal to 44% in 2019). Furthermore, in line with the downward trend of the previous two years, total losses on the Rome network were down by 29.5% (34% in 2019 and 38% in 2018). For **Acea Ato 5**, due to the actions taken, 2020 losses were equal to approximately 68% (76% in 2019) of the total issued into the aqueduct system. Following the actions described above, **Gori** saw a reduction in global losses from 53.2% to 52.4%.

For **Gesesa** annual losses came to around 59.5% of water issued into the aqueduct system. An improvement is expected from 2021, with launch of a Water Resource Recovery Plan that involves replacement of pipes in some Municipalities and implementation of remote-control systems. For **AdF** the works performed enabled a reduction in the figure for losses from 46% in 2019 to 44% in 2020. See the *Environmental Accounts* for details on individual water balances.

## SEWERAGE SERVICE AND TREATMENT SYSTEM



APPROXIMATELY **13,500 km** OF SEWERAGE NETWORK AND **484 treatment plants** MANAGED BY ACEA ATO 2, ACEA ATO 5, GORI AND GESESA, FOR **714 Mm<sup>3</sup>** OF TREATED WASTE WATER



APPROXIMATELY **124,590 tonnes of sludge** produced BY ACEA ATO 2, ACEA ATO 5, GORI AND GESESA, OF WHICH **44% recovered**

The water resource, after uses for the various civil purposes, is **collected through the sewer pipes** and **sent to the treatment plants**. There, **pollutants are removed via physical processes** (filtering, sedimentation, flocculation) **and biological methods** (aerobic and/or anaerobic decomposition of the organic substance with bacteria). With **around 868 treatment plants** (of which **484** are managed by Acea Ato 2, Acea Ato 5, AdF, Gori and Gesesa), the total volumes of water processed by the Group<sup>130</sup> in 2020 was approximately **914 Mm<sup>3</sup>**, of which **714 Mm<sup>3</sup>** by Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa<sup>131</sup>. The total number of Group treatment

plants has decreased, from 895 in 2019 to 869 in 2020, on the basis of the **project for centralisation of treatment of wastewater** in order to streamline the service, which involves all Companies (see info. box for details on Acea Ato 2). For the Companies Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa, the percentage coverage of the sewerage and purification services, out of the total users served by the water service, and the volumes of wastewater treated are given in table nos. 56 and 57. The sewerage networks managed amount to about **22,100 km**, of which **13,492 km** relate to the five Companies cited.

<sup>130</sup> Again in this case, the data relating to the number of treatment plants, the volumes treated, the size of the networks and the controls refer to the main Group Companies operating in the water sector, including those not included in the full scope of consolidation.

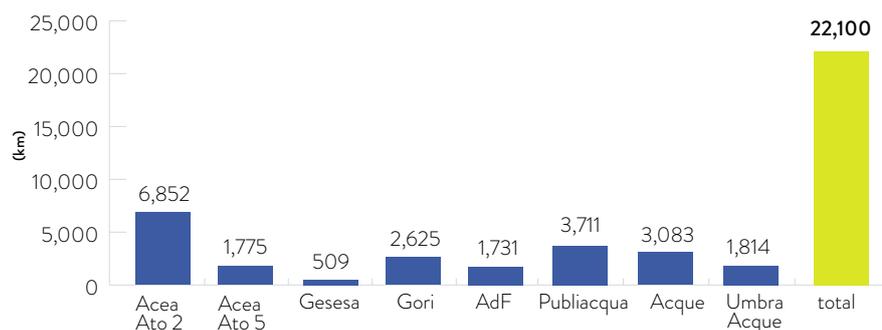
<sup>131</sup> Gesesa started installing the first flow meters on certain plants in 2020 and estimating the quantities of wastewater treated.

**TABLE NO. 57 – VOLUMES OF WASTEWATER TREATED BY WATER COMPANIES OPERATING IN LAZIO, IN CAMPANIA AND IN TUSCANY (2018-2020) (Mm<sup>3</sup>)**

Company	2018	2019	2020	destination
Acea Ato 2	582.7	599.8	596.9	returned to the environment (river/channel)
Acea Ato 5	21.2	21.3	21.3	surface water body (river)
Gori	7.7	45.2	70.1	surface water body and sea (4% in sea)
AdF	25.4	25.8	23.3	surface water body and sea (0.9% in sea)
Gesesa (*)	n/a	n/a	2.2	surface water body (river)

(\*) In 2020, Gesesa began installing flow meters at the entry to treatment plants. The 2020 figure is estimated.

**CHART NO. 53 – SEWER NETWORKS OF THE GROUP IN ITALY (2020)**



**TABLE NO. 58 – PERCENTAGE COVERAGE OF THE SEWER AND PURIFICATION SERVICES OVER THE TOTAL USER ACCOUNTS OF THE WATER COMPANIES IN NFD (2018-2020)**

Company	2018		2019		2020	
	sewer	purification	sewer	purification	sewer	purification
Acea Ato 2	91.6%	88.2%	91.5%	88.1%	91.7%	88.4%
Acea Ato 5	66.9%	56.1%	66.5%	55.9%	66.8%	57.3%
Gori	82.2%	65.7%	82.3%	66.0%	84.0%	70.4%
Gesesa	80.2%	27.3%	80.3%	30.4%	80.6%	33.9%
AdF	86.8%	75.9%	86.8%	75.0%	86.8%	75.0%

The water in output from the plants cited, after having undergone the purification treatments described, has chemical and biological properties compatible with the life of the receiving body of water and in accordance with the values of the parameters which must not be exceeded in order to guarantee full compatibility (as per Legislative Decree no. 152/2006).

Almost 100% of the wastewater treated, which can be defined entirely as “fresh water”, containing less than 1,000 mg/l of total dissolved

solids, ends up in bodies of surface water. Only 0.9% of the water treated by AdF is discharged into the sea and 4% of the water treated by Gori, equal to approximately 1% of total water treated<sup>132</sup>. The portion of water discharged into the sea travels through underwater pipes, following treatment at the coastal treatment plants of the Sorrento Peninsula (Sorrento, Massa Centro and Marina del Cantone) and the island of Capri (Gasto, Occhio Marino and La Selva). The main basins affected by discharge are presented in table no. 59.

**TABLE NO. 59 – HYDROGRAPHIC BASINS AFFECTED BY DISCHARGES OF COMPANIES MANAGING THE IWS**

Company	hydrographic basins affected
Acea Ato 2	basins of rivers Tiber, Aniene, Mignone and Arrone
Acea Ato 5	basins of rivers Gari, Sacco, Cosa and Liri; Fosso della Maddalena, tributary of the River Sacco, Fosso del Diluvio, tributary of Lago di Canterno
Gesesa	basins of rivers Calore, Sabato, Isclero and Tammara
Gori	hydrographic basin of the river Sarno and Regi Lagni canals
AdF	basins of the rivers Ombrone, Orcia, Fiora, Albegna and Elsa Pecora

**NOTE** Prior to discharge, wastewater is treated in the treatment plants managed by the Companies themselves.

<sup>132</sup> The discharge of water, as for intake, occurs in areas at potential risk of water stress, as defined by the cited Aqueduct Water Risk Atlas.

## CENTRALISATION OF ACEA ATO 2 TREATMENT PLANTS

To improve the quality of treated water, Acea Ato 2 has defined a Centralisation Plan for treatment plants aimed at streamlining the treatment service, centralising treatment, where sustainable, at a limited number of sites identified through analysis of the territory from a geomorphological and urban-planning perspective.

In fact, with a high number of small and medium-sized treatment plants (127 treatment plants with capacity below 10,000 P.E.), service coverage is guaranteed primarily by large and medium-large treatment plants (42 treatment plants with capacity above 10,000 P.E.). From the date of acquisition of the Integrated Water Service (2003), 22% of treatment plants with a low capacity have already been elim-

inated. The reduced fragmentation in favour of medium-large plants, combined with integration of sewerage collector systems, has allowed **greater control of treatment efficacy** and **optimisation of management and energy costs**.

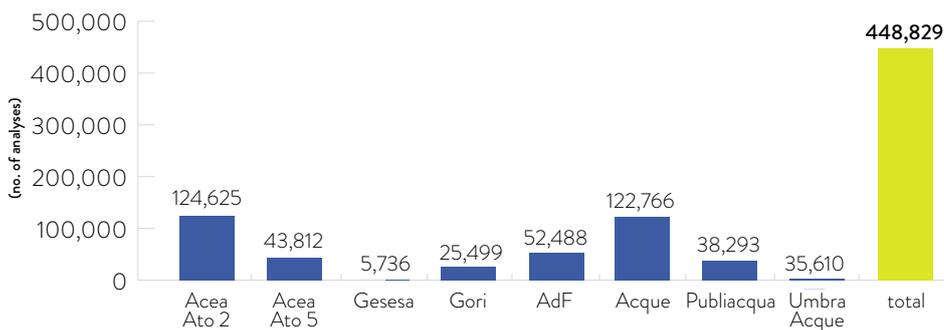
Acea Ato 2 has therefore prepared a rationalisation plan, which it keeps up to date, choosing between centralisation and upgrading of small plants on a case-by-case basis. The optimal solution depends on many factors that must be carefully evaluated for the specific case, in the context of assessing the entire life cycle of a treatment system. In 2020, the Centralisation Plan reached the goal of **eliminating a further 7 minor treatment plants**.

The Company manages treatment processes pursuing the maintenance and improvement of efficiency, in line with the provisions of the authorisations required for each plant and on the basis of the regulatory context in which they operate. The discharge limits are established for each plant, through an authorisation issued by the competent administrative body, which, on the basis of technical and environmental assessments during evaluation, may set stricter parameters compared to those applicable nationally. In this regard, for example, the regulatory framework in which Acea Ato 2 operates is characterised by prescriptive standards for discharge which are slightly higher compared to the national regula-

tory reference level, and similarly, for Acea Ato 5, in the Province of Frosinone, authorisations regarding the quality of water discharged are stricter than those established by sector-wide regulations. This is a precautionary approach.

The Company that performs analyses to verify the proper treatment of waters precisely indicated the percentages of non-compliance with discharge limits, which are nevertheless very low, relative to the total quantities analysed: 3.5% for Acea Ato 2, approximately 2% for Gesesa, 0.6% for Gori and 0.9% for AdF. Acea Ato 5 has zero non-compliance. In 2020, no hazardous substances were identified in analyses of Group wastewater.

**CHART NO. 54 – ANALYTICAL CHECKS ON WASTEWATER, TOTAL AND BY COMPANY (2020)**



Specifically, for **Acea Ato 2**, more than **124,600 analyses performed confirm the high purification performance** achieved by the treatment process.

In the “historic” area managed by Acea Ato 2, which includes **Rome and Fiumicino, the main treatment plants treated in 2020 approximately 512 million of cubic metres of wastewater**, a figure that is in line with the previous year (514 million cubic metres in 2019). Considering also the smaller treatment systems

and the plants of the municipalities acquired in OTA 2 (a total of 164) a total **volume of approximately 597 million cubic metres of wastewater treated**, in line with 2019 (approximately 600).

Table no. 60 shows the details of the main parameters from the main treatment plants of Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa. Other indicators of the efficiency of purification are described in the section *Key environmental performance indicators – Water segment* of the *Environmental Accounts*.

**TABLE NO. 60 – OUTPUT PARAMETERS OF THE MAIN TREATMENT PLANTS MANAGED BY ACEA ATO 2, ACEA ATO 5, GORI, ADF AND GESESA (2020)**

parameter	Acea Ato 2	Acea Ato 5	Gori	AdF	Gesesa (Benevento)	concentration limits in surface water (Legislative Decree no. 152/06)
	average of values (mg/l)					
BOD <sub>5</sub>	5	4	9	7	11	≤ 25
COD	16	22	20	36	21	≤ 125
SST	8	6	15	8	9	≤ 35
nitrogen (ammoniacal, nitrate, nitrous)	10	7	8	19	7	-
phosphorous	2	1	1	3	0	-
quantity output (t)						
COD	13,905	1,159	1,231	585	41	-
SST	7,465	356	1,004	136	32	-

The **sludge produced** during the purification process is **mostly sent for recovery of material** (see the section *Intermediation and transport of waste in Environment segment*).

In 2020, numerous actions were taken aimed at reducing the **quantity of sludge produced by treatment plants** managed by the Group Companies. Specifically, **Acea Ato 2** launched works for the **new dehydration section for sludge at the Roma Sud treatment plant**. For the **Ostia treatment plant**, where testing was completed during the year of the **mobile dryer**, **installation of a fixed thermal dryer** is underway. On the basis of these actions, a reduction in the quantity of dehydrated/dried sludge is expected in 2021, in line with the goals established in the 2020-2024 Sustainability Plan. In 2024, it is expected that the sludge produced will be dried at the largest plants (Roma Est, Roma Nord, Roma Sud, Ostia and COBIS). It is also noted that, again in 2024, creation of a new line at the San Vittore del Lazio waste-to-energy plant, all of the sludge produced by Acea Ato 2, stabilized and dried, will be subject to energy recovery.

During 2020, **AdF** continued works at the Grosseto San Giovanni plant for **centralisation and thermochemical hydrolysis of all sludge produced** by treatment plants under its management, which will be launched in 2021. Monitoring and optimisation of performance of the centrifuges serving the main plants in any

case enabled a significant reduction of approximately 19% in sludge produced compared to 2019.

For **Acea Ato 5**, growing attention on the identification of innovative technological solutions aimed at **recovering material from treatment sludge**, as well as the decision to apply **circular-economy** principles in the waste-treatment sludge sector, led the Company to opt for the use of a high-efficiency treatment plant with residual capacity, with selection of the Fiuggi Colle delle Mele plant, for the treatment of liquid waste produced, rather than using smaller plants (in terms of equivalent residents) and without sludge lines. Planning is also underway for the dryer at another plant.

In 2020, **Gesesa** installed a centrifuge for dehydration of sludge at the main treatment plant serving the town of Benevento. **Gori**, which already has a sludge drying plant serving the Scafati treatment plant, at the end of 2020 launched operations of a drying plant at the Angri treatment plant, already created according to plans but held out of service by the previous management. For the plants of Nola and Nocera Superiore, annexed in 2019 under the old scope of treatment plants managed, authorisation and technical activity is underway for upgrading of existing dryers and activation is expected during the next two years.

#### EXPERIMENTATION OF GORI ON AGRICULTURAL USE OF TREATMENT SLUDGE

In 2020, experimental works were carried out in the context of two university theses conducted at the Nocera Superiore treatment plant in 2019 by students of the Department of Biology and Chemistry at the University of Salerno and the Department of Biology of the Università degli Studi di Napoli Federico II in Naples, which investigated the **potential agricultural use of treatment sludge produced**. The treatment sludge of the plant in question, in fact, is characterised by a significant component of **plant origin**, derived from wastewater produced by canned/preserved food industries that contain waters used to wash tomatoes. The study compared

the application of commercial compost and sludge produced at the Nocera plant, and evaluated the effects on soil quality, to verify maintenance of fertility and function. This initial verification identified that application of treatment sludge, in line with application directives regulating spreading, did not have negative ecotoxicological effects, but demonstrated very limited benefits in terms of fertility. Therefore **further experimental activities to proceed with** were identified, for a full understanding of the actual potential for agricultural use of sludge produced by the Nocera Superiore treatment plant.

In 2020, **Acea Ato 2** continued with **preparatory activities for the production of biomethane**, as an **opportunity for operators in a circular-economy context**, with a project aimed at future production of more than 2 million Sm<sup>3</sup> of biomethane/year (1 Sm<sup>3</sup>/year in 2024, as per the Sustainability Plan), utilising the biogas available in the two large treatment plants for civil wastewater from Roma Est and Roma Nord. For the Roma Nord plant, a landscape authorisation was obtained from the Lazio Regional Authority. For the Roma Est plant, an authorisation was obtained regarding landscape aspects from the

Lazio Regional Authority, as the plant is located within the Valle dell'Aniene Nature Reserve, and for water purposes, for the location of the plant in a water risk area of the River Aniene. Finally, for both, positive opinions were received from the ASL local health authority and the plants are awaiting amendment of the Emissions Authorisations. In addition the procedures have been formally initiated for creation of interconnection systems with the gas network, in collaboration with Italgas, the operator of the gas distribution network, both for Roma Nord, since December 2019, and Roma Est, since November 2020.

#### ACEA ATO 2 – BIOMETHANE

The Acea Ato 2 project involves the creation of a **biogas upgrading (refinement) section**, composed of a line with selective membranes with a nominal capacity of 230 Sm<sup>3</sup>/h and a regulation and measurement unit to control the quality and amount of biomethane produced. The purpose of the project is to “isolate” the methane contained in the biogas, optimising its subsequent usage. Today, biogas is primarily used for the generation of heat for digesters. With the project underway, **the methane obtained from the refinement process will instead be input into the existing gas network and destined specifically to power vehicles through**

**appropriate “certification” of the quantities produced and input into pipes**. In this way, it will be possible to access new incentives available under current legislation, ensuring the sustainability of this large investment, with a total value of € 8 million, required for performance of engineering works. Each processing system will have a production capacity of approximately 1,300,000 Sm<sup>3</sup> annually of biomethane, and will benefit from a significant improvement in the management of biogas produced, alongside all the other **benefits from an energy, economic and environmental perspective**.

# THE USE OF MATERIALS, ENERGY AND WATER



INCREASED ENERGY EFFICIENCY (ARETI AND THE WATER SEGMENT): APPROXIMATELY **6.9 GWh of savings/year** AND **2,300 t OF CO<sub>2</sub> EMISSIONS AVOIDED**



AROUND **425 GWh of electricity consumption** OF THE GROUP COMPANIES **from renewable energy** WITH GUARANTEE OF ORIGIN AND **142,800 t OF CO<sub>2</sub> EMISSIONS AVOIDED**

## CONSUMPTION OF MATERIALS

The main materials used in production processes differ according to the business sector. For the **Companies in the Environment segment**, the most important resources are **incoming waste for production of compost and electricity** (waste-to-energy from pulper waste and SRF). Thermoelectric plants, managed by **Acea Produzione**, use **fossil fuels (natural gas and gas oil)** for the **production of electricity**. For the electricity distribution process, managed by **Areti**, a primary component is sulphur hexafluoride

(SF<sub>6</sub>) used in medium and high-voltage plants for its high insulating capacity, which allows use of less space.

Meanwhile, **Companies in the water segment** use significant quantities of **chemical products**, which are essential for the management of processes, e.g. reagents for the production of drinking water, disinfection and purification of wastewater. Finally, **Acea Energia** and the water Companies responsible for the management of commercial aspects use **paper** for billing customers. Please see table no. 61 and the *Environmental Accounts* for details of resources used by each area.

TABLE NO. 61 – TYPE AND CONSUMPTION OF MATERIALS BY THE MAIN COMPANIES IN THE GROUP (2018-2020)

materials	u.m.	2018	2019	2020
incoming waste for composting and landfill	t	119,857	153,330	221,950
pulper	t	99,971	94,092	90,215
SRF	t	357,174	340,531	319,122
methane	Sm <sup>3</sup> x 1,000	21,420.2	23,703.0	23,495.6
gas oil	l	230,350	574,405	587,028
SF <sub>6</sub>	t	21.7	21.9	22.3
various chemicals of water Companies	t	11,672	15,652	16,964
paper	t	336	356	352

**NOTE** Data on incoming waste includes waste sent for anaerobic and aerobic treatment at the Orvieto landfill and waste processed for the production of compost (sludge, green, OFMSW and other agrifood waste). Pulper and SRF for waste-to-energy are resources with a renewable component linked to the biodegradable fraction of the waste. In 2020, the renewable and biodegradable portions of pulper waste and SRF were approximately 42%. The data for chemicals and paper in the 2018-2019 two-year period have been updated with AdF consumption. The data for paper are related to the billing of the Companies Acea Energia, Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa.

## ENERGY CONSUMPTION

### THE GROUP'S ENERGY CONSUMPTION

**Total energy consumption**, both **direct and indirect**, is approximately **12,600 TJ**, with an increase of 2.7% compared to 2019, due primarily to greater energy use of biogas and SRF/pulper waste for waste-to-energy production. Indirect consumption was in line with 2019, with a slight increase of 0.3%. It is worth noting the **decrease of 9% in the percentage, out of the total input, of losses on the electricity distribution network**, attributable to electricity

transformation and transport phases, and the **reduction of 4.4% in consumption for public lighting**, correlated with the installation of LED technology (see table nos. 62 and 63).

It should also be highlighted that **electricity consumption of the principal Companies** connected to the distribution of drinking and non-drinking water, treatment, waste-management plants and consumption of facilities, **for a total of approximately 425 GWh, originate from renewable sources with a Guarantee of Origin**, corresponding to 57% of total consumption (Table no. 63).

The trends of **energy-consumption intensity indexes** are presented in table no. 64 and denote **improvements in energy efficiency**.

TABLE NO. 62 – DIRECT ENERGY CONSUMPTION OF THE MAIN COMPANIES IN THE GROUP (2018-2020) <sup>(\*)</sup>

	2018	2019	2020
<b>ENERGY PER SOURCE</b>	<b>TJ (GWh)</b>		
RDF/SRF and pulper waste (waste-to-energy) – non-renewable share	3,665.5 (1,018.2)	3,283.0 (911.9)	2,849.4 (791.5)
biogas (100% renewable – waste management and water segment)	206.3 (57.3)	243.9 (67.7)	424.6 (117.9)
SRF and pulper waste (waste-to-energy) – non-renewable share	3,875.6 (1,076.6)	3,280.8 (911.3)	3,859.1 (1,072.0)
methane (for electricity generation, district heating, processes, water area dryers and heating for offices)	974.4 (270.7)	1,084.9 (301.4)	1,066.9 (296.3)

**TABLE NO. 62 – DIRECT ENERGY CONSUMPTION OF THE MAIN COMPANIES IN THE GROUP (2018-2020)<sup>(\*)</sup> (continued)**

LSC oil for process (disposal of Acque Industriali wastewater)	2.5 (0.7)	1.8 (0.5)	2.0 (0.6)
PG (heating)	0.2 (0.1)	0.7 (0.2)	0.8 (0.2)
gas oil (for electricity generation and other uses, composting plants)	22.8 (6.3)	37.9 (10.5)	39.2 (10.9)
petrol (road haulage)	3.2 (0.9)	3.8 (1.1)	7.1 (2.0)
diesel (road haulage)	138.1 (38.4)	122.7 (34.1)	121.3 (33.7)
<b>total</b>	<b>8,888.6 (2,469.1)</b>	<b>8,059.5 (2,238.8)</b>	<b>8,370.3 (2,325.1)</b>

(\*) The data for 2018 and 2019 have been restated to include the consumption of AdF and the Acque Industriali plants.

NOTE The energy produced by the Group plants and fed into the network is illustrated in the *Environmental Accounts (Products – Energy Segment)*.

**TABLE NO. 63 – INDIRECT ENERGY CONSUMPTION OF THE MAIN COMPANIES IN THE GROUP (2018-2020)<sup>(\*)</sup>**

TYPES OF INDIRECT CONSUMPTION	2018	2019	2020
	TJ (GWh)		
electricity losses on the distribution networks and transport	1,204.6 (334.6)	1,188.4 (330.1)	982.8 (273.0)
losses and self-consumption in the production of electricity	245.5 (68.2)	233.1 (64.8)	251.5 (69.9)
losses of heat in the district heating network	104.1 (28.9)	109.7 (30.5)	99.8 (27.7)
consumption for public lighting	302.3 (84.0)	252.3 (70.1)	241.1 (67.0)
<b>consumption for production processes, distribution of electricity and thermal energy and public lighting</b>	<b>1,251.7 (347.7)</b>	<b>1,783.8 (495.5)</b>	<b>1,575.2 (437.5)</b>
electricity consumption for waste management plants (**)	30.8 (8.6)	33.1 (9.2)	32.9 (9.1)
electricity consumption for distribution of drinking water (***)	1,288.70 (358.0)	1,477.5 (410.4)	1,719.6 (477.7)
electricity consumption for wastewater purification (***)	840.7 (233.5)	904.8 (251.3)	902.7 (250.7)
consumption of electricity for the offices (**)	34.8 (9.7)	32.4 (9.0)	27.2 (7.5)
<b>electricity consumption for other operating processes (Integrated Water Service, waste management, offices, etc.)</b>	<b>2,195.2 (609.8)</b>	<b>2,447.7 (679.9)</b>	<b>2,682.4 (745.1)</b>
<b>total indirect energy consumption</b>	<b>4,051.5 (957.5)</b>	<b>4,231.3 (1,175.4)</b>	<b>4,257.6 (1,182.7)</b>

(\*) The figures for the two-year period 2018-2019 have been restated to include those of AdF and Acque Industriali to make them comparable.

(\*\*) Energy with G.O. certification (Guarantee of Origin).

(\*\*\*) Energy with G.O. certification (Guarantee of Origin) for 54%. The increased consumption of electricity in the 2019-2020 period is primarily due to an increase in consumption of the Company Gori, which in 2019 acquired the management of various plants previously managed by the Campania regional authority, as well as the low rainfall during the year.

**TABLE NO. 64 – ENERGY INTENSITY INDICES (2018-2020)**

energy consumption intensity index	u.m.	2018	2019	2020
electricity consumed for public lighting per lamp (*)	TJ/lamp	0.00134	0.00112	0.00106
total electricity consumed by Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa/water issued by aqueduct systems (**)	TJ/Mm <sup>3</sup>	4.027	4.392	4.639
electricity consumed by Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa for sewer service and treatment/water treated (***)	TJ/Mm <sup>3</sup>	1.32	1.31	1.26

(\*) The decrease in the intensity index is due to the 4.4% reduction in consumption for public lighting, thanks to adoption of LED technology.

(\*\*) The increased consumption of electricity is primarily due to increases in consumption by Gori, which in 2019 acquired and launched management of plants previously controlled by the Campania regional authority.

(\*\*\*) The decrease in electricity consumed against wastewater treated is primarily due to the increase in wastewater treated by the Company Gori.

## ENERGY CONSUMPTION OUTSIDE OF THE GROUP

Since 2015, Acea has conducted **monitoring of the energy consumption outside the Group**, along the supply chain, requesting a representative panel of its suppliers to fill out a specific questionnaire. In December 2020 the questionnaire was sent to 79 suppliers, the principal parties in terms of value of orders for the year. Thanks to the results from 37 of those contacted (equal to 44% of the total Acea expenditure for the procurement of goods/services and works), the total energy consumption for all suppliers was estimated at approximately 150,662 GJ<sup>133</sup>. Since 2020, the questionnaire also included a specific section on water consumption (see the section *Attention to water consumption*, further on in the document).

## ENERGY SAVING

Ecogena is the appropriate body to develop the **energy efficiency initiatives of the Group Companies** and report their results to the Gestore dei Servizi Energetici (GSE) for the **awarding of Energy Efficiency Certificates (EECs)**. At 31/12/2020, a total of **8,508 EECs** had been obtained pursuant to the Ministerial Decree of 5 September 2011.

To make it possible for **Areti** to achieve its **energy savings** goal, the actions were focused on the purchase of EECs on the market managed by the electricity market operator (EMA) equal to **136,904 EECs** for 2020, to which is added the residual portion of the 2019 obligation equal to 48,947 EECs with respect to the initial 122,369 EECs, and the residual portion relating to the 2018 obligation equal to 10,102 EECs.

<sup>133</sup> The figure is obtained by readjusting the consumption of respondents relative to the total purchased during the year.

## ENERGY EFFICIENCY ACTIONS

In 2020, Acea launched **actions aimed at recovery of energy efficiency**, in particular at the headquarters and the **Companies of the operating segments of Water, Energy Infrastructure and Environment**. At the headquarters, works were completed for reconstruction of the balcony air-conditioning system, along with partial replacement of lighting systems with LED technology. Compartmentalization of the air-conditioning system of the Cedet headquarters was also performed. Consumption also decreased due to the health emergency.

For the **Water** segment, although numerous actions were taken to increase efficiency, as described below, there was a **10% increase in electricity consumption** compared to 2019, due primarily to low rainfall during the year, which led to an increase in consumption due to higher flow rates. The **energy efficiency measures** carried out by the Companies on ordinary activities **partly offset the overall increase in consumption**.

In this regard, **Acea Ato 2** achieved a **total savings of 6.7 TJ** (1.86 GWh) in 2020, against an expected annual energy savings target of 4.3 TJ (1.2 GWh). In particular, consumption has been reduced for energy used in the recovery of water losses in Roma, through significant measures taken to recover the resource, **with a saving of approximately 2.7 TJ** (0.74 GWh), and for the treatment section, **energy saved through efficiency measures was 4 TJ** (1.11 GWh), on the basis of optimisation works in the oxidation section of the Crocetta di Pomezia treatment plant and elimination of the two minor treatment plants (Sonnino and Colle Pisano). For **Acea Ato 5** increased efficiency, saving approximately **1.4 TJ** (0.38 GWh), was due to replacement of the pumps, inverter installation and upgrading of systems for the three well fields. **Gori**

implemented efficiency measures for a total saving of **9 TJ** (2.5 GWh), primarily due to new remote-control management methods and inverter installation. **AdF** increased efficiency for a saving of **2.7 TJ (0.7 GWh)** through the establishment of districts, management of pressure and searches for leaks, implementation of the “WPOM (Wastewater Pumps On-condition Maintenance)” project for maintenance in the sewerage segment, and the introduction of electric vehicles to its fleet.

For the **Environment** segment, activities to **increase energy efficiency** at the **San Vittore del Lazio plant** in 2020, involved the replacement of electric motors with new more efficient models, with works continuing in 2021, and at the **Terni waste-to-energy plant** inverters and new electric motors were installed that will increase efficiency for an annual saving of 220,000 kWh and increase plant production by approximately 4%, corresponding to approximately 3 GWh/year extra.

In the Networks segment, the Company **Areti** continued in 2020 **with works to increase efficiency** on the electricity distribution network managed, including:

- the use of **277 MV/LV transformers** with **very low losses**, which allowed a reduction in electricity consumption of 317 MWh;
- other **actions on the HV/MV/LV distribution network** aimed at optimising the structure of the MV network and adjustments for the HV and LV lines, for a total of 1,150 MWh saved.

Table no. 65 shows the types of actions and relative energy savings for Areti, for the last three years. In **2020**, the total **energy saving was 5.4 TJ** (1.5 GWh) and approximately 500 tonnes of **CO<sub>2</sub> emissions were avoided**<sup>134</sup>.

**TABLE NO. 65 – ENERGY EFFICIENCY IN ARETI (2018-2020)**

ENERGY SAVINGS ACHIEVED (GJ)			
action	2018	2019	2020
reduction in losses from the network	25,200	4,860	4,140
of which reduction in losses through the purchase of new transformers	1,112	1,454	1,141
transformation of air conditioning and domestic hot water production system into heat pumps	47	94	94

In 2020, **consumption for public lighting fell to about 67 GWh** (241 TJ) (70 GWh and 252 TJ in 2019), particularly due to the installation of **LED lamps**: from 191,200 in 2018 to 207,870 in 2020, out of a total of 226,635 lamps.

A further positive contribution was provided by the **25 electric vehicles** already in use in 2019 by the Company’s staff in the context of a car-sharing scheme (Renault ZOE cars). 100 electric Renault Kangoo cars were also purchased, destined for 24-hour

personal work use, of which 20 were already in use at the end of 2020.

Areti monitored distances travelled, recording a total of 53,100 km in 2020, consumption of approximately 8 MWh and a net saving of 5,300 kg of CO<sub>2</sub> related to the absence of use of diesel-powered vehicles. Analysing the data for car-sharing electric vehicles only, the number of journeys and kilometres travelled are presented in chart no. 55.

**CHART NO. 55 – CAR SHARING DATA (2020)** (\*)



(\*) The chart refers to the ZOE model cars in the car-sharing scheme. It does not include Renault Kangoo vehicles assigned individually.

<sup>134</sup> Calculations for estimation of CO<sub>2</sub> emissions avoided in the entire section *Relations with the environment* have been carried out using the 2020 Terna location-based conversion factor, equal to 0.336 tonnes of CO<sub>2</sub>/MWh. In the Sustainability Plan reporting, the same estimate is made using the 2019 conversion factor, in line with the calculation for definition of the 2024 target.

The Company **Acea Ato 2** will also soon be equipped with electric vehicles, for personnel involved in operation of treatment plants: in 2020 there was a call for tenders for the supply of **15 electric box trucks**. For recharging of the vehicles, the Company Ecogena has been contracted for the supply and installation of 11 recharging stations within the sites of the Roma Sud, Ostia, Roma Nord, Roma Est and Cobis treatment plants. Installation began in December 2020 and will be completed in the first two months of 2021.

## ATTENTION TO THE USE OF WATER RESOURCES

The Group promotes rationalisation of water resources, **also along the supply chain**, raising awareness amongst suppliers through use of a questionnaire (see also the section *Energy consumption outside of the Group*, under *Energy consumption*), which requests reporting of water withdrawal, amongst other aspects (see info. box for details).

**The main water intake of the Group** is related to **production processes**, such as the production of thermal energy at the Tor di Valle plant, that of electricity at the waste-to-energy plants and the production of compost. Water resources are used in treatment processes, for the dehydration of sludge, cleaning of sections, backwashing fine grilles and anaerobic digestion sectors. Furthermore, water is also used in laboratory activities, albeit in small quantities.

The overall increase in water intake in 2020 was primarily due to **improved reporting of industrial and civil water consumption, including reuse**, equal to 515,000 m<sup>3</sup> in 2020, for Companies in the water sector and in particular for Acea Ato 5, Gori and Gesesa. In this regard, in 2020 **a project was launched** coordinated by the Sustainability Planning and Reporting Unit of the Parent Company, **aimed at sharing the experiences of the different Companies in the water segment**, in order to define harmonised methodologies for monitoring of water intake, discharge and consumption, also on the basis of developments in the relevant GRI Standards. The project

will continue over the next two years, progressively broadening to also include Operating Companies in other segments.

It should in any case be noted that the greater consumption was recorded during the year at the Monterotondo Marittimo plant, fully operational in 2020.

The **Companies in the Environment segment** limit the consumption of drinking water, **mainly using water from wells**. In addition, **rainwater recovery systems** are active at the **San Vittore del Lazio, Orvieto, Aprilia and Terni** plants, and **since 2019** the latter has **two rainwater collection tanks** equipped with a filtration system and storage tanks. The **Aprilia composting plant** has a **system for the treatment of residual water from waste awaiting processing** for reuse in production processes, and exclusively for industrial uses (e.g. washing vehicles). Water collected from the first 5 mm of water from each rainfall event is also reused following treatment within the two collection tanks, through sedimentation and oil removal. At the **San Vittore del Lazio waste-to-energy plant**, rainwater is used in the production of demineralised water, after treatment in a specific chemical-physical plant, and is completely reused in the process, without discharge.

Finally, the **Orvieto plant hub collects rainwater** through the roofs of some buildings, **keeps it in underground storage tanks** and then **uses it in the compost maturation and storage phases**.

Thanks to the presence of these solutions at the plants, the volume of water recovered from the Environment Operations was around **38,200 m<sup>3</sup>**.

In order to reuse water from treatment processes and minimise consumption of drinking water, in 2020, the Company **Acea Ato 2** completed works for **modernisation of the industrial water network** (non-drinking water) for the treatment plants of Roma Sud, Roma Nord and Cobis, while similar activities are underway for the plants of Roma Est and Ostia. Finally, with the aim of promoting **reuse of purified wastewater** in the Integrated Water Service, at the Cobis treatment plant sections were completed for refinement of treated water, for its reuse for non-drinking-water purposes. The authorisation process is in progress.

**Group water intake** associated with industrial processes and civil uses is presented in table no. 66.

**TABLE NO. 66 – WATER INTAKE OF THE GROUP'S MAIN COMPANIES (2018-2020)**

	2018 (*)	2019 (*)	2020
<b>type of intake</b>	<b>(Mm<sup>3</sup>)</b>		
<b>industrial processes</b> (district heating, thermoelectric generation, Ambiente plants, Water companies)	<b>0.351</b>	<b>0.358</b>	<b>0.828</b>
of which aqueduct (**)	0.243	0.236	0.240
of which well	0.055	0.071	0.070
of which river water (***)	0.003	0.003	0.003
of which recovered water	0.050	0.048	0.515
<b>water consumption for civil use (****)</b>	<b>1.735</b>	<b>2.071</b>	<b>2.633</b>
<b>total water consumption</b>	<b>2.086</b>	<b>2.429</b>	<b>3.460</b>

**NOTE** Intake of freshwater occurs in areas at potential risk of water stress, as defined by the *Aqueduct Water Risk Atlas*, the map drawn up by the World Resources Institute (WRI).

(\*) The volumes for 2018 and 2019 have been restated and include data for AdF and Acque Industriali.

(\*\*) This item includes water transported by tankers to the Aprilia site (approximately 760 m<sup>3</sup> in 2020).

(\*\*\*) Consumption refers exclusively to the withdrawal from the Paglia river near the Orvieto composting plant.

(\*\*\*\*) Civil consumption derives from: aqueduct (99.9%), well and tankers.

## WATER INTAKE OF PANEL OF SUPPLIERS MONITORED

To raise awareness along the supply chain of the importance of safeguarding water resources, the Sustainability Planning & Reporting Unit, with the support of the Procurement and Logistics function, asked a panel of suppliers, for the first time in 2020 and on an experimental basis, to also provide data on water intake, divided by process and civil uses. **33 suppliers** out of 79 suppliers invited to re-

plied to the section on water resources, corresponding 40% of the total expenditure of the Acea Group for procurements of goods, services and labour. Water intake by suppliers in 2020 equalled 14,344 m<sup>3</sup>, divided into 9,543 m<sup>3</sup> for industrial uses and 4,802 m<sup>3</sup> for civil uses. The intention is to proceed with this activity, monitoring data and continuing to raise awareness around the issue.

**Discharges of water intake** occur within **authorised and closely controlled processes**. For example, at the **Terni waste-to-energy plant**, residual water from production processes is **first treated by internal treatment plants**, before being discharged into public sewerage. Water used in the waste-to-energy process at the San Vittore del Lazio plant, instead, is collected and stored in special underground tanks and disposed of as waste, as it may contain components that make it unsuitable for normal discharge.

Discharge into surface water bodies occurs only under exceptional circumstances, i.e. in the event of rainwater in excess of the first 5 mm of water from each rainfall event that is greater than the quantities reused internally, and in 2020 there were no such

events. Wastewater from toilet facilities of production lines and offices are collected in septic tanks and subsequently sent for disposal. Sewage from the headquarters is instead collected and transferred in an “Imhoff tank” with a sub-irrigation system for clarified material into the soil, which came into operation in 2020. Water intake for industrial uses in activities connected to the integrated water service, and in particular water treatment, **undergoes the same treatment as waters transported via public sewerage**, i.e. it is retreated at the head of the treatment plant and sent to the locations described in the section *Sewerage service and treatment system*, in the chapter *Water segment*. All civil water intake from the aqueduct ends up directly in the public sewer system.

## EMISSIONS



CONTINUOUS ANALYSIS OF WASTE-TO-ENERGY EMISSIONS: **values of pollutants significantly lower than legal limits**



**improvement in intensity index for emissions (SCOPE 2) FROM NETWORK LOSSES AGAINST TOTAL ELECTRICITY DISTRIBUTED: 0.0093 t/MWh**

## ATMOSPHERIC EMISSIONS

**Atmospheric emissions from Acea plants** are constantly monitored. Plants are managed according to the UNI EN ISO 14001 and UNI EN ISO 45001/OHSAS 18001:2007 standards. Waste-to-energy plants are also **registered under the European EMAS III scheme**, extended until 2021.

With regard to the most significant macro-pollutants connected with the main production processes of Acea Ambiente and Acea Produzione plants, see the summary data in table no. 67. Data, monitored through Continuous Emissions Monitoring Systems (CEMSs), is in line with the values for previous years, with the exception of SO<sub>x</sub> emissions, which increased due to a greater concentration in the pulper waste sent for combustion. The values are nevertheless very low.

**TABLE NO. 67 – ENVIRONMENTAL INDICATORS: CO<sub>2</sub> EMISSIONS, GREENHOUSE GAS INTENSITY INDICES AND VEHICLE EMISSIONS (2018-2020)**

	2018	2019	2020
<b>emissions</b>	<b>(t)</b>		
CO	6.38	7.02	8.34
NO <sub>x</sub>	189.40	188.19	190.67
SO <sub>x</sub>	0.16	0.33	0.90
particles (particulate matter)	0.50	0.60	0.60

**NOTE** The emissions refer to the plants of Acea Ambiente – waste-to-energy and Acea Produzione.

In detail, in the **waste-to-energy plants**, monitoring is carried out by means of fixed and mobile stations that **sample and analyse the fumes coming out of the chimneys, measuring**

**concentrations** for numerous parameters that are periodically checked by internal personnel and certified by qualified external laboratories. Again in 2020, the **values of the main**

**pollutants** were also **significantly below the legal limits** (see table no. 68).

Specifically, at the **San Vittore del Lazio plant**, 2020 saw the performance of surveys of odorous emissions, monitoring of

diffuse and fugitive emissions and a biomonitoring campaign with use of bees as bioindicator insects (see info. box *150,000 bees for biomonitoring of environmental quality*, in the chapter *Environmental sustainability and the primary challenges*).

**TABLE NO. 68 – CONCENTRATIONS OF ATMOSPHERIC EMISSIONS – SAN VITTORE DEL LAZIO AND TERNI WASTE-TO-ENERGY PLANTS (2018-2020)**

pollutant	u. m.	San Vittore del Lazio plant (*)				Terni plant (**)			
		scope of reference (**)	2018	2019	2020	scope of reference (**)	2018	2019	2020
HCl	mg/Nm <sup>3</sup>	8	0.184	0.151	0.145	8	4.499	3.580	3.807
NO <sub>x</sub>	mg/Nm <sup>3</sup>	70	28.273	29.652	29.925	180	140.157	128.650	125.989
SO <sub>2</sub>	mg/Nm <sup>3</sup>	40	0.006	0.003	0.086	25	0.194	0.430	0.969
HF	mg/Nm <sup>3</sup>	1	0.021	0.023	0.020	1	0.084	0.080	0.00
CO	mg/Nm <sup>3</sup>	40	1.320	0.803	0.604	25	1.084	1.140	1.057
total particles (particulate)	mg/Nm <sup>3</sup>	3	0.006	0.007	0.010	25	0.705	0.790	0.763
PAH (polycyclic aromatic hydrocarbons)	mg/Nm <sup>3</sup>	0.01	0.00002	0.00001	0.0000	0.01	0.0001	0.0000	0.0000
dioxins and furans (PCDD + PCDF)	ng/Nm <sup>3</sup>	0.1	0.0065	0.0074	0.0094	0.1	< 0.001	0.0087	0.0000
heavy metals (Sb, As, Pb, Cr, Co, Cu, Mn, Ni, V)	mg/Nm <sup>3</sup>	0.5	0.0253	0.0387	0.0246	0.3	0.204	0.033	0.03

(\*) The analysis of PAH, dioxins and furans and heavy metals and their composites are four-monthly and discontinuous. The “<” symbol identifies the concentration values that are equal to or below the thresholds that the devices used by the laboratory are capable of measuring.

(\*\*) Reference parameters, Legislative Decree no. 46/2014, 2000/76/EC and AIA, are separate for each waste-to-energy plant.

**NOTE** For San Vittore del Lazio, over the years the recorded concentrations of the parameters HCl, SO<sub>2</sub>, dust and HF were close to the instrument’s detection limit. Therefore, in these measurement areas deviations are to be considered insignificant for absolute changes in concentrations and masses.

Monitoring carried out on installations at risk<sup>135</sup> has shown the **absence of emissions** in significant quantities **of substances responsible for reducing the ozone layer** (for consumption see the section *Resources used*, in the chapter *Environmental accounts*).

## GREENHOUSE-GAS EMISSIONS

Acea quantifies its CO<sub>2</sub> emissions by **monitoring and evaluating the carbon footprint of the individual macro production processes** according to the guidelines of the GHG protocol<sup>136</sup> which requires

reporting in the categories of **direct (Scope 1)** and **indirect (Scope 2 and Scope 3)**.

**Direct Scope 1** emissions **mainly come from the Group’s two waste-to-energy plants** and the **thermoelectric power stations**. Of these plants, three are subject to the **Emission Trading Scheme (ETS)** (the waste-to-energy plant in Terni and the thermoelectric plants in Montemartini and Tor di Valle). The allowances assigned under the NAP (National Allocation Plan) framework, compared to the actual emissions registered in the three-year period 2018-2020, are shown in table no. 69.

**TABLE NO. 69 – CO<sub>2</sub> EMISSION ALLOWANCES AS PER THE NATIONAL ALLOCATION PLAN (NAP) AND ACTUAL EMISSIONS BY PLANT (2018-2020)**

plant	2018		2019		2020	
	assigned by NAP	actual	assigned by NAP	actual	assigned by NAP	actual
Tor di Valle (*)	5,805	42,281	4,775	46,993	3,782	46,097 (**)
Montemartini	0	607	0	1,513	0	1,546
Terni waste-to-energy plant	0	114,328	0	99,281	0	116,708 (**)

(\*) As with previous years, in 2020 the applicable legislative framework allowed the Tor di Valle plant to benefit from free of charge emission allowances (3,782 t) as it serves a district-heating network. The 2019 figures for actual emissions have been restated with the certified figures.

(\*\*) Estimated emissions, pending certification by the responsible body.

**Scope 1** emissions also include those deriving from certain processes of plants in the Environment segment (composting, treatment and disposal of liquid waste), from drying at treatment plants, from vehicles of Company fleets (petrol and diesel vehi-

cles), from leaks of sulphur hexafluoride (SF<sub>6</sub>) that may arise at Areti plants, from combustion processes for heating of premises and offices and from leaks of freon gases from air-conditioning units.

<sup>135</sup> This is primarily air conditioning equipment using refrigerant gases subject to the 1987 Montreal protocol, particularly chlorofluorocarbons.

<sup>136</sup> See [www.ghgprotocol.org](http://www.ghgprotocol.org) for more information.

The figure for CO<sub>2</sub> output from the waste-to-energy plants in 2020 **increased** (see table no. 70). This is primarily attributable to the **decrease in the biodegradable fraction of waste** for both the San Vittore del Lazio and Terni plants (from 51% and 47% in 2019 to approximately 42% for both plants).

Scope 2 greenhouse-gas emissions deriving from electricity consumption in 2020 decreased, and this is attributable to a **reduction in network losses** of approximately 9% (see table no. 70). For all the details on energy-efficiency actions and consequent reductions in CO<sub>2</sub> emissions, see the section *Energy saving* in the chapter *The use of materials, energy and water*.

**Scope 3** emissions include those reported deriving from the sale of gas, from the purchase of goods, services and labour, from employee commuting and from work travel (see table no. 70).

In 2020, **emissions for commuting and business travel were greatly reduced due to the restrictions caused by the Covid-19 pandemic**, which **limited movements** and led to **quick switchover to remote working for the majority of employees**.

**Scope 3** emissions for purchase of goods, services and labour are calculated using monitoring data for energy-consumption outside the Group, requested from a **representative panel of suppliers** using a questionnaire (see the section *Energy consumption outside the Group*). This is in addition to energy data (primarily consumption of combustible fuels, electricity and vehicle fuel) emissions for this Scope 3 category also include emissions of refrigerant gases at supplier premises.

## INTENSITY INDICES FOR GREENHOUSE GAS EMISSIONS

**Scope 2 carbon dioxide emissions, deriving from leaks on electricity distribution networks, relative to total electricity distributed**, is one of the intensity indices for greenhouse gas emissions monitored. This index has **improved further**, changing from 0.0112 t/MWh in 2019 to **0.0095 t/MWh** in 2020, in line with the **continuous decrease in relative leaks** on the network (technical leaks/distributed electricity) (see table no. 70).

**TABLE NO. 70 – ENVIRONMENTAL INDICATORS: CO<sub>2</sub> EMISSIONS, GREENHOUSE GAS INTENSITY INDICES AND VEHICLE EMISSIONS (2018-2020)**

### CO<sub>2</sub> EMISSIONS

#### SCOPE 1 EMISSIONS

##### FROM ENERGY PRODUCTION PLANTS

	u. m.	2018	2019	2020
CO <sub>2</sub> emissions from Acea Produzione thermoelectric power stations <sup>(*)</sup>	t	42,888	48,506	47,643
CO <sub>2</sub> emissions from Acea Ambiente waste-to-energy plants <sup>(*)</sup>	t	307,395	280,504	336,133

##### FROM WASTE MANAGEMENT, ENERGY DISTRIBUTION, HEATING PLANTS AND VEHICLE FLEET

CO <sub>2</sub> emissions from waste-management plants <sup>(**)</sup>	t	1,396	1,484	1,567
CO <sub>2</sub> emissions from water plant dryers <sup>(***)</sup>	t	4,300	5,972	6,371
CO <sub>2</sub> emissions from heating <sup>(****)</sup>	t	848	914	850
CO <sub>2</sub> emissions from vehicle fleet	t	10,416	9,309	9,449
CO <sub>2</sub> emissions from Areti plants (from SF <sub>6</sub> ) <sup>(****)</sup>	t	11,233	9,682	8,695
CO <sub>2</sub> emissions from refrigerants (HCFCs) <sup>(****)</sup>	t	46	0	1
<b>TOTAL SCOPE 1 EMISSIONS <sup>(*****)</sup></b>	<b>t</b>	<b>378,522</b>	<b>356,371</b>	<b>410,709</b>

#### SCOPE 2 EMISSIONS

Location-based Scope 2 emissions (market based) <sup>(*****)</sup>	t	359,752 (234,180)	375,494 (257,594)	353,207 (255,066)
of which CO <sub>2</sub> emissions from network leaks	t	120,450	118,824	91,746

#### SCOPE 3 EMISSIONS

CO <sub>2</sub> emissions deriving from the purchase of goods/services and works <sup>(*****)</sup>	t	22,805	22,303	11,642
CO <sub>2</sub> emissions from commuting	t	4,088	7,060	1,937
CO <sub>2</sub> emissions from business travel	t	160	288	46
CO <sub>2</sub> emissions from volumes of gas sold	t	252,987	275,580	326,250

**TABLE NO. 70 – ENVIRONMENTAL INDICATORS: CO<sub>2</sub> EMISSIONS, GREENHOUSE GAS INTENSITY INDICES AND VEHICLE EMISSIONS (2018-2020) (continued)**

**INTENSITY INDICES FOR GREENHOUSE GAS EMISSIONS**

intensity indices of the GHG emissions	u. m.	2018	2019	2020
CO <sub>2</sub> emissions (Scope 1 + Scope 2)/Acea Group added value	(t/k€)	679.1	601.1	564.5
Scope 1 CO <sub>2</sub> emissions/gross production (*****)	(g/kWh)	361.7	357.8	418.9
Scope 2 CO <sub>2</sub> emissions deriving from losses on the electricity distribution network/distributed GWh	(t/MWh)	0.0113	0.0112	0.0095

- (\*) The 2019 figures for the Tor di Valle and Terni Plants have been corrected after the ETS certification, while the 2020 figure is estimated pending certification by a third-party body.
- (\*\*) The figure includes the emissions of the ancillary services of the waste-to-energy plants, not strictly related to the production of electricity, of Acque Industriali, and non-biogenic emissions from the combustion of biogas produced on site.
- (\*\*\*) The figures for 2018 and 2019 have been restated to include AdF and to align the figures with the items in the *Environmental Accounts*.
- (\*\*\*\*) These are the tonnes of equivalent CO<sub>2</sub> corresponding to the emissions of insulating SF<sub>6</sub> present in Areti's HV equipment (1 t of SF<sub>6</sub> equates to 23,500 t of CO<sub>2</sub>, *GHG Protocol-5th Assessment Report – AR5*).
- (\*\*\*\*\*) In 2019 and 2020, the replenishment of HCFC fluids in the Group's plants was so small that it did not lead to significant CO<sub>2</sub> emissions.
- (\*\*\*\*\*) Considering the entire Group, the total Scope 1 emissions for the three-year period are as follows: 379,859 t, 357,710 t and 412,035 t.
- (\*\*\*\*\*) The indirect emissions (Scope 2) include all the Companies within the NFD scope. The figures for 2018 and 2019 have been restated for the inclusion of AdF. As an emission factor per unit of electricity consumed (t CO<sub>2</sub>/MWh), for the location-based calculation the value of 0.336 was used for 2020 (0.36 for the previous two-year period), as per Terna's "International Comparisons" document (2019 data). For the calculation of Scope 2 emissions using the market-based method, the residual mix coefficients are the following for 2018, 2019 and 2020, respectively: 0.476 t/MWh, 0.487 t/MWh and 0.466 (Source: AIB document "European Residual Mixes 2019"). Also including the Companies Umbra Acque, AdF, Publiacqua and Acque (outside the NFD scope), for the sole proprietary share quota of Acea, for the three-year period 2018-2020, location-based CO<sub>2</sub> emissions are equal to 403,772 t, 419,578 t and 392,575 t respectively, whereas for the market-based emissions they are equal to 291,041 t, 316,749 t and 309,117 t.
- (\*\*\*\*\*) This value, estimated, refers to suppliers of goods, services and works. The 2020 figure is broken down as follows: 9,713 tonnes of CO<sub>2</sub> for suppliers of services and works and 1,928.7 tonnes of CO<sub>2</sub> for suppliers of goods. The decrease compared to the previous two-year period is attributable to the different composition of the panel of suppliers included for the calculation, and to restrictions and stoppages due to the pandemic.
- (\*\*\*\*\*) Scope 1 emissions included in this index are those from power generation plants. The increase in 2020 is attributable to waste-to-energy processing, due to a drop in the biodegradable fraction of waste at both the San Vittore del Lazio and Terni plants.
- NOTE** Emission factors for Scope 1 emissions are taken from the standard parameters – ISPRA data 2019, DEFRA 2020 and *GHG Protocol-5th Assessment Report-AR5*.

# WATER COMPANY DATA SHEETS AND OVERSEAS ACTIVITIES

This chapter illustrates activities and provides information and data for the main Companies of the Group outside the scope of the *Consolidated Non-Financial Disclosure* (see *Disclosing Sustainability: Methodological Note*). The first part concerns the Companies operating in the water sector in Umbria and Tuscany, consolidated using the equity method in the statutory financial statements, and the second part refers to Companies that are active abroad.

## WATER ACTIVITIES IN UMBRIA AND TUSCANY

For the preparation of water balances, the Companies followed the criteria specified by ARERA with Resolution 917/17 R/IDR.

### UMBRA ACQUE

Umbra Acque SpA is a Company with predominantly public

capital, 40% owned by Acea SpA, which since 2003 has managed the Integrated Water Service in the area of Optimal Territorial Conference – Umbria 1 consisting of 38 Municipalities, of which 37 in the province of Perugia and 1 in the province of Terni, with a total population of around 492,000 inhabitants served.

### MANAGEMENT SYSTEMS

Umbra Acque has an **Integrated Quality, Environment and Safety Management System** (QAS) in compliance with the **UNI ISO 9001:2015, UNI ISO 14001:2015 and BS OHSAS 18001:2007 standards, SOA certification** for the OG6 (in class II) and OS22 (in class III) categories and **qualification for design and construction** (up to the 8th classification). The analysis laboratory is accredited according to the **UNI ISO/ IEC 17025:2005** standard.

## QUALITY DELIVERED: MAIN INTERVENTIONS ON THE NETWORKS AND CONTROLS ON DRINKING WATER AND WASTEWATER

### SIZE OF NETWORK, MAIN WORKS, METERS AND CHECKS ON DRINKING WATER AND NETWORKS (2020)

<b>size of drinking-water network – data in GIS</b>	<b>6,332 (1,371 km of supply network, 4,961 km of distribution)</b>
<b>type of work</b>	
interventions due to network failure/leak detection	<b>17,080 interventions</b> (12,994 due to faults, 4,086 leak detection)
meter installations (new installation and replacement)	<b>31,279 interventions</b> (5,053 new installation, 26,226 replacements) and 23,691 mass replacements under contract
network extension	<b>5.7 km</b> of expanded network
network reclamation	<b>41.6 km</b> of reclaimed network
drinking water quality control	<b>5,791 samples</b> collected and <b>107,257 tests</b> performed

### SIZE OF NETWORK, WORKS AND CHECKS ON SEWERAGE WATER AND NETWORKS (2020)

<b>size of sewerage network – data in GIS</b>	<b>1,814 km</b>
<b>type of work</b>	
interventions due to network failure	<b>909 interventions</b>
planned interventions	<b>102 interventions</b>
network extension	<b>129 km</b> of expanded network
network reclamation	<b>17.3 km</b> of network reclaimed following video-inspection
quality control on wastewater for sewerage networks	<b>128 samples</b> collected and <b>4,234 tests</b> performed

## HUMAN RESOURCES IN FIGURES

### GENERAL DATA ON PERSONNEL (2019-2020)

(no.)	2019			2020		
	men	women	total	men	women	total
<b>composition of the staff</b>						
executives	4	0	<b>4</b>	4	0	<b>4</b>
managers	6	2	<b>8</b>	9	1	<b>10</b>
clerical workers	70	81	<b>151</b>	72	92	<b>164</b>
workers	211	0	<b>211</b>	211	0	<b>211</b>
<b>total</b>	<b>291</b>	<b>83</b>	<b>374</b>	<b>296</b>	<b>93</b>	<b>389</b>
<b>contract type</b>						
staff with permanent contract	251	63	<b>314</b>	274	77	<b>351</b>
<i>(of which) part-time staff</i>	2	6	<b>8</b>	0	7	<b>7</b>
permanent staff	29	17	<b>46</b>	18	14	<b>32</b>
staff under apprenticeship contracts	11	3	<b>14</b>	4	2	<b>6</b>
<b>total</b>	<b>291</b>	<b>83</b>	<b>374</b>	<b>296</b>	<b>93</b>	<b>389</b>

## GENERAL DATA ON PERSONNEL (2019-2020) (cont.)

changes						
incoming staff	15	6	21	20	14	34
outgoing staff	21	2	23	15	4	19
turnover rate (%)	12.4	9.6	11.8	11.8	19.4	13.6
incoming rate (%)	5.2	7.2	5.6	6.8	15.1	8.7
outgoing rate (%)	7.2	2.4	6.1	5.1	4.3	4.9

## INDUSTRIAL ACCIDENTS AND FREQUENCY AND SEVERITY INDICES (2019-2020)<sup>(\*)</sup>

	2019	2020
accidents (no.)	9	5
total days of absence	554	465
hours worked <sup>(*)</sup>	689,112	633,642
frequency index (FI) (number of accidents per 1,000,000/working hours) <sup>(*)</sup>	13.06	7.89
severity index (SI) (days of absence per 1,000/working hours) <sup>(*)</sup>	0.80	0.73

(\*) The 2019 figures, after consolidation, have been confirmed. The 2020 figures are estimated.

## TRAINING 2019-2020

### course type, hours provided and costs

course type	courses (no.)		training (hours)		costs (€)	
	2019	2020	2019	2020	2019	2020
advanced training	2	1	25	8	0	2,340
technical-specialised	72	57	4,011	4,096	46,438	56,779
legal	5	5	71	96	1,396	2,393
managerial	7	20	202	1,922	4,593	32,525
safety	24	17	4,331	3,419	46,600	30,022
<b>total</b>	<b>110</b>	<b>100</b>	<b>8,640</b>	<b>9,541</b>	<b>99,027</b>	<b>124,059</b>

### employees trained

(no.)	2019			2020		
	men	women	total	men	women	total
	282	66	348	296	93	389

### breakdown of training hours by qualification

executives	171	0	171	161	0	161
managers	234	18	252	369	28	397
clerical workers	2,079	2,159	4,238	2,497	2,113	4,610
workers	3,979	0	3,979	4,373	0	4,373

Training provided during the year was held almost entirely via **e-learning** and involved **100% of personnel**. The primary topics covered included the **Organisational Model pursuant to Italian Legislative Decree 231/01**, with a particular focus on topics connected to **health and safety in the workplace, anti-corruption and transparency**.

Employees of the commercial area also received courses on **stress management**, while personnel on the operations side were involved in courses focused on functioning of **new management software**. Finally, like every year, **safety** training continued in compliance with applicable laws.

## ENVIRONMENTAL ACCOUNTS

### PRODUCTS AND ANALYTICAL TESTS

	units	2018	2019	2020	Δ% 2020/2019
WATER BALANCE <sup>(*)</sup>					
<b>drinking water from the environment</b>	<b>Mm<sup>3</sup></b>	<b>60.06</b>	<b>58.13</b>	<b>58.60</b>	<b>0.8</b>
<i>from the surface</i>	<i>Mm<sup>3</sup></i>	0	0	0	-
<i>from wells</i>	<i>Mm<sup>3</sup></i>	46.05	44.30	44.82	1.2
<i>from springs</i>	<i>Mm<sup>3</sup></i>	12.64	11.22	10.61	-5.4
<i>of which water from other aqueduct systems</i>	<i>Mm<sup>3</sup></i>	1.37	2.61	3.17	21.5
<b>total drinking water leaving the aqueduct system (c) = (a+b)</b>	<b>Mm<sup>3</sup></b>	<b>29.71</b>	<b>30.51</b>	<b>31.38</b>	<b>2.9</b>
<b>total drinking water dispensed and billed in the network (a)</b>	<b>Mm<sup>3</sup></b>	<b>28.72</b>	<b>29.50</b>	<b>28.73</b>	<b>-2.6</b>
<i>measured volume of water delivered to users</i>	<i>Mm<sup>3</sup></i>	28.72	29.50	28.73	-2.6

PRODUCTS AND ANALYTICAL TESTS (cont.)	units	2018	2019	2020	Δ% 2020/2019
<i>volume consumed by users and not measured</i>	Mm <sup>3</sup>	0	0	0	-
<b>total drinking water authorised and not billed in the network (b)</b>	<b>Mm<sup>3</sup></b>	<b>0.99</b>	<b>1.01</b>	<b>2.65</b>	<b>162.4</b>
<i>measured unbilled authorised consumption</i>	Mm <sup>3</sup>	0.85	0.85	1.21	42.4
<i>unmeasured unbilled authorised consumption</i>	Mm <sup>3</sup>	0.14	0.16	1.44	800.0
LOSS ASSESSMENT ACCORDING TO ARERA RESOLUTION 917/17 R/IDR					
water leaks	Mm <sup>3</sup>	30.40	28.13	27.22	-3.2
water loss percentages	%	50.6	48.4	46.4	-4.0
TREATED WASTEWATER					
<b>water treated in the main treatment plants</b>	<b>Mm<sup>3</sup></b>	<b>61.3</b>	<b>56.5</b>	<b>56.8</b>	<b>0.5 %</b>
ANALYTICAL TESTS ON DRINKING WATER AND WASTEWATER					
<b>no. analytical tests on drinking water</b>	<b>no.</b>	<b>136,881</b>	<b>135,500</b>	<b>107,257</b>	<b>-20.8</b>
<i>of which no. analytical tests on surface water</i>	<i>no.</i>	<i>7,500</i>	<i>6,500</i>	<i>7,209</i>	<i>10.9</i>
<b>no. analytical tests on wastewater (**)</b>	<b>no.</b>	<b>39,693</b>	<b>38,481</b>	<b>35,610</b>	<b>-7.5</b>

(\*) The 2019 figures, after consolidation, have been confirmed. The 2020 figures are estimated.

(\*\*) The figure includes analyses carried out at treatment plants and industrial waste.

RESOURCES USED	u.m.	2018	2019	2020	Δ% 2020/2019
COLLECTION, SUPPLY AND DISTRIBUTION OF DRINKING AND NON-DRINKING WATER					
<b>materials</b>					
sodium hypochlorite	t	60.0	60.0	91.7	58.2
sodium chloride	t	200.0	200.0	213.6	6.8
hydrochloric acid	t	200.0	200.0	206.5	3.3
aluminium polychloride	t	12.0	12.0	11.5	-4.2
phosphoric acid (10%)	t	9.0	9.0	0	-100
WASTEWATER TREATMENT					
<b>materials</b>					
polyelectrolyte emulsion	t	90.9	90.9	123.4	35.8
ferric chloride (40%)	t	28.0	28.0	61.5	119.6
mineral oil and fats	t	1.40	1.40	0	-100
OTHER CONSUMPTION					
<b>drinking water (*)</b>	<b>m<sup>3</sup></b>	<b>28,889</b>	<b>28,889</b>	<b>20,222</b>	<b>-30.0</b>
<i>drinking water consumed for non-industrial water uses (offices, outside showers, etc.)</i>	<i>m<sup>3</sup></i>	<i>2,282</i>	<i>2,282</i>	<i>1,597</i>	<i>-30.0</i>
<i>drinking water consumed for process water uses (washing machinery and bays, etc.)</i>	<i>m<sup>3</sup></i>	<i>26,607</i>	<i>26,607</i>	<i>18,625</i>	<i>-30.0</i>

(\*) The figures are estimated and presented with a 30% reduction compared to previous years, in relation to the closure of offices and changes to the organisation of work following the health emergency.

ENERGY CONSUMPTION	u.m.	2018	2019	2020	Δ% 2020/2019
FUELS					
<b>vehicle fuels</b>					
diesel	l	43,6371	422,430	410,000	-2.9
petrol	l	8,645	7,497	7,000	-6.6
ELECTRICITY					
<b>total electricity for drinking water</b>	<b>GWh</b>	<b>71.46</b>	<b>72.82</b>	<b>69.13</b>	<b>-5.1</b>
<i>electricity for water pumping stations</i>	<i>GWh</i>	<i>71.08</i>	<i>72.45</i>	<i>68.78</i>	<i>-5.1</i>
<i>electricity for offices</i>	<i>GWh</i>	<i>0.38</i>	<i>0.37</i>	<i>0.35</i>	<i>-5.4</i>
<b>total electricity for wastewater</b>	<b>GWh</b>	<b>21.02</b>	<b>22.56</b>	<b>22.78</b>	<b>1.0</b>
<i>electricity for treatment</i>	<i>GWh</i>	<i>16.29</i>	<i>17.70</i>	<i>17.86</i>	<i>0.9</i>
<i>electricity for pumping stations</i>	<i>GWh</i>	<i>4.62</i>	<i>4.74</i>	<i>4.81</i>	<i>1.5</i>
<i>electricity for offices</i>	<i>GWh</i>	<i>0.11</i>	<i>0.11</i>	<i>0.12</i>	<i>9.1</i>

In 2020, extraordinary maintenance work was completed on three plants of the IWS, with adoption of **more efficient**

**technology** that enabled an estimated energy saving of approximately 75 MWh.

### ENERGY EFFICIENCY (2018-2020)

action	energy savings achieved (kWh)		
	2018	2019	2020
extraordinary maintenance on plants	-	-	75,000

WASTE	u.m.	2018	2019	2020	Δ% 2020/2019
SPECIFIC WASTE FROM TREATMENT OF WASTEWATER					
treatment sludge (*)	t	13,185	16,436	14,941	-9.1
sand and sediment from treatment	t	841	1,332	1,057	-20.6
WASTE PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 152/06 EXCLUDING SLUDGE AND SAND					
hazardous waste (**)	t	6.0	7.2	20.18	180.3
non-hazardous waste (**)	t	6,693	5,931	4,940	16.7

(\*) The figure includes liquid sludge transported to other plants for the dewatering process, for a value of 4,913 t in 2018, 5,269 t in 2019 and 4,940 t in 2020.

(\*\*) The increase in 2020 is due to the exceptional disposal of vehicles and Company cars.

### TOTAL COD IN INPUT AND OUTPUT (2018-2020)

(t/year)	2018	2019	2020
COD <sub>in</sub>	33,394.8	18,481.6	17,135.4
COD <sub>out</sub>	2,777.0	2,365.5	2,288.4

### OUTPUT PARAMETERS FOR THE MAIN TREATMENT PLANTS (2018-2020)

parameter	average values (mg/l) 2018	average values (mg/l) 2019	average values (mg/l) 2020
BOD <sub>5</sub>	21.6	20.1	18.6
COD	45.3	41.9	40.3
SST	24.6	25.5	30.8
NH <sub>4</sub> <sup>+</sup>	8.0	6.5	5.0
phosphorus	2.0	2.0	2.0

### PURIFICATION EFFICIENCY OF THE MAIN TREATMENT PLANTS (2018-2020)

parameter	average values (%) 2018	average values (%) 2019	average values (%) 2020
$100 \times (\text{COD}_{in} - \text{COD}_{out}) / \text{COD}_{in}$	91.7	87.2	87.0
$100 \times (\text{SST}_{in} - \text{SST}_{out}) / \text{SST}_{in}$	90.3	89.1	89.4
$100 \times (\text{NH}_{4\text{in}}^{+} - \text{NH}_{4\text{out}}^{+}) / \text{NH}_{4\text{in}}^{+}$	80.7	83.5	86.4
$100 \times (\text{PO}_{4\text{in}}^{-3} - \text{PO}_{4\text{out}}^{-3}) / \text{PO}_{4\text{in}}^{-3}$	31.4	n/a	n/a

## PUBLIACQUA

Publiacqua SpA is a mixed ownership Company with a majority public interest, owned by Acea through Acque Blu Fiorentina SpA, which since 2002 has managed the Integrated Water Service in the area of Optimal Territorial Conference no. 3 – Medio Valdarno, which includes cities with high environmental and artistic value such as Florence, Prato and Pistoia, with over 1.2 million citizens served.

## MANAGEMENT SYSTEMS

Publiacqua has an **Integrated Quality, Environment and Safety Management System (QAS)** in compliance with the **UNI ISO 9001:2015, UNI ISO 14001:2015** and **BS OHSAS 18001:2007** standards for its main operations. In 2020, the Company successfully underwent verification for renewal of ISO 14000 and BS OHSAS 18001 certification, preparing to pass over to ISO 45001. The analysis laboratory is accredited according to the **UNI ISO/IEC 17025:2005** standard.

## QUALITY DELIVERED: MAIN INTERVENTIONS ON THE NETWORKS AND CONTROLS ON DRINKING WATER AND WASTEWATER

### SIZE OF NETWORK, MAIN WORKS, METERS AND CHECKS ON DRINKING WATER AND NETWORKS (2020)

<b>size of drinking-water network – data in GIS</b>	<b>6,812</b> (1,391 km of supply network, 5,421 km of distribution)
<b>TYPE OF WORK</b>	
interventions due to network failure/leak detection	<b>4,307 interventions</b> (3,493 due to faults, 868 leak detection)
meter installations (new installation and replacement)	<b>8,842 interventions</b> (2,597 new installations and 4,307 replacements) and 73,883 mass replacements under contract
network extension	<b>6.9 km</b> of expanded network
network reclamation	<b>51.1 km</b> of reclaimed network
drinking water quality control	<b>10,817 samples</b> collected and <b>288,298 tests</b> performed

### SIZE OF NETWORK, WORKS AND CHECKS ON SEWERAGE WATER AND NETWORKS (2020)

<b>size of sewerage network – data in GIS</b>	<b>3,711 km</b>
<b>type of work</b>	
interventions due to network failure	<b>4,876 interventions</b>
planned interventions	<b>2,040 interventions</b>
network extension	<b>18.3 km</b> of expanded network
network reclamation	<b>8.5 km</b> of reclaimed network
quality control on wastewater for sewerage networks	<b>2,816 samples</b> collected and <b>38,293 tests</b> performed

## HUMAN RESOURCES IN FIGURES

### GENERAL DATA ON PERSONNEL (2019-2020)

(no.)	2019			2020		
	men	women	total	men	women	total
<b>COMPOSITION OF THE STAFF</b>						
executives	3	1	<b>4</b>	3	1	<b>4</b>
managers	11	8	<b>19</b>	14	8	<b>22</b>
clerical workers	176	133	<b>309</b>	187	143	<b>330</b>
workers	254	6	<b>260</b>	256	6	<b>262</b>
<b>total</b>	<b>444</b>	<b>148</b>	<b>592</b>	<b>460</b>	<b>158</b>	<b>618</b>
<b>CONTRACT TYPE</b>						
staff with permanent contract	425	148	<b>573</b>	425	153	<b>578</b>
<i>(of which) part-time staff</i>	3	11	<b>14</b>	3	9	<b>12</b>
permanent staff	7	0	<b>7</b>	11	5	<b>16</b>
staff under apprenticeship contracts	12	0	<b>12</b>	24	0	<b>24</b>
<b>total</b>	<b>444</b>	<b>148</b>	<b>592</b>	<b>460</b>	<b>158</b>	<b>618</b>
<b>CHANGES</b>						
<b>incoming staff</b>	<b>37</b>	<b>9</b>	<b>46</b>	<b>37</b>	<b>14</b>	<b>51</b>
<b>outgoing staff</b>	<b>22</b>	<b>3</b>	<b>25</b>	<b>21</b>	<b>4</b>	<b>25</b>
<b>turnover rate (%)</b>	<b>13.3</b>	<b>8.1</b>	<b>12.0</b>	<b>12.6</b>	<b>11.4</b>	<b>12.3</b>
incoming rate (%)	8.3	6.1	<b>7.8</b>	8.0	8.9	<b>8.3</b>
outgoing rate (%)	5.0	2.0	<b>4.2</b>	4.6	2.5	<b>4.0</b>

### INDUSTRIAL ACCIDENTS AND FREQUENCY AND SEVERITY INDICES (2019-2020)<sup>(\*)</sup>

	2019	2020
accidents (no.) <sup>(**)</sup>	25	16
total days of absence <sup>(***)</sup>	593	238
hours worked <sup>(****)</sup>	957,478	1,015,197
<b>frequency index (FI) (number of accidents per 1,000,000/working hours)</b>	<b>26.11</b>	<b>15.76</b>
<b>severity index (SI) (days of absence per 1,000/working hours)</b>	<b>0.62</b>	<b>0.23</b>

(\*) The 2019 figures have been restated after final calculations. The 2020 figures are estimated.

(\*\*) Accidents with effects lasting for more than one day are considered.

(\*\*\*) The value also excludes days of absence related to persistent or reopened injuries from previous years.

(\*\*\*\*) This is the sum of ordinary and overtime hours.

## TRAINING (2019-2020) <sup>(\*)</sup>

course type, hours provided and costs

course type	courses (no.)		training (hours)		costs (€)	
	2019	2020	2019	2020	2019	2020
advanced training <sup>(**)</sup>	4	5	372	78	5,428	5,782
IT	1	3	26	37	1,357	3,469
technical-specialised	46	43	8,244	3,061	64,243	49,726
managerial	17	8	1,431	1,281	23,069	9,251
administrative-managerial	36	41	1,203	1,198	48,853	47,413
safety	53	43	5,177	2,679	71,922	49,726
<b>total</b>	<b>157</b>	<b>143</b>	<b>16,453</b>	<b>8,334</b>	<b>213,053</b>	<b>165,368</b>

employees trained						
(no.)	2019			2020		
	men	women	total	men	women	total
	436	152	588	362	137	499

breakdown of training hours by qualification						
executives	131	5	136	67	36	103
managers	504	187	691	248	158	406
clerical workers	3,914	1,742	5,656	1,734	1,610	3,343
workers	9,938	32	9,970	4,460	21	4,481

(\*) The figures for 2019 have been restated after the final calculations.

(\*\*) The advanced training courses provided to employees are managed by Acea SpA, which bears the costs.

## ENVIRONMENTAL ACCOUNTS

PRODUCTS AND ANALYTICAL TESTS	units	2018	2019 <sup>(*)</sup>	2020	Δ% 2020/2019
WATER BALANCE					
<b>drinking water from the environment</b>	<b>Mm<sup>3</sup></b>	<b>163.6</b>	<b>157.7</b>	<b>148.7</b>	<b>-5.7</b>
<i>from the surface</i>	<i>Mm<sup>3</sup></i>	<i>105.2</i>	<i>101.2</i>	<i>95.4</i>	<i>-5.7</i>
<i>from wells</i>	<i>Mm<sup>3</sup></i>	<i>46.5</i>	<i>44.4</i>	<i>41.9</i>	<i>-5.6</i>
<i>from springs</i>	<i>Mm<sup>3</sup></i>	<i>11.4</i>	<i>11.4</i>	<i>10.7</i>	<i>-6.1</i>
<i>of which water from other aqueduct systems</i>	<i>Mm<sup>3</sup></i>	<i>0.5</i>	<i>0.7</i>	<i>0.7</i>	<i>-</i>
<b>total drinking water leaving the aqueduct system (e) = (a+b+c+d)</b>	<b>Mm<sup>3</sup></b>	<b>87.6</b>	<b>88.2</b>	<b>84.5</b>	<b>-4.2</b>
<b>total drinking water dispensed and billed in the network (a)</b>	<b>Mm<sup>3</sup></b>	<b>79.3</b>	<b>79.6</b>	<b>76.6</b>	<b>-3.8</b>
<i>measured volume of water delivered to users</i>	<i>Mm<sup>3</sup></i>	<i>79.3</i>	<i>79.6</i>	<i>76.6</i>	<i>-3.8</i>
<i>volume consumed by users and not measured</i>	<i>Mm<sup>3</sup></i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-</i>
<b>total drinking water authorised and not billed in the network (b)</b>	<b>Mm<sup>3</sup></b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>-</b>
<i>measured unbilled authorised consumption</i>	<i>Mm<sup>3</sup></i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-</i>
<i>unmeasured unbilled authorised consumption</i>	<i>Mm<sup>3</sup></i>	<i>0.4</i>	<i>0.4</i>	<i>0.4</i>	<i>-</i>
<b>drinking water exported (sub-distributors) (c)</b>	<b>Mm<sup>3</sup></b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>16.7</b>
<b>measured process losses (d)</b>	<b>Mm<sup>3</sup></b>	<b>7.3</b>	<b>7.6</b>	<b>6.8</b>	<b>-10.5</b>
LOSS ASSESSMENT ACCORDING TO ARERA RESOLUTION 917/17 R/IDR					
water leaks <sup>(**)</sup>	Mm <sup>3</sup>	75.9	69.5	64.2	-7.6
water loss percentages	%	46.4	44.1	43.2	-2.0
TREATED WASTEWATER					
<b>water treated in the main treatment plants</b>	<b>Mm<sup>3</sup></b>	<b>112.9</b>	<b>105.1</b>	<b>97.4</b>	<b>-7.3</b>
ANALYTICAL TESTS ON DRINKING WATER AND WASTEWATER					
<b>no. analytical tests on drinking water</b>	<b>no.</b>	<b>249,948</b>	<b>261,251</b>	<b>288,298</b>	<b>10.4</b>
<i>of which no. analytical tests on surface water <sup>(***)</sup></i>	<i>no.</i>	<i>23,309</i>	<i>24,497</i>	<i>26,665</i>	<i>8.9</i>
<b>no. analytical tests on wastewater</b>	<b>no.</b>	<b>35,668</b>	<b>40,127</b>	<b>38,293</b>	<b>-4.6</b>

(\*) The figures for 2019 have been restated after the final calculations.

(\*\*) The value of the water losses coincides with the "total lost volume (WLtot)" and includes the unmeasured treatment losses, the supply losses and the total distribution water losses.

(\*\*\*) Analysis of crude surface water (untreated).

RESOURCES USED	units	2018	2019	2020	Δ% 2020/2019
COLLECTION, SUPPLY AND DISTRIBUTION OF DRINKING AND NON-DRINKING WATER					
<b>materials</b>					
sodium hypochlorite	t	1,354	1,384	1,117	-19.3
sodium chloride	t	276	351	347	-1.1
hydrochloric acid	t	312	378	403	6.6
flocculant	t	4,611	5,818	5,055	-13.1
purate	t	407	353	349	-1.1
sulphuric acid	t	682	565	523	-7.4
oxygen	t	70	37	90	143.2
acetic acid	t	104	126	113	-10.3
carbon dioxide excluding drinking fountains	t	682	804	634	-21.1
ferrous chloride	t	37	30	45	50.0
phosphoric acid	t	18	16	13	-18.8
<b>WASTEWATER TREATMENT</b>					
<b>materials</b>					
polyelectrolyte emulsion	t	288	378	289	-23.5
sodium hypochlorite	t	30	70	61	-12.9
peracetic acid, caustic soda, polyamine/anti-foaming agent	t	11	15	13	-13.3
polyaluminium chloride (PAC)	t	4,080	4,354	4,382	0.6
lime	t	387	530	527	-0.6
acetic acid 80%	t	214	524	712	35.9
<b>OTHER CONSUMPTION</b>					
drinking water (*)	m <sup>3</sup>	n/a	n/a	182775	-

(\*) The 2020 figure has been estimated.

ENERGY CONSUMPTION	u.m.	2018	2019	2020	Δ% 2020/2019
<b>FUELS</b>					
<b>process fuels – wastewater</b>					
methane	Sm <sup>3</sup>	60,307	64,541 (*)	84,214	30.5
biogas produced	m <sup>3</sup>	661663	668,720	609,120	-8.9
<b>heating fuels</b>					
methane	Sm <sup>3</sup>	30,710	51,059	60,429	18.4
gas oil	l	4,000	4,600	4,500	-2.2
lpg	l	2,800	1,960	0	-100
<b>vehicle fuels</b>					
diesel	l	36,5047	353,462	349,724	-1.1
petrol	l	23,817	16,404	26,913	64.1
<b>ELECTRICITY</b>					
<b>total electricity for drinking water</b>	<b>GWh</b>	<b>78.2</b>	<b>76.9</b>	<b>72.6</b>	-5.6
<i>electricity for water pumping stations</i>	GWh	76.8	75.4	71.1	-5.7
<i>electricity for offices</i>	GWh	1.4	1.5	1.5	-
<b>total electricity for wastewater</b>	<b>GWh</b>	<b>37.4</b>	<b>36.4</b>	<b>34.6</b>	-4.7
<i>electricity for treatment</i>	GWh	32.7	32.5	30.5	-6.2
<i>electricity for pumping stations</i>	GWh	4.6	3.8	4.0	5.3
<i>electricity for offices</i>	GWh	0.1	0.1	0.1	-

(\*) The figure has been restated after final calculations, and varies from the figure published last year.

In 2020, the main reductions in energy are connected to works on the water networks aimed at reducing water leaks.

#### ENERGY EFFICIENCY (2018-2020)

action	energy savings achieved (kWh)		
	2018	2019	2020
Anconella drinking water conversion plant – check valve	130,000	-	-
San Giovanni V water treatment system – revamping of pump delivery pipes	30,000	-	-
network efficiency improvement	300,000	1,350,000	3,170,000
Osmannoro plant – new process blower	-	60,000	-
Villamagna 90 office – LED relamping		6,100	10,700

WASTE	u.m.	2018	2019	2020	Δ% 2020/2019
SPECIFIC WASTE FROM TREATMENT OF WASTEWATER					
treatment sludge	t	29,340	30,145	28,760	-4.6
sand and sediment from treatment	t	793	1,274 (*)	1,328	4.2
WASTE PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 152/06 EXCLUDING SLUDGE AND SAND					
hazardous waste	t	42	54.4 (*)	32.6	-40.1
non-hazardous waste	t	11,136	8,356	12,054	44.3

(\*) The figure has been restated after final calculations, and varies from the figure published last year.

#### TOTAL COD IN INPUT AND OUTPUT – SAN COLOMBANO TREATMENT PLANT (2018-2020)

(t/year)	2018	2019	2020
COD <sub>in</sub>	17,031	17,463	14,536
COD <sub>out</sub>	2,011	1,403	1,321

#### OUTPUT PARAMETERS – SAN COLOMBANO TREATMENT PLANT (2018-2020) (\*)

parameter	average values (mg/l) 2018	average values (mg/l) 2019	average values (mg/l) 2020
BOD <sub>5</sub>	2.4	1.5	2.2
COD	16.8	12.8	13.8
SST	8.4	4.1	4.8
NH <sub>4</sub> <sup>+</sup>	0.8	0.6	0.5
phosphorus	0.8	0.8	0.8

(\*) It should be noted that the San Colombano wastewater treatment plant (with a capacity of 600,000 population equivalent) treats about half of Publiacqua's global wastewater.

#### OUTPUT PARAMETERS FOR THE MAIN TREATMENT PLANTS (2018-2020) (\*)

parameter	average values (mg/l) 2018	average values (mg/l) 2019	average values (mg/l) 2020
BOD <sub>5</sub>	3.0	2.6	2.2
COD	21.0	18.2	14.3
SST	11.0	6.3	4.9
NH <sub>4</sub> <sup>+</sup>	2.5	2.9	0.7
phosphorus	1.6	1.6	0.9

(\*) The figures include 38 treatment plants, including San Colombano, which treat a total of 98% of wastewater and 96% of the organic load (COD) of Publiacqua.

#### PURIFICATION EFFICIENCY OF THE MAIN TREATMENT PLANTS (2018-2020)

parameter	average values (%) 2018	average values (%) 2019	average values (%) 2020
$100 \times (\text{COD}_{in} - \text{COD}_{out}) / \text{COD}_{in}$	86.1	91.2	89.4
$100 \times (\text{SST}_{in} - \text{SST}_{out}) / \text{SST}_{in}$	88.4	94.8	95.1
$100 \times (\text{NH}_4^+_{in} - \text{NH}_4^+_{out}) / \text{NH}_4^+_{in}$	96.1	98.0	97.9
$100 \times (\text{PO}_4^{3-}_{in} - \text{PO}_4^{3-}_{out}) / \text{PO}_4^{3-}_{in}$	68.3	74.8	74.0

## PURIFICATION EFFICIENCY OF THE 38 MAIN TREATMENT PLANTS (2018-2020)<sup>(\*)</sup>

parameter	average values (%) 2018	average values (%) 2019	average values (%) 2020
$100 \times (\text{COD}_{in} - \text{COD}_{out}) / \text{COD}_{in}$	93.3	92.0	90.9
$100 \times (\text{SST}_{in} - \text{SST}_{out}) / \text{SST}_{in}$	91.8	95.6	96.1
$100 \times (\text{NH}_4^+_{in} - \text{NH}_4^+_{out}) / \text{NH}_4^+_{in}$	91.9	96.7	97.4
$100 \times (\text{PO}_4^{3-}_{in} - \text{PO}_4^{3-}_{out}) / \text{PO}_4^{3-}_{in}$	60.6	72.0	73.3

(\*) The figures include 38 treatment plants, including San Colombano, which treat a total of 98% of wastewater and 96% of the organic load (COD) of Publiacqua.

## ACQUE

Acque SpA manages the Integrated Water Service in the area of Optimal Territorial Conference 2 Lower Valdarno on the basis of the concession agreement issued by the Autorità Idrica Toscana (AIT), consisting of 53 Municipalities in the provinces of Pisa, Lucca, Florence, Pistoia and Siena, with a total population of approximately 739,000 user accounts served.

## MANAGEMENT SYSTEMS

Acque has implemented an **Integrated Management System** certified according to a scheme based on **quality, environment, safety, energy and social responsibility, road safety and the prevention of corruption**. In addition to this is the certification of testing laboratories, pursuant to standard **UNI CEI EN ISO/IEC 17025:2005**, and **EMAS IV registration** of the Pagnana treatment plant in Empoli (Florence).

## QUALITY DELIVERED: MAIN INTERVENTIONS ON THE NETWORKS AND CONTROLS ON DRINKING WATER AND WASTEWATER

### SIZE OF NETWORK, MAIN WORKS, METERS AND CHECKS ON DRINKING WATER AND NETWORKS (2020)

size of drinking-water network – data in GIS	6,004 (815 km of supply network, 5,186 km of distribution)
<b>type of work</b>	
interventions due to network failure/leak detection	21,617 interventions (20,892 due to faults, 725 leak detection)
meter installations (new installation and replacement)	69,715 interventions (5,503 new installations and 64,212 replacements) and 61,620 mass replacements under contract
network extension	0.5 km of expanded network
network reclamation	63 km of reclaimed network
drinking water quality control	11,721 samples collected and 357,585 tests performed

### SIZE OF NETWORK, WORKS AND CHECKS ON SEWERAGE WATER AND NETWORKS (2020)

size of sewerage network – data in GIS	3,083 km
<b>type of work</b>	
interventions due to network failure	4,729 interventions
planned interventions	2,367 interventions
network extension	0.8 km of expanded network
network reclamation	4.8 km of reclaimed network
quality control on wastewater for sewerage networks	8,132 samples collected and 122,766 tests performed

## HUMAN RESOURCES IN FIGURES

### GENERAL DATA ON PERSONNEL (2019-2020)

(no.)	2019			2020		
	men	women	total	men	women	total
<b>composition of the staff</b>						
executives	3	2	5	2	2	4
managers	6	4	10	6	4	10
clerical workers	93	153	246	96	158	254
workers	150	0	150	149	0	149
<b>total</b>	<b>252</b>	<b>159</b>	<b>411</b>	<b>253</b>	<b>164</b>	<b>417</b>
<b>contract type</b>						
staff with permanent contract	240	157	397	247	161	408
(of which) part-time staff	3	30	33	2	29	31
permanent staff	12	2	14	6	3	9
<b>total</b>	<b>252</b>	<b>159</b>	<b>411</b>	<b>253</b>	<b>164</b>	<b>417</b>

## GENERAL DATA ON PERSONNEL (2019-2020) (cont.)

changes						
incoming staff	20	10	30	10	5	15
outgoing staff	14	8	22	9	0	9
turnover rate (%)	13.5	11.3	12.7	7.5	3.0	5.8
incoming rate (%)	7.9	6.3	7.3	4.0	3.0	3.6
outgoing rate (%)	5.6	5.0	5.4	3.6	-	2.2

## INDUSTRIAL ACCIDENTS AND FREQUENCY AND SEVERITY INDICES (2019-2020)

	2019	2020
accidents (no.)	5	3
total days of absence	108	62
hours worked <sup>(*)</sup>	670,717	667,740
frequency index (FI) (number of accidents per 1,000,000/working hours) <sup>(**)</sup>	7.45	4.49
severity index (SI) (days of absence per 1,000/working hours) <sup>(**)</sup>	0.16	0.09

(\*) The value also excludes days of absence related to persistent or reopened injuries from previous years.

(\*\*) The 2019 figure has been restated after final calculations, and varies from the figure published last year.

## TRAINING (2019-2020)<sup>(\*)</sup>

### course type, hours provided and costs

course type	courses (no.)		training (hours)		costs (€)	
	2019	2020	2019	2020	2019 <sup>(**)</sup>	2020
IT	7	4	265	282	n/a	4,302
new hires	1	0	88	0	n/a	0
technical-specialised	43	29	1,855	674	n/a	11,115
managerial	1	2	180	80	n/a	2,020
safety	32	26	2,477	1,610	n/a	17,670
environment	3	1	351	48	n/a	0
cross-cutting	12	9	1,086	851	n/a	12,661
training pursuant to Legislative Decree 231/01	2	2	298	228	n/a	3,488
e-learning training	1	1	100	27	n/a	404
<b>total</b>	<b>102</b>	<b>74</b>	<b>6,700</b>	<b>3,800</b>	<b>42,085</b>	<b>51,660</b>

### employees trained <sup>(\*\*\*)</sup>

(no.)	2019			2020		
	men	women	total	men	women	total
	259	170	429	227	135	362

### breakdown of training hours by qualification

executives	75	23	98	18	10	28
managers	288	61	349	105	81	186
clerical workers	1,786	2,649	4,435	879	1,540	2,419
workers	1,818	0	1,818	1,167	0	1,167

(\*) The 2019 figures have been revised to include courses and hours issued by the Parent Company.

(\*\*) In 2019 there was no cost data available broken down by type of training.

(\*\*\*) The figures are higher than the number of employees as they include employees of other companies, posted workers and workers who provided services only for a few months of the year.

The **training**, performed primarily remotely due to the continuing epidemic, involved all Company personnel, with issue of a total of **3,832 hours** of training. **Occupational safety** training remains at the top for hours of training.

## ENVIRONMENTAL ACCOUNTS

PRODUCTS AND ANALYTICAL TESTS <sup>(*)</sup>	units	2018	2019	2020	Δ% 2020/2019
WATER BALANCE					
<b>drinking water from the environment</b>	<b>Mm<sup>3</sup></b>	<b>78.44</b>	<b>76.93</b>	<b>74.64</b>	<b>-3.0</b>
<i>from the surface</i>	<i>Mm<sup>3</sup></i>	<i>2.99</i>	<i>3.24</i>	<i>3.49</i>	<i>7.7</i>
<i>from wells</i>	<i>Mm<sup>3</sup></i>	<i>60.03</i>	<i>59.84</i>	<i>56.84</i>	<i>-5.0</i>
<i>from springs</i>	<i>Mm<sup>3</sup></i>	<i>7.21</i>	<i>5.86</i>	<i>6.52</i>	<i>11.3</i>
<i>of which water from other aqueduct systems</i>	<i>Mm<sup>3</sup></i>	<i>8.21</i>	<i>7.99</i>	<i>7.79</i>	<i>-2.5</i>
<b>total drinking water leaving the aqueduct system (e) = (a+b+c+d)</b>	<b>Mm<sup>3</sup></b>	<b>45.85</b>	<b>46.45</b>	<b>45.68</b>	<b>-1.7</b>

<b>total drinking water dispensed and billed in the network (a)</b>	<b>Mm<sup>3</sup></b>	<b>43.97</b>	<b>43.97</b>	<b>43.15</b>	<b>-1.9</b>
<i>measured volume of water delivered to users</i>	<i>Mm<sup>3</sup></i>	<i>43.97</i>	<i>43.97</i>	<i>43.15</i>	<i>-1.9</i>
<i>volume consumed by users and not measured</i>	<i>Mm<sup>3</sup></i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>-</i>
<b>total drinking water authorised and not billed in the network (b)</b>	<b>Mm<sup>3</sup></b>	<b>0.22</b>	<b>0.22</b>	<b>0.30</b>	<b>31.8</b>
<i>measured unbilled authorised consumption</i>	<i>Mm<sup>3</sup></i>	<i>0.07</i>	<i>0.07</i>	<i>0.08</i>	<i>14.3</i>
<i>unmeasured unbilled authorised consumption</i>	<i>Mm<sup>3</sup></i>	<i>0.15</i>	<i>0.15</i>	<i>0.22</i>	<i>45.3</i>
<b>drinking water exported to other systems (c)</b>	<b>Mm<sup>3</sup></b>	<b>0.86</b>	<b>1.04</b>	<b>1.01</b>	<b>-2.9</b>
<b>measured process losses (d)</b>	<b>Mm<sup>3</sup></b>	<b>0.80</b>	<b>1.22</b>	<b>1.22</b>	<b>-</b>

#### LOSS ASSESSMENT ACCORDING TO ARERA RESOLUTION 917/17 R/IDR

water leaks	Mm <sup>3</sup>	32.59	30.48	28.96	-5.0
water loss percentages	%	41.5	39.6	38.8	-2.1

#### TREATED WASTEWATER

<b>water treated in the main treatment plants</b>	<b>Mm<sup>3</sup></b>	<b>47.3</b>	<b>46.7</b>	<b>46.42</b>	<b>-0.7</b>
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#### ANALYTICAL TESTS ON DRINKING WATER AND WASTEWATER

<b>no. analytical tests on drinking water (including analytical tests on surface water)</b>	<b>no.</b>	<b>285,174</b>	<b>329,752</b>	<b>357,585</b>	<b>8.4</b>
<b>no. analytical tests on wastewater</b>	<b>no.</b>	<b>116,636</b>	<b>128,459</b>	<b>122,766</b>	<b>-4.4</b>

(\*) The figures for 2019 have been restated following consolidation and differ from those previously published. The 2020 figures are estimated.

#### RESOURCES USED

##### COLLECTION, SUPPLY AND DISTRIBUTION OF DRINKING AND NON-DRINKING WATER

	units	2018	2019	2020	Δ% 2020/2019
<b>materials</b>					
laboratory reagents (chemical section and microbiological section)	t	2.51	2.03	2.31	13.8
sodium hypochlorite	t	187.92	208.82	180.13	-13.7
hydrochloric acid	t	383.53	351.09	477.99	36.1
potassium permanganate	t	2.12	2.75	4.17	51.8
aluminium polychloride	t	30.60	181.73	208.59	14.8
DREWO 8155 PG powder	t	1.20	5.00	0	-
DREFLO 908 PG powder	t	0.12	3.98	0	-
salt in bags	t	0	7.20	1.00	-86.1
sodium chloride	t	384.68	354.34	366.69	3.5
caustic soda	t	0	0.55	2.37	331.8
citric acid	t	0.45	1.23	2.55	107.3
alifons L	t	0.10	0	0.13	-
aluminium polychlorosulphate	t	154.83	11.55	0	-

##### WASTEWATER TREATMENT

	units	2018	2019	2020	Δ% 2020/2019
<b>materials</b>					
polyelectrolyte emulsion	t	137.93	169.08	233.87	38.3
aluminium polychloride	t	15.70	12.00	19.50	62.5
ferric chloride for sludge dehydration	t	471.76	496.03	527.69	6.4
sodium hypochlorite for final disinfection	t	64.90	11.55	29.20	152.8
peracetic acid for disinfection	t	4.00	0	0	-
acetic acid	t	0	0.10	0	-100
sulphuric acid	t	0	1.25	0.99	-20.8
ferrous chloride	t	5.37	0	0	-
caustic soda (sodium hydroxide) – Solvay	t	0.38	1.15	2.02	75.7
biotek base L – biological reactivator	t	0	0.04	0.04	-
biotek clar – biological reactivator	t	0.25	0.25	0.25	-
desmell Bio L – odorogenic emissions treatment	t	0.10	0.08	0	-100
nutrients	t	514.85	545.50	1,122.15	105.7
other	t	0.01	0	0	-

OTHER CONSUMPTION					
<b>drinking water <sup>(*)</sup></b>	<b>m<sup>3</sup></b>	<b>225,342</b>	<b>257,132</b>	<b>237,751</b>	<b>-7.5</b>
<i>drinking water consumed for non-industrial water uses (offices, outside showers, etc.)</i>	m <sup>3</sup>	72,423	79,018	59,637	-24.5
<i>drinking water consumed for process water uses (washing machinery and bays, etc.)</i>	m <sup>3</sup>	152,919	178,114	178,114	-

(\*) The figures for 2018 and 2019 have been restated following consolidation and differ from those previously published. The 2020 figures are estimated.

In 2020, the Company reused approximately **430,000 m<sup>3</sup> of recovered water** for washing the sheets of sludge dehydration equipment (belt presses) and for the backwashing of the Pollino water plant filters in Porcari (Lucca).

ENERGY CONSUMPTION	u.m.	2018	2019	2020	Δ% 2020/2019
<b>FUELS</b>					
<b>process fuels – drinking water/non-drinking water</b>					
gas oil	l	1,200	1,300	1,500	15.4
<b>process fuels – wastewater</b>					
gas oil	l	0	1,100	0	-100
<b>heating fuels</b>					
methane	Sm <sup>3</sup>	56,357	56,244	50,743	-9.8
lpg	l	16,803	17,781	15,419	-13.3
<b>vehicle fuels</b>					
diesel	l	176,154	202,128	228,802	13.2
petrol	l	17,730	33,962	15,373	-54.7
methane	kg	81,450	52,084	23,884	-54.1
<b>ELECTRICITY</b>					
<b>total electricity for drinking water</b>	<b>GWh</b>	<b>53.36</b>	<b>53.80</b>	<b>51.09</b>	<b>-5.0</b>
<i>electricity for water pumping stations</i>	GWh	52.81	53.34	50.72	-4.9
<i>electricity for offices</i>	GWh	0.55	0.46	0.37	-19.6
<b>total electricity for wastewater</b>	<b>GWh</b>	<b>33.41</b>	<b>32.83</b>	<b>32.29</b>	<b>-1.7</b>
<i>electricity for treatment</i>	GWh	26.00	25.70	24.66	-4.0
<i>electricity for pumping stations</i>	GWh	7.07	6.85	7.40	8.0
<i>electricity for offices</i>	GWh	0.34	0.28	0.23	-21.4

Acque has completed energy efficiency projects that have led to the energy savings shown in the table below.

#### ENERGY EFFICIENCY OF ACQUE (2018-2020)

action	energy savings achieved (kWh)		
	2018	2019	2020
changes to operating logic – Le Lame and Poggibonsi treatment plants	97,585	85,429	-
implementation and changes to operating logic of aeration system – S. Jacopo treatment plant	328,184	257,383	355,039

WASTE	u.m.	2018	2019	2020	Δ% 2020/2019
<b>SPECIFIC WASTE FROM TREATMENT OF WASTEWATER</b>					
treatment sludge	t	17,634.77	21,953.18	19,879.80	-9.4
sand and sediment from treatment	t	3,500.43	1,279.04	1,981.55	54.9
<b>WASTE PURSUANT TO ITALIAN LEGISLATIVE DECREE NO. 152/06 EXCLUDING SLUDGE AND SAND</b>					
hazardous waste	t	31.82	42.93	24.96	-41.9
non-hazardous waste	t	63,179.64	61,408.12	72,919.75	18.7

#### TOTAL COD IN INPUT AND OUTPUT (2018-2020)

(t/year)	2018	2019	2020
COD <sub>in</sub>	21,708	22,017	22,808
COD <sub>out</sub>	1,521	1,382	1,268

## OUTPUT PARAMETERS FOR THE MAIN TREATMENT PLANTS MANAGED BY ACQUE (2018-2020)<sup>(\*)</sup>

parameter	average values (mg/l) 2018	average values (mg/l) 2019	average values (mg/l) 2020
BOD <sub>5</sub>	6.2	6.3	5.5
COD	30.6	27.9	25.5
SST	7.4	7.0	5.0
NH <sub>4</sub> <sup>+</sup>	5.0	3.5	3.0
phosphorus	2.1	2.3	2.0

(\*) Installations with a treatment capacity greater than or equal to 10,000 population equivalent are considered.

## TREATMENT EFFICIENCY OF THE MAIN TREATMENT PLANTS MANAGED BY ACQUE (2018-2020)<sup>(\*)</sup>

parameter	average values (%) 2018	average values (%) 2019	average values (%) 2020
$100 \times (\text{COD}_{\text{in}} - \text{COD}_{\text{out}}) / \text{COD}_{\text{in}}$	93.5	93.7	95.0
$100 \times (\text{SST}_{\text{in}} - \text{SST}_{\text{out}}) / \text{SST}_{\text{in}}$	97.5	95.7	97.8
$100 \times (\text{NH}_{4\text{ in}}^{+} - \text{NH}_{4\text{ out}}^{+}) / \text{NH}_{4\text{ in}}^{+}$	87.2	90.6	92.7
$100 \times (\text{PO}_{4\text{ in}}^{-3} - \text{PO}_{4\text{ out}}^{-3}) / \text{PO}_{4\text{ in}}^{-3}$	73.0	68.8	73.0

(\*) Installations with a treatment capacity greater than or equal to 10,000 population equivalent are considered.

## OVERSEAS ACTIVITIES

Acea works abroad in the water sector<sup>137</sup> to improve the service, especially as regards **technical and management aspects**, including through **staff training** and the **transfer of know-how** to local businesses. In particular, it is present in Peru, Honduras and the Dominican Republic through Companies created in **partnership with local and international** stakeholders, and serves a total of about 4.2 million people.

## AGUAS DE SAN PEDRO SA

Agua de San Pedro (ASP) is the holder of a 30-year contract for the management of the integrated water service in the city of San Pedro Sula in Honduras, and during the year it continued with the projects for the **expansion, treatment and improvement of the water service and sewerage network** in the city.

The Company has a **Quality Management System** certified according to the **UNI ISO 9001:2015** standard and the laboratories are accredited according to the **UNI ISO/IEC 17025:2005** standard.

## AGUAS DE SAN PEDRO (ASP) – MAIN COMPANY AND OPERATING DATA

country (area)	Honduras (San Pedro Sula)
inhabitants served	728,000
customer	municipal administration
sources of financing	equity capital and loans from commercial banks
duration of the contract	01.02.2001 – 01.02.2031
purpose of the project	concession of the integrated water service for the town of San Pedro de Sula
shareholders	Acea SpA 60.65%, Ireti SpA 39.35%
no. of employees	386
turnover (in € thousand)	33,276

In line with previous years, despite the difficulties deriving from the Covid-19 pandemic and passage of 2 destructive hurricanes in November, the Company continued activity to offer **technical assistance to rural communities** and implemented **initiatives for the protection of the environment**, in the context of the **programme for the conservation** of the El Merendón **natural reserve**, declared a protected area for the production of water in San Pedro Sula.

The initiatives include:

- the “Un millón de Árboles para el Merendón” **reforestation** project, planting approximately 82 thousand fruit and wood trees (about 910 thousand plants from the start of the project);
- fire prevention**. In this regard, in previous years, the Company has contributed with construction of **surveillance towers** and is active with campaigns for protection of the territory and involvement of the fire-prevention team. In 2020, the

team intervened to **put out 13 fires** in Merendón, which involved 18 hectares of forests and, thanks to the surveillance towers, they managed to prevent 227 fires from starting in the Rio Manchagua basin;

- training** on the management of **water systems and basic hydraulic principles** for members of the “Juntas de Agua” of 49 Merendón communities and the distribution of kits with tools;
- social and technical assistance** for the rural communities of Merendón, with organisation of workshops with 14 communities (for a total of 233 residents involved), in order to raise awareness of the importance of maintaining the quality of water resources from a hygiene and sanitation perspective.

Finally, 6 meetings were organised with local communities to raise awareness around smart water usage.

<sup>137</sup> Overseas activities have a limited incidence from an economic and financial viewpoint, in terms of consolidation percentage, but a brief description of them is given here because of their social importance.

The **emergency situation** slowed certain activities, such as establishment of new connections and other maintenance works, but operating teams are still in the field guaranteeing service continuity. The Company **suspended service disconnection** for customers with unpaid bills, and payment periods were extended without interest expense and for customers without meters invoicing continued only of the administrative component for a value of just a few Lempiras (corresponding to a few Euro cents). From the start of the emergency, **biosecurity and personnel-protection measures** have been established by the Company, updated on the basis of the guidelines issued by the government and WHO protocols, including: preparation of the **biosecurity Protocol** that reviewed working methods and the use of Company tools to ensure social distancing and avoid contact, **provision of PPE** to limit the spread of the virus and specific **training** of personnel with

clear and simple messages on how to take care, in order to protect each other, in the workplace and in the family, and the role of water during the pandemic to guarantee hygiene procedures. Furthermore, a programme was implemented for performance of **rapid tests**, with a frequency of 14 days, for the detection and prompt handling of Covid-19 cases.

## CONSORCIO AGUA AZUL SA

The Agua Azul Consortium manages the processing and supply of drinking water to the local publicly owned water Company SEDAPAL (Lima Drinking Water and Sewerage Service - Peru). To this end, using the surface and underground waters of the Chillón river it built a water treatment plant capable of satisfying the drinking water needs of the **northern areas of Lima**, which it will manage until 2027, when it will be transferred to the State.

### CONSORCIO AGUA AZUL SA – MAIN CORPORATE AND OPERATIONAL DATA

country (area)	Peru (north Lima – Cono Norte)
inhabitants served	815,000
customer	Sedapal (Drinking water and sewerage service in Lima, state owned)
sources of financing	equity capital and bonds issued on the Peruvian market
duration of the contract	07.04.2000 – 18.06.2027
purpose of the project	BOT (Build-Operate-Transfer) project for the construction and management of a drinking water supply system that draws on the water of the Chillón river and the underlying aquifer
shareholders	Acea SpA (44%), Marubeni Co. (29%), Inversiones Liquidas S.A.C (27%)
no. of employees	32
turnover (in € thousand)	12,974

The Consorcio has adopted an **Integrated Quality and Environment System** according to **UNI ISO 9001:2015** and **UNI ISO 14001:2015** aimed at optimising production processes and reducing the environmental impact through energy efficiency and the limited use of materials.

During the year, the **programme of health and safety in the workplace and first-aid training** continued, which for reasons connected to Covid-19 was not performed externally. Continuous training on the issue enabled **maintenance of the result of zero accidents at work** in 2020.

To contain the spread of coronavirus, the Company established biosecurity and personal-protection measures, limiting the number of personnel in the office and altering the shift patterns of operational teams, in addition to issuing **rapid antigen tests** and **molecular tests** for personnel. Unfortunately, also due to the pandemic that heavily affected the whole country, the Company had to interrupt consolidated activities with a **positive impact on the territory**, including courses organised with the Asociación de Pro-

ductores Ecológicos organisation of the Chillón valley, **on the use of fertilisers, crop treatment and maintenance of organic certification for farmed crops**, and the training courses at the Faculty of Engineering of the National University of Peru and curricular internships for students.

For the Christmas holidays, the **children of local schools and children of employees were delivered toys and Christmas packages**.

## CONSORCIO SERVICIO SUR

Consortio Servicio Sur is a special purpose vehicle led by Acea International in partnership with Peruvian partners, which manages the corrective maintenance contract for the water and sewerage system in the **area south of Lima** (Peru), for the publicly owned Peruvian water Company SEDAPAL. The contract, which began in August 2018, was implemented in the service area of Surquillo and involved all extraordinary maintenance works required for the maintenance of full functionality of the water and sewerage service, and of hygiene, sanitary and environmental conditions.

### CONSORCIO SERVICIO SUR – MAIN CORPORATE AND OPERATING DATA

country (area)	Peru (south Lima)
inhabitants served	1,121,886
customer	Sedapal (drinking water and sewerage service in Lima, state owned)
sources of financing	equity
duration of the contract	24.08.2018 – 24.08.2021
purpose of the project	preventive and corrective maintenance of the water and sewerage system in the area south of Lima
shareholders	Acea International (50%), Acea Ato 2 (1%), Conhydra (29%), Valjo (14%), India (6%)
no. of employees	166
turnover (in € thousand)	5,942

From the standpoint of the **sharing economy**, the Company allows employees to use **Company cars** for **commuting** and to share them with other employees.

Regarding **health and safety**, in order to contain the spread of coronavirus, the Company launched a **“Covid Plan”**, which included measures to limit infections amongst employees, including working from home and performance of **regular testing**.

## CONSORCIO ACEA

Consortio Acea, a special-purpose vehicle led by Acea Perù, at the end of 2020 won a contract put to tender by the public operator of the drinking water and sewerage service of Lima (Peru) SEDAPAL, for the management and control of 253 pumping stations for drinking water serving the areas of Ate, Breña and San Juan de Lurigancho, for a total of 3 million citizens served.

### CONSORCIO ACEA – MAIN CORPORATE AND OPERATING DATA

country (area)	Peru (Lima, central zone)
inhabitants served	3,000,000
customer	Sedapal (drinking water and sewerage service in Lima, state owned)
sources of financing	equity
duration of the contract	5.12.2020 – 5.12.2023
purpose of the project	management and control of pumping stations for drinking water in the central zone of Lima
shareholders	Acea Perù S.A.C (99%), Acea Ato 2 (1%)
no. of employees	920
turnover (in € thousand)	566

## ACEA DOMINICANA SA

Acea Dominicana deals with the commercial management of the water service **in the northern and eastern areas of Santo Domingo** in the **Dominican Republic**. The activities include the management of customer relations, the billing cycle and cost estimates, the in-

stallation of new meters (17,000 installed in 2020), maintenance of existing meters and directing the works for new connections.

The Company implemented a **Quality Management System** certified according to the **UNI ISO 9001:2015** standard, which covers all activities performed.

### ACEA DOMINICANA SA – MAIN CORPORATE AND OPERATING DATA

country (area)	Dominican Republic (north and east Santo Domingo)
inhabitants served	1,500,000
customers	Corporación del Acueducto y Alcantarillado de Santo Domingo (CAASD) and Corporación de Acueducto y Alcantarillado de Boca Chica (CORAABO)
duration of the contract	01.10.2003 – 30.09.2023
purpose of the project	commercial management of the water service
shareholders	Acea SpA (100%)
no. of employees	147
turnover (in € thousand)	3,468

Due to the Covid-19 pandemic, educational campaigns were suspended aimed at students of schools in the capital, issued in previous years to raise awareness on the correct use of water, along with campaigns on reforestation. The Company supported the **campaign for the clean-up and removal of waste in the**

**municipality of Boca Chica**, providing protective clothing and tools to the volunteers.

Regarding **health and safety**, in order to contain the spread of coronavirus, the Company adhered to regulations issued and implemented measures to protect its employees from infection.



# GRI CONTENT INDEX: REPORTING PRINCIPLES, UNIVERSAL STANDARDS AND MATERIAL TOPIC-SPECIFIC STANDARDS

The Sustainability Report has been prepared in accordance with the **2019 GRI standards: Comprehensive option**. The GRI Content Index includes the Universal Standards (series 100) and the Material Topic-Specific Standards (series 200, 300 and 400).

Specifically, the index contains:

- reference to the **reporting principles** (GRI 101: Foundation 2016 (Reporting Principles));
- definition of the **56 standards of the general disclosure** (GRI 102: General Disclosures 2016) and of the **26 material topics** amongst the **Specific Standards** (Series GRI 200: Economic, GRI 300: Environmental, and GRI 400: Social) and **relative indicators**, with indication of the sections and pages of the document, where it is possible to consult them, or responses to indicators, and reporting of any omissions or inapplicability of certain

indicators included in material topics. It is noted that, with reference to 2020, the 2018 edition of the material topic-specific standards “Water and Effluents” (GRI 303) and “Occupational Health and Safety” (GRI 403) were adopted, and consequently certain specific indicators regarding the standard GRI 306 “Effluents and Waste” (ed. 2016) have been superseded, updated and included in the new version of the standard GRI 303;

- the scope of each topic (amongst the Material Topic-Specific Standards), i.e. its significance within the organisation (Group or Company associated with specific businesses) or outside of it (e.g. supply chain, collective significance).

Finally, the right column of the Content Index indicates the main correspondences with topics covered by Italian Legislative Decree no. 254/2016.

## GRI CONTENT INDEX

GRI Standards	definition of GRI Standards, notes (responses or reports of omissions or inapplicability), sections and reference pages	Alignment with Italian Legislative Decree no. 254/2016
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### UNIVERSAL STANDARDS

#### GRI 101: FOUNDATION 2016 (REPORTING PRINCIPLES)

#### GRI 102: GENERAL DISCLOSURES 2016

##### ORGANIZATIONAL PROFILE

GRI 102: General Disclosures 2016	<b>102-1 Name of the organization.</b> Acea SpA <i>Corporate Identity</i> page 22.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model
	<b>102-2 Activities, brands, products, and services.</b> <i>Corporate identity</i> pages 22, 23, chart no. 2.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model
	<b>102-3 Location of headquarters.</b> Piazzale Ostiense 2, 00154 Rome, Italy	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model
	<b>102-4 Location of operations (number of countries where the organization operates and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report).</b> <i>Corporate Identity</i> page 22.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model
	<b>102-5 Ownership and legal form.</b> <i>Corporate Identity</i> page 30.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model
	<b>102-6 Markets served (including: geographic locations, sectors served, types of customers and beneficiaries).</b> <i>Corporate Identity</i> pages 22, 30; <i>Relations with stakeholders</i> pages 78, 81 table no. 15, 98.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model
	<b>102-7 Scale of the organization (including: number of employees; net sales – for private sector organizations – or net revenues – for public sector organizations; total capitalization broken down in terms of debt and equity; quantity of products or services provided).</b> <i>Corporate Identity</i> pages 22 table no. 6, 30 table no. 7; <i>Relations with stakeholders</i> pages 142 table no. 38, 163.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model
	<b>102-8 Information on employees and other workers (total number of employees by employment type and gender, employment contract by region etc.; whether a significant portion of the organization’s activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed).</b> <i>Relations with stakeholders</i> pages 139, 141, 142, 145 table no. 39.	<b>Art. 3 paragraph 2, letter d):</b> social aspects and aspects relating to staff management
	<b>102-9 Description of the organization’s supply chain.</b> <i>Corporate Identity</i> pages 24-27; <i>Relations with stakeholders</i> pages 133, 134.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model

<p><b>102-10 Significant changes to the organization's size, structure, ownership, or supply chain (including: changes in the location of, or changes in operations, including facility openings, closings, and expansions; changes in the share capital structure and other capital formation, maintenance, and alteration operations; changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers etc.).</b></p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model</p>
<p><i>Corporate Identity page 30; Relations with stakeholders page 134.</i></p>	
<p><b>102-11 Precautionary Principle or approach (whether and how the organization applies the Precautionary Principle or approach).</b></p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model</p>
<p><i>Corporate Identity pages 61, 69, 70 table no. 12; Relations with stakeholders pages 152, 154, 171; Relations with the environment pages 191, 194, 206.</i></p>	
<p><b>102-12 External initiatives (a list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses).</b></p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model</p>
<p><i>Joining the United Nations Global Compact pages 18-19; Corporate Identity pages 31, 33, 35, 60, 70 table no. 12; Relations with stakeholders pages 133, 151, 168, 169, 170, 171; Relations with the environment pages 178 f., 183, 192, 194.</i></p>	
<p><b>102-13 Membership of associations (the reporting should include memberships maintained at the organizational level in associations or organizations in which it holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, or views its membership as strategic).</b></p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model</p>
<p><i>Relations with stakeholders pages 125 f., 169; Relations with the environment pages 178 f.</i></p>	
<p><b>STRATEGY</b></p>	
<p><b>102-14 Statement from senior decision-maker (such as CEO, Chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.</b></p>	<p><b>Art. 3 paragraph 7:</b> The responsibility to guarantee that the report is (...) compliant rests with the directors</p>
<p><i>Letter to the stakeholders pages 4-5; Corporate Identity pages 22-27, 31-35, 60; Relations with stakeholders pages 125, 127, 128, 170, 172; Relations with the environment page 178, 180.</i></p>	
<p><b>102-15 Description of key impacts, risks, and opportunities.</b></p>	<p><b>Art. 3 paragraph 1, letter c):</b> the main risks generated or suffered; <b>paragraph 2, letter c):</b> the impact (...) on the environment as well as on health and safety</p>
<p><i>Corporate Identity pages 22-27, 30, 31-35, 60 f., 63-64, 65, 66 table no. 10, 68 f.; Relations with stakeholders page 166, 167; Relations with the environment pages 179 f., 196.</i></p>	
<p><b>ETHICS AND INTEGRITY</b></p>	
<p><b>102-16 Description of the organization's values, principles, standards, and norms of behavior.</b></p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model</p>
<p><i>Corporate Identity pages 33, 35, 58, 64, 75; Relations with stakeholders page 131.</i></p>	
<p><b>102-17 Mechanisms for advice and concerns about ethics (description of internal and external mechanisms for seeking advice about ethical and lawful behavior, and organizational integrity; reporting concerns about unethical or unlawful behavior, and organizational integrity etc.).</b></p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model; <b>paragraph 2, letter e):</b> regarding human rights, the measures adopted to prevent breaches thereof and measures to avoid conduct and actions that are in any case discriminatory</p>
<p><i>Corporate Identity pages 58 chart no. 11, 64 f.</i></p>	
<p><b>GOVERNANCE</b></p>	
<p><b>102-18 Governance structure of the organization, including committees of the highest governance body. Committees responsible for decision-making on economic, environmental, and social topics.</b></p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model</p>
<p><i>Corporate Identity pages 58 and chart no. 11, 59 and table no. 8.</i></p>	
<p><b>102-19 Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.</b></p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model</p>
<p>The Board of Directors confers management powers to the Chief Executive Officer, who, in the context of the corporate macrostructure established by the same Board, confers powers and proxies to management, in accordance with the missions and responsibilities of the different structures. The standard practice for any type of assignment of powers (and therefore for economic, environmental and social areas) is based on analysis of the requirement/need for such assignment.</p>	

**102-20 Executive-level responsibility for economic, environmental, and social topics (whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics; whether post holders report directly to the highest governance body).**

Within Acea, there are different operational structures managing the individual topics, including the Administration, Finance and Control department, for economic data, numerous environmental safeguards for the Operating Companies, and structures appointed to manage the main social topics, such as Human Resources, Procurement and Logistics, Customer Care, etc. Regarding ESG areas as a whole, from the perspective of sustainability, within the Parent Company there are two structures: the Investor Relations & Sustainability Department and the Stakeholder Engagement and Sustainability Unit, the latter within the Legal, Corporate Affairs and Corporate Services Department, both reporting to the Chief Executive Officer, which promote, coordinate and develop sustainability topics both at the level of the holding Company and subsidiaries, supporting an integrated Group perspective.

**Art. 3 paragraph 1 letter a):** the corporate management and organisation model

**102-21 Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.**

During the year, management has been sent to participate in meetings of the governance bodies, contributing its specific information and knowledge during the meetings.

*Corporate Identity* pages 33, 58, 60; *Relations with stakeholders* page 163.

**Art. 3 paragraph 1 letter a):** the corporate management and organisation model

**102-22 Composition of the highest governance body and its committees (executive or non-executive, independence, gender, competencies relating to economic, environmental, and social topics etc.).**

*Corporate Identity* pages 58 and chart no. 11, 59 table no. 8.

**Art. 3 paragraph 1 letter a):** the corporate management and organisation model

**102-23 Chair of the highest governance body (the organization shall report whether the Chair is also an executive officer in the organization, his or her function within the organization's management and the reasons for this arrangement).**

*Corporate Identity* page 58, 59 table no. 8.

**Art. 3 paragraph 1 letter a):** the corporate management and organisation model

**102-24 Nomination and selection processes for the highest governance body and its committees (criteria used for nominating and selecting highest governance body members, including whether and how diversity, independence, expertise and experience relating to economic, environmental, and social topics are considered, stakeholders, including shareholders, are involved).**

In the composition of corporate bodies, Acea ensures balanced representation of genders, as set out in Law no. 120/2011, adopted in its own By-laws, as well as guaranteeing the presence of Independent Directors, governed by the same By-laws and current regulations. Gender diversity of the Governance Body and the Committees is an important element, in tempering "single-mindedness" as well as for the different ways in which men and women exercise their leadership.

Selection processes involve shareholders who, in accordance with the recommendations of the Governance Code, are guided in the choice of candidates to propose in the lists by the guidelines provided by the Board of Directors of Acea, having received the opinion of the Appointments Committee and taking into account the results of self-assessment, on the size and composition of the administrative body.

*Corporate Identity* page 58.

**Art. 3 paragraph 1 letter a):** the corporate management and organisation model

**102-25 Processes for the highest governance body to ensure conflicts of interest are avoided and managed.**

The risk of conflicts of interest in Acea is monitored employing corporate governance systems and procedures (Management, Organisation and Control Model, *Code of Ethics*, Procedure for Related-Party Transactions, and Independent Directors). These tools act in different contexts where conflicts of interest could arise: in relations between controlling shareholders and minority shareholders, between Acea and Related Parties, and between Acea and the Public Administration.

*Corporate Identity* pages 58 f.

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

**102-26 Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.**

*Disclosing sustainability: Methodological Note* page 11; *Corporate Identity* pages 33, 35, 58 f., 69.

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

**102-27 Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.**

*Disclosing sustainability: Methodological Note* page 11; *Corporate Identity* pages 33, 58 and chart no. 11, 59.

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

<p><b>102-28 Processes for evaluating the highest governance body’s performance with respect to governance of economic, environmental, and social topics.</b>                  Non-executive Directors receive a fixed fee, set by the Shareholders’ Meeting on the basis of the commitment requested of them.  <i>Corporate Identity</i> pages 58 and chart no. 11, 59, 70; <i>Relations with stakeholders</i> page 160.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>
<p><b>102-29 Highest governance body’s role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities – including its role in the implementation of due diligence processes.</b>  <i>Disclosing sustainability: Methodological Note</i> page 11; <i>Corporate Identity</i> pages 35, 36-57, 58 ff., 61, 69.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>
<p><b>102-30 Highest governance body’s role in reviewing the effectiveness of the organization’s risk management processes for economic, environmental, and social topics.</b>  <i>Disclosing sustainability: Methodological Note</i> page 11; <i>Corporate Identity</i> pages 36-57, 58 and chart no. 11, 59 f., 61.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>
<p><b>102-31 Frequency of the highest governance body’s review of economic, environmental, and social topics and their impacts, risks, and opportunities.</b>  <i>Disclosing sustainability: Methodological Note</i> page 11; <i>Corporate Identity</i> pages 35, 36-57, 58 and chart no. 11.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>
<p><b>102-32 The highest committee or position that formally reviews and approves the organization’s sustainability report and ensures that all material topics are covered.</b>  <i>Disclosing sustainability: Methodological Note</i> page 11; <i>Corporate Identity</i> page 59.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>
<p><b>102-33 Process for communicating critical concerns to the highest governance body.</b>                  The Board of Directors (BoD) receives constant information on potentially critical situations, primarily through the work performed by the Control and Risks Committee, to which the Internal Audit Function manager periodically reports, which interacts with the Board of Directors. The activities performed and results of activity of the Supervisory Body (pursuant to Italian Legislative Decree no. 231/01), which may identify the risk of liability for the Company, are subject to information flows to the BoD. The Chief Executive Officer, also in his role as Director in Charge of the Internal Control and Risk Management System, provides constant updates to the Board on developments in management and the existence of any potentially critical situations.  <i>Corporate Identity</i> pages 59 f., 64 f., 66 table no. 10, 70.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>
<p><b>102-34 Nature and total number of critical concerns that were communicated to the highest governance body; mechanism(s) used to address and resolve critical concerns.</b>  <i>Corporate Identity</i> pages 64 f., 66 and table no. 10, 70.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>
<p><b>102-35 Remuneration policies for the highest governance body and senior executives (fixed pay and variable pay, sign-on bonuses or recruitment incentive payments, termination payments, etc.). How performance criteria in the remuneration policies relate to the highest governance body’s and senior executives’ objectives for economic, environmental, and social topics.</b>                  It is noted that within Acea, for the Top Management, Executives Holding Key Positions and for managerial roles with greater impact on Group business, the clawback clause applies, establishing the right to request return of the variable components of remuneration, both short-term and medium/long-term, in the event that these components have been paid on the basis of conduct of a malicious nature and/or due to serious misconduct. There are no agreements that set out fixed indemnities or clauses aimed at safeguarding the management of the Group in the event of termination of their employment, and reference should be made to the provisions established by the Collective Labour Agreement (CCNL) for Executives of Public Utility Service Companies in this regard. The LTIP – Long Term Incentive Plan currently in force, is linked solely to targets of an economic/financial nature. The parameters of the new plan have already been evaluated, which will begin in 2021, with inclusion of a composite sustainability goal. The short-term annual (MBO) incentive system is linked, as well as to targets of an economic/financial nature, also to environmental targets and those with an impact on sustainability, also through a composite sustainability indicator.  <i>Corporate Identity</i> pages 58 and chart no. 11, 60; <i>Relations with stakeholders</i> page 160.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>
<p><b>102-36 Process for determining remuneration; whether remuneration consultants are involved in determining remuneration and whether they are independent of management.</b>                  In 2020, no external consulting Companies were involved in processes for the determination of remuneration.  <i>Corporate Identity</i> pages 58, 60.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model</p>

**102-37 Stakeholders' involvement in remuneration.**  
*Corporate Identity* page 60.

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

**102-38 Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.**

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

The relationship between the highest role and the median employee for 2020 is given by the remuneration multiple of 15.65, compared with a median value of 19.78 for peer companies. See also the *2020 Remuneration Report*, available on the Acea Group website ([www.gruppo.acea.it](http://www.gruppo.acea.it)).  
*Corporate identity* page 60.

**102-39 Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.**

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

Average gross annual remuneration of the highest role, calculated on the basis of full-time employees, unlike other top roles, saw a stable trend, with a slight increase of approximately 1% between 2019 and 2020.

## STAKEHOLDER ENGAGEMENT

**102-40 List of stakeholder groups engaged by the organization.**

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

*Disclosing sustainability: Methodological Note* pages 11-12; *Corporate Identity* page 71; *Relations with stakeholders* pages 82-89, 91, 93, 99, 102, 104, 105, 112, 116 f., 119, 123, 124, 125, 126 f., 132, 137 ff., 141, 149, 151, 152, 154, 159, 164, 165, 168, 170, 171; *Relations with the environment* page 179.

**102-41 Percentage of total employees covered by collective bargaining agreements.**

**Art. 3 paragraph 2, letter d):** social aspects and aspects relating to staff management

*Relations with stakeholders* page 149.

**102-42 Basis for identifying and selecting stakeholders with whom to engage.**

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

*Disclosing sustainability: Methodological Note* pages 11-12; *Corporate Identity* pages 31, 71; *Relations with stakeholders* pages 82-89, 93, 105, 112, 116 f., 119, 123, 124, 125, 126 f., 132, 137 ff., 141, 149, 151, 152, 154, 157, 159, 164, 165, 168, 170, 171.

**102-43 Approach to stakeholder engagement (including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process).**

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

*Disclosing sustainability: Methodological Note* pages 11-12; *Corporate Identity* pages 31-32, 35, 60, 71; *Relations with stakeholders* pages 82-89, 91, 93, 99, 104, 105, 112, 116 f., 119, 123, 124, 125, 126 f., 132, 137 ff., 141, 149, 151, 152, 154, 155, 157, 159, 160, 161 f., 164, 165, 168, 170, 171 f.; *Relations with the environment* pages 178 f., 192, 194, 203.

**102-44 Key topics and concerns that have been raised through stakeholder engagement (including how the organization has responded to those key topics and concerns, including through its reporting, and the stakeholder groups, etc.).**

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

*Disclosing sustainability: Methodological Note* pages 11-12; *Corporate Identity* pages 24-27, 31-32, 35, 63-64, 71; *Relations with stakeholders* pages 82-89 and tables 16 and 17, 93, 105, 112, 113, 116 f., 119, 125, 127, 132, 137 ff., 141, 149, 150, 151, 152, 154, 159, 166, 168, 170, 171 f.; *Relations with the environment* pages 178, 183, 192, 194.

## REPORTING PRACTICE

**102-45 List of all entities included in the organization's Consolidated Financial Statements. Specify whether any entity included in the organization's Consolidated Financial Statements is not covered by the report.**

**Art. 4 paragraph 1:** the consolidated statement includes all data of the parent Company and its fully consolidated subsidiaries

The indicator is provided in the report each time the scope of reference of the reporting varies. This change is primarily correlated to the different business sectors (and Companies that belong to them) reported, while in other cases a relationship should be drawn with the centralised management of certain data, which, on the basis of the activities managed under service, does not cover the entire scope of reporting.

*Disclosing sustainability: Methodological Note* page 15 and table no. 2, and note 12; *Relations with stakeholders* pages 78, 133; *Relations with the environment* pages 187, 191, 194.

**102-46 Process for defining the report content and the topic Boundaries (including an explanation of how the organization has implemented the Reporting Principles for defining report content).**

**Art. 3 paragraph 1, letter a):** the corporate management and organisation model

*Disclosing sustainability: Methodological Note* pages 11-12, 14, 15, 17; *Corporate Identity* pages 24-27, 31-35; *GRI Content Index* pages 226 ff.

**Art. 4 paragraph 1:** to the degree necessary to ensure the understanding of the group's business, its performance, its results, and the impact it generated

**102-47 List of the material topics identified in the process for defining report content.**

**Art. 4 paragraph 1:** to the degree necessary to ensure the understanding of the group's business, its performance, its results, and the impact it generated

*Disclosing sustainability: Methodological Note* pages 11-12, 14 and table no. 1; *GRI Content Index* pages 226 ff.

**GRI 102: General Disclosures 2016**

<p><b>102-48 Effect of any restatements of information given in previous reports, and the reasons for such restatements (mergers or acquisitions, change of base years or periods, nature of business, measurement methods).</b>          Any recalculation or groupings that require changes to the data published in 2019 are appropriately flagged and justified in the report.  <i>Disclosing sustainability: Methodological Note page 15; Relations with stakeholders page 142; Relations with the environment pages 208 and table no. 70, 209; Environmental Accounts page 249.</i></p>	<p><b>Art. 3 paragraph 3:</b> the information (...) is provided with a comparison with the information provided in previous years</p>
<p><b>102-49 Significant changes from previous reporting periods in the list of material topics and topic Boundaries.</b>  <i>Disclosing sustainability: Methodological Note pages 14, table no. 1, 15, 16 table no. 3; Relations with stakeholders pages 98, 117, 118 chart no. 28; Environmental Accounts page 253.</i></p>	<p><b>Art. 3 paragraph 3:</b> the information (...) is provided with a comparison with the information provided in previous years</p>
<p><b>102-50 Reporting period for the information provided (for example, the fiscal or calendar year).</b>  <i>Disclosing sustainability: Methodological Note page 10.</i></p>	<p><b>Art. 2 paragraph 1:</b> public interest bodies prepare a disclosure for each financial year  <b>Art. 3 paragraph 3:</b> the information (...) is provided with a comparison with the information provided in previous years          n.a.</p>
<p><b>102-51 Date of the most recent previous report.</b>  <i>Disclosing sustainability: Methodological Note page 10.</i></p>	<p>n.a.</p>
<p><b>102-52 Reporting cycle (for example, annual or biennial).</b>  <i>Disclosing sustainability: Methodological Note page 10.</i></p>	<p><b>Art. 2 paragraph 1:</b> public interest bodies prepare a disclosure for each financial year</p>
<p><b>102-53 Contact point for questions regarding the report or its contents.</b>  <i>Disclosing sustainability: Methodological Note page 17.</i></p>	<p>n.a.</p>
<p><b>102-54 Claims of reporting in accordance with the GRI Standards (either: i. “This report has been prepared in accordance with the GRI Standards: Core option”, ii. “This report has been prepared in accordance with the GRI Standards: Comprehensive option”).</b>  <i>Disclosing sustainability: Methodological Note page 10; GRI Content Index pages 226 ff.</i></p>	<p><b>Art. 3 paragraph 3:</b> reporting standards used</p>
<p><b>102-55 GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report (for each disclosure, the content index shall include: the number of the disclosure, the page number(s) or URL(s) where the information can be found, if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made, etc).</b>  <i>GRI Content Index pages 226 ff.</i></p>	<p><b>Art. 3 paragraph 3:</b> reporting standards used</p>
<p><b>102-56 External assurance (the reporting organization shall report a description of the organization’s policy and current practice with regard to seeking external assurance for the report; a reference to the external assurance report; the relationship between the organization and the assurance provider; whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report).</b>  <i>Disclosing sustainability: Methodological Note page 11; Opinion Letter pages 280 ff.</i></p>	<p><b>Art. 3 paragraph 10:</b> (...) verification of the non-financial disclosure</p>

**MATERIAL TOPIC-SPECIFIC STANDARDS**

**GRI 200: ECONOMIC**

**TOPIC ECONOMIC PERFORMANCE**

**GRI 103: Management approach 2016**

<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity pages 24-27, 30, 31-35, 64 f., 66 table no. 10.</i>  <b>Topic Boundary: Acea Group.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group’s business, its performance, results, and the impact it generated</p>
<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity pages 24-27, 30, 31-35, 36-57, 62 table no. 9, 64 f., 66 table no. 10.</i></p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p>
<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity pages 30, 31-35, 62 table no. 9, 64 f., 66 table no. 10.</i></p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>

GRI 201: Economic Performance 2016	<p><b>201-1 Direct economic value generated and distributed (including revenues, operating costs, employee wages and benefits, payments to providers of capital, payments to government and community investments, economic value retained).</b>  <i>Corporate Identity</i> pages 30 table no. 7, 71, 75; <i>Relations with stakeholders</i> pages 147, 163, 165.</p> <p><b>201-2 Financial implications and other risks and opportunities due to climate change.</b>  <i>Corporate Identity</i> pages 30, 35, 67; <i>Relations with the environment</i> pages 178 f., 202, 203.</p> <p><b>201-3 Defined benefit plan obligations and other retirement plans.</b>  <i>Relations with stakeholders</i> page 148.</p> <p><b>201-4 Financial assistance received from government.</b>  <i>Corporate identity</i> page 75 note 20.</p>	<p><b>Art. 3 paragraph 1, letter d):</b> social aspects and aspects relating to staff management</p> <p><b>Art. 3 paragraph 1, letter c):</b> the impact (...) on the environment</p> <p><b>Art. 3 paragraph 1, letter d):</b> social aspects and aspects relating to staff management n.a.</p>
<b>TOPIC</b>	<b>INDIRECT ECONOMIC IMPACTS</b>	
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 24-27, 32-35, 65, 66 table no. 10, 71; <i>Relations with stakeholders</i> pages 89 ff., 132, 133.  <b>Topic Boundary: main Group companies, local community, suppliers.</b></p> <p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 24-27, 32-35, 36-57, 65, 66 table no. 10, 71; <i>Relations with stakeholders</i> pages 89 ff., 127, 132, 133.</p> <p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 32-35, 65, 66 table no. 10, 71; <i>Relations with stakeholders</i> pages 89 ff., 127, 132, 133.</p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p> <p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 203: Indirect Economic Impacts 2016	<p><b>203-1 Infrastructure investments and services supported (the organization shall report: the extent of development of significant infrastructure investments; current or expected impacts on communities, including positive and negative impacts where relevant; whether these investments and services are commercial, in-kind, or pro bono engagements, etc.).</b>  <i>Corporate Identity</i> page 71; <i>Relations with stakeholders</i> page 89, 90 table no. 18, 91, 92, 94, 99 and table no. 25, 102, 104, 105, 127, 170 and chart no. 45; <i>Relations with the environment</i> page 185.</p> <p><b>203-2 Significant indirect economic impacts (examples of significant identified indirect economic impacts of the organization, including positive and negative impacts, etc.).</b>  <i>Corporate Identity</i> page 71; <i>Relations with stakeholders</i> pages 79 f., 89, 90 table no. 18, 91, 92, 94, 99, 102, 104, 105, 124, 125, 127, 131, 132, 133, 134, 135-136 table nos. 36-37; <i>Relations with the environment</i> page 189.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment as well as on health and safety</p> <p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment as well as on health and safety</p>
<b>TOPIC</b>	<b>PROCUREMENT PRACTICES</b>	
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131 s, 133.  <b>Topic Boundary: main Group companies, suppliers.</b></p> <p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131 f., 133,</p> <p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131 f., 133.</p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p> <p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 204: Procurement Practices 2016	<p><b>204-1 Proportion of spending on local suppliers.</b>  There is no specific preferential strategy for local suppliers, although, particularly for sourcing of works, the prevalence of local suppliers arises naturally.  <i>Relations with stakeholders</i> pages 134, 136 table no. 36.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> fundamental indicators of non-financial performance</p>

TOPIC		ANTI-CORRUPTION
	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 33-35, 64, 65, 66 table no. 10.  <b>Topic Boundary: Acea Group.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
GRI 103: Management approach 2016	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 33-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10; <i>Relations with stakeholders</i> page 157.</p> <p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 62 table no. 9, 64, 65, 66 table no. 10; <i>Relations with stakeholders</i> page 157.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 205: Anti-corruption 2016	<p><b>205-1 Total number and percentage of operations assessed for risks related to corruption. Significant risks related to corruption identified through the risk assessment.</b>  <i>Corporate identity</i> page 64.</p>	<p><b>Art. 3 paragraph 1, letter c):</b> the main risks generated or suffered  <b>Art. 3 paragraph 2, letter f):</b> anti-corruption and bribery measures</p>
	<p><b>205-2 Communication and training about anti-corruption policies and procedures (total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, etc.).</b>  <i>Relations with stakeholders</i> page 157.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>paragraph 2, letter f):</b> anti-corruption and bribery activity</p>
	<p><b>205-3 Confirmed incidents of corruption and actions taken (total number and nature of confirmed incidents of corruption, etc.).</b>  No instances of corruption were recorded.</p>	<p><b>Art. 3 paragraph 2, letter f):</b> anti-corruption and bribery measures</p>
TOPIC		ANTI-COMPETITIVE BEHAVIOR
	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 33-35, 61, 63, 64, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 132, 165.  <b>Topic Boundary: Acea Group.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
GRI 103: Management approach 2016	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 33-35, 36-57, 61, 62 table no. 9, 63, 64, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 132, 157, 165.</p> <p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 61, 62 table no. 9, 63, 64, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 132, 157, 165.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 206: Anti-competitive Behavior 2016	<p><b>206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices (number of legal actions pending or completed including any decisions or judgments).</b>  <i>Relations with stakeholders</i> page 166.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> fundamental indicators of non-financial performance</p>
GRI 300: ENVIRONMENTAL		
TOPIC		MATERIALS
	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10, 68; <i>Relations with the environment</i> pages 180, 192, 202; <i>Environmental Accounts</i> page 249.  <b>Topic Boundary: main Group companies.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
GRI 103: Management approach 2016	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with the environment</i> pages 180, 192, 202; <i>Environmental Accounts</i> page 249.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p>

GRI 103: Management approach 2016	<b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 33-35, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with the environment</i> pages 180, 192, 202; <i>Environmental Accounts</i> page 249.	<b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them
GRI 301: Materials 2016	<b>301-1 Materials used by weight or volume (materials that are used to produce and package the organization's primary products and services, by non-renewable and renewable materials used).</b> <i>Relations with the environment</i> pages 202 and table no. 61, 205 and table no. 66; <i>Environmental Accounts</i> pages 249, 257, 258, 259.  <b>301-2 Percentage of recycled input materials used to manufacture the organization's primary products and services.</b> <i>Relations with the environment</i> pages 202 and table no. 61.  <b>301-3 Percentage of reclaimed products and their packaging materials for each product category.</b> Not applicable.	<b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment  <b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment  <b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment
<b>TOPIC ENERGY</b>		
GRI 103: Management approach 2016	<b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 24-27, 32-35, 65, 66 table no. 10, 68; <i>Relations with the environment</i> pages 178 f., 180, 187, 192 f., 202. <b>Topic Boundary: main Group companies, suppliers.</b>  <b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 24-27, 32-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> page 157; <i>Relations with the environment</i> pages 178 f., 180, 187, 192 f., 201 f.  <b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 32-35, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> page 157; <i>Relations with the environment</i> pages 178 f., 180, 187, 192 f., 201 f.	<b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated  <b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company  <b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them
GRI 302: Energy 2016	<b>302-1 Energy consumption within the organization.</b> <i>Relations with the environment</i> pages 192 f., 202 and table no. 62, 203 table no. 63.  <b>302-2 Energy consumption outside of the organization.</b> <i>Relations with the environment</i> page 203.  <b>302-3 Energy intensity.</b> <i>Relations with the environment</i> pages 202, 203.  <b>302-4 Reduction of energy consumption.</b> <i>Relations with the environment</i> pages 191 ff., 203, 204 and table no. 65.  <b>302-5 Reductions in energy requirements of products and services.</b> Not applicable: the Group does not sell products or services for which the indicator can be considered applicable.	<b>Art. 3 paragraph 2, letter a):</b> use of energy resources  <b>Art. 3 paragraph 2, letter a):</b> use of energy resources  <b>Art. 3 paragraph 2, letter a):</b> use of energy resources  <b>Art. 3 paragraph 2, letter a):</b> use of energy resources  <b>Art. 3 paragraph 2, letter a):</b> use of energy resources
<b>TOPIC WATER</b>		
GRI 103: Management approach 2016	<b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 24-27, 32-35, 65, 66 table no. 10, 68; <i>Relations with stakeholders</i> pages 99, 102, 103 f., 105; <i>Relations with the environment</i> pages 178, 180, 184 ff., 194, 196 ff., 205. <b>Topic Boundary: main Group Companies suppliers, customers.</b>  <b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 24-27, 32-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> pages 99, 102, 103 f., 105, 123, 125, 166; <i>Relations with the environment</i> pages 178, 180, 184 ff., 194, 196 ff., 205.  <b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 32-35, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> pages 99, 102, 103 f., 105; <i>Relations with the environment</i> pages 178, 180, 184 ff., 194, 196 ff., 205.	<b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated  <b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company  <b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them
GRI 303: Water 2018	<b>303-1 Interactions with water as a shared resource.</b> <i>Relations with stakeholders</i> pages 99, 102, 103 f., 105, 124, 125; <i>Relations with the environment</i> pages 178, 184 f., 185 table no. 49, 186, 194, 197, 199 table no. 59, 205 and table no. 66, 206; <i>Environmental Accounts</i> page 253.  <b>303-2 Management of water discharge-related impacts.</b> <i>Relations with stakeholders</i> pages 103, 104; <i>Relations with the environment</i> pages 195 ff., 198, 205; <i>Environmental Accounts</i> page 253.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company <b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment <b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment

GRI 303: Water 2018	<b>303-3 Water withdrawal.</b> <i>Relations with the environment</i> pages 184, 185 table no. 49, 194, 205 and table no. 66, 206; <i>Environmental Accounts</i> pages 253, 254, 257.	<b>Art. 3 paragraph 2, letter a):</b> use of water resources
	<b>303-4 Water discharge.</b> <i>Relations with stakeholders</i> pages 104, 196, 198, 199 and tables nos 57 and 59, 200, 205 f.; <i>Environmental Accounts</i> page 255.	<b>Art. 3 paragraph 2, letter a):</b> use of water resources; <b>letter c):</b> impact (...) on the environment
	<b>303-5 Water consumption.</b> <i>Relations with the environment</i> pages 197, 205 f.; <i>Environmental Accounts</i> pages 253, 254.	<b>Art. 3 paragraph 2, letter a):</b> use of water resources
<b>TOPIC</b>	<b>BIODIVERSITY</b>	
GRI 103: Management approach 2016	<b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10, 68; <i>Relations with the environment</i> pages 180 ff. <b>Topic Boundary: main Group companies.</b>	<b>Art. 4 paragraph 1):</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated
	<b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with the environment</i> pages 180 ff., 183, 198.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company
	<b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 33-35, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with the environment</i> pages 180 ff., 183.	<b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them
GRI 304: Biodiversity 2016	<b>304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas..</b> <i>Relations with the environment</i> pages 180 ff., 182 table no. 47, 184.	<b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment
	<b>304-2 Significant impacts of activities, products, and services on biodiversity.</b> <i>Relations with stakeholders</i> page 103; <i>Relations with the environment</i> pages 180 ff., 184, 190.	<b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment
	<b>304-3 Habitats protected or restored.</b> During the reporting period, there were no cases of restoration (offsetting) of natural habitats. <i>Relations with the environment</i> pages 183 f.	<b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment
	<b>304-4 IUCN "Red List" species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.</b> <i>Relations with the environment</i> pages 180 ff., 182 table no. 48.	<b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment
<b>TOPIC</b>	<b>EMISSIONS</b>	
GRI 103: Management approach 2016	<b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 24-27, 32-35, 65, 66 table no. 10, 67, 68; <i>Relations with the environment</i> pages 178 f., 180, 192 f., 202, 206. <b>Topic Boundary: main Group companies, suppliers, customers.</b>	<b>Art. 4 paragraph 1):</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated
	<b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 24-27, 32-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10, 67, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> page 126; <i>Relations with the environment</i> pages 178 f., 180, 183, 192 f., 202, 206.	<b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company
	<b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 32-35, 62 table no. 9, 64, 65, 66 table no. 10, 67, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> page 126; <i>Relations with the environment</i> pages 178 f., 180, 183, 192 f., 202, 206.	<b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them
GRI 305: Emissions 2016	<b>305-1 Direct (Scope 1) GHG emissions.</b> Biogenic CO <sub>2</sub> was calculated for Environment Operations and Water Operations and in 2020 equalled 312,760 t. <i>Relations with the environment</i> pages 207, 208 table no. 70; <i>Environmental Accounts</i> pages 259 f., 262.	<b>Art. 3 paragraph 2, letter b):</b> greenhouse gas emissions
	<b>305-2 Energy indirect (Scope 2) GHG emissions.</b> <i>Relations with the environment</i> page 208 and table no. 70; <i>Environmental Accounts</i> pages 259 f.	<b>Art. 3 paragraph 2, letter b):</b> greenhouse gas emissions
	<b>305-3 Other indirect (Scope 3) GHG emissions.</b> <i>Relations with the environment</i> page 208 and table no. 70.	<b>Art. 3 paragraph 2, letter b):</b> greenhouse gas emissions
	<b>305-4 GHG emissions intensity.</b> <i>Relations with the environment</i> page 208 and table no. 70.	<b>Art. 3 paragraph 2, letter b):</b> greenhouse gas emissions

GRI 305: Emissions 2016	<p><b>305-5 Reduction of GHG emissions as a direct result of reduction initiatives.</b> <i>Relations with the environment</i> pages 191, 204 and table no. 65, 208 table no. 70.</p> <p><b>305-6 Emissions of ozone-depleting substances (ODS).</b> <i>Relations with the environment</i> page 207; <i>Environmental Accounts</i> pages 257, 258.</p> <p><b>305-7 Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), and other significant air emissions.</b> <i>Relations with the environment</i> page 206 table no. 67; <i>Environmental Accounts</i> pages 259 f.</p>	<p><b>Art. 3 paragraph 2, letter b):</b> greenhouse gas emissions</p> <p><b>Art. 3 paragraph 2, letter b):</b> greenhouse gas emissions</p> <p><b>Art. 3 paragraph 2, letter b):</b> polluting atmospheric emissions</p>
<b>TOPIC EFFLUENTS AND WASTE</b>		
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 24-27, 32-35, 65, 66 table no. 10, 68; <i>Relations with the environment</i> pages 178, 180, 191 ff., 194; <i>Environmental Accounts</i> page 249. <b>Topic Boundary: main Group companies.</b></p> <p><b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 24-27, 32-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> page 125; <i>Relations with the environment</i> pages 178, 180, 191 ff., 194, 201; <i>Environmental Accounts</i> page 249.</p> <p><b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 32-35, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with the environment</i> pages 178, 180, 191 ff., 194, 201; <i>Environmental Accounts</i> page 249.</p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p> <p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 306: Effluents and Waste 2016	<p><b>306-1 Water discharge by quality and destination.</b> Content regarding effluents for this Standard have been updated. Please see GRI 303: Water and effluents 2018.</p> <p><b>306-2 Waste by type and disposal method.</b> Total hazardous waste products is equal to 68,860 t; total non-hazardous waste products is equal to 223,745 t (of which 137,164 is sludge, sand and gratings). The percentage of hazardous waste and non-hazardous waste sent for recovery is 32%. Separated waste collection in 2020 achieved recovery of approximately 302 tonnes of paper (-67% compared to 2019) and 206 tonnes of plastic (-67% compared to 2019). The figure was affected by the absence in 2020 of the majority of employees at the main sites due to the Covid-19 pandemic. There is no detailed information available on the type of disposal as the code R13 of applicable regulations on waste (the most widely used by disposal enterprises) does not enable identification. <i>Environmental Accounts</i> pages 259 f., 261 f.</p> <p><b>306-3 Total number and total volume of recorded significant spills.</b> In 2020, there were no significant releases of pollutants into the environment, such as mineral oils, fuels or chemical products.</p> <p><b>306-4 Transport of hazardous waste.</b> <i>Relations with the environment</i> page 193.</p> <p><b>306-5 Water bodies affected by water discharges and/or runoff, including information on the size of the water body and related habitat; whether the water body and related habitat is designated as a nationally or internationally protected area; the biodiversity value, etc.</b> Content regarding effluents for this Standard have been updated. Please see GRI 303: Water and effluents 2018.</p>	<p><b>Art. 3 paragraph 2, letter a):</b> use of water resources</p> <p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment</p> <p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment</p> <p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment</p> <p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment</p>
<b>TOPIC ENVIRONMENTAL COMPLIANCE</b>		
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10, 68; <i>Relations with the environment</i> page 180 <b>Topic Boundary: main Group companies.</b></p> <p><b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> page 157; <i>Relations with the environment</i> page 180.</p> <p><b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 33-35, 62 table no. 9, 64, 65, 66 table no. 10, 68-69, 70 table no. 12; <i>Relations with stakeholders</i> page 157; <i>Relations with the environment</i> page 180.</p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p> <p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>

GRI 307: Environmental Compliance 2016	<p><b>307-1 Non-compliance with environmental laws and regulations. Total monetary value of significant fines; total number of non-monetary sanctions, etc.</b>  <i>Corporate Identity</i> pages 64, 65; <i>Relations with stakeholders</i> page 166; <i>Relations with the environment</i> page 180.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
<b>TOPIC SUPPLIER ENVIRONMENTAL ASSESSMENT</b>		
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131, 133, 138, 139; <i>Relations with the environment</i> pages 203, 208.  <b>Topic Boundary: main Group companies, suppliers.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
GRI 103: Management approach 2016	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 65, 66 table no. 10, 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 131 f., 133, 137, 138, 139; <i>Relations with the environment</i> pages 203, 208.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p>
GRI 103: Management approach 2016	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10, 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 131, 133, 138, 139; <i>Relations with the environment</i> pages 203, 208.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 308: Supplier Environmental Assessment 2016	<p><b>308-1 Percentage of new suppliers that were screened using environmental criteria.</b>  <i>Relations with stakeholders</i> pages 133, 137; <i>Relations with the environment</i> page 203.</p>	<p><b>Art. 3 paragraph 1, letter c):</b> the main risks generated or suffered (...) deriving from the business, its products, services or commercial relations, including, where relevant, supply and subcontracting chains</p>
GRI 308: Supplier Environmental Assessment 2016	<p><b>308-2 Actual and potential negative environmental impacts in the supply chain and actions taken.</b>  <i>Relations with stakeholders</i> pages 137, 138, 139; <i>Relations with the environment</i> pages 203, 208.</p>	<p><b>Art. 3 paragraph 1, letter c):</b> the main risks generated or suffered (...) deriving from the business, its products, services or commercial relations, including, where relevant, supply and subcontracting chains; <b>paragraph 2, letter c):</b> the impact (...) on the environment</p>
<b>GRI 400: SOCIAL</b>		
<b>TOPIC Employment</b>		
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131, 142, 154, 156, 160, 162.  <b>Topic Boundary: main Group companies.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
GRI 103: Management approach 2016	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131, 137, 142, 147, 154, 156, 160, 162.</p>	<p><b>Art. 3 paragraph 1, letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p>
GRI 103: Management approach 2016	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131, 142, 147, 154, 160, 162.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 401: Employment 2016	<p><b>401-1 New employee hires and employee turnover. Total number and rate, by age group, gender and region.</b>  <i>Relations with stakeholders</i> pages 142 f., 146 table no. 40.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> aspects relating to staff management</p>
GRI 401: Employment 2016	<p><b>401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees.</b>  <i>Relations with stakeholders</i> page 160.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> aspects relating to staff management</p>

<p><b>GRI 401: Employment 2016</b></p>	<p><b>401-3 Parental leave. Total number of employees that were entitled to parental leave, that took parental leave, that returned to work after parental leave ended, by gender, etc.</b>  Acea operates in accordance with the Consolidated Law on supporting maternity and paternity (Italian Legislative Decree 151/2001 as amended), which governs leave, rest days, days off for specific reasons and economic support for female and male workers connected with maternity, paternity of children, adopted children and fostered children. The law prohibits any discrimination for reasons connected to gender, with particular reference to any less favourable treatment on the basis of being pregnant, maternity and paternity. It establishes mandatory maternity leave for a period of five months and guarantees the work post during this period, imposing a prohibition on dismissal. It also establishes the reintegration of the employee into the activities performed prior to the leave period or equivalent activities, with fines applicable for employers contravening these rules. Therefore, 100% of employees making use of this type of leave maintain their post and return to work.  The employees who took leave for parenthood in 2020 numbered 606, of which 329 were men and 277 women. All of these, after the leave period, returned to work and are still employed.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> aspects relating to staff management;  <b>letter e):</b> actions taken to prevent attitudes and conduct that are in any case discriminatory</p>
<p><b>TOPIC LABOR/MANAGEMENT RELATIONS</b></p>		
<p><b>GRI 103: Management approach 2016</b></p>	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 149 f.  <b>Topic Boundary: main Group companies.</b></p> <p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 33-35, 36-57, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 149 f.</p> <p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 149 f.</p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p> <p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
<p><b>GRI 402: Labor/Management Relations 2016</b></p>	<p><b>402-1 Minimum notice periods regarding operational changes (report whether the notice period and provisions for consultation and negotiation are specified in collective agreements).</b>  <i>Relations with stakeholders</i> page 150.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> methods of dialogue with trade unions</p>
<p><b>TOPIC OCCUPATIONAL HEALTH AND SAFETY</b></p>		
<p><b>GRI 103: Management approach 2016</b></p>	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131, 139, 141, 151, 154.  <b>Topic Boundary: main Group companies, suppliers.</b></p> <p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 62 table no. 9, 64, 65, 66 table no. 10, 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 131, 132, 137, 139, 141, 151, 154, 157.</p> <p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35; 62 table no. 9, 64, 65, 66 table no. 10, 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 131, 139, 141, 151, 154, 157.</p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p> <p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
<p><b>GRI 403: Occupational Health and Safety 2018</b></p>	<p><b>403-1 Occupational health and safety management system.</b>  <i>Corporate Identity</i> page 70; <i>Relations with stakeholders</i> pages 139, 141, 149, 151, 153, 155.</p> <p><b>403-2 Hazard identification, risk assessment, and incident investigation.</b>  <i>Relations with stakeholders</i> pages 140, 141, 151, 153.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company;  <b>letter c):</b> the main risks generated or suffered (...) deriving from the business, its products, services or commercial relations, including, where relevant, supply and subcontracting chains;  <b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety;  <b>letter d):</b> aspects relating to staff management</p>

GRI 403: Occupational Health and Safety 2018	<p><b>403-3 Occupational health services.</b> <i>Relations with stakeholders</i> pages 151, 154.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company; <b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety; <b>letter d):</b> aspects relating to staff management</p>	
	<p><b>403-4 Worker participation, consultation, and communication on Occupational health and safety.</b> Acea observes the indications of Italian Legislative Decree no. 81/2008 on health and safety in the workplace. 100% of workers are represented in formal health and safety commissions (composed of representatives from management and workers), through appointed figures. <i>Relations with stakeholders</i> pages 132, 140, 141, 149, 151.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company; <b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety; <b>letter d):</b> aspects relating to staff management (...) and the methods of dialogue with trade unions</p>	
	<p><b>403-5 Worker training on occupational health and safety.</b> <i>Relations with stakeholders</i> pages 140, 141, 152.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety; <b>letter d):</b> aspects relating to staff management</p>	
	<p><b>403-6 Promotion of worker health.</b> <i>Relations with stakeholders</i> pages 149, 150.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety; <b>letter d):</b> aspects relating to staff management</p>	
	<p><b>403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.</b> Not applicable</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety;</p>	
	<p><b>403-8 Workers covered by an occupational health and safety management system.</b> <i>Relations with stakeholders</i> page 151.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety; <b>letter d):</b> aspects relating to staff management</p>	
	<p><b>403-9 Work-related injuries.</b> <i>Relations with stakeholders</i> pages 141, 151, 152 and chart no. 43, 153 table no. 43.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety; <b>letter d):</b> aspects relating to staff management</p>	
	<p><b>403-10 Work-related ill health.</b> <i>Relations with stakeholders</i> pages 141, 154.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety; <b>letter d):</b> aspects relating to staff management</p>	
	<b>TOPIC</b>	<b>TRAINING AND EDUCATION</b>	
	GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 154, 156, 160. <b>Topic Boundary: main Group companies.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
<p><b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 154, 156, 160.</p>		<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p>	
<p><b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 154, 160.</p>		<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>	
GRI 404: Training and Education 2016	<p><b>404-1 Average hours of training per year per employee; by gender and employee category.</b> <i>Relations with stakeholders</i> pages 158 and table no. 44.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> aspects relating to staff management</p>	
	<p><b>404-2 Programs for upgrading employee skills and transition assistance programs.</b> <i>Relations with stakeholders</i> pages 153, 154, 156, 157, 159.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> aspects relating to staff management</p>	
	<p><b>404-3 Percentage of employees receiving regular performance and career development reviews.</b> In 2020, in the context of the Human Resources Management System in force, all personnel of Group Companies within the scope of reporting (100%) were subject to evaluation. <i>Relations with stakeholders</i> page 160.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> aspects relating to staff management</p>	

TOPIC	DIVERSITY AND EQUAL OPPORTUNITY	
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 24-27; 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 147, 161, 162.  <b>Topic Boundary: main Group companies.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 24-27, 33-34, 36-57, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 147, 161, 162.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p>
	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 147, 161, 162.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 405: Diversity and Equal Opportunity 2016	<p><b>405-1 Diversity of governance bodies and employees. Percentage of individuals within the organization's governance bodies, by gender, age group and other indicators of diversity. Percentage of employees per employee category, by gender, age group and other indicators of diversity.</b>  Regarding representation of the different age brackets for members of the governance bodies, considering these to include the BoD, Board of Statutory Auditors and SB, it is noted that 44% of members are in the 30-50 years bracket, and the remaining 56% are in the over-50 bracket.  <i>Corporate Identity</i> page 58; <i>Relations with stakeholders</i> pages 144, 145-146 table nos. 39 and 41, 161 f.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> social aspects and aspects relating to staff management</p>
	<p><b>405-2 Ratio of basic salary and remuneration of women to men for each employee category, by significant locations of operation.</b>  The Collective Labour Agreement (CCNL) implemented within Acea, considering the equivalent level of role, is equal for men and women.  <i>Relations with stakeholders</i> page 147.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> social aspects and aspects relating to staff management</p>
TOPIC	NON DISCRIMINATION	
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 33-35, 64 f., 65, 66 table no. 10; <i>Relations with stakeholders</i> page 161.  <b>Topic Boundary: main Group companies.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 33-35, 36-57, 62 table no. 9, 64 f., 65, 66 table no. 10; <i>Relations with stakeholders</i> page 161.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p>
	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 62 table no. 9, 64 f., 65, 66 table no. 10; <i>Relations with stakeholders</i> page 161.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 406: Non discrimination 2016	<p><b>406-1 Incidents of discrimination and corrective actions taken.</b>  <i>Corporate Identity</i> page 64; <i>Relations with stakeholders</i> page 162.</p>	<p><b>Art. 3 paragraph 2, letter d):</b> social aspects and aspects relating to staff management; <b>letter e):</b> actions taken to prevent attitudes and conduct that are in any case discriminatory</p>
TOPIC	LOCAL COMMUNITIES	
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10, 71; <i>Relations with stakeholders</i> pages 82-89, 89 ff., 104, 105, 123, 165, 166, 167 f.  <b>Topic Boundary: main Group Companies and various stakeholders.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 33-35, 36-57, 65, 66 table no. 10, 69, 70 table no. 12, 71; <i>Relations with stakeholders</i> pages 82-89, 89 ff., 99, 104, 105, 123, 165, 166, 167 f.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p>
	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10, 69, 70 table no. 12, 71; <i>Relations with stakeholders</i> pages 82-89, 89 ff., 99, 123, 165, 166, 167 f.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>

<p><b>GRI 413: Local Communities 2016</b></p>	<p><b>413-1 Operations with local community engagement, impact assessments, and development programs.</b> 100% of the main Group Companies have initiatives in place for stakeholder engagement. <i>Disclosing sustainability: Methodological Note</i> page 11; <i>Corporate Identity</i> pages 69, 70 table no. 12, 71; <i>Relations with stakeholders</i> pages 82-89, 91, 99, 102, 104, 105, 119, 123, 124, 127, 131 f., 137, 139; <i>Relations with the environment</i> page 179.</p> <p><b>413-2 Operations with significant actual and potential negative impacts on local communities.</b> <i>Corporate Identity</i> page 71; <i>Relations with stakeholders</i> pages 166, 167; <i>Relations with the environment</i> pages 180 ff.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment as well as on health and safety</p> <p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on the environment as well as on health and safety</p>
<b>TOPIC SUPPLIER SOCIAL ASSESSMENT</b>		
<p><b>GRI 103: Management approach 2016</b></p>	<p><b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131, 132, 138, 141. <b>Topic Boundary: main Group companies, suppliers.</b></p> <p><b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131, 132, 137, 138, 139, 141.</p> <p><b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 131, 132, 133, 138, 139, 141.</p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p> <p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
<p><b>GRI 414: Supplier Social Assessment 2016</b></p>	<p><b>414-1 Percentage of new suppliers that were screened using social criteria.</b> <i>Relations with stakeholders</i> pages 133, 137.</p> <p><b>414-2 Negative social impacts in the supply chain and actions taken.</b> <i>Relations with stakeholders</i> pages 132, 137, 138, 139.</p>	<p><b>Art. 3 paragraph 1, letter c):</b> the main risks generated or suffered (...) deriving from the business, its products, services or commercial relations, including, where relevant, supply and subcontracting chains; <b>paragraph 2, letter c):</b> the impact (...) on health and safety</p> <p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety</p>
<b>TOPIC PUBLIC POLICY</b>		
<p><b>GRI 103: Management approach 2016</b></p>	<p><b>103-1 Explanation of the material topic and its Boundary.</b> <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> page 165. <b>Topic Boundary: Acea Group.</b></p> <p><b>103-2 The management approach and its components.</b> <i>Corporate Identity</i> pages 33-35, 36-57, 65, 66 table no. 10; <i>Relations with stakeholders</i> page 165.</p> <p><b>103-3 Evaluation of the management approach.</b> <i>Corporate Identity</i> pages 33-35, 36-57, 65, 66 table no. 10; <i>Relations with stakeholders</i> page 165.</p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p> <p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model; <b>letter b):</b> policies implemented by the Company</p> <p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
<p><b>GRI 415: Public Policy 2016</b></p>	<p><b>415-1 Political contributions. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.</b> <i>Relations with stakeholders</i> page 165.</p>	<p><b>Art. 3 paragraph 2, letter f):</b> anti-corruption and bribery measures</p>

TOPIC	CUSTOMER HEALTH AND SAFETY	
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10, 71; <i>Relations with stakeholders</i> pages 105, 166 f.; <i>Relations with the environment</i> page 195.  <b>Topic Boundary: main Group companies, customers, community.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 33-35, 36-57, 65, 66 table no. 10, 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 103, 105, 166 f.; <i>Relations with the environment</i> page 195.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p>
	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10, 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 105, 166 f.; <i>Relations with the environment</i> page 195.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 416: Customer Health and Safety 2016	<p><b>416-1 Assessment of the health and safety impacts of product and service categories.</b>  <i>Corporate Identity</i> pages 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 100 table no. 26, 103 f., 105, 124; <i>Relations with the environment</i> pages 195 ff.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety</p>
	<p><b>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services.</b>  <i>Relations with the environment</i> page 180.</p>	<p><b>Art. 3 paragraph 2, letter c):</b> the impact (...) on health and safety</p>
TOPIC	MARKETING AND LABELING	
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 82-89, 89 ff., 93, 95, 99, 112, 117 ff., 141, 165.  <b>Topic Boundary: main Group companies, customers.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 24-27, 33-35, 36-57, 65, 66 table no. 10, 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 82-89, 89 ff., 93, 95, 96-98 table nos. 22-24, 99, 105, 112, 117 ff., 126, 141, 165.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p>
	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 65, 66 table no. 10, 69, 70 table no. 12; <i>Relations with stakeholders</i> pages 82-89, 89 ff., 93, 95, 99, 112, 116, 117 ff., 141, 165.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 417: Marketing and Labeling 2016	<p><b>417-1 Requirements for product and service information and labeling.</b>  The GRI international indicator, on the basis of the reference to "services" in addition to products, is indicated, adapting it to the national situation and operations of a multiutility Company, both in terms of the main parameters of quality of water distributed and in relation to performance of a commercial, contractual and technical nature for the services managed in the water and energy sector, which are subject to regulation by the national industry authority (ARERA).  <i>Relations with stakeholders</i> pages 89 ff., 93 and table no. 21, 95, 96-98 table nos. 22-24, 102 table no. 27, 103, 105, 106-111 tables nos 28-32, 111 f., 116, 117, 118 f.; <i>Relations with the environment</i> pages 195 ff.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> fundamental indicators of non-financial performance</p>
	<p><b>417-2 Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling.</b>  <i>Relations with stakeholders</i> pages 89 ff., 93 and table no. 21, 95, 96-98 tables nos 22-24, 105, 106-111 table nos. 28-32, 113, 114, 118 f., 166.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> fundamental indicators of non-financial performance</p>
	<p><b>417-3 Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.</b>  <i>Relations with stakeholders</i> pages 141, 166.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> fundamental indicators of non-financial performance</p>

TOPIC		CUSTOMER PRIVACY
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 33-35, 61 f., 65, 66 table no. 10; <i>Relations with stakeholders</i> page 116.</p> <p><b>Topic Boundary: main Group companies, customers.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 33-35, 36-57, 61 f., 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 116, 157.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p>
	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 61 f., 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 116, 157.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 418: Customer Privacy 2016	<p><b>418-1 Substantiated complaints (received from outside parties and/or received from regulatory bodies) concerning breaches of customer privacy and losses of customer.</b>  During the year, there were 170 requests regarding utilisation of rights pursuant to Arts 15-22 of Regulation (EU) 679/2016 – GDPR (requests for updating, erasure, modification, and refusal of consent, etc.). For all of these a dedicated procedure was launched and no proceedings were initiated by the Data Protection Authority in relation to these matters.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> fundamental indicators of non-financial performance</p>
TOPIC		SOCIO ECONOMIC COMPLIANCE
GRI 103: Management approach 2016	<p><b>103-1 Explanation of the material topic and its Boundary.</b>  <i>Corporate Identity</i> pages 33-35, 61, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 93, 95, 105, 132.</p> <p><b>Topic Boundary: main Group companies.</b></p>	<p><b>Art. 4 paragraph 1:</b> the consolidated statements include the data of the parent Company and its fully consolidated subsidiaries. (...) to the degree necessary to ensure the understanding of the group's business, its performance, results, and the impact it generated</p>
	<p><b>103-2 The management approach and its components.</b>  <i>Corporate Identity</i> pages 33-35, 36-57, 61, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 93, 95, 105, 112, 113, 114, 119, 127, 132.</p>	<p><b>Art. 3 paragraph 1 letter a):</b> the corporate management and organisation model;  <b>letter b):</b> policies implemented by the Company</p>
	<p><b>103-3 Evaluation of the management approach.</b>  <i>Corporate Identity</i> pages 33-35, 61, 65, 66 table no. 10; <i>Relations with stakeholders</i> pages 93, 95, 105, 119, 132.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>
GRI 419: Socio Economic Compliance 2016	<p><b>419-1 Non-compliance with laws and regulations in the social and economic area (total monetary value of significant fines; total number of non-monetary sanctions, etc.).</b>  <i>Relations with stakeholders</i> pages 93 note 35, 113, 132, 166; <i>Relations with the environment</i> page 180.</p>	<p><b>Art. 3 paragraph 1, letter b):</b> the policies implemented by the Company (...) and the results achieved through them</p>

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ENVIRONMENTAL  
ACCOUNTS





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## SCOPE

The scope of the *Environmental Accounts* is consistent with the reporting perimeter of the *Sustainability Report* (*Consolidated Non-Financial Disclosure* pursuant to Italian Legislative Decree 254/2016), as defined in the *Methodological Note*.

The water Companies in which Acea has an investment: Acque, AdF, Publicacqua and Umbra Acque – consolidated in the Financial Statements with the equity method – are marginally included in the Environmental Accounts and only relative to the aspects which are specifically signalled in the text. Please see the chapter *Water Company data sheets and overseas activities* (outside the perimeter of the Consolidated Non-Financial Disclosure). In 2020 Companies Acque Industriali and AdF were included in the NFD perimeter. In this regard, the data for the three-year period have been updated.

The *Environmental Accounts*, integral part of the *Sustainability Report*, combines and presents systematically the information and environmental performance data of the principal Companies of the Group.

The data is divided into “product systems” pertaining to the energy, “environment” and “water fields”, according to the Life Cycle Assessment approach (standard ISO Series 14040), which assesses the entire life cycle of the systems.

The report comprises about **450 items and parameters monitored** which quantify the physical flows generated by the activities and some performance indicators.

The substances used by the Group – whether natural, like water, or not natural, like *chemicals*, the “products” and the emissions, the effluents and waste related to the activities managed, are reported for the three-year period, since they are significant in

terms of **producing and distributing energy, collecting and distributing drinking water, waste water treatment** processes and for all the processes connected to **waste management**, including **waste-to-energy**. Every use is reduced to a minimum in terms of quantity and every substance is selected carefully in terms of quality, safety and environmental sustainability.

For the three areas – Energy, Environment, and, Water – the **renewable and non-renewable** resources used are illustrated. In particular, among the renewable re- sources listed we highlight water and the biomasses used for the production of compost.

In the *Explanatory Notes* we provide additional information regarding the **quality of the data presented**, in particular whether it was **measured, estimated or calculated**, and the principal items of the *Environmental Accounts*, indicated in the tables and in the text by a number in brackets, including a brief description.

## PRODUCT SYSTEMS



The data are provided for the 2018-2020 three-year period and aggregated in three homogeneous categories:

- **the products supplied,**
- **the resources used,**
- **the waste produced.**

The service indicators and the principal environmental performance indicators are explained below for every area.

# PRODUCTS – ENERGY SEGMENT

The financial statement data for the generation of electricity refer to Acea Produzione and Acea Ambiente – Waste-to-Energy (San Vittore del Lazio and Terni plants) and Biogas Production (the Orvieto, Aprilia and Monterotondo Marittimo plants).

ELECTRICITY – GENERATION <sup>(*)</sup>	u. m.	2018	2019	2020	Δ% 2020/2019
<b>summary data</b>					
<b>total gross electricity produced (1) = (3+11+14+19)</b>	<b>GWh</b>	<b>968.38</b>	<b>919.61</b>	<b>916.06</b>	<b>-0.4</b>
<b>total net electricity produced (2) = (10+13+18+21)</b>	<b>GWh</b>	<b>900.19</b>	<b>854.85</b>	<b>846.19</b>	<b>-1.0</b>
from fossil fuels (thermoelectric) (5+0.49x15 <sub>San Vittore del Lazio</sub> +0.53x16 <sub>Terni</sub> )	GWh	272.88 28.2% of (1)	269.10 29.3% of (1)	291.27 31.8% of (1)	8.2
from renewable sources (hydroelectric, solar, biodegradable portion of waste and biogas) (4+11+0.51x15 <sub>San Vittore del Lazio</sub> +0.47x16 <sub>Terni</sub> +19)	GWh	695.51 71.8% of (1)	650.50 70.7% of (1)	624.79 68.2% of (1)	-4.0
<b>Acea Produzione – hydroelectric and thermoelectric</b>					
<b>total gross electricity produced (3) = (4+5)</b>	<b>GWh</b>	<b>549.84</b>	<b>516.23</b>	<b>468.03</b>	<b>-9.3</b>
<b>total gross hydroelectric energy (4)</b>	<b>GWh</b>	<b>476.52</b>	<b>425.95</b>	<b>375.88</b>	<b>-11.8</b>
A. Volta Castel Madama	GWh	31.64	26.17	22.45	-14.2
G. Ferraris Mandela	GWh	0.00	0.00	4.64	-
G. Marconi Orte	GWh	73.01	57.06	53.72	-5.9
Sant'Angelo	GWh	188.68	162.05	116.58	-28.1
Salisano	GWh	180.49	178.42	176.84	-0.9
Other minor	GWh	2.70	2.24	1.65	-26.4
<b>total gross thermoelectric energy (5)</b>	<b>GWh</b>	<b>73.32</b>	<b>90.29</b>	<b>92.16</b>	<b>2.1</b>
from gas oil Montemartini power plant <sup>(**)</sup>	GWh	0.56	1.36	1.49	9.7
from natural gas Tor di Valle plan – CAR	GWh	72.76	88.93	90.67	2.0
<b>total losses of electricity (6) = (7+8+9)</b>	<b>GWh</b>	<b>12.32</b>	<b>12.19</b>	<b>12.74</b>	<b>4.5</b>
self consumption hydro plants (7)	GWh	2.00	2.40	2.43	1.5
self consumption thermo plants (Tor di Valle, Montemartini) (8)	GWh	5.39	5.27	5.04	-4.5
first processing losses (9)	GWh	4.93	4.52	5.27	16.7
<b>total net electricity produced by Acea Produzione (10) = (3-6)</b>	<b>GWh</b>	<b>537.52</b>	<b>504.04</b>	<b>455.29</b>	<b>-9.7</b>
<b>Acea Produzione – fotovoltaic</b>					
<b>gross fotovoltaic electricity (11)</b>	<b>GWh</b>	<b>10.20</b>	<b>26.38</b>	<b>74.96</b>	<b>184.2</b>
total electricity losses including own consumption (12)	GWh	2.18	2.29	3.98	74.0
<b>net fotovoltaic energy (13) = (11-12)</b>	<b>GWh</b>	<b>8.02</b>	<b>24.09</b>	<b>70.98</b>	<b>194.6</b>
<b>Acea Ambiente – waste-to-energy</b>					
<b>total gross electricity produced (14) = (15)+(16)</b>	<b>GWh</b>	<b>389.71</b>	<b>357.20</b>	<b>346.15</b>	<b>-3.1</b>
San Vittore del Lazio plant (15)	GWh	307.30	276.27	269.38	-2.5
Terni plant (16)	GWh	82.41	80.93	76.77	-5.1
<b>self consumption + losses from first processing (17)</b>	<b>GWh</b>	<b>52.73</b>	<b>49.12</b>	<b>44.95</b>	<b>-8.5</b>
San Vittore del Lazio plant	GWh	44.35	41.12	37.30	-9.3
Terni plant	GWh	8.38	8.00	7.65	-4.4
<b>total net electricity produced (18) = (14-17)</b>	<b>GWh</b>	<b>336.98</b>	<b>308.08</b>	<b>301.20</b>	<b>-2.2</b>
<b>Acea Ambiente – biogas</b>					
<b>total gross electricity produced from biogas (19)</b>	<b>GWh</b>	<b>18.63</b>	<b>19.79</b>	<b>26.91</b>	<b>36.0</b>
Orvieto plant	GWh	18.63	19.79	17.56	-11.3
Aprilia plant	GWh	0.0	0.0	4.84	-
Monterotondo plant	GWh	0.0	0.0	4.51	-
<b>self consumption (20)</b>	<b>GWh</b>	<b>0.97</b>	<b>1.16</b>	<b>8.20</b>	<b>607.0</b>
Orvieto plant	GWh	0.97	1.16	1.09	-5.7
Aprilia plant	GWh	0.0	0.0	3.48	-
Monterotondo plant	GWh	0.0	0.0	3.63	-
<b>total electricity transferred in network (21) = (19-20)</b>	<b>GWh</b>	<b>17.66</b>	<b>18.63</b>	<b>18.71</b>	<b>0.4</b>

(\*) 2019 data has been rectified inasmuch as the figure for energy produced by fotovoltaic installations was certified as definitive.

(\*\*) The Montemartini power plant is maintained operational but in reserve mode.

<b>THERMAL ENERGY – GENERATION, DISTRIBUTION AND SALES</b>	<b>u. m.</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Δ% 2020/2019</b>
<b>Acea Produzione</b>					
<b>gross thermal energy produced Tor di Valle power plant (22) (*)</b>	<b>GWh<sub>t</sub></b>	<b>98.38</b>	<b>95.92</b>	<b>94.00</b>	<b>-2.0</b>
total losses of thermal energy (23)	GWh <sub>t</sub>	28.93	29.47	27.71	-6.0
<i>distribution losses</i>	GWh <sub>t</sub>	18.45	20.66	20.90	1.2
<i>production losses</i>	GWh <sub>t</sub>	10.48	8.80	6.81	-22.6
<b>net thermal energy sold (24) = (22-23)</b>	<b>GWh<sub>t</sub></b>	<b>69.45</b>	<b>66.45</b>	<b>66.29</b>	<b>-0.2</b>

(\*) The figures for 2019 have been restated after the final calculations.

<b>ELECTRICITY – TRANSPORT AND SALE</b>	<b>u. m.</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Δ% 2020/2019</b>
<b>in Rome and Formello – summary data</b>					
supply from Acea Group (25)	GWh	2.62	2.65	2.29	-13.7
electricity from the market (26)	GWh	10,610.06	10,606.69	9,667.68	-8.9
<i>from Single Buyer</i>	GWh	2,321.83	2,537.45	2,509.36	-1.1
<i>from importation</i>	GWh	389.14	n/a	70.81	-
<i>from wholesalers + other producers</i>	GWh	7,899.09	8,069.24	7,087.51	-12.2
<b>electricity requested on the grid (27) = (25+26) = (28+29+30+31+32)</b>	<b>GWh</b>	<b>10,612.68</b>	<b>10,609.35</b>	<b>9,669.97</b>	<b>-8.9</b>
<i>distribution, transport and commercial losses (28)</i>	GWh	763.74 7.2% of (27)	741.14 7.0% of (27)	563.70 5.8% of (27)	-23.9
<i>uses for own transmission and distribution (29)</i>	GWh	39.63	39.47	35.80	-9.3
<i>net electricity transferred to third parties (30)</i>	GWh	2.59	16.45	94.87	476.8
<b>net electricity conveyed from Acea to clients of the open market (31)</b>	<b>GWh</b>	<b>7,463.10</b>	<b>7,615.16</b>	<b>6,998.47</b>	<b>-8.1</b>
<i>net electricity sold by Acea Energia to clients of the open market on distribution Company grid (Areti)</i>	GWh	6,041.16	6,119.50	5,594.36	-8.6
<i>net electricity sold by other sellers to clients of the open market on distribution Company grid (Areti)</i>	GWh	1,421.94	1,495.66	1,404.12	-6.1
<b>net electricity sold to managed clients (32)</b>	<b>GWh</b>	<b>2,343.60</b>	<b>2,197.13</b>	<b>1,977.12</b>	<b>-10.0</b>
<b>sale in Italy – summary data</b>					
<b>net electricity sold by Acea on the open market – including sale on Rome (33)</b>	<b>GWh</b>	<b>3,684.54</b>	<b>4,234.54</b>	<b>5,050.81</b>	<b>19.3</b>
<i>Acea Energia</i>	GWh	3,322.62	3,825.82	4,571.96	19.5
<i>other associated companies</i>	GWh	361.92	408.72	478.85	17.2
<b>net electricity sold by Acea in Italy (open market + managed) (34) = (32+33)</b>	<b>GWh</b>	<b>6,028.14</b>	<b>6,431.67</b>	<b>7,027.93</b>	<b>9.3</b>

<b>GAS – SALES</b>	<b>u. m.</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Δ% 2020/2019</b>
<b>gas sold by Acea Energia in Italy (35)</b>	<b>MSm<sup>3</sup></b>	<b>128.29</b>	<b>139.75</b>	<b>165.19</b>	<b>18.2</b>
<i>Acea Energia</i>	MSm <sup>3</sup>	98.17	108.38	139.89	29.1
<i>other associated companies</i>	MSm <sup>3</sup>	30.12	31.37	25.30	-19.4

<b>PUBLIC LIGHTING</b>	<b>u. m.</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Δ% 2020/2019</b>
<b>luminous flux to Rome (36)</b>	<b>Mlumen</b>	<b>2,010</b>	<b>2,002</b>	<b>2,010</b>	<b>0.4</b>

<b>CONTROLS AND MEASUREMENTS</b>	<b>u. m.</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Δ% 2020/2019</b>
<b>measurement and control activity (37)</b>	<b>no.</b>	<b>526</b>	<b>375</b>	<b>505</b>	<b>34.7</b>
<i>electro-magnetic field measurements</i>	no.	27	26	22	-15.4
<i>noise measurements</i>	no.	17	20	21	5.0
<i>PCB chemical analyses</i>	no.	59	68	65	-4.4
<i>waste classification</i>	no.	130	40	26	-35.0
<i>transformer diagnostics</i>	no.	261	200	356	78.0
<i>other</i>	no.	32	21	15	-28.6

# PRODUCTS – ENVIRONMENT SEGMENT

The data refers to the **Acea Ambiente** and **Acque Industriali** plants. For Acea Ambiente the data refers to the three composting plants (located in Aprilia, Monterotondo Marittimo and Sabaudia), and the waste management centre of Orvieto. For Acque Industriali the data refers to the liquid waste disposal plants located in the Tuscan provinces of Pisa (Pontedera and Pisa-San Jacopo), Florence (Empoli-Pagnana) and Siena (Poggibonsi). After the revamping work of recent years, the Aprilia and Monterotondo Marittimo plants have both implemented a new **anaerobic digestion section**; these are to be added to the one with the same name in Orvieto.

The **Sabaudia plant** has undergone revamping/maintenance since 2016, and operations were resumed in August 2018. Since 31.10.2019, they have been suspended again to allow other revamping works. The **Aprilia plant**, which suffered from the vicissitudes of a preventive seizure, since 2019 was able to operate continuously achieving conditions close to full operation and always under the control of the judicial custodian as in the previous year. Since November 2019, it no longer has any restrictions on operations<sup>139</sup>. In February 2020 the **San Jacopo plant** interrupted its activities pending any subsequent interventions on the plant.

NON-HAZARDOUS WASTE DISPOSED AND RECOVERED – ORVIETO PLANT	u. m.	2018	2019	2020	Δ% 2020/2019
<b>total incoming waste (38) = (39)+(40)</b>	<b>t</b>	<b>91,142</b>	<b>99,910</b>	<b>106,477</b>	<b>6.6</b>
<b>waste sent for treatment (39)</b>	<b>t</b>	<b>58,343</b>	<b>65,674</b>	<b>73,216</b>	<b>11.5</b>
<i>waste sent to the anaerobic digester and aerobic treatment</i>	<i>t</i>	<i>43,420</i>	<i>43,958</i>	<i>34,200</i>	<i>-22.2</i>
<i>sent for aerobic treatment or just shredding</i>	<i>t</i>	<i>14,923</i>	<i>21,716</i>	<i>39,016</i>	<i>79.7</i>
<b>waste sent directly to landfill (40)</b>	<b>t</b>	<b>32,799</b>	<b>34,236</b>	<b>33,261</b>	<b>-2.8</b>
<b>waste sent to landfill after treatment (41)</b>	<b>t</b>	<b>18,469</b>	<b>22,438</b>	<b>34,427</b>	<b>53.4</b>
<b>waste recovered (42)</b>	<b>t</b>	<b>45</b>	<b>64</b>	<b>80</b>	<b>26.0</b>
<b>quality compost (43)</b>	<b>t</b>	<b>5,009</b>	<b>5,240</b>	<b>4,618</b>	<b>-11.9</b>
<b>reduction for stabilisation (44) = (38) – (40+41+42+43)</b>	<b>t</b>	<b>34,820</b>	<b>37,933</b>	<b>34,091</b>	<b>-10.1</b>

COMPOST PRODUCTION	u. m.	2018	2019	2020	Δ% 2020/2019
<b>total incoming organic waste (45) = (46+47+48)</b>	<b>t</b>	<b>28,714.78</b>	<b>53,419.28</b>	<b>115,473.21</b>	<b>116.2</b>
<b>incoming sludge (46)</b>	<b>t</b>	<b>3,385.40</b>	<b>8,809.26</b>	<b>14,945.10</b>	<b>69.7</b>
<i>Aprilia plant</i>	<i>t</i>	<i>1,286.60</i>	<i>3,644.44</i>	<i>4,441.74</i>	<i>21.9</i>
<i>Monterotondo Marittimo plant</i>	<i>t</i>	<i>0.00</i>	<i>585.74</i>	<i>10,503.36</i>	<i>-</i>
<i>Sabaudia plant</i>	<i>t</i>	<i>2,098.80</i>	<i>4,579.08</i>	<i>0.00</i>	<i>-</i>
<b>incoming green (47)</b>	<b>t</b>	<b>3,679.95</b>	<b>10,459.84</b>	<b>25,317.15</b>	<b>142.0</b>
<i>Aprilia plant</i>	<i>t</i>	<i>2,626.81</i>	<i>5,287.70</i>	<i>12,926.64</i>	<i>144.5</i>
<i>Monterotondo Marittimo plant</i>	<i>t</i>	<i>0.00</i>	<i>1,839.96</i>	<i>12,390.51</i>	<i>573.4</i>
<i>Sabaudia plant</i>	<i>t</i>	<i>1,053.14</i>	<i>3,332.18</i>	<i>0.00</i>	<i>-</i>
<b>organic fraction of municipal solid waste and other agrifood waste (48)</b>	<b>t</b>	<b>21,649.43</b>	<b>34,150.18</b>	<b>75,210.96</b>	<b>120.2</b>
<i>Aprilia plant</i>	<i>t</i>	<i>21,649.43</i>	<i>32,588.90</i>	<i>53,395.48</i>	<i>63.8</i>
<i>Monterotondo Marittimo plant</i>	<i>t</i>	<i>0.00</i>	<i>1,561.28</i>	<i>21,815.48</i>	<i>-</i>
<b>quality compost (49) (*)</b>	<b>t</b>	<b>6,779.00</b>	<b>9,330.36</b>	<b>14,729.00</b>	<b>57.9</b>
<i>Aprilia plant</i>	<i>t</i>	<i>5,082.00</i>	<i>6,756.00</i>	<i>10,200.00</i>	<i>51.0</i>
<i>Monterotondo Marittimo plant</i>	<i>t</i>	<i>767.00</i>	<i>0.00</i>	<i>4,529.00</i>	<i>-</i>
<i>Sabaudia plant</i>	<i>t</i>	<i>930.00</i>	<i>2,574.36</i>	<i>0.00</i>	<i>-</i>
<b>non-compostable material for disposal (50)</b>	<b>t</b>	<b>3,565.50</b>	<b>6,753.22</b>	<b>11,615.87</b>	<b>72.0</b>
<i>Aprilia plant</i>	<i>t</i>	<i>2,799.28</i>	<i>6,149.06</i>	<i>7,807.11</i>	<i>27.0</i>
<i>Monterotondo Marittimo and Sabaudia plants</i>	<i>t</i>	<i>766.22</i>	<i>604.16</i>	<i>3,808.76</i>	<i>530.4</i>
<b>reduction through stabilisation (51) = (46+47-49-50)</b>	<b>t</b>	<b>18,370.3</b>	<b>37,335.7</b>	<b>89,128.3</b>	<b>138.7</b>

ANALYTICAL DETERMINATIONS ON WASTE AND ON QUALITY COMPOST	u. m.	2018	2019	2020	Δ% 2020/2019
<b>total analytical determinations (52)</b>	<b>no.</b>	<b>60</b>	<b>122</b>	<b>111</b>	<b>-9.0</b>
<i>analytical determinations on compost – Orvieto plant</i>	<i>no.</i>	<i>12</i>	<i>13</i>	<i>11</i>	<i>-15.4</i>
<i>analytical determinations on compost – Aprilia, Monterotondo Marittimo and Sabaudia plants</i>	<i>no.</i>	<i>17</i>	<i>30</i>	<i>41</i>	<i>36.7</i>
<i>analytical determinations on waste – Orvieto plant</i>	<i>no.</i>	<i>31</i>	<i>79</i>	<i>59</i>	<i>-25.3</i>

(\*) The quantities of compost produced in 2019 were adjusted, as they had been estimated for the previous report.

<sup>139</sup> The Aprilia plant, placed under preventive seizure in 2017 by the Latina Public Prosecutor's Office for aspects related to odorous emissions, was able to restart operations in April of the same year, under close to almost full operation, having responded to the notices of compliance prescribed by the relevant Authorities (Arpa, Lazio Region, NOE). On 15 February 2019, the quantitative limitations were completely removed and the plant was able to operate under normal conditions. On 8 July 2019, the deliveries were again reduced under order of the Judicial Custodian and the Public Prosecutor's Office. Finally, the restrictions were removed on 18 November 2019.

DISPOSAL OF TREATMENT AND LIQUID WASTE – ACQUE INDUSTRIALI	u. m.	2018	2019	2020	Δ% 2020/2019
<b>total incoming waste (53) = (54+55+56+57)</b>	<b>t</b>	<b>173,556.88</b>	<b>132,988.36</b>	<b>111,092.37</b>	<b>-16.5</b>
<b>incoming sludge (54)</b>	<b>t</b>	<b>57,745.58</b>	<b>48,765.79</b>	<b>34,830.75</b>	<b>-28.6</b>
Pagnana plant	t	25,703.40	14,118.78	14,637.21	3.7
Pontedera plant	t	8,770.91	9,351.19	5,933.69	-36.5
Poggibonsi plant	t	17,633.46	14,984.30	13,252.68	-11.6
San Jacopo plant	t	5,637.81	10,311.52	1007.17	-90.2
<b>liquid waste (55)</b>	<b>t</b>	<b>18,053.70</b>	<b>17,310.05</b>	<b>10,347.19</b>	<b>-40.2</b>
Pagnana plant	t	11,465.34	8,345.18	3,994.52	-52.1
Pontedera plant	t	6,588.36	8,964.87	6,352.67	-29.1
<b>sewage waste and others (56)</b>	<b>t</b>	<b>32,334.15</b>	<b>14,399.55</b>	<b>12,100.99</b>	<b>-16.0</b>
Pagnana plant	t	14,956.77	9,778.62	8,699.95	-11.0
Pontedera plant	t	16,701.83	4,150.07	2,859.76	-31.1
Poggibonsi plant	t	643.60	437.53	531.16	21.4
San Jacopo plant	t	31.95	33.33	10.12	-69.6
<b>leachate (57)</b>	<b>t</b>	<b>65,423.45</b>	<b>52,512.97</b>	<b>53,813.44</b>	<b>2.5</b>
Pagnana plant	t	33,640.03	27,308.53	28,048.42	2.7
Pontedera plant	t	31,783.42	25,204.44	25,765.02	2.2
<b>ammonium sulphate produced (58)</b>	<b>kg</b>	<b>1,093,510</b>	<b>311,904</b>	<b>255,040</b>	<b>-18.2</b>
Pagnana plant	kg	674,900	136,400	57,460	-57.9
Pontedera plant	kg	418,610	175,504	197,580	12.6

TREATED AND DISCHARGED WATER – INDUSTRIAL WATER	u. m.	2018	2019	2020	Δ% 2020/2019
<b>treated and discharged water (59)</b>	<b>m<sup>3</sup></b>	<b>190,145</b>	<b>139,398</b>	<b>117,812</b>	<b>-15.5</b>
Pagnana plant	m <sup>3</sup>	103,937	71,265	64,685	-9.2
Pontedera plant	m <sup>3</sup>	58,112	37,884	34,576	-8.7
Poggibonsi plant	m <sup>3</sup>	23,596	22,099	17,748	-19.7
San Jacopo plant	m <sup>3</sup>	4,500	8,150	803	-90.1

## PRODUCTS – WATER SEGMENT

The water data **summarized at national level** includes the principal water Companies of the Acea Group: Acea Ato 2 and Acea Ato 5 (Lazio), Gesesa and Gori (Campania), Umbra Acque (Umbria), Acque, Publicacqua and AdF (Tuscany). The details of the water balances are presented only for the Companies in the reporting scope of the *Consolidated Non-Financial Disclosure* (NFD, pursuant to Legislative Decree no. 254/2016): Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa. For the first time, AdF's data were also included for the two-year period 2018-2019, making the data comparable. Please see the chapter *Water Companies data sheets and*

*overseas activities* for the water balance sheets of the other Companies of the Group not in the scope of the NFD. In recent years, **ARERA** has intervened at a regulatory level, introducing progressive changes to the process for calculating the water balance. The Loss Assessment was therefore carried out for the entire three-year period, according to ARERA Resolution 917/17 R/IDR. In particular, the new ARERA procedures establish that water losses are calculated on the entire scope of the aqueduct system (and therefore not only on the distribution network) and include apparent losses.

SUMMARIZED WATER DATA OF THE GROUP IN ITALY <sup>(*)</sup>	u. m.	2018	2019	2020	Δ% 2020/2019
<b>total drinking water collected from the environment or from other systems and fed into the aqueduct systems (60)</b>	<b>Mm<sup>3</sup></b>	<b>1,397.9</b>	<b>1,371.7</b>	<b>1,356.1</b>	<b>-1.1</b>
<b>total drinking water supplied and billed (61)</b>	<b>Mm<sup>3</sup></b>	<b>620.7</b>	<b>627.0</b>	<b>628.3</b>	<b>0.2</b>

(\*) Some figures for the 2018-2019 two year period have been updated following consolidation. Some 2020 items were estimated and will be consolidated in the months following publication.

SUMMARY WATER DATA OF THE COMPANIES OPERATING IN THE NFD SCOPE ACEA ATO 2, ACEA ATO 5, GORI, GESESA AND AdF <sup>(*)</sup>	u. m.	2018	2019	2020	Δ% 2020/2019
<b>total drinking water collected from the environment or from other systems and fed into the aqueduct systems (62)</b>	<b>Mm<sup>3</sup></b>	<b>1,095.8</b>	<b>1,079.0</b>	<b>1,074.1</b>	<b>-0.4</b>
<b>total drinking water supplied (63)</b>	<b>Mm<sup>3</sup></b>	<b>468.7</b>	<b>473.9</b>	<b>479.8</b>	<b>1.2</b>

WATER BALANCES OF THE COMPANIES OPERATING IN THE NFD SCOPE <sup>(1)</sup>	u. m.	2018	2019	2020	Δ% 2020/2019
<b>Acea Ato 2 for Ato 2 – central Lazio (Rome + municipalities acquired as at 31.12.2020)</b>					
<b>drinking water collected from the environment or from other systems and fed into the aqueduct systems (64)</b>	<b>Mm<sup>3</sup></b>	<b>697.2</b>	<b>689.5</b>	<b>691.1</b>	<b>0.2</b>
<i>surface (lakes and rivers)</i>	<i>Mm<sup>3</sup></i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-</i>
<i>from wells</i>	<i>Mm<sup>3</sup></i>	<i>89.4</i>	<i>86.2</i>	<i>89.6</i>	<i>3.9</i>
<i>from springs</i>	<i>Mm<sup>3</sup></i>	<i>601.6</i>	<i>596.8</i>	<i>595.3</i>	<i>-0.2</i>
<i>from other aqueduct systems</i>	<i>Mm<sup>3</sup></i>	<i>6.2</i>	<i>6.5</i>	<i>6.2</i>	<i>-4.6</i>
<b>total drinking water leaving the aqueduct system (65) = (66+67+68+69)</b>	<b>Mm<sup>3</sup></b>	<b>371.4</b>	<b>383.7</b>	<b>398.3</b>	<b>3.8</b>
<b>total drinking water released and invoiced into the Ato 2 network (66)</b>	<b>Mm<sup>3</sup></b>	<b>324.1</b>	<b>327.9</b>	<b>332.3</b>	<b>1.3</b>
<i>measured volume of water delivered to users</i>	<i>Mm<sup>3</sup></i>	<i>300.4</i>	<i>298.3</i>	<i>306.8</i>	<i>2.9</i>
<i>volume consumed by users and not measured</i>	<i>Mm<sup>3</sup></i>	<i>23.7</i>	<i>29.7</i>	<i>25.5</i>	<i>-14.0</i>
<b>total drinking water authorised and not billed in the network (67)</b>	<b>Mm<sup>3</sup></b>	<b>1.5</b>	<b>13.2</b>	<b>18.4</b>	<b>39.8</b>
<i>measured unbilled authorised consumption</i>	<i>Mm<sup>3</sup></i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-</i>
<i>unmeasured unbilled authorised consumption</i>	<i>Mm<sup>3</sup></i>	<i>1.5</i>	<i>13.2</i>	<i>18.4</i>	<i>39.8</i>
<b>drinking water exported to other systems (68)</b>	<b>Mm<sup>3</sup></b>	<b>45.5</b>	<b>42.6</b>	<b>46.8</b>	<b>9.8</b>
<b>measured drinking water losses (69)</b>	<b>Mm<sup>3</sup></b>	<b>0.3</b>	<b>0.0</b>	<b>0.7</b>	<b>-</b>
<b>loss assessment according to ARERA Resolution 917/17 R/IDR</b>					
<b>water losses (70)</b>	<b>Mm<sup>3</sup></b>	<b>325.8</b>	<b>305.8</b>	<b>292.9</b>	<b>-4.2</b>
<b>water loss percentages (71)</b>	<b>%</b>	<b>46.7</b>	<b>44.3</b>	<b>42.4</b>	<b>-5.1</b>
<b>Acea Ato 5 for Ato 5 – Southern Lazio – Frosinone (86 municipalities)</b>					
<b>drinking water collected from the environment or from other systems and fed into the aqueduct systems (72)</b>	<b>Mm<sup>3</sup></b>	<b>124.7</b>	<b>121.9</b>	<b>119.8</b>	<b>-1.7</b>
<i>from wells</i>	<i>Mm<sup>3</sup></i>	<i>59.5</i>	<i>63.1</i>	<i>59.3</i>	<i>-5.9</i>
<i>from springs</i>	<i>Mm<sup>3</sup></i>	<i>51.3</i>	<i>45.2</i>	<i>44.8</i>	<i>-0.8</i>
<i>from other aqueduct systems</i>	<i>Mm<sup>3</sup></i>	<i>14.0</i>	<i>13.6</i>	<i>15.7</i>	<i>15.1</i>
<b>total drinking water leaving the aqueduct system (73) = (74+75+76)</b>	<b>Mm<sup>3</sup></b>	<b>27.8</b>	<b>29.1</b>	<b>37.9</b>	<b>30.5</b>
<b>total drinking water dispensed and billed in the network (74)</b>	<b>Mm<sup>3</sup></b>	<b>20.8</b>	<b>21.6</b>	<b>24.6</b>	<b>13.6</b>
<i>measured volume of water delivered to users</i>	<i>Mm<sup>3</sup></i>	<i>20.3</i>	<i>17.6</i>	<i>18.6</i>	<i>5.3</i>
<i>volume consumed by users and not measured</i>	<i>Mm<sup>3</sup></i>	<i>0.5</i>	<i>4.0</i>	<i>6.0</i>	<i>50.0</i>
<b>total drinking water authorised and not billed in the network (75)</b>	<b>Mm<sup>3</sup></b>	<b>0.1</b>	<b>0.6</b>	<b>6.8</b>	<b>-</b>
<i>measured unbilled authorised consumption</i>	<i>Mm<sup>3</sup></i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>-</i>
<i>unmeasured unbilled authorised consumption</i>	<i>Mm<sup>3</sup></i>	<i>0.1</i>	<i>0.6</i>	<i>6.8</i>	<i>-</i>
<b>drinking water exported to other systems (76)</b>	<b>Mm<sup>3</sup></b>	<b>6.9</b>	<b>6.8</b>	<b>6.6</b>	<b>-3.8</b>
<b>loss assessment according to ARERA Resolution 917/17 R/IDR</b>					
<b>water losses (77)</b>	<b>Mm<sup>3</sup></b>	<b>96.9</b>	<b>92.8</b>	<b>81.9</b>	<b>-11.8</b>
<b>water loss percentages (78)</b>	<b>%</b>	<b>77.7</b>	<b>76.2</b>	<b>68.4</b>	<b>-10.2</b>
<b>Gesesa – Ato Calore Irpino – Benevento (21 municipalities)</b>					
<b>drinking water collected from the environment or from other systems and fed into the aqueduct systems (79)</b>	<b>Mm<sup>3</sup></b>	<b>16.2</b>	<b>17.6</b>	<b>19.0</b>	<b>8.9</b>
<i>from wells</i>	<i>Mm<sup>3</sup></i>	<i>7.1</i>	<i>6.6</i>	<i>7.4</i>	<i>12.2</i>
<i>from springs</i>	<i>Mm<sup>3</sup></i>	<i>1.6</i>	<i>2.4</i>	<i>2.1</i>	<i>-10.3</i>
<i>drinking water collected from other aqueduct systems</i>	<i>Mm<sup>3</sup></i>	<i>7.5</i>	<i>8.7</i>	<i>9.5</i>	<i>9.8</i>
<b>total drinking water leaving the aqueduct system (80) = (81+82+83)</b>	<b>Mm<sup>3</sup></b>	<b>7.7</b>	<b>7.6</b>	<b>7.7</b>	<b>1.4</b>
<b>total drinking water dispensed and billed in the network (81)</b>	<b>Mm<sup>3</sup></b>	<b>7.6</b>	<b>7.6</b>	<b>7.6</b>	<b>-</b>
<i>measured volume of water delivered to users</i>	<i>Mm<sup>3</sup></i>	<i>7.4</i>	<i>7.1</i>	<i>6.0</i>	<i>-15.4</i>
<i>volume consumed by users and not measured</i>	<i>Mm<sup>3</sup></i>	<i>0.2</i>	<i>0.5</i>	<i>1.6</i>	<i>223.8</i>
<b>total drinking water authorised and not billed in the network (82)</b>	<b>Mm<sup>3</sup></b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>
<b>drinking water exported to other systems (83)</b>	<b>Mm<sup>3</sup></b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>
<b>loss assessment according to ARERA Resolution 917/17 R/IDR</b>					
<b>water losses (84)</b>	<b>Mm<sup>3</sup></b>	<b>8.5</b>	<b>10.0</b>	<b>11.3</b>	<b>12.9</b>
<b>water loss percentages (85)</b>	<b>%</b>	<b>52.6</b>	<b>56.9</b>	<b>59.4</b>	<b>4.6</b>
<b>Gori – Sarnese Vesuviano District (76 municipalities)</b>					
<b>drinking water collected from the environment or from other systems and fed into the aqueduct systems (86)</b>	<b>Mm<sup>3</sup></b>	<b>196.5</b>	<b>189.7</b>	<b>184.0</b>	<b>-3.0</b>
<i>from wells</i>	<i>Mm<sup>3</sup></i>	<i>55.3</i>	<i>60.7</i>	<i>59.6</i>	<i>-1.8</i>
<i>from springs</i>	<i>Mm<sup>3</sup></i>	<i>2.3</i>	<i>2.5</i>	<i>2.4</i>	<i>-2.0</i>

<i>drinking water collected from other aqueduct systems</i>	Mm <sup>3</sup>	139.0	126.5	121.9	-3.6
<b>total drinking water leaving the aqueduct system (87) = (88+89)</b>	<b>Mm<sup>3</sup></b>	<b>88.8</b>	<b>88.7</b>	<b>87.6</b>	<b>-1.3</b>
<b>total drinking water dispensed and billed in the network (88)</b>	<b>Mm<sup>3</sup></b>	<b>87.9</b>	<b>88.0</b>	<b>86.9</b>	<b>-1.3</b>
<i>measured volume of water delivered to users</i>	Mm <sup>3</sup>	80.9	82.9	80.6	-2.8
<i>volume consumed by users and not measured</i>	Mm <sup>3</sup>	7.1	5.1	6.3	23.4
<b>total drinking water authorised and not billed in the network (89)</b>	<b>Mm<sup>3</sup></b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>-</b>
<i>measured unbilled authorised consumption</i>	Mm <sup>3</sup>	0.0	0.0	0.0	-
<i>unmeasured unbilled authorised consumption</i>	Mm <sup>3</sup>	0.4	0.4	0.4	-
<b>drinking water exported to other systems (89 B)</b>	<b>Mm<sup>3</sup></b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>-</b>
<b>loss assessment according to ARERA Resolution 917/17 R/IDR</b>					
<b>water losses (90)</b>	<b>Mm<sup>3</sup></b>	<b>107.7</b>	<b>101.0</b>	<b>96.3</b>	<b>-4.6</b>
<b>water loss percentages (91)</b>	<b>%</b>	<b>54.8</b>	<b>53.2</b>	<b>52.4</b>	<b>-1.6</b>

#### AdF – Optimal Territorial Conference 6 Ombrone (55 Municipalities)

<b>drinking water collected from the environment or from other systems and fed into the aqueduct systems (92)</b>	<b>Mm<sup>3</sup></b>	<b>61.1</b>	<b>59.7</b>	<b>58.7</b>	<b>-1.6</b>
<i>surface water</i>	Mm <sup>3</sup>	1.3	1.1	1.0	-10.1
<i>from wells</i>	Mm <sup>3</sup>	22.8	20.1	17.6	-12.1
<i>from springs</i>	Mm <sup>3</sup>	36.4	37.7	39.4	4.5
<i>from other aqueduct systems</i>	Mm <sup>3</sup>	0.6	0.8	0.6	-16.3
<b>total drinking water leaving the aqueduct system (93) = (94+95+96+97)</b>	<b>Mm<sup>3</sup></b>	<b>32.0</b>	<b>32.3</b>	<b>32.8</b>	<b>1.4</b>
<b>total drinking water dispensed and billed in the network (94)</b>	<b>Mm<sup>3</sup></b>	<b>28.3</b>	<b>28.7</b>	<b>28.4</b>	<b>-1.0</b>
<i>measured volume of water delivered to users</i>	Mm <sup>3</sup>	28.3	28.7	28.4	-1.0
<i>volume consumed by users and not measured</i>	Mm <sup>3</sup>	0.0	0.0	0.0	-
<b>total drinking water authorised and not billed in the network (95)</b>	<b>Mm<sup>3</sup></b>	<b>0.1</b>	<b>0.1</b>	<b>0.5</b>	<b>254.7</b>
<i>measured unbilled authorised consumption</i>	Mm <sup>3</sup>	0.0	0.0	0.1	-
<i>unmeasured unbilled authorised consumption</i>	Mm <sup>3</sup>	0.1	0.1	0.4	212.2
<b>drinking water exported to other systems (96)</b>	<b>Mm<sup>3</sup></b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>-</b>
<b>measured drinking water losses (97)</b>	<b>Mm<sup>3</sup></b>	<b>1.9</b>	<b>1.9</b>	<b>2.2</b>	<b>18.2</b>
<b>loss assessment according to ARERA Resolution 917/17 R/IDR</b>					
<b>water losses (98)</b>	<b>Mm<sup>3</sup></b>	<b>29.1</b>	<b>27.4</b>	<b>25.9</b>	<b>-5.2</b>
<b>water loss percentages (99)</b>	<b>%</b>	<b>47.7</b>	<b>45.8</b>	<b>44.2</b>	<b>-3.6</b>

(\*) Some figures for the 2018-2019 two year period have been updated following consolidation. The 2020 data are estimated and will be consolidated with the subsequent reporting.

#### TOTAL WASTE WATER TREATED BY THE COMPANIES OF THE GROUP IN ITALY – SUMMARY DATA

	u. m.	2018	2019	2020	Δ% 2020/2019
<b>waste water treated in the main treatment plants of the Group Companies in Italy<sup>(*)</sup> (100)</b>	<b>Mm<sup>3</sup></b>	<b>858.6</b>	<b>853.7</b>	<b>914.3</b>	<b>7.1</b>

(\*) Some Group Company data for 2019 have been adjusted/consolidated.

#### TOTAL WASTE WATER TREATED BY THE COMPANIES OPERATING IN THE NFD SCOPE (ACEA ATO 2, ACEA ATO 5, GORI, GESESA and AdF – SUMMARY DATA)

	u. m.	2018	2019	2020	Δ% 2020/2019
<b>waste water treated in the principal treatment plants of Acea Ato 2, Acea Ato 5, Gori, Gesesa and AdF<sup>(*)</sup> (101)</b>	<b>Mm<sup>3</sup></b>	<b>637.0</b>	<b>692.1</b>	<b>713.7</b>	<b>3.1</b>

(\*) Gesesa Company estimated the figure for the first time in 2020, having started to install the first flow meters during the year.

#### WASTE WATER TREATED BY ACEA ATO 2

	u. m.	2018	2019	2020	Δ% 2020/2019
<b>waste water treated in the principal treatment plants (102)</b>	<b>Mm<sup>3</sup></b>	<b>490.1</b>	<b>514.1</b>	<b>512.2</b>	<b>-0.4</b>
<i>Rome South</i>	Mm <sup>3</sup>	279.1	286.4	284.9	-0.5
<i>Rome North</i>	Mm <sup>3</sup>	85.9	91.5	93.7	2.5
<i>Rome East</i>	Mm <sup>3</sup>	83.5	90.9	92.8	2.0
<i>Rome Ostia</i>	Mm <sup>3</sup>	25.7	29.8	30.6	2.5
<i>CoBIS</i>	Mm <sup>3</sup>	7.1	6.6	6.7	0.7
<i>Fregene</i>	Mm <sup>3</sup>	8.8	8.8	3.5	-60.2
<b>other – Municipality of Rome</b>	<b>Mm<sup>3</sup></b>	<b>11.6</b>	<b>9.7</b>	<b>8.7</b>	<b>-10.5</b>
<b>other – outside the Municipality of Rome</b>	<b>Mm<sup>3</sup></b>	<b>81.0</b>	<b>76.0</b>	<b>76.0</b>	<b>-</b>
<b>total waste water treated by Acea Ato 2 (103)</b>	<b>Mm<sup>3</sup></b>	<b>582.7</b>	<b>599.8</b>	<b>596.9</b>	<b>-0.5</b>

<b>WASTE WATER TREATED BY ACEA ATO 5</b>	u. m.	2018	2019	2020	Δ% 2020/2019
waste water treated in the principal treatment plants (104)	Mm <sup>3</sup>	21.2	21.3	21.2	-0.5
<b>WASTEWATER TREATED BY GORI</b>	u. m.	2018	2019	2020	Δ% 2020/2019
total wastewater treated (105)	Mm <sup>3</sup>	7.7	45.2	70.1	55.2
<b>WASTEWATER TREATED BY AdF</b>	u. m.	2018	2019	2020	Δ% 2020/2019
waste water treated in the principal treatment plants (106)	Mm <sup>3</sup>	16.9	16.8	16.3	-3.2
waste water treated in other plants	Mm <sup>3</sup>	8.5	9.0	7.0	-22.4
total waste water treated by AdF (107)	Mm <sup>3</sup>	25.4	25.8	23.3	-9.9
<b>WASTEWATER TREATED BY GESESA</b>	u. m.	2018	2019	2020	Δ% 2020/2019
waste water treated in the main treatment plants (107B)	Mm <sup>3</sup>	n/a	n/a	2.2	-
<b>ANALYTICAL DETERMINATIONS ON DRINKING WATER AND WASTE WATER IN THE GROUP IN ITALY – SUMMARY DATA</b>	u. m.	2018	2019	2020	Δ% 2020/2019
analytical determinations on Group total drinking water (108)	no.	1,365,213	1,456,316	1,523,028	4.6
analytical determinations on Group total waste water (109)	no.	428,417	495,921	448,829	-9.5
<b>ANALYTICAL DETERMINATIONS ON DRINKING WATER AND WASTE WATER OF THE COMPANIES OPERATING IN THE NFD PERIMETER: ACEA ATO 2, ACEA ATO 5, GORI, AdF AND GESESA – SUMMARY DATA</b>	u. m.	2018	2019	2020	Δ% 2020/2019
analytical determinations on drinking water of Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa (110)	no.	692,976	729,983	769,888	5.5
analytical determinations on waste water of Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa (111)	no.	236,413	288,863	252,160	-12.7
<b>ANALYTICAL DETERMINATIONS ACEA ATO 2</b>	u. m.	2018	2019	2020	Δ% 2020/2019
analytical determinations on Acea Ato 2 drinking water (112)	no.	35,9491	365,728	365,633	-
analytical determinations on Acea Ato 2 wastewater (113)	no.	127,378	170,641	124,625	-27.0
<b>ANALYTICAL DETERMINATIONS ACEA ATO 5</b>	u. m.	2018	2019	2020	Δ% 2020/2019
analytical determinations on Acea Ato 5 drinking water (114)	no.	115,345	123,790	116,327	-6.0
analytical determinations on Acea Ato 5 wastewater (115)	no.	35,064	41,616	43,812	5.3
<b>GESESA ANALYTICAL DETERMINATIONS</b>	u. m.	2018	2019	2020	Δ% 2020/2019
analytical determinations on Gesesa drinking water (116)	no.	6101	8,428	9,372	11.2
analytical determinations on Gesesa wastewater (117)	no.	4,702	5,514	5,736	4.0
<b>GORI ANALYTICAL DETERMINATIONS</b>	u. m.	2018	2019	2020	Δ% 2020/2019
analytical determinations on Gori drinking water (118)	no.	95,462	109,363	141,288	29.2
analytical determinations on Gori wastewater (119)	no.	19,854	21,027	25,499	21.3
<b>AdF ANALYTICAL DETERMINATIONS</b>	u. m.	2018	2019	2020	Δ% 2020/2019
analytical determinations on AdF drinking water (120)	no.	116,577	122,674	137,268	11.9
analytical determinations on AdF wastewater (121)	no.	49,415	50,065	52,488	4.8

# RESOURCES USED – ENERGY SEGMENT

The data on the resources used refer to Acea Produzione, Acea Ambiente's plants and Areti.

GENERATION, TRANSPORT AND SALE OF ELECTRICITY AND HEAT, PUBLIC LIGHTING	u. m.	2018	2019	2020	Δ% 2020/2019
<b>natural gas</b>					
<b>electricity and heat generation (122) = (123+124)</b>	<b>Nm<sup>3</sup> x 1,000</b>	<b>23,742</b>	<b>25,828</b>	<b>25,148</b>	<b>-2.7</b>
<b>thermoelectric and heat production (123)</b>	<b>Nm<sup>3</sup> x 1,000</b>	<b>20,305</b>	<b>22,468</b>	<b>22,272</b>	<b>-0.9</b>
<i>Tor di Valle – high-efficiency cogeneration (CAR)</i>	<i>Nm<sup>3</sup> x 1,000</i>	<i>20,305</i>	<i>22,468</i>	<i>22,272</i>	<i>-0.9</i>
<b>waste-to-energy (124)</b>	<b>Nm<sup>3</sup> x 1,000</b>	<b>3,438</b>	<b>3,359</b>	<b>2,876</b>	<b>-16.8</b>
<i>San Vittore del Lazio waste-to-energy plant</i>	<i>Nm<sup>3</sup> x 1,000</i>	<i>3,126</i>	<i>3,029</i>	<i>2,486</i>	<i>-21.8</i>
<i>Terni waste-to-energy plant (*)</i>	<i>Nm<sup>3</sup> x 1,000</i>	<i>312</i>	<i>331</i>	<i>390</i>	<i>15.2</i>
<b>gas oil for thermoelectric generation</b>					
<b>thermoelectric production (125)</b>	<b>l x 1,000</b>	<b>291</b>	<b>630</b>	<b>639</b>	<b>1.5</b>
<i>Montemartini power plant</i>	<i>l x 1,000</i>	<i>230</i>	<i>574</i>	<i>587</i>	<i>2.2</i>
<i>Terni and San Vittore del Lazio plants</i>	<i>l x 1,000</i>	<i>61</i>	<i>56</i>	<i>52</i>	<i>-6.3</i>
<b>RDF (Refuse-Derived Fuel) processed</b>					
<b>San Vittore del Lazio waste-to-energy plant (126)</b>	<b>t x 1,000</b>	<b>357.174</b>	<b>340.531</b>	<b>319.122</b>	<b>-6.3</b>
<b>waste-to-energy paper mill pulper</b>					
<b>Terni waste-to-energy plant (127)</b>	<b>t x 1,000</b>	<b>99.971</b>	<b>94.092</b>	<b>90.215</b>	<b>-4.1</b>
<b>biogas for the production of electricity</b>					
<b>composting and waste management plants (128)</b>	<b>Nm<sup>3</sup> x 1,000</b>	<b>10,766</b>	<b>11,491</b>	<b>17,153</b>	<b>49.3</b>
<i>Orvieto plant</i>	<i>Nm<sup>3</sup> x 1,000</i>	<i>10,766</i>	<i>11,491</i>	<i>10,867</i>	<i>-5.4</i>
<i>Aprilia plant</i>	<i>Nm<sup>3</sup> x 1,000</i>	<i>0</i>	<i>0</i>	<i>3621</i>	<i>-</i>
<i>Monterotondo plant</i>	<i>Nm<sup>3</sup> x 1,000</i>	<i>0</i>	<i>0</i>	<i>2665</i>	<i>-</i>
<b>water</b>					
<b>derivation from hydroelectric production (129)</b>	<b>Mm<sup>3</sup></b>	<b>4,221.71</b>	<b>3,458.09</b>	<b>2,926.25</b>	<b>-15.4</b>
<b>process water (130)</b>	<b>Mm<sup>3</sup></b>	<b>0.27</b>	<b>0.25</b>	<b>0.18</b>	<b>-28.3</b>
<b>water for civilian/sanitary uses (131)</b>	<b>Mm<sup>3</sup></b>	<b>0.27</b>	<b>0.27</b>	<b>0.30</b>	<b>10.6</b>
<b>miscellaneous materials</b>					
<b>dielectric mineral oil in operation (132)</b>	<b>t</b>	<b>9,957</b>	<b>10,004</b>	<b>10,138</b>	<b>1.3</b>
dielectric mineral oil – reintegrations	t	1.89	0.76	1.19	57.3
<b>SF<sub>6</sub> in operation (133)</b>	<b>t</b>	<b>21.70</b>	<b>21.94</b>	<b>22.29</b>	<b>1.6</b>
SF <sub>6</sub> – replenishments	t	0.50	0.40	0.37	-7.5
<b>cooling fluids (HCFC type) in operation (134)</b>	<b>t</b>	<b>1.56</b>	<b>1.49</b>	<b>1.68</b>	<b>12.8</b>
cooling fluids (HCFC type) – reintegrations	t	0.015	0.00007	0.00042	-
<b>miscellaneous chemicals (135)</b>	<b>kg</b>	<b>10,650,639</b>	<b>9,944,328</b>	<b>9,787,951</b>	<b>-1.6</b>
<i>sodium chloride</i>	<i>kg</i>	<i>8,000</i>	<i>13,000</i>	<i>9,000</i>	<i>-30.8</i>
<i>sodium hydroxide (caustic soda)</i>	<i>kg</i>	<i>164,520</i>	<i>256,470</i>	<i>247,640</i>	<i>-3.4</i>
<i>sodium bicarbonate</i>	<i>kg</i>	<i>7,795,510</i>	<i>7,181,660</i>	<i>7,140,770</i>	<i>-0.6</i>
<i>hydrochloric acid</i>	<i>kg</i>	<i>165,260</i>	<i>253,200</i>	<i>255,150</i>	<i>0.8</i>
<i>ammonia solution</i>	<i>kg</i>	<i>636,630</i>	<i>560,340</i>	<i>598,950</i>	<i>6.9</i>
<i>activated carbon</i>	<i>kg</i>	<i>404,400</i>	<i>511,520</i>	<i>468,160</i>	<i>-8.5</i>
<i>carbamine</i>	<i>kg</i>	<i>866,810</i>	<i>631,040</i>	<i>228,820</i>	<i>-63.7</i>
<i>other (for TLR e waste-to-energy)</i>	<i>kg</i>	<i>609,509</i>	<i>537,098</i>	<i>839,461</i>	<i>56.3</i>
<b>miscellaneous oils and greases/lubricants (136)</b>	<b>kg</b>	<b>46,887</b>	<b>34,387</b>	<b>37,664</b>	<b>9.5</b>
<b>electricity</b>					
<i>consumption for electrical distribution (137) = (28)</i>	<i>GWh</i>	<i>763.74</i>	<i>741.14</i>	<i>563.70</i>	<i>-23.9</i>
<i>consumption for electricity production (138) = (1)-(2)</i>	<i>GWh</i>	<i>68.20</i>	<i>64.76</i>	<i>69.87</i>	<i>7.9</i>
<i>consumption for offices (50% of the electricity consumed by the Parent Company) (139)</i>	<i>GWh</i>	<i>4.83</i>	<i>4.50</i>	<i>3.77</i>	<i>-16.1</i>
<i>other consumption (140)</i>	<i>GWh</i>	<i>1.20</i>	<i>1.22</i>	<i>1.32</i>	<i>8.6</i>
<i>other personal uses (141)</i>	<i>GWh</i>	<i>39.63</i>	<i>39.47</i>	<i>35.80</i>	<i>-9.3</i>
<b>total (142) (137+138+139+140+141)</b>	<b>GWh</b>	<b>877.61</b>	<b>851.08</b>	<b>674.47</b>	<b>-20.8</b>
<b>Public Lighting</b>					
<b>consumption for Public Lighting (143)</b>	<b>GWh</b>	<b>83.98</b>	<b>70.08</b>	<b>66.96</b>	<b>-4.5</b>

(\*) The data for the 2018-2019 two year period were rectified in order to define the calculation.

## RESOURCES USED – ENVIRONMENT AREA

The data on the resources refers to the three composting plants of Acea Ambiente located in Aprilia, Monterotondo Marittimo and Sabaudia, the waste management plant of Orvieto and four of Acea Industriali's plants in Pontedera, Pagnana, Poggibonsi and San Jacopo.

WASTE MANAGEMENT – ORVIETO PLANT	u. m.	2018	2019	2020	Δ% 2020/2019
miscellaneous chemicals (144)	t	19.9	15.1	20.1	33.2
electricity (145)	GWh	4,513	4,722	4,398	-6.9
gas oil (146)	l	240,022	245,735	229,533	-6.6
process water (147)	m <sup>3</sup>	9,663	5,574	4,792	-14.0
water for civilian/sanitary uses (148)	m <sup>3</sup>	1,261	1,180	1,230	4.2

COMPOST PRODUCTION	u. m.	2018	2019	2020	Δ% 2020/2019
miscellaneous chemicals (posting plants of Aprilia, Monterotondo Marittimo and Sabaudia) (149)	t	31.48	41.48	540.45	-
electricity (composting plants of Aprilia, Monterotondo Marittimo and Sabaudia) (150)	GWh	3.392	3.942	4.039	2.4
gas oil (composting plants of Aprilia, Monterotondo Marittimo and Sabaudia) (151)	l x 1,000	95.28	170.47	220.73	29.5
locally produced biogas (composting plants of Aprilia and Monterotondo Marittimo) (152)	Nm <sup>3</sup>	n.a.	176,614	6,286,431	-
process water (composting plants of Aprilia, Monterotondo Marittimo and Sabaudia) <sup>(*)</sup> (153)	m <sup>3</sup>	11,882	16,562	28,928	74.7
water for civil use (composting plants of Aprilia, Monterotondo Marittimo and Sabaudia) (154)	m <sup>3</sup>	1,929	1,480	2,330	57.4

(\*) The 2019 figure was rectified following actual recorded consumption.

DISPOSAL OF TREATMENT AND LIQUID WASTE – ACQUE INDUSTRIALI	u. m.	2018	2019	2020	Δ% 2020/2019
miscellaneous chemicals (Pagnana, Pontedera and Poggibonsi plants) (155)	t	2,609.9	1,116.2	975.9	-12.6
electricity (Pagnana, Pontedera, Poggibonsi and San Jacopo plants) (156)	GWh	0.620	0.481	0.713	48.1
methane (Pagnana plant) (157)	Sm <sup>3</sup>	6,6982	30,307	25,079	-17.3
BTZ (Basso Tenore di Zolfo – Low Sulphur Content) combustible Oil (Pontedera plant) (158)	t	0.060	0.045	0.049	9.2
process water (Pagnana, Pontedera, Poggibonsi and San Jacopo plants) (159)	m <sup>3</sup>	27,351	23,841	15,600	-34.6
water for civil use (Pagnana, Pontedera, Poggibonsi and San Jacopo plants) (160)	m <sup>3</sup>	1,100	743	747	0.5

## RESOURCES USED – WATER SEGMENT

The data refers to the Water Companies of the Group included in the reporting scope of the *Consolidated Non-Financial Disclosure* (NFD, pursuant to Legislative Decree no. 254/2016): Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa.

In general a fall in the use of energy was recorded due to the health emergency, except for those Companies that expanded the perimeter of their plants, in this case Gori.

COLLECTION, SUPPLY AND DISTRIBUTION OF DRINKING AND NON-DRINKING WATER	u. m.	2018	2019	2020	Δ% 2020/2019
reagents for purification and disinfection (161)	t	3,174.6	3,564.3	3,265.4	-8.4
reagents for chemical analyses (162)	t	1.50	1.50	1.65	10.0
gas for chemical analyses (163)	MNm <sup>3</sup>	5.82	6.06	5.79	-4.4
cooling fluids (HCFC type) in operation (164) = (134)	t	1.56	1.49	1.68	12.8
cooling fluids (HCFC type) – reintegrations	t	0.015	0.00007	0.00035	-
<b>total electricity consumed (165)</b>	<b>GWh</b>	<b>362.81</b>	<b>414.91</b>	<b>481.45</b>	<b>16.0</b>
water pumping plants (166)	GWh	356.78	409.12	476.28	16.4
offices/personal use (50% of energy consumed by the Parent Company) (167) = (139)	GWh	4.83	4.50	3.77	-16.1
chemical laboratory (168)	GWh	1.19	1.29	1.40	7.9

drinking water					
total drinking water consumed (169)	Mm <sup>3</sup>	1.46	1.80	2.81	56.1
civilian/sanitary uses	Mm <sup>3</sup>	1.30	1.63	2.16	32.5
process uses (*)	Mm <sup>3</sup>	n.a.	n.a.	0.48	-
offices (50% of the drinking water consumed by the Parent Company)	Mm <sup>3</sup>	0.16	0.17	0.17	-

(\*) It is water recovered from treatment plants.

WASTEWATER TREATMENT	u. m.	2018	2019	2020	Δ% 2020/2019
miscellaneous materials and natural resources					
reagents for purification waste water (170)	t	8,573	12,086	13,683	13.2
polyelectrolyte for sludge dehydration	t	1,469	2,305	2,478	7.5
sodium hypochlorite for final disinfection	t	2,755	2,761	3,948	43.0
ferric chloride for sludge dehydration	t	165	497	462	-7.1
peracetic acid	t	3,016	3,673	3,995	8.8
other (anti-foaming, etc.)	t	1,153	2,310	2,716	17.6
reagent kit for on-site controls (171)	no.	57,271	53,856	69,249	28.6
oil and fat (172)	t	15.7	13.9	10.1	-27.6
electricity					
sewerage and purification (173)	GWh	233.5	251.3	250.7	-0.2
fuels					
methane for processes (dryers and other processes) (174)	Nm <sup>3</sup> x 1,000	2,063.0	2,868.8	3,058.8	6.6
gas oil for processes (174 B)	l x 1,000	0.0	111.8	224.2	100.5
biogas produced and consumed on site (175)	Nm <sup>3</sup> x 1,000	1,354.2	2,382.5	5,234.7	119.7

## FUEL USED BY THE COMPANIES OF THE GROUP FOR TRANSPORT AND HEATING

The figures refer to all the Companies in the NFD reporting scope including AdF.

TYPE OF FUEL	u. m.	2018	2019	2020	Δ% 2020/2019
transport (Group car fleet)					
petrol (176)	l x 1,000	102.5	122.6	225.3	83.7
diesel (177)	l x 1,000	3,839.8	3,410.1	3,371.7	-1.1
LPG (178)	l x 1,000	0.0	5.1	8.1	58.9
heating					
gas oil (179)	l x 1,000	2.8	1.9	0.9	-52.6
methane (180)	Nm <sup>3</sup> x 1,000	395.9	419.6	387.3	-7.7
LPG (181)	l x 1,000	10.2	30.1	33.9	12.4

## EMISSIONS AND WASTE – ENERGY SEGMENT

The data on the emissions and waste refer to Acea Produzione, to the waste-to-energy plants of Acea Ambiente and Areti.

ATMOSPHERIC EMISSIONS	u.m.	2018	2019	2020	Δ% 2020/2019
CO <sub>2</sub> (182) = (183+184+185+186) (*)	t	361,539	338,692	39,2471	15.9
Acea Produzione (183)	t	42,888	48,506	47,643	-1.8
Areti – SF <sub>6</sub> replenishment (184)	t	11,233	9,682	8,695	-10.2
HCFC replenishment (185)	t	22.9	0.0	0.7	-
waste-to-energy (186)	t	307,395	280,504	336,133	19.8
NO <sub>x</sub> (187) = (188+189)	t	189.40	188.19	190.67	1.3

Acea Produzione (188)	t	13.69	17.44	20.83	19.4
waste-to-energy (189)	t	175.71	170.75	169.84	-0.5
<b>CO (190) = (191+192)</b>	<b>t</b>	<b>6.38</b>	<b>7.02</b>	<b>8.22</b>	<b>17.1</b>
Acea Produzione (191)	t	2.02	4.19	6.00	43.2
waste-to-energy (192)	t	4.36	2.83	2.22	-21.5
<b>SO<sub>2</sub> (193) = (194+195)</b>	<b>t</b>	<b>0.16</b>	<b>0.33</b>	<b>0.90</b>	<b>174.0</b>
Acea Produzione (194)	t	0.01	0.02	0.02	-
waste-to-energy (195)	t	0.15	0.31	0.88	185.4
<b>powders (196) = (197+198)</b>	<b>t</b>	<b>0.50</b>	<b>0.60</b>	<b>0.60</b>	<b>-</b>
Acea Produzione (197)	t	0.01	0.03	0.03	-
waste-to-energy (198)	t	0.49	0.57	0.57	-
<b>HCl (199)</b>	<b>t</b>	<b>3.56</b>	<b>2.92</b>	<b>3.12</b>	<b>6.8</b>
<b>HF (200)</b>	<b>t</b>	<b>0.12</b>	<b>0.12</b>	<b>0.06</b>	<b>-47.2</b>
<b>organic carbon (201)</b>	<b>t</b>	<b>1.75</b>	<b>1.99</b>	<b>1.07</b>	<b>-46.2</b>

<b>OTHER EMISSIONS AND WASTE</b>	<b>u. m.</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Δ% 2020/2019</b>
wastewater treated (202)	Mm <sup>3</sup>	0.0166	0.0300	0.0241	-19.7
electrical fields at 50 Hz	kV	<b>monitored</b> commitment to maintain the value below the legal limit			
magnetic fields at 50 Hz	μT	<b>monitored</b> commitment to maintain the value below the legal limit			
noise	dB	<b>monitored</b> commitment to maintain the value below the legal limit			
luminous flux dissipated	Mlumen	commitment to design the plants in order to limit to the utmost the emission value dissipated upwards			

<b>WASTE (Legislative Decree no. 152/06)</b>	<b>u. m.</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Δ% 2020/2019</b>
<b>hazardous waste – excluding waste-to-energy area (203)</b>	<b>t</b>	<b>673.1</b>	<b>1,268.9</b>	<b>211.2</b>	<b>-83.4</b>
production energy own area	t	671.6	1,268.1	210.6	-83.4
proportion for the activities performed by the Parent Company (**)	t	1.5	0.8	0.6	-18.8
<b>hazardous waste from waste-to-energy (204)</b>	<b>t</b>	<b>85,757.7</b>	<b>73,202.0</b>	<b>64,806.2</b>	<b>-11.5</b>
<b>non-hazardous waste – excluding waste-to-energy area (205)</b>	<b>t</b>	<b>800.6</b>	<b>1,167.0</b>	<b>833.6</b>	<b>-28.6</b>
production energy own area	t	739.9	1,118.9	805.2	-28.0
proportion for the activities performed by the Parent Company (**)	t	60.7	48.1	28.4	-40.9
<b>non-hazardous waste from waste-to-energy (206)</b>	<b>t</b>	<b>14,578.0</b>	<b>24,239.3</b>	<b>22,606.8</b>	<b>-6.7</b>

(\*) Terni's figures for 2019 have been restated after the final calculations and ETS certificate. The data of the San Vittore del Lazio plant has been measured at the chimney since 2018.

(\*\*) The portion is equal to 50% of the waste produced by the Parent Company.

## EMISSIONS AND WASTE – ENVIRONMENT SEGMENT

The data refers to the three composting plants of Acea Ambiente located in Aprilia, Monterotondo Marittimo and Sabaudia, the waste management plant of Orvieto and four of Acque Industriali's plants located in Pontedera, Pagnana, Poggibonsi and San Jacopo.

<b>WASTE (Legislative Decree no. 152/06) – Orvieto and composting plants</b>	<b>u. m.</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>Δ% 2020/2019</b>
<b>hazardous waste – composting plants of Aprilia, Monterotondo Marittimo and Sabaudia including leachate (207)</b>	<b>t</b>	<b>4.7</b>	<b>1.2</b>	<b>3,672.5</b>	<b>-</b>
<b>non-hazardous waste – composting plants of Aprilia, Monterotondo Marittimo and Sabaudia including leachate (208)</b>	<b>t</b>	<b>13,418.7</b>	<b>14,821.2</b>	<b>27,984.0</b>	<b>88.8</b>
<b>hazardous waste Orvieto plant (209)</b>	<b>t</b>	<b>16.2</b>	<b>12.7</b>	<b>11.4</b>	<b>-10.4</b>
<b>non-hazardous waste Orvieto plant including leachate (210)</b>	<b>t</b>	<b>24,355.0</b>	<b>21,635.0</b>	<b>20,295.1</b>	<b>-6.2</b>

ATMOSPHERIC EMISSIONS – Orvieto and compost plants	u.m.	2018	2019	2020	Δ% 2020/2019
CO <sub>2</sub> – Orvieto plant and composting plants (211)	t	1,076	1,282	1,363	6.3
particles (212)	t	< 0.02	0.001	0.274	-
total organic compounds (TOC) (213)	t	< 1.04	0.011	0.927	-
ammonia (214)	t	< 0.13	0.001	3.711	-
volatile inorganic compounds (SIV) (215)	t	< 1.98	0.062	1.941	-

WASTE – ACQUE INDUSTRIALI	u.m.	2018	2019	2020	Δ% 2020/2019
hazardous waste Pagnana plant (216)	t	0.03	0.02	0.00	-
non-hazardous waste of Pagnana, Pontedera, Poggibonsi and San Jacopo (217)	t	3,510.2	3,124.5	2,516.2	-19.5

ATMOSPHERIC EMISSIONS – ACQUE INDUSTRIALI	u.m.	2018	2019	2020	Δ% 2020/2019
CO <sub>2</sub> – Pagnana, Pontedera plants (218)	t	320.7	201.5	204.2	1.3
hydrogen Sulphide (219)	t	0.076	0.012	0.019	56.7
ammonia (220)	t	0.155	0.019	0.038	97.9

## EMISSIONS AND WASTE – WATER SEGMENT

The data refers to the Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa water Companies. The previous two year period was therefore correct for including the data of AdF.

WASTE PRODUCED	u. m.	2018	2019	2020	Δ% 2020/2019
<b>specific waste from treatment of wastewater <sup>(*)</sup></b>					
<b>total treatment sludge (221)</b>	<b>t</b>	<b>166,909</b>	<b>132,041</b>	<b>124,590</b>	<b>-5.6</b>
Acea Ato 2 purification sludge (222)	t	65,380	70,506	77,638	10.1
Liquid sludge disposed of by third parties (223)	t	71,669	29,793	237	-99.2
Acea Ato 5 purification sludge (224)	t	15,987	11,352	9,408	-17.1
Gori treatment sludge (225)	t	4,743	10,437	29,246	180.2
Gesesa treatment sludge (226)	t	623	979	770	-21.4
AdF purification sludge (227)	t	8,508	8,975	7,292	-18.8
<b>total sand and slabs from purification (228)</b>	<b>t</b>	<b>8,043</b>	<b>10,902</b>	<b>12,574</b>	<b>15.3</b>
Acea Ato 2 sand and slabs (229)	t	6,428	7,789	9,372	20.3
Acea Ato 5 sand and slabs (230)	t	80	87	101	16.2
Gori sand and slabs (231)	t	944	2,066	2,305	11.6
Gesesa sand and slabs (232)	t	66	39	71	81.4
AdF sand and slabs (233)	t	524	921	724	-21.3
<b>waste (pursuant to Italian Legislative Decree no. 152/06)</b>					
<b>total hazardous waste (234) = (235+236+237+238+239+240)</b>	<b>t</b>	<b>65.2</b>	<b>124.5</b>	<b>142.9</b>	<b>14.7</b>
Acea Elabori (235)		14.1	19.7	15.9	-19.5
Acea Ato 2 (236)	t	38.6	34.3	82.4	140.1
Acea Ato 5 (237)	t	0.3	2.0	0.9	-54.3
Gori (238)	t	0.1	49.5	17.8	-64.1
AdF (239)	t	10.7	18.3	41.2	125.7
proportion for the activities performed by the Parent Company (240) <sup>(**)</sup>	t	1.5	0.8	0.6	-18.5
<b>total non-hazardous waste (241) = (242+243+244+245+246+247)</b>	<b>t</b>	<b>7,555</b>	<b>8,658</b>	<b>12,346</b>	<b>42.6</b>
Acea Ato 2 and Elabori (242)	t	378	1,022	2,631	157.4
Acea Ato 5 (243)	t	6,635	5.89	6,567	9.7
Gori (244)	t	93	1137	102	-91.0
Gesesa (245)	t	8	41	0	-
AdF (246)	t	380	416	3,017	616.4
proportion for the activities performed by the Parent Company (247) <sup>(**)</sup>	t	61	48	28	-41.0

other emissions and waste					
CO <sub>2</sub> from dryers (248)	t	4,300	5,972	6,371	6.7
CO <sub>2</sub> from HCFC replenishment (249)	t	22.9	0.0	0.7	-
noise	dB	<b>monitored</b> commitment to maintain the value below the legal limit			
odours		<b>monitored</b> commitment to maintain the value below the limit of perception and in the areas adjacent to the treatment plants			

(\*) Some of the 2018 and 2019 figures were consolidated and updated.

(\*\*) The portion is equal to 50% of the waste produced by the Parent Company.

## THE EMISSIONS OF CARBON DIOXIDE FROM TRANSPORT AND PACKAGING

The data of the 2018-2019 two year period has been updated including AdF in the perimeter.

GROUP COMPANIES	u. m.	2018	2019	2020	Δ% 2020/2019
<b>transport</b>					
CO <sub>2</sub> (250)	t	10,416	9,309	9,449	1.5
<b>heating</b>					
CO <sub>2</sub> (251)	t	848	914	850	-7.0

## KEY ENVIRONMENTAL PERFORMANCE INDICATORS (KPI) – ENERGY SEGMENT

Environmental Key Performance Indicators.

INDICATOR	u. m.	2018	2019	2020
<b>energy used for the processes <sup>(*)</sup></b>				
A consumption in the distribution of electricity		1,204.6 (334.6)	1,188.4 (330.1)	983.0 (273.1)
B consumption in the production of electricity (138)		245.5 (68.2)	233.1 (64.8)	251.5 (69.9)
C heat lost in the district heating network (23)		104.1 (28.9)	106.1 (29.5)	99.8 27.7
D consumption for Public Lighting (143)		302.3 (84.0)	252.3 (70.1)	241.1 (67.0)
E environment Segment consumption (145+150)		30.7 (8.5)	32.9 (9.1)	32.9 (9.1)
F water distribution (165-167)	TJoule (GWh)	1,288.7 (358.0)	1,477.5 (410.4)	1,719.6 (477.7)
G water purification (173)		840.7 (233.5)	904.8 (251.3)	902.7 (250.7)
H electricity for offices (Item 139+167)		34.8 (9.7)	32.4 (9.0)	27.2 (7.5)
I consumption for heating offices		15.1 (4.2)	16.2 (4.5)	15.3 (4.3)
L water area dryer consumption		76.7 (21.3)	106.7 (29.6)	113.8 (31.6)
M layoffs		141.3 (39.3)	126.5 (35.1)	128.3 (35.7)
<b>Total consumption = indirect consumption + consumption through mobility + heating</b>		<b>4,284.6 (1,190.2)</b>	<b>4,476.9 (1,243.6)</b>	<b>4,515.2 (1,254.2)</b>

## EMISSIONS, EFFLUENTS AND WASTE

greenhouse gas emissions (CO <sub>2</sub> ) (182+211+218+248+249+250+251)	t	378,522	356,371	410,721
emissions of SO <sub>2</sub> , NO <sub>x</sub> and other significant gasses by type				
NO <sub>x</sub> (187)	t	189.40	188.19	190.67
CO (190)	t	6.38	7.02	8.34
SO <sub>2</sub> (164)	t	0.16	0.33	0.90
NO <sub>x</sub> /thermoelectric production	g/kWh	0.41	0.42	0.44
CO <sub>2</sub> /thermoelectric production	g/kWh	757	735	876
CO <sub>2</sub> /thermoelectric production Acea Produzione	g/kWh	585	537	517
CO <sub>2</sub> /total production Acea Produzione	g/kWh	77	89	88
CO <sub>2</sub> /gross total production	g/kWh	361.7	357.8	418.9
SO <sub>2</sub> /thermoelectric production	g/kWh	0.0	0.0	0.0

## PRODUCTS AND SERVICES: ELECTRICITY

	u. m.	2018	2019	2020
<b>performance of the electrical production process of Acea Produzione</b>				
gross average performance thermoelectric production (calculation 1)	%	41.1	40.7	41.9
Tor di Valle power plant (electrical performance cogeneration only)	%	41.3	41.2	42.4
Montemartini power plant	%	24.9	24.3	26.1
gross average thermoelectric production out included thermal energy recovered (calculation 2)	%	71.9	69.6	70.2
gross average performance hydroelectric production (calculation 3)	%	78.7	79.2	83.5
gross average performance overall production (calculation 4)	%	73.6	72.5	76.1
gross average total production performance including thermal energy recovered (calculation 5)	%	77.5	77.5	81.1
<b>performance of the electrical production process – waste-to-energy plants</b>				
<b>San Vittore in Lazio</b>				
SRF produced/gross energy produced	kt/GWh	1.164	1.233	1.185
gross performance SRF conversion into electricity (calculation 6)	kWh/kg SRF	0.86	0.81	0.84
electrical performance (calculation 7)	%	20.0	19.2	19.2
total waste produced/hours worked	t/h	3.47	3.36	3.18
<b>Terni</b>				
gross performance pulper conversion into electricity (calculation 8)	kWh/kg pulper waste	0.82	0.86	0.85
electrical output (calculation 9)	%	14.7	21.3	15.8
total waste produced/hours worked	t/h	1.8	1.7	1.7
<b>performance of the electrical production process – photovoltaic energy</b>				
average efficiency photovoltaic modules	%	14.0	14.0	14.0
<b>other indicators (territory, public lighting, controls, losses)</b>				
protection of the territory (total length of HV cable lines/(length of overhead HV lines + cable lines) x 100)	%	46.3	46.3	46.3
public lighting illumination efficiency (36)/(143)	Lumen/kWh	23.9	28.6	30.0
average performance of installed lamps (36)/(electrical power)	Lumen/W	112.7 (17,830 kW)	127.9 (15,653 kW)	127.9 (15,716 kW)
specific consumption per lamp (143)/(no. lamps)	kWh/ no. lamps	372.22 (225,619)	310.46 (225,730)	295.46 (226,635)
percentage of roads illuminated (**)	% (km of roads illuminated/ total km of roads)	88.6 (6,297/7,110)	88.8 (6,316/7,110)	89.1 (6,338/7,110)
no. operating and laboratory checks /GWh net electricity sold (37)/(32)	no./GWh	0.22	0.17	0.26
reintegrations of SF <sub>6</sub> /km electricity distribution network	kg/km	0.0161	0.0128	0.0118
total loss of electricity (28)/(27) (***)	% energy requested	7.2	7.0	5.8

(\*) The data of the 2018-2019 two year period has been updated to include AdF and Acque Industriali.

(\*\*) Estimate.

(\*\*\*) The total losses of electricity include: transformation losses, transport losses and commercial losses, these last due to fraud and incorrect readings.

# KEY ENVIRONMENTAL PERFORMANCE INDICATORS (KPI) – WATER SEGMENT

Environmental Key Performance Indicators.

INDICATOR	u. m.	2018	2019	2020
carbon footprint				
<b>WATER SERVICE</b>				
total CO <sub>2</sub> /m <sup>3</sup> of water supplied (integrated water services) <sup>(7)</sup>	kgCO <sub>2</sub> /m <sup>3</sup>	0.45	0.50	0.51
CO <sub>2</sub> /m <sup>3</sup> of water supplied (water distribution process)	kgCO <sub>2</sub> /m <sup>3</sup>	0.27	0.31	0.33
CO <sub>2</sub> /m <sup>3</sup> of waste water treated (treatment process)	kgCO <sub>2</sub> /m <sup>3</sup>	0.13	0.13	0.12
<b>PRODUCT: DRINKING WATER</b>				
<b>Acea Ato 2 network</b>				
specific electricity consumption per input in the water network (energy consumption of Acea Ato 2's network)/(65)	kWh/m <sup>3</sup>	0.467	0.467	0.477
intensity of the checks on drinking water distributed (112)/(65)	no./Mm <sup>3</sup>	968	953	918
drinking water additive index (161 – Acea Ato 2 network)/(65)	g/m <sup>3</sup>	6.1	7.0	6.1
<b>Acea Ato 5 network</b>				
specific electricity consumption per input into the water network (energy consumption of Acea Ato 5 network)/(73)	kWh/m <sup>3</sup>	2.136	2.065	1.623
intensity of the checks on drinking water distributed (73)/(73)	no./Mm <sup>3</sup>	4,150	4,259	3,068
drinking water additive index (161 – Acea Ato 5 network)/(73)	g/m <sup>3</sup>	11.3	9.7	7.4
<b>Gori network</b>				
specific electricity consumption per amount of water withdrawn from the network (energy consumption of the Gori network) / (87)	kWh/m <sup>3</sup>	0.873	1.420	2.102
intensity of the checks on drinking water distributed (118)/(87)	no./Mm <sup>3</sup>	1,075	1,232	1,613
drinking water additive index (161 – Gori network)/(87)	g/m <sup>3</sup>	1.8	2.3	2.2
<b>Gesesa network</b>				
specific electricity consumption per amount withdrawn from the water network (energy consumption of Gesesa network) / input (80)	kWh/m <sup>3</sup>	1.348	1.296	1.319
intensity of the checks on drinking water distributed (116)/(80)	no./Mm <sup>3</sup>	795	1,110	1,217
drinking water additive index (161 – Gesesa network)/(80)	g/m <sup>3</sup>	12.7	8.3	7.3
<b>AdF network</b>				
specific electricity consumption per input in the water network (energy consumption of AdF network)/(93)	kWh/m <sup>3</sup>	1.077	1.010	0.889
intensity of the checks on drinking water distributed (120)/(93)	no./Mm <sup>3</sup>	2,513	2,576	4,190
drinking water additive index (161 – AdF network)/(93)	g/m <sup>3</sup>	9.76	10.20	9.44
<b>SERVICE: WASTEWATER TREATMENT</b>				
<b>Acea Ato 2</b>				
sludge disposed of (222)	t	65,380	70,506	77,638
liquid sludge disposed of to third parties	t	71,669	29,793	237
sand and slabs removed (229)	t	6,428	7,789	9,372
COD input	t	221,357	207,914	173,392
COD removed	t	205,125	188,327	159,487
efficiency of COD removal	%	93	91	92
SST input	t	135,698	134,685	100,637
SST removed	t	126,330	124,417	93,172
efficiency of SST removal	%	93	92	93
efficiency of BOD removal	%	89	88	90
total N input (like NH <sub>4</sub> +NO <sub>2</sub> +NO <sub>3</sub> + organic)	t	20,276	18,433	17,993
total N removed	t	14,133	14,333	13,925
efficiency of N removal	%	70	78	77
Acea Ato 2 wastewater additivation index	g/m <sup>3</sup>	12.0	13.8	16.2
Acea Ato 2 specific consumption of electricity by purification process	kWh/m <sup>3</sup>	0.299	0.299	0.282

INDICATOR (cont.)	u. m.	2018	2019	2020
<b>Acea Ato 5</b>				
disposed of sludge (224)	t	15,987	11,352	9,408
sand and slabs removed (230)	t	80	87	101
COD input	t	8,884	13,506	19,341
COD removed	t	7,709	12,407	18,182
efficiency of COD removal	%	87	92	89
total N input	t	779	1,136	1,219
total N removed	t	600	757	827
efficiency of N removal (NH <sub>4</sub> <sup>+</sup> )	%	89	89	91
SST input	t	8,365	8,364	10,349
SST removed	t	7,872	7,940	9,993
efficiency of SST removal	%	94	95	96
Acea Ato 5 additivation index	g/m <sup>3</sup>	31.4	33.2	33.6
Acea Ato 5 specific consumption of electricity by purification process	kWh/m <sup>3</sup>	0.811	0.830	0.755
<b>Gori</b>				
disposed of sludge (225)	t	4,743	10,437	29,246
sand and slabs removed (231)	t	944	2,066	2,305
COD input	t	1,882	7,579	25,650
COD removed	t	1,730	6,376	24,419
efficiency of COD removal	%	92	84	95
total N input	t	n/a	944	3,310
total N removed	t	n/a	714	3,159
efficiency of N removal (NH <sub>4</sub> <sup>+</sup> )	%	96	76	95
SST input	t	n/a	3,438	6,967
SST removed	t	n/a	2,777	5,932
efficiency of SST removal	%	86	81	85
Gori additivation index	g/m <sup>3</sup>	58.2	54.6	36.9
Gori specific consumption of electricity by purification process	kWh/m <sup>3</sup>	1.871	0.634	0.584
<b>Gesesa (*)</b>				
disposed of sludge (226)	t	1,130	623	979
sand and slabs removed (232)	t	12	66	39
COD input	t	n/a	n/a	349
COD removed	t	n/a	n/a	307
efficiency of COD removal	%	n/a	n/a	88.1
total N input	t	n/a	n/a	30
total N removed	t	n/a	n/a	15
efficiency of N removal (NH <sub>4</sub> <sup>+</sup> )	%	n/a	n/a	48.2
SST input	t	n/a	n/a	76
SST removed	t	n/a	n/a	44
efficiency of SST removal	%	n/a	n/a	57.1
Gesesa additive index	g/m <sup>3</sup>	n/a	n/a	42.3
Gesesa specific consumption of electricity by purification process	kWh/m <sup>3</sup>	n/a	n/a	0.849
<b>AdF</b>				
disposed of sludge (227)	t	8,508	8,975	7,292
sand and slabs removed (233)	t	524	921	724
COD input	t	8,765	8,120	9,172
COD removed	t	8,171	7,516	8,587
efficiency of COD removal	%	93.2	92.6	93.6
total N input	t	816	852	866
total N removed	t	536	574	562
efficiency of N removal (NH <sub>4</sub> <sup>+</sup> )	%	76.9	81.1	79.7
SST input	t	3,584	2,656	4,008
SST removed	t	3,429	2,512	3,872
efficiency of SST removal	%	95.7	94.6	96.6
AdF additive index	g/m <sup>3</sup>	17.8	19.3	27.5
AdF specific consumption of electricity by purification process	kWh/m <sup>3</sup>	0.980	0.929	1.018

(\*) Emissions defined as “Scope 2”, in other words resulting from the consumption of electricity by the water Companies in question.

(\*\*) Water purification efficiency data is estimated. Water purification indicators are available from 2020, when the Company installed the first waste water flow meters at the main treatment plants.

# KEY ENVIRONMENTAL PERFORMANCE INDICATORS (KPI) – ENVIRONMENT SEGMENT

Environmental Key Performance Indicators.

INDICATOR	u. m.	2018	2019	2020
non-hazardous waste disposed in landfill/total incoming waste (40+41) / (38)	t/t	0.56	0.57	0.64
waste disposed of in landfill/energy consumed net of photovoltaic energy (40+41) / (145)	t/MWh	11.36	12.00	15.39
compost produced/incoming waste (43+49) / (38+45)	t/t	0.10	0.10	0.09
compost produced/consumed electricity (43+49) / (145+150)	kg/kWh	1.49	1.68	2.29
consumed electricity/incoming waste in the Pagnana plant (156 – Pagnana) / (54+55+56+57 – Pagnana)	kWh/kg	0.004	0.004	0.004
consumed electricity/incoming waste in the Pontedera plant (156 – Pontedera) / (54+55+56+57 – Pontedera)	kWh/kg	0.003	0.004	0.011
consumed electricity/incoming waste in the Poggibonsi plant (156 – Poggibonsi) / (54+55+56+57 – Poggibonsi)	kWh/kg	0.002	0.003	0.003
chemicals used/incoming waste at the Pagnana plant (155 – Pagnana) / (54+55+56+57 – Pagnana)	kg/t	17.782	7.593	5.125
chemicals used/incoming waste at the Pontedera plant (155 – Pontedera) / (54+55+56+57 – Pontedera)	kg/t	15.613	11.651	14.184
chemicals used/incoming waste at the Poggibonsi plant (155 – Poggibonsi) / (54+55+56+57 – Poggibonsi)	kg/t	4.815	7.042	8.111

## ENVIRONMENTAL COMPLIANCE

INDICATOR	u. m.	2018	2019	2020
<b>GROUP COMPLIANCE</b>				
penalties paid for non-conformities related to rules/agreements of an environmental nature	€	162,853	139,964	143,601
<b>NFD COMPLIANCE</b>				
penalties paid for non-conformities related to rules/agreements of an environmental nature	€	161,838	121,150	41,504

## DESCRIPTION OF THE CALCULATIONS USED TO DETERMINE THE ELECTRICAL GENERATION EFFICIENCY

calculation 1

$$\text{Efficiency}_{(thermoelectric)} = \frac{\text{Energy}_{thermoelectric} \text{ (kWh)}}{\text{Energy}_{gas\ oil} \text{ (kWh)} + \text{Energy}_{methane} \text{ (kWh)}}$$

Where:

$\text{Energy}_{thermoelectric}$  = gross electricity produced with the thermoelectric cycle

$$\text{Energy}_{gas\ oil} \text{ (kWh)} = \frac{\text{gas oil (l)} \times 0.835 \times \text{LHV}_d \text{ (kcal/kg)}}{860 \text{ (kcal/kWh)}}$$

$$\text{Energy}_{methane} \text{ (kWh)} = \frac{\text{methane (Nm}^3\text{)} \times \text{LHV}_m \text{ (kcal/Nm}^3\text{)}}{860 \text{ (kcal/kWh)}}$$

LHV<sub>d</sub> = about 10,000 kcal/kg (Lower Heating Value of gas oil)

LHV<sub>m</sub> = about 8,500 kcal/Nm<sup>3</sup> (Lower Heating Value of methane)

860 = energy conversion factor from kcal to kWh

0.835 = specific gravity of gas oil (kg/l)

NOTE: The calorific values used for Acea Produzione are the real values derived from measurements made by gas and gas oil suppliers.

### calculation 2

$$\text{Efficiency}_{(thermoelectric)} = \frac{\text{Energy}_{thermoelectric} \text{ (kWh)} + \text{Energy}_{thermal} \text{ (kWh)}}{\text{Energy}_{gas\ oil} \text{ (kWh)} + \text{Energy}_{methane} \text{ (kWh)}}$$

$\text{Energy}_{thermal}$  = Gross thermal energy produced

$\text{Energy}_{thermoelectric}$  = Gross thermoelectric energy produced

$$\text{Energy}_{gas\ oil} \text{ (kWh)} = \frac{\text{gas oil (l)} \times 0.835 \times \text{LHV}_d \text{ (kcal/kg)}}{860 \text{ (kcal/kWh)}}$$

$$\text{Energy}_{methane} \text{ (kWh)} = \frac{\text{methane (Nm}^3\text{)} \times \text{LHV}_m \text{ (kcal/Nm}^3\text{)}}{860 \text{ (kcal/kWh)}}$$

$\text{LHV}_d$  = Lower Heating Value of gas oil

$\text{LHV}_m$  = Lower Heating Value of methane

860 = energy conversion factor from kcal to kWh

0.835 = specific gravity of gas oil (kg/l)

NOTE: The calorific values used for Acea Produzione are the real values derived from measurements made by gas and gas oil suppliers.

### calculation 3

$$\text{Efficiency (hydroelectric)} = \frac{\text{Energy}_{hydroelectric} \text{ (MWh)} \times 3.6 \times 10^9}{[\text{m(kg)} \times 9.8 \text{ (m/s}^2\text{)} \times \text{h(m)}] \text{ (Joule)}}$$

Where:

$3.6 \times 10^9$  = conversion factor of hydropower from joules to MWh

m = derived water for hydroelectric production

9.8 = acceleration of gravity at sea level

h = height of water fall (exposed surface - turbine)

$\text{Energy}_{hydroelectric}$  = energy produced in the hydroelectric cycle

calculation 4

$$\text{Efficiency (average)} = \frac{E_h}{(E_h + E_t)} \times \eta_h + \frac{E_t}{(E_h + E_t)} \times \eta_t$$

Where:

$E_h$  = total amount of hydroelectric energy produced

$E_t$  = total amount of thermoelectric energy produced

$\eta_h$  = hydroelectric efficiency

$\eta_t$  = thermoelectric efficiency

efficiency (average) = average production efficiency

calculation 5

$$\text{Efficiency (average)} = \frac{E_h}{(E_h + E_T)} \times \eta_h + \frac{E_T}{(E_h + E_T)} \times \eta_T$$

Where:

$E_h$  = total amount of hydroelectric energy produced

$E_T$  = total amount of energy (thermoelectric and thermal) produced

$\eta_h$  = hydroelectric efficiency

$\eta_T$  = thermoelectric efficiency (thermoelectric + thermal)

efficiency (average) = average production efficiency

calculation 6

$$\text{Recovery efficiency (kWh/kg)} = \frac{\text{Gross electricity produced (kWh)}}{\text{SRF (kg)}}$$

Gross electricity produced (kWh) = gross electricity produced in San Vittore del Lazio

calculation 7

$$\text{Electrical efficiency} = \frac{\text{Electricity produced (kWh)}}{\text{Internal SRF energy (kWh)} + \text{Internal methane energy (kWh)}}$$

Where:

Electricity produced = Electricity produced in San Vittore del Lazio

$$\text{Internal methane energy} = \frac{\text{CH}_4 (\text{Sm}^3) \times \text{LHV}_m (\text{kcal/ Sm}^3)}{860 (\text{kcal/kWh})}$$

LHV<sub>m</sub> = average Lower Heating Value of methane

860 = energy conversion factor from kcal to kWh

$$\text{Internal SRF energy (kWh)} = \frac{\text{SRF (kg)} \times \text{LHV}_{\text{SRF}} (\text{kcal/kg})}{860 (\text{kcal/kWh})}$$

LHV<sub>SRF</sub> = average Lower Heating Value of the SRF

860 = energy conversion factor from kcal to kWh

calculation 8

$$\text{Recovery efficiency (kWh/kg)} = \frac{\text{Gross electricity produced (kWh)}}{\text{paper mill pulp (kg)}}$$

Gross electricity produced (kWh) = electricity produced in Terni

calculation 9

$$\text{Efficiency} = \frac{\text{Electricity produced (kWh)}}{\text{Internal paper mill pulp energy (kWh)} + \text{internal methane energy (kWh)}}$$

Where:

Electricity produced = Electricity produced in Terni

$$\text{Internal methane energy (kWh)} = \frac{\text{CH}_4 (\text{Sm}^3) \times \text{LHV}_m (\text{kcal/ Sm}^3)}{860 (\text{kcal/kWh})}$$

LHV<sub>m</sub> = average Lower Heating Value of methane

860 = energy conversion factor from kcal to kWh

$$\text{Internal paper mill pulp energy (kWh)} = \frac{\text{Paper mill pulp (kg)} \times \text{LHV}_p (\text{kcal/kg})}{860 (\text{kcal/kWh})}$$

LHV<sub>p</sub> = LHV paper mill pulp = average Lower Heating Value of paper mill pulp

860 = energy conversion factor from kcal to kWh

# EXPLANATORY NOTES TO THE ENVIRONMENTAL ACCOUNTS

The numerical data presented in the *Environmental Accounts* is produced and certified by the competent Functions and has been checked as follows:

- 1) comparison with historical data to highlight and justify possible large deviations;
- 2) at least two repetitions of the acquisition process;
- 3) *feedback* to the Departments responsible for the final validation of the data.

The numerical data have been divided into the three categories:

- estimated;
- calculated;
- measured.

In the event of data resulting from estimates, the utmost attention was paid to the verification of the reasonableness of the basic criteria used, with the objective of resorting as little as possible, in the future, to this type of measurement of the sizes of environmental significance.

When data was achieved through calculation, the algorithm used was briefly explained to permit full understanding of the mathematical result.

Lastly, when the data was measured, an uncertainty estimate to be associated with the number was provided.

# ADDITIONAL INFORMATION ON THE NUMERICAL DATA PROVIDED IN THE ENVIRONMENTAL ACCOUNTS

## PRODUCTS – ENERGY SEGMENT

item no.	explanation – comment
1	Gross total energy produced by Acea Ambiente and Acea Produzione. The figure is calculated.
2	Electricity produced net of the losses due to just the Produzione phase. The figure is calculated.
3 = 4 + 5	Total electricity produced, inclusive of the losses, by the Acea Produzione power plants. IncEudes thermoelectric and hydro- electric energy. The figure is measured with an uncertainty of less than $\pm 0.5\%$ .
6 = 7 + 8 + 9	Losses of electricity attributable to just the production phase of the Acea Produzione power plants. Includes: the self-consumption (thermal and hydro) and the losses of initial transformation. The figure is measured with an uncertainty of less than $\pm 0.5\%$ .
10	Electricity produced by the Acea Produzione power plants net of the losses. The figure is calculated.
11	Gross energy produced by photovoltaic installations. The FV of Parco della Mistica is not reported because it is outside the scope. The data includes energy produced by the plants in Orvieto (Acea Ambiente), in Acea Ato 2 and by the plants acquired starting from 2019 and attributable to Acea Sun Capital. The figure is measured with an uncertainty of less than $\pm 0.5\%$ .
12	Total losses during photovoltaic generating phase, due in particular to joule effect (dissipation during heating) in the equipment. Estimated figure.
13	Net photovoltaic electricity made available by the generating installations. The figure is calculated.
14 = 15 + 16	Electricity produced by the Waste-to-Energy installations: waste-to-energy of San Vittore del Lazio and waste-to-energy of Terni of Acea Ambiente. We wish to specify that the fuel used in the two installations (SRF – solid recovered fuel – for San Vittore del Lazio and paper mill pulp for the Terni plant) is composed of both biodegradable organic material, neutral on the balance of the CO <sub>2</sub> , and by non-biodegradable organic substance (plastic, resins, etc.). In 2020, the renewable share for the San Vittore del Lazio plant was equal to 42.5%, the Terni incinerator share to 42.4%. With regard to the energy produced at San Vittore del Lazio and Terni, problems on the turbine of line 3 of the first plant and on the turbine of the second plant affected the quantities of electricity produced which, for this reason was less than in 2019.
17	Self-consumption of the two waste-to-energy plants of San Vittore del Lazio and Terni + initial transformation losses. The figure is measured with an uncertainty of less than $\pm 0.5\%$ .
18	Electricity produced by the two waste-to-energy plants of San Vittore del Lazio and Terni, net of the self-consumption and initial transformation losses. The figure is calculated.
19	Electricity produced from biogas by the waste management plant in Orvieto and, from 2020, the two composting plants of Aprilia and Monterotondo Marittimo (Acea Ambiente). The figure is calculated.
20	Self-consumption of biogas production plants, including small dissipations. The figure is measured with an uncertainty of less than $\pm 5\%$ .
21	Net electricity produced from biogas and transferred to the network. The figure is measured with an uncertainty of less than $\pm 5\%$ .
22	Thermal energy produced in the cogeneration plant of Tor di Valle including losses. The figure is measured with an uncertainty of $\pm 2\%$ , near the delivery piping of the generators.
23	Losses of thermal energy of the district heating systems, due to: thermal dissipation, losses on the network, technical releases for maintenance operations, thermal reintegrations of the heat accumulation systems. The figure is calculated as the difference between the thermal energy produced and that actually supplied to the clients (invoiced).
24	Net thermal energy supplied to final clients. The figure, calculated, is obtained from the consumption invoiced.
25	Electricity supplied to Acea Produzione to Acea Energia with inter-Group exchange. The figure is marginal as a result of the choice made by the Acea Group to sell the electricity produced in Borsa (Stock Exchange) or through bilateral agreements.
26	Electricity supplied by the Single Purchaser and Market, including the amount imported subject to recalculation in relation to the ARERA DCO 492/2019/R/eel. The figure is measured with an uncertainty of $\pm 0.5\%$ .
27	Energy requested on the electrical distribution network of Rome and Formello by all the client connected (open market + managed service). The figure is estimated.
28	Losses of electricity that occur during the distribution and transmission phase. They are attributable to: losses of transformation and transport, fraud and incorrect measurements. The figure is estimated.
29	Personal use of electricity for the implementation of the distribution activities. The figure is estimated.
30	Electricity transferred to third parties. This is electricity sold to distribution companies. The increase is a consequence of two new closed distribution systems powered by Areti from July 2019. The figure is measured with an uncertainty of $\pm 0.5\%$ .
31	Total net electricity conveyed to final clients of the open market connected to the electrical distribution network of Rome and Formello. Includes both the quota of electricity sold by Acea Energia, and that sold by other operators active on the open market. The figure is measured with an uncertainty of $\pm 5\%$ according to Standard CEI 13-4.
32	Net electricity transferred to managed final clients. The decrease is the result of the progressive passage of managed service clients to the open market. In other words, it is a direct consequence of the deregulation process of the electricity market in effect in Italy since 1999 (Italian Legislative Decree no. 79/99). The figure is estimated based on the consumption invoiced.
33	Net electricity sold by Acea on the open market nationally. The figure is estimated.
34	Net electricity sold by Acea nationally on the open market and the standard service. The figure is calculated.

## PRODUCTS – ENERGY SEGMENT (cont.)

item no.	explanation – comment
35	Natural gas sold by Acea on the Italian national market. The figure is calculated.
36	Luminous flux supplied by the Public Lighting system in Rome. The figure, calculated, is the product of the number of lamps installed and the relative value of “rated” luminous flux.
37	Total number of measurements/controls performed in favour of the energy segment. The figure is calculated as the sum of the individual determinations carried out by the competent laboratories.

## PRODUCTS – ENVIRONMENT SEGMENT

item no.	explanation – comment
38	Total incoming waste. They are the quantities arriving at the Orvieto plant which include: unsorted municipal solid waste, organic fraction, green, non-hazardous industrial waste. The figure is calculated.
39	Waste partly sent for shredding only, partly just for aerobic treatment, partly both to the anaerobic digester and the aerobic treatment. The figure is calculated.
40	Waste disposed directly in landfill. The figure is measured with an uncertainty of $\pm 1\%$ .
41	Waste disposed of in landfill after treatment. The figure is measured with an uncertainty of $\pm 1\%$ .
42	Waste recovered and not sent to landfill. It is glass, paper and cardboard, iron and plastic. The figure is calculated.
43	Compost produced at the Orvieto plant. Thanks to the combination of the anaerobic and aerobic processes, the product is Quality Compost. The figure is measured with an uncertainty of $\pm 1\%$ .
44	Reduction due to stabilization. This represents the loss of mass due to the natural transformations of the material and the loss of water through evaporation. The figure is calculated.
45	Total incoming organic waste. They are the amounts arriving at the plants of Aprilia, Monterotondo Marittimo and Sabaudia, which include: sludge, green and organic fraction. The Monterotondo Marittimo plant, which had suspended deliveries in 2018, was restarted in 2019 after work on the construction of a new anaerobic digestion section, while the Aprilia plant, placed under preventive seizure in 2017 by the Latina Public Prosecutor’s Office for aspects related to odorous emissions, since 2019 has operated at almost full capacity. The figure is calculated.
46	Incoming sludge. It is the quantity of sludge entering the composting plants of Aprilia, Monterotondo Marittimo and Sabaudia. The sharp decrease in 2018 quantities is due to the suspension of contributions to the Monterotondo Marittimo plant. The figure is measured with an uncertainty of $\pm 1\%$ .
47	Incoming green. It is the quantity of green matter coming from the parks, woods or other areas arriving at the plants of Aprilia, Monterotondo Marittimo and Sabaudia. The figure is measured with an uncertainty of $\pm 1\%$ .
48	Organic fraction of municipal solid waste (OFMSW) entering the composting plant of Aprilia and OFMSW and other agrifood waste arriving at the Monterotondo Marittimo plant. The figure is calculated.
49	Quality Compost. It is the quantity of Quality Compost produced at the Aprilia, Monterotondo Marittimo and Sabaudia plants. The production figure for 2020 is estimated. The compost estimate is made based on the quantities transported daily for maturation or to the final storage areas. Due to process losses, at the time of sale the compost may be less than estimated. Compost at Sabaudia is zero because the plant is at a standstill awaiting authorisation for revamping.
50	Non-compostable material for disposal. It is the non-biodegradable material (for example plastics), which is separated from the compostable material sent for disposal. The figure is measured with an uncertainty of $\pm 1\%$ .
51	Reduction due to stabilization. This represents the loss of mass due to the natural transformations of the material and the loss of water through evaporation. The figure is calculated.
52	Total analytical determinations. They represent the total of analytical determinations made at the following plants: Orvieto, Aprilia, Monterotondo Marittimo and Sabaudia. The figure is calculated.
53	Total incoming waste. These are the amounts arriving at Acque Industriali’s plants at Pagnana, Pontedera, Poggibonsi and San Jacopo. The figure is calculated.
54	Incoming sludge. Represents the quantity of incoming sludge at Acque Industriali’s plants at Pagnana, Pontedera, Poggibonsi and San Jacopo. The figure is measured with an uncertainty of $\pm 1\%$ .
55	Liquid waste. Represents the quantity of liquid waste coming into the Pagnana and Pontedera plants. The figure is calculated.
56	Sewage and other waste. Represents the quantity of sewage and other non-hazardous waste. The figure is calculated.
57	Leachate. Represents the quantity of leachate coming into the Pagnana and Pontedera plants. The figure is measured with an uncertainty of $\pm 1\%$ .
58	Ammonium Sulphate produced. Represents the quantity of quality of Ammonium Sulphate produced at the Pagnana and Pontedera plants. The figure is estimated.
59	Water treated before discharging at the Pontedera, Pagnana, Poggibonsi and San Jacopo plants. Some of these also include water that is consumed for industrial and/or civil use inasmuch as distinct flow meters before discharge are not always present. At San Jacopo, the water that is produced is input into the biological treatment plant of Acque SpA.

## PRODUCTS – WATER SEGMENT

item no.	explanation – comment
60	Total drinking water collected from the environment or from other systems and fed into the aqueduct systems. This is the total amount of water collected from the following Group Companies: Acea Ato 2, Acea Ato 5, Gesesa, Gori, AdF, Acque, Publicacqua, Umbra Acque. The figure is calculated.
61	Total drinking water supplied and invoiced to the respective clients by the Companies listed at item number 60. The figure is estimated.
62	Total drinking water collected from the environment or from other systems and fed into the aqueduct systems. This is the sum of the water taken from the Companies Acea Ato 2, Acea Ato 5, Gori, Gesesa, AdF. The figure is calculated.
63	Total drinking water supplied and invoiced to the respective clients by the Companies listed under line number 62. The figure is estimated.
64	Total drinking water collected from the environment or other systems by Acea Ato 2 and released into the aqueduct system of the “Ambito Territoriale Ottimale 2” of Central Lazio. The figure is measured with an uncertainty of $\pm 3\%$ .
65	Total amount of drinking water leaving the Acea Ato 2 aqueduct system. This is the sum of drinking water supplied and billed, drinking water authorised and not billed, water exported to other systems and measured drinking water losses. The figure is calculated.
66	Total drinking water supplied and billed (in other words measured at the meters, where present) to the customers connected to the Acea Ato 2 network.
67	Total drinking water authorised and not billed in the Acea Ato 2 network. The figure is estimated.
68	Total amount of drinking water exported to other aqueduct systems by Acea Ato 2. The 2020 figure is estimated and may undergo consolidation after publication.
69	Total Acea Ato 2 drinking water losses. The figure is measured with an uncertainty of $\pm 3\%$ .
70	Water losses – Acea Ato 2 network. This is the amount of water lost in the network distribution, calculated as the water collected from the environment or from other systems and fed into the network, from which the total water leaving the aqueduct system is subtracted.
71	Acea Ato 2 water losses as a percentage is equal to the value of water losses expressed as a percentage of the total withdrawn. They correspond to item M1b of ARERA Resolution 917/17 R/IDR.
73, 74, 75, 76	Respectively: quantity of water collected from the environment and fed into the aqueduct system, leaving the system, supplied and billed, authorised and not billed, exported to other aqueduct systems, by Acea Ato 5.
77	Water losses – Acea Ato 5 network. This is the amount of water lost in the network distribution, calculated as the water collected from the environment or from other systems and fed into the network, from which the total water leaving the aqueduct system is subtracted.
78	Acea Ato 5 water losses as a percentage is equal to the value of water losses expressed as a percentage of the total withdrawn. They correspond to item M1b of ARERA Resolution 917/17 R/IDR.
79, 80, 81, 82, 83	Respectively: quantity of water collected from the environment and fed into the aqueduct system, leaving the system, supplied and billed, authorised and not billed, exported to other aqueduct systems, by Gesesa.
84	Water leaks – Gesesa network. This is the amount of water lost in the network distribution, calculated as the water collected from the environment or from other systems and fed into the network, from which the total water leaving the aqueduct system is subtracted.
85	Gesesa water losses as a percentage is equal to the value of water losses expressed as a percentage of the total withdrawn. They correspond to item M1b of ARERA Resolution 917/17 R/IDR.
86, 87, 88, 89	Respectively: quantity of water collected from the environment and fed into the aqueduct system, leaving the system, supplied and billed, authorised and not billed, by Gori.
90	Water leaks – Gori network. This is the amount of water lost in the network distribution, calculated as the water collected from the environment or from other systems and fed into the network, from which the total water leaving the aqueduct system is subtracted.
91	Gori water losses as a percentage is equal to the value of water losses expressed as a percentage of the total withdrawn. They correspond to item M1b of ARERA Resolution 917/17 R/IDR.
92, 93, 94, 95, 96	Respectively: quantity of water collected from the environment and fed into the aqueduct system, leaving the system, supplied and billed, authorised and not billed, exported to other aqueduct systems, by AdF.
97	Total AdF drinking water losses. The figure is measured with an uncertainty of $\pm 3\%$ .
98	Water losses – Acea AdF network. This is the amount of water lost in the network distribution, calculated as the water collected from the environment or from other systems and fed into the network, from which the total water leaving the aqueduct system is subtracted.
99	AdF water losses as a percentage is equal to the value of water losses expressed as a percentage of the total withdrawn. They correspond to item M1b of ARERA Resolution 917/17 R/IDR.
100	Total treated waste water in the main treatment plants of the following water Companies of the Group: Acea Ato 2, Acea Ato 5, Gesesa, Gori, AdF, Umbra Acque, Publicacqua, Acque. The figure is calculated.
101	Total amount of waste water treated in the main treatment plants of the water Companies in the NFD perimeter: Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa.
102	Total waste water sent to the principal treatment plants of Acea Ato 2 and treated. The total figure is calculated.
103	Total waste water sent to the treatment plants and treated by Acea Ato 2, including the quantities treated in the small plants of the municipalities of Rome and in those outside the municipalities of Rome. The total figure is calculated.
104	Total waste water sent to the main treatment plants and treated by Acea Ato 5. The figure is calculated.

## PRODUCTS – WATER SEGMENT (cont.)

item no.	explanation – comment
105	Total amount of waste water sent to the main treatment plants of Gori and treated. The substantial increase in the quantities treated in 2019 and 2020 is linked to the management transfer of several treatment plants from the Campania region. The total figure is calculated.
106	Total amount of waste water sent to the main treatment plants and treated by AdF. For the 2018-2019 two year period this is water treated in treatment plants for a PE > 20,000; for 2020 it is the water treated in purification plants for a PE > 10,000. The figure is calculated.
107	Total amount of waste water used in treatment plants and treated by AdF, including the quantities treated in minor plants.
107 B	Estimated amount of waste water, for the first time in 2020, used and treated in the main treatment plants of Gesesa and treated. The estimate is based on the value of invoicing in 2020; in 2020 the first flow meters were installed.
108	Number of analytical determinations conducted overall on the drinking water by the Acea Group. The figure is calculated.
109	Number of analytical determinations conducted overall on the waste water by the Acea Group. The figure is calculated.
110	Number of analytical determinations conducted overall on the drinking water by Acea Ato 2, Acea Ato 5, Gori, AdF and Gesesa.
111	Number of analytical determinations conducted overall on the waste water by Acea Ato 2, Acea Ato 5, Gori and Gesesa.
112	Number of analytical determinations conducted overall on the drinking water by Acea Ato 2.
113	Number of analytical determinations conducted overall on the waste water by Acea Ato 2.
114	Number of analytical determinations conducted overall on the drinking water by Acea Ato 5.
115	Number of analytical determinations conducted overall on the waste water by Acea Ato 5.
116	Number of analytical determinations conducted overall on the drinking water by Gesesa.
117	Number of analytical determinations conducted overall on the waste water by Gesesa.
118	Number of analytical determinations conducted overall on the drinking water by Gori.
119	Number of analytical determinations conducted overall on the waste water by Gori.
120	Number of analytical determinations conducted overall on drinking water by AdF.
121	Number of analytical determinations conducted overall on waste water by AdF.

## RESOURCES USED – ENERGY SEGMENT

item no.	explanation – comment
122 = 123 + 124	Total quantity of natural gas used to generate the electricity and heat at the Acea Produzione plants and at the waste-to-energy plants of Acea Ambiente. The figures expressed in normal cubic metres (volume at 0°C and 1 Atm), is measured with an uncertainty of ± 0.5%. Estimated figure.
123	Total quantity of natural gas used in the Tor di Valle power plant.
124	Total quantity of natural gas used by waste-to-energy plants. The figure is measured with an uncertainty of about 2%.
125	Total quantity of gas oil used to generate electricity at the Montemartini power plant (turbogas) and for operations at the waste-to-energy plants of Terni and, for a small part, of San Vittore del Lazio. The consumption of the Montemartini power plant is significant during those years when the power plant produces more electricity in order to fulfil the normal scheduled periodic tests, and to conduct extraordinary maintenance. The figure is measured with an uncertainty of ± 2%.
126	Quantity of RDF (Refuse-Derived Fuel) sent for waste-to-energy processing in the San Vittore del Lazio plant. Some problems with the turbines of line 1 and line 3 affected the quantities of electricity produced and the quantity of SRF sent for energy recovery. The figure is measured with an uncertainty of ± 1%.
127	Quantity of paper mill pulp sent to waste-to-energy in the Terni plant. The figure is measured with an uncertainty of ± 1%.
128	Amount of biogas produced for the purpose of producing electricity. A minimal part is not used and burned in a flame. The figure is measured with an uncertainty of ± 1%.
129	Total water derived from surface resources and aqueducts (as in the case of the hydroelectric power plant of Salisano) for the production of hydroelectric energy. The figure is calculated.
130	Total quantity of water used in the industrial processes. The various contributions are due to: - reintegration of losses in the district heating network. It is aqueduct water; - various uses in the waste-to-energy plants of San Vittore del Lazio and Terni. This is water from the aqueduct, wells and first and second rain recovery. The figure is calculated.
131	Quantity of aqueduct water used by the Companies included in the energy segment, for civilian/sanitary uses. It includes the consumption of Acea Produzione, Areti and the waste-to-energy plants, as well as 50% of the consumption of the Holding Company. The figure, calculated, refers to the consumption invoiced.
132	It represents the total quantity of dielectric mineral oil present in the primary and secondary substations. The figure also includes the amount of oil present in the Petersen coils installed in certain primary substations is also included approx. 225 tons in 256 Petersen systems. The data related to the reintegrations is estimated. The total quantity of new dielectric mineral oil released into the production circuit (transformers, capacitors, storage deposits, etc.) includes both the Areti and the Acea Produzione data. The figure is estimated.

## RESOURCES USED – ENERGY SEGMENT (cont.)

item no.	explanation – comment
133	It represents the total quantity of gaseous insulation (SF <sub>6</sub> ) in the Areti plants. The figure is estimated. The figure referred to the reintegrations, also estimated, represents the total quantity of SF <sub>6</sub> released ex-novo into the production circuit during the year.
134	It represents the total quantity of cooling fluids in operation. The reintegrations represent the quantity of cooling fluids used for the maintenance of the air-conditioning equipment, during which the gas in operation is recovered and replaced with the new one. The data refer to the previous year compared to the year as they are based on ISPRA annual statements following the publication of the <i>Sustainability Report</i> . Both figures are calculated by attributing all the gas supplied overall by the Parent Company to the energy segment and the water segment in equal parts (50%).
135	Total chemical substances used in the electrical and thermal generating process in the Acea Produzione power plants and the waste-to-energy plants of Acea Ambiente. The figure is calculated.
136	Quantity of lubricating oils and fats used by Acea Produzione. The figure is measured with an uncertainty of ± 0.5%.
137	The figure matches Item 28.
138	Matches the difference between Items 1 and 2.
139	Electricity consumed by the processes not directly connected to the production phase (offices). The figure is calculated at 50% of the electricity consumed overall by the parent Company. The remaining 50% is attributed as consumption to the water area.
140	Consumption of electricity at other sites and plants, including the consumption of the waste-to-energy plants (Terni and San Vittore del Lazio). The figure is estimated.
141	Other uses of the electricity in the energy segment. The figure is calculated.
142	Total electricity consumed by the product systems included in the energy area. The figure is calculated.
143	Total electricity consumed for public lighting in the municipality of Rome. The sharp reduction in consumption since 2019 was due to the completion of the planned transformations with the LED plan. The figure is calculated based on the consistencies of the installations in operation during the year.

## RESOURCES USED – ENVIRONMENT SEGMENT

item no.	explanation – comment
<b>ORVIETO PLANT</b>	
144	Total chemical substances used at the Orvieto plant. The figure is calculated.
145	Electricity consumed in the Orvieto plant. The figure is measured with an uncertainty of ± 1%.
146	Total quantity of gas oil consumed at the Orvieto plant. The figure is measured with an uncertainty of ± 2%.
147	Quantity of water consumed at the Orvieto plant. It is specified that this resource comes partly from roofs (rainwater) and partly from the riverbed (river water). The figure is estimated.
148	Quantity of water used for civilian purposes in the plant region of Orvieto. It is supplied by tanker trucks since the plant is not connected to the aqueduct. The figure is estimated.
<b>COMPOST PRODUCTION</b>	
149	Total chemical substances used at the Aprilia, Monterotondo Marittimo and Sabaudia plants. The figure is calculated.
150	Electricity consumed at the Aprilia, Monterotondo Marittimo and Sabaudia plants. The figure is measured with an uncertainty of ± 1%.
151	Total quantity of gas oil consumed at the Aprilia, Monterotondo Marittimo and Sabaudia plants. The figure is measured with an uncertainty of ± 2%.
152	Quantity of biogas produced at the new Aprilia and Monterotondo plants. The final objective is to produce electricity. From 2020 production at Monterotondo and Aprilia has practically reached capacity. The figure is measured with an uncertainty of ± 1%.
153	Quantity of water consumed at the Aprilia, Monterotondo Marittimo and Sabaudia plants. The quantities of water recycled are included. The figure is estimated.
154	Quantity of water used for civil purposes in the composting plants of Aprilia, Monterotondo Marittimo and Sabaudia. The value is partially estimated.
<b>DISPOSAL OF TREATMENT AND LIQUID WASTE – ACQUE INDUSTRIALI</b>	
155	Total chemical substances used at Acque Industriali's plants in Pagnana, Pontedera, and Poggibonsi. Any fluctuations that may be evident in the figure from one year to the next depend on the chemical composition of incoming waste. Greater chemical complexity can require a greater consumption of <i>chemicals</i> for treatment prior to disposal. The figure is calculated.
156	Electricity consumed in the Pagnana, Pontedera, Poggibonsi and San Jacopo plants. The figure is measured with an uncertainty of ± 1%.
157	Quantity of methane consumed at the Pagnana plant. The figure is measured with an uncertainty of ± 1%.

## RESOURCES USED – ENVIRONMENT AREA (cont.)

item no.	explanation – comment
158	Amount of BTZ (Basso Tenore di Zolfo – Low Sulphur Content) combustible Oil at the Pontedera plant. The figure is measured with an uncertainty of $\pm 2\%$ .
159	Amount of water consumed at the Pagnana, Pontedera, Poggibonsi and San Jacopo plants.
160	Amount of water used for civil purposes at the Pagnana, Pontedera, Poggibonsi and San Jacopo plants.

## RESOURCES USED – WATER SEGMENT

item no.	explanation – comment
161	The figure represents the sum of the consumption of reagents for the purification and disinfection of water for Acea Ato 2, Acea Ato 5, Gori, Gesesa and AdF. In particular, they are sodium hypochlorite, used as disinfectant at the request of the Health Authorities, aluminium polychloride, caustic soda and ozone. The figure is calculated.
162	Total quantity of chemical reagents used by the Company Acea Elabori to carry out the official duties, namely the analytical checks for the Companies of the Acea Group. The figure is measured.
163	Total volume of pure gases for analysis, used by Acea Elabori. The figure is measured.
164	It represents the total quantity of cooling fluids in operation. The reintegrations indicate the quantity of cooling fluids used for the maintenance of the air-conditioning equipment, during which the gas in operation is recovered and replaced with the new one. The data refer to the previous year compared to the year as they are based on ISPRA annual statements following the publication of the <i>Sustainability Report</i> . Both figures are calculated by attributing all the gas supplied overall by the Parent Company to the energy segment and the water segment in equal parts (50%).
165	Total energy consumed in the water area. The figure is calculated.
166	Electricity used for the drinking water and non-potable water pumping stations. The figure is measured with an uncertainty of $\pm 1\%$ .
167	Electricity consumed by the processes not directly connected to the production phase (offices). The figure is calculated at 50% of the electricity consumed overall by the parent Company.
168	Electricity used by Acea Elabori. It includes all the energy related to the various fields of activity of the Company, not only the analytical laboratory activities. The figure is estimated.
169	This is the amount of drinking water for civil/sanitary and process uses at the offices of Acea S.p.A. (calculated at 50% of the water consumed overall by the Parent Company) and for Acea Ato 2, Acea Ato 5, Gori, Gesesa and AdF. In 2020 the process water accounted for is water recovered at the treatment plants, The figure is calculated.
170	Total quantity of <i>chemicals</i> used in the purification process of waste water including: polyelectrolytes, sodium hypochlorite, iron chloride, lime. The figure is calculated.
171	Total number of reagent kits purchased from the Acea Ato 2 wastewater treatment plants for additional controls beyond analytical testing. The use of the kits responds to the need of the laboratories connected to the treatment plants to be able to carry out complex analyses in a simple, fast manner. Acea Ato 2 uses photometers and rapid analysis systems for all the parameters of interest and to perform reliable monitoring of wastewater legal limits.
172	Total quantity of lubricating oil and fat used for the equipment of the water area (pumps, centrifuges, motors, etc.). The figure is calculated.
173	Electricity used to run the waste water treatment plants and to operate the sewer network. The figure is measured with an uncertainty of $\pm 1\%$ .
174	Amount of methane used in the treatment processes (for example in the dryers of Acea Ato 2 and Gori and for the treatment of sludge through thermochemical hydrolysis in the treatment plants of AdF). The significant increase in 2019 compared to 2018 is due to the progressive activation of new anaerobic digesters at the main treatment plants of Acea Ato 2. The figure is measured with an uncertainty of $\pm 2\%$ .
174 B	Amount of gas oil used in the purification and other (for example in the Ostia desiccator of Acea Ato 2) processes and for both water as well as sewage and purification generators. The figure is measured with an uncertainty of $\pm 2\%$ .
175	Quantity of biogas produced and consumed on site. The significant increase in 2020 compared to the previous year is due to the full activation of anaerobic digesters at the treatment plants of Acea Ato 2 in South Rome and East Rome activated in 2019. The figure is measured with an uncertainty of $\pm 2\%$ .

## FUELS USED BY THE GROUP (TRANSPORT AND HEATING)

item no.	explanation – comment
176	Total quantity of petrol used for the vehicle fleet of the Acea Group. Since 2019 the data comes from the calculations of the Group's Energy managers. In 2020 the increase is mainly due to the increase of the number of petrol powered vehicles in Gori and to the increase in consumption in Acea Ato 2. For the conversions from the unit of volume (litres) to that of mass (kg) a density value of 0.73 kg/l was used (source: <i>Defra, conversion factors 2020</i> ).
177	Total quantity of gas oil used for the vehicle fleet of the Acea Group. Since 2019 the data comes from the calculations of the Group's Energy managers. For the conversions from the unit of volume (litres) to that of mass (kg) a density value of 0.84 kg/l was used (source: <i>Defra, conversion factors 2020</i> ). The figure includes the fuel consumed by Aquaser's vehicles.

## FUELS USED BY THE GROUP (TRANSPORT AND HEATING) (cont.)

item no.	explanation – comment
178	Total amount of LPG (Liquefied Petroleum Gas) used for the Acea Group car fleet. For the conversions from the unit of volume (litres) to that of mass (kg) a density value of 0.55 kg/l was used.
179	Total quantity of gas oil used for heating work areas and for the supply of the generators. The figure is measured with an uncertainty of $\pm 0.5\%$ .
180	Total quantity of natural gas used for heating the work spaces. The figure is measured with an uncertainty of $\pm 0.5\%$ .
181	Total quantity of LPG (Liquefied Petroleum Gas) used to heat the work spaces. The figure is measured with an uncertainty of $\pm 0.5\%$ .

## EMISSIONS AND WASTE – ENERGY SEGMENT

item no.	explanation – comment
182	Total quantity of carbon dioxide released into the atmosphere as a result of generating thermoelectric energy from fossil fuels and from the waste-to-energy process of SRF and pulper. Includes the equivalent CO <sub>2</sub> estimated on the basis of the replenishment of SF <sub>6</sub> and HCFC refrigerants. Estimated figure.
183	Quantity of carbon dioxide released into the atmosphere by the Acea Produzione power plants. The figure for the year preceding reporting is corrected in the year of publication, after ETS certification. The figure is calculated in accordance with current legislation.
184	Quantity of equivalent CO <sub>2</sub> estimated based on the of SF <sub>6</sub> replenishment, considering that 1 t of this gas has a heating power 23,500 times that of the CO <sub>2</sub> (source: <i>GHG Protocol – IPCC Fifth Assessment Report</i> ).
185	Quantity of equivalent CO <sub>2</sub> estimated on the basis of refrigerant fluid replenishments (HCFCs), considering that 1 t of gas has a heating capacity of about 700-2,500 times that of CO <sub>2</sub> . The value depends on the specific type of gas (source: <i>GHG Protocol – IPCC Fifth Assessment Report</i> ; for gas mixtures the factor is calculated on the primary source). Half of the emissions are allocated to the energy segment and half to the water segment, as is the case for the quantities of refrigerant fluids (HCFCs). The figure coincides with item no. 249. For 2019 and 2020 the figure is less than one inasmuch as replenishments were not significant.
186	Quantity of carbon dioxide released into the atmosphere by the Acea Ambiente waste-to-energy plants. The figure for 2019 was recorded following the issue of the ETS certificate. The figure is measured.
187	Total quantity of nitrogen oxides (NO + NO <sub>2</sub> ) released into the atmosphere as a result of generating thermoelectric energy from fossil fuels, and from SRF and waste-to-energy processes. Their presence in traces of the emissions is due to undesired secondary reactions which occur at high temperature between the nitrogen and the oxygen of the air. The figure is calculated.
188	Total quantity of nitrogen oxides (NO + NO <sub>2</sub> ) released into the atmosphere as a result of generating thermoelectric energy from fossil fuels in the Acea Produzione power plants. The figure is calculated.
189	Quantity of nitrogen oxides (NO + NO <sub>2</sub> ) released into the atmosphere by the Acea Ambiente waste-to-energy plants. The figure is calculated.
190	Total quantity of carbon oxide (CO) released into the atmosphere as a result of generating thermoelectric energy from fossil fuels and the waste-to-energy process. The existence of the pollutant in the emissions is due to incomplete fuel reaction and represents a symptom of deterioration in the performance of the combustion reaction. The figure is calculated.
191	Total quantity of carbon oxide (CO) released into the atmosphere as a result of generating thermoelectric energy from fossil fuels in the Acea Produzione power plants. The figure is calculated.
192	Quantity of carbon oxide (CO) released into the atmosphere by the Acea Ambiente waste-to-energy plants. The figure is calculated.
193	Total quantity of sulphur dioxide (SO <sub>2</sub> ) released into the atmosphere as a result of generating thermoelectric energy from fossil fuels and from the waste-to-energy process of SRF and paper mill pulp. The use of methane and gas oil with low sulphur content in the power plants enables this type of emission to be contained. The figure is calculated.
194	Quantity of sulphur oxide (SO <sub>2</sub> ) released into the atmosphere as a result of generating thermoelectric energy from fossil fuels in the Acea Produzione power plants. The figure is calculated.
195	Quantity of sulphur dioxide (SO <sub>2</sub> ) released into the atmosphere by the Acea Ambiente waste-to-energy plants. The figure is calculated.
196	Total quantity of powders (microscopic particles with average aerodynamic diameter equal or less than 10 thousand of a millimetre) released into the atmosphere as a result of generating thermoelectric energy from fossil fuels and from the SRF and pulper waste-to-energy processes. Basically, it is amorphous unburned carbon, with traces of other compounds of various composition, obtained as sub-product of the combustion when it achieved completely. The figure is calculated.
197	Quantity of powders released into the atmosphere as a result of generating thermoelectric energy from fossil fuels in the Acea Produzione power plants. The figure is calculated.
198	Quantity of powders released into the atmosphere by the Acea Ambiente waste-to-energy plants. The figure is calculated.
199	Quantity of hydrochloric acid (HCl) released into the atmosphere by the Acea Ambiente waste-to-energy plants. The figure is calculated.
200	Quantity of hydrofluoric acid (HF) released into the atmosphere by the Acea Ambiente waste-to-energy plants. The figure is calculated.
201	Quantity of organic carbon released into the atmosphere by the Acea Ambiente waste-to-energy plants. The figure is calculated.

## EMISSIONS AND WASTE – ENERGY SEGMENT (cont.)

item no.	explanation – comment
202	Total quantity of waste water, treated, resulting from the thermoelectric energy production activities. The figure is measured with an uncertainty of $\pm 2\%$ .
203	Total quantity of hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by the Companies of the Group excluding the waste-to-energy area. The 2020 figure decreased due to the Covid-19 pandemic and in particular because no HV/MV transformers were changed. The figure is measured with an uncertainty of $\pm 2\%$ .
204	Hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by the waste-to-energy area. It is essentially light ashes and slag resulting from the incineration processes. The figure is measured with an uncertainty of $\pm 2\%$ .
205	Total quantity of non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by the Companies of the Group excluding the waste-to-energy area. The figure is measured with an uncertainty of $\pm 2\%$ .
206	Non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by the waste-to-energy area. It is essentially heavy ashes and slag resulting from the incineration processes. The figure is measured with an uncertainty of $\pm 2\%$ .

## EMISSIONS AND WASTE – ENVIRONMENT SEGMENT

item no.	explanation – comment
207	Hazardous waste (pursuant to Italian Legislative Decree no. 152/06) produced by the Aprilia, Monterotondo Marittimo and Sabaudia plants. The increase is due to the almost fully operational restart of the Monterotondo Marittimo and Aprilia plants. The figure is calculated.
208	Non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) produced by the Aprilia, Monterotondo Marittimo and Sabaudia plants. The increase is due to the almost fully operational restart of the Monterotondo Marittimo and Aprilia plants. The figure is calculated.
209	Hazardous waste (pursuant to Italian Legislative Decree no. 152/06) produced by the Orvieto plant. The figure is measured with an uncertainty of $\pm 2\%$ .
210	Non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) produced by the Orvieto plant. The figure is measured with an uncertainty of $\pm 2\%$ .
211	CO <sub>2</sub> emissions from the composting plants and Orvieto and related to the ancillary services of the waste-to-energy plants, not strictly related to the production of electricity. They also include non-biogenic emissions from the combustion of biogas produced on site. The figure is measured with an uncertainty of $\pm 2\%$ .
212, 213, 214, 215	They are powders, Total Organic Compounds (TOC), ammonia and volatile inorganic substances (SIV) issued at the Monterotondo Marittimo plant. The other plants provide only concentration values, with no regulatory obligation to calculate absolute values. The values in mg/l of all plants are well below official limits. The increase of the data is due to the almost fully operational restart of the Monterotondo Marittimo plant. The data is calculated starting from the measurement of the concentrations.
216	Hazardous waste (pursuant to Italian Legislative Decree no. 152/06) produced by the Orvieto plant. The figure is calculated.
217	Non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) produced by the Pagnana, Pontedera, Poggibonsi and San Jacopo plants. The figure is calculated.
218	Emissions of CO <sub>2</sub> of the Pagnana and Pontedera plants relate to the consumption of fuels. The figure is measured with an uncertainty of $\pm 2\%$ .
219	Hydrogen Sulphide emissions from the Pagnana and Pontedera plants. The Pagnana figure is measured. The Pontedera figure is estimated taking into account the maximum value that can be recorded in the plant.
220	Ammonia emissions at the Pagnana and Pontedera plants. The Pagnana figure is measured. The Pontedera figure is estimated taking into account the maximum value that can be recorded in the plant.

## EMISSIONS AND WASTE – WATER SEGMENT

item no.	explanation – comment
221	Total quantity of purification sludge disposed of by Acea Ato 2, Acea Ato 5, Gori, Gesesa and AdF. Non-hazardous waste. The figure is measured with an uncertainty of $\pm 2\%$ .
222	Total quantity of purification sludge disposed of by Acea Ato 2. The figure is measured with an uncertainty of $\pm 2\%$ .
223	Total quantity of liquid sludge produced by Acea Ato 2 and disposed of to third parties.
224	Total quantity of purification sludge disposed of by Acea Ato 5. The figure is measured with an uncertainty of $\pm 2\%$ .
225	Total quantity of purification sludge disposed of by Gori. The sharp increase in the quantities produced in 2019 and in 2020 is due to the transfer to Gori of the management of treatment plants previously managed by the Campania Region. The figure is measured with an uncertainty of $\pm 2\%$ .
226	Total quantity of purification sludge disposed of by Gesesa. The figure is measured with an uncertainty of $\pm 2\%$ .
227	Total quantity of purification sludge disposed of by AdF. The figure is measured with an uncertainty of $\pm 2\%$ .
228	Total quantity of sand and slabs disposed of by Acea Ato 2, Acea Ato 5, Gori, Gesesa and AdF. The figure is measured with an uncertainty of $\pm 2\%$ .
229	Total quantity of sand and slabs disposed of by Acea Ato 2. The figure is measured with an uncertainty of $\pm 2\%$ .
230	Total quantity of sand and slabs disposed of by Acea Ato 5. The figure is measured with an uncertainty of $\pm 2\%$ .
231	Total quantity of sand and slabs disposed of by Gori. The increase in the quantities produced since 2019 is due to the progressive transfer to Gori of the management of treatment plants previously managed by the Campania Region. The figure is measured with an uncertainty of $\pm 2\%$ .

## EMISSIONS AND WASTE – WATER SEGMENT (cont.)

item no.	explanation – comment
232	Total quantity of sand and slabs disposed of by Gesesa. The figure is measured with an uncertainty of $\pm 2\%$ .
233	Total quantity of sand and slabs disposed of by AdF. The figure is measured with an uncertainty of $\pm 2\%$ .
234	Total quantity of hazardous waste (pursuant to Legislative Decree no. 152/06) including that disposed of by Acea Ato 2, Acea Elabori, Gori, Acea Ato 5 and AdF and a portion of waste produced by the Parent Company (attributed in equal parts to the energy and water segments). The figure is calculated.
235	Total quantity of hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by Acea Elabori. The figure is measured with an uncertainty of $\pm 2\%$ .
236	Total quantity of hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by Acea Ato 2. The figure is measured with an uncertainty of $\pm 2\%$ .
237	Total quantity of hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by Acea Ato 5. The figure is measured with an uncertainty of $\pm 2\%$ .
238	Total quantity of hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by Gori. The figure is measured with an uncertainty of $\pm 2\%$ .
239	Total quantity of hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by AdF. The figure is measured with an uncertainty of $\pm 2\%$ .
240	Proportion of hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by the Parent Company and attributed to the water segment. The same proportion was attributed to the energy segment.
241	Total quantity of non-hazardous waste (pursuant to Legislative Decree no. 152/06) including that disposed of by Acea Ato 2, Acea Ato 5, Gori, Gesesa and AdF, and a portion of waste produced by the Parent Company (attributed in equal parts to the energy and water segments). The figure is calculated.
242	Total quantity of non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by Acea Ato 2. The increase in the quantities in 2020 is mainly due to the launching of filters at the drinking water plant of Pescarella. The figure is calculated.
243	Total quantity of non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by Acea Ato 5. The figure is estimated.
244	Total quantity of non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by Gori. The figure is estimated.
245	Total quantity of non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by Gesesa. The figure is estimated.
246	Total quantity of non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by AdF. The figure is estimated.
247	Proportion of non-hazardous waste (pursuant to Italian Legislative Decree no. 152/06) disposed of by the Parent Company and attributed to the water segment. The same proportion was attributed to the energy segment.
248	Total amount of carbon dioxide emitted by Acea Ato 2 and Gori dryers, using methane as fuel. The significant increase since 2019 compared with 2018 is due to the progressive activation of new anaerobic digesters at the main treatment plants of Acea Ato 2. The data for the last two years were calculated using the consumption of fuel and the emission coefficients (MATTM 2019).
249	Quantity of equivalent CO <sub>2</sub> estimated on the basis of refrigerant fluid replenishments (HCFCs), considering that 1 t of gas has a heating capacity of about 1,300-2,500 times that of CO <sub>2</sub> . The value depends on the specific type of gas (source: <i>GHG Protocol – IPCC Fifth Assessment Report</i> ; for gas mixtures the factor is calculated on the primary source). Half of the emissions are allocated to the energy segment and half to the water segment, as is the case for the quantities of refrigerant fluids (HCFCs). The figure coincides with item no. 249. For 2019 and 2020 the figure is less than one inasmuch as replenishments were not significant.

## CO<sub>2</sub> EMISSIONS FROM TRANSPORT AND HEATING

item no.	explanation – comment
250	Total quantity of carbon dioxide issued by the motor pool of the Acea Group. The three-year figure is calculated using the consumption of fuel and the emission coefficients (ISPRA 2019). The figure is calculated.
251	Total quantity of carbon dioxide emitted by the systems used to air-condition the work spaces. The figure is calculated.



**ACEA SPA**

**INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED  
NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3,  
PARAGRAPH 10, OF LEGISLATIVE DECREE NO. 254/2016 AND  
ARTICLE 5 OF CONSOB REGULATION NO. 20267 OF JANUARY  
2018**

**YEAR ENDED 31 DECEMBER 2020**



## **Independent auditor's report on the consolidated non-financial statement**

*pursuant to article 3, paragraph 10, of Legislative Decree No. 254/2016 and article 5 of CONSOB Regulation No. 20267 of January 2018*

To the Board of Directors of Acea SpA

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016 (the "Decree") and article 5 of CONSOB Regulation No. 20267/2018, we have performed a limited assurance engagement on the "2020 Sustainability Report – (Consolidated Non-Financial Statement pursuant to Legislative Decree no. 254/2016, prepared according to the GRI Standard)" of Acea SpA and its subsidiaries (hereafter the "Group") for the year ended 31 December 2020 prepared in accordance with article 4 of the Decree and approved by the Board of Directors on 10 March 2021 (hereafter the "NFS").

### **Responsibilities of the Directors and the Board of Statutory Auditors for the NFS**

The Directors are responsible for the preparation of the NFS in accordance with article 3 and 4 of the Decree and with the "Global Reporting Initiative Sustainability Reporting Standards" defined in 2016, and updated to 2018, by the GRI - Global Reporting Initiative (the "GRI Standards"), indicated at paragraph "Disclosing Sustainability: Methodological Note" of the NFS identified by them as the reporting standards.

The Directors are also responsible, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of a NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the Directors are responsible for identifying the content of the NFS, within the matters mentioned in article 3, paragraph 1, of the Decree, considering the activities and characteristics of the Group and to the extent necessary to ensure an understanding of the Group's activities, its performance, its results and related impacts.

Finally, the Directors are responsible for defining the business and organisational model of the Group and, with reference to the matters identified and reported in the NFS, for the policies adopted by the Group and for the identification and management of risks generated or faced by the Group.

The Board of Statutory Auditors is responsible for overseeing, in the terms prescribed by law, compliance with the Decree.

### **PricewaterhouseCoopers SpA**

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### ***Auditor's Independence and Quality Control***

We are independent in accordance with the principles of ethics and independence set out in the Code of Ethics for Professional Accountants published by the International Ethics Standards Board for Accountants, which are based on the fundamental principles of integrity, objectivity, competence and professional diligence, confidentiality and professional behaviour. Our audit firm adopts International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains an overall quality control system which includes processes and procedures for compliance with ethical and professional principles and with applicable laws and regulations.

### ***Auditor's responsibilities***

We are responsible for expressing a conclusion, on the basis of the work performed, regarding the compliance of the NFS with the Decree and with the GRI Standards. We conducted our work in accordance with International Standard on Assurance Engagements 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information (“ISAE 3000 Revised”), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. The standard requires that we plan and apply procedures in order to obtain limited assurance that the NFS is free of material misstatement. The procedures performed in a limited assurance engagement are less in scope than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not provide us with a sufficient level of assurance that we have become aware of all significant facts and circumstances that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS were based on our professional judgement and consisted in interviews, primarily of company personnel responsible for the preparation of the information presented in the NFS, analyses of documents, recalculations and other procedures designed to obtain evidence considered useful.

In particular, we performed the following procedures:

1. analysis of the relevant matters reported in the NFS relating to the activities and characteristics of the Group, in order to assess the reasonableness of the selection process used, in accordance with article 3 of the Decree and with the reporting standards adopted;
2. analysis and assessment of the criteria used to identify the consolidation area, in order to assess their compliance with the Decree;
3. comparison of the financial information reported in the NFS with that reported in the Group's Consolidated Financial Statements;
4. understanding of the following matters:
  - business and organisational model of the Group with reference to the management of the matters specified by article 3 of the Decree;
  - policies adopted by the Group with reference to the matters specified in article 3 of the Decree, actual results and related key performance indicators;
  - key risks generated and/or faced by the Group, with reference to the matters specified in article 3 of the Decree.

With reference to those matters, we compared the information obtained with the information presented in the NFS and carried out the procedures described under point 5 a) below;



5. understanding of the processes underlying the preparation, collection and management of the significant qualitative and quantitative information included in the NFS. In detail, we held meetings and interviews with the management of Acea SpA and with the personnel of Acea Produzione SpA and Acea ATO 2 SpA and we performed limited analyses of documentary evidence, to gather information about the processes and procedures for the collection, consolidation, processing and submission of the non-financial information to the function responsible for the preparation of the NFS.

Moreover, for material information, considering the activities and characteristics of the Group:

- at a group level:
  - a) with reference to the qualitative information included in the NFS, and in particular to the business model, the policies adopted and the main risks, we carried out interviews and acquired supporting documentation to verify its consistency with available evidence;
  - b) with reference to quantitative information, we performed analytical procedures as well as limited tests, in order to assess, on a sample basis, the accuracy of consolidation of the information;
- for the companies Acea SpA, Acea Produzione SpA, Acea ATO 2 SpA and for the thermoelectric plant of Tor di Valle (Acea Produzione SpA) which were selected on the basis of their activities, their contribution to the performance indicators at a consolidated level and their location, we carried out meetings and interviews during which we met local management and gathered supporting documentation regarding the correct application of the procedures and calculation methods used for the key performance indicators.

### **Conclusions**

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of Acea Group for the year ended 31 December 2020 is not been prepared, in all material respects, in accordance with articles 3 and 4 of the Decree and with the GRI Standards.

Milan, 31 March 2021

PricewaterhouseCoopers SpA

*Signed by*

Massimo Rota  
(Partner)

*Signed by*

Paolo Bersani  
(Authorised signatory)

*This report has been translated from the Italian original solely for the convenience of international readers. We have not performed any controls on the NFS 2020 translation.*

# 2020

# SUSTAINABILITY REPORT

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## ACEA GROUP

### ACEA SPA

Registered Office  
Piazzale Ostiense 2 – 00154 Rome, Italy

### Share Capital

Euro 1,098,898,884 fully paid up

### Tax Code, VAT No.

and Rome Companies Registry No.  
05394801004

Rome Economic and Administrative Index No. 882486

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Investor Relations & Sustainability, Legal and Corporate Affairs and  
Corporate Services, Communications  
Acea SpA

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### Press

Marchesi Grafiche Editoriali SpA  
on FSC certified paper

Completed in April 2021





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