

MATERIALITY MATRIX

Driven by the change in context due to the Covid-19 health emergency, in 2020 Acea carried out targeted in-depth analysis of material issues, with direct involvement of stakeholders. This in-depth analysis confirmed the validity of the materiality matrix, which therefore represents the reference up to the next round of analysis, and the "prioritisation" (of low, medium and high importance) of the 19 "material" issues of an economic, social and environmental governance nature. In particular, 16 topics are located in the high significance area (score 68-100) and 3 in the medium significance area (score 33-67), and these are also aligned with the strategic sustainability planning of the Group.

The issues identified by the Materiality Analysis are considered in the ERM programme for integrated risk analysis, which in 2021 further concentrated on ESG aspects and risk scenarios associated with material issues. 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.



EVENTS IN 2021

THE FIRST ACEA GREEN BOND

In January 2021 Acea issued its first Green Bond against a total value of €900 million as a development initiative towards greater integration of sustainable finance tools, in line with its industrial and sustainability plan 2020-2024, which is focused on achieving the objectives of the 2030 Agenda. Investor demand was seven times greater than availability and Acea achieved a negative yield for the five-year tranche. This was a first for a corporate issue from an Italian listed company.

The projects financed by the Green Bond, which will be subject to periodic reporting, fall within the following operational areas: management of water resources, energy efficiency, circular economics and green energy.

ACEA SUSTAINABILITY DAY AND INNOVATION DAY

Acea Sustainability Day promotes sharing between the main institutional and corporate players regarding sustainability. The 2021 event, now in its third edition, centred on the topic of fair and sustainable transition. In particular, it highlighted the need to go beyond environmental considerations, also exploring social factors to guarantee a truly "just transition". The event, broadcast via streaming and live on CorriereTV, had more than 900,000 views.

With the title Builders of the Future, the Acea 2021 Innovation Day, now in its second edition, aimed to explore future challenges, new scenarios and the evolution of industrial models with experts in the sector and institutional representatives. Issues covered included digitalisation, cybersecurity, green energy, electric mobility, circular economics, and network resilience to manage the growth in electricity demand and tackle climate change. Leading companies were involved, including Cisco Italia, IBM Italia, Leonardo, Google Cloud Italia, Accenture Italia, the ELIS Consortium, CDP Venture Capital SGR and Mind The Bridge. The intention is to create a community of innovators to accelerate the technological evolution of infrastructure, enabling companies to be more competitive and offering more efficient services. The event had more than 200,000 views on and offline.

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|---|--|
| <ul style="list-style-type: none"> 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 and community relations 8 Business ethics and integrity 9 Customer focus 10 Air quality: reducing emissions into the atmosphere and pollution | <ul style="list-style-type: none"> 11 Involvement of personnel, investment in human capital and enhancement of skills 12 Protection of the territory 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 |
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SUSTAINABLE REMUNERATION SYSTEMS

With the introduction of sustainability goals for short-term and medium-long-term incentive systems, Acea is strengthening the link between remuneration mechanisms and achievement of social and environmental goals. The new 2021-2023 Long-Term Incentive Plan, aimed at managers with strategic responsibilities, has introduced goals connected with the sustainable success of the Group in the medium-long term, tracked with a composite sustainability indicator.

The short-term (annual) incentive system for top and middle management, Management by Objectives (MbO), has also been revised, starting in 2021, to make it fairer and easier to communicate and assess. The system is divided into Group objectives, area objectives and individual objectives. With regard to group objectives, applicable to all those on the MbO scheme, economic and financial indicators and a composite sustainability indicator are employed.

ACEA IN THE BLOOMBERG GENDER-EQUALITY INDEX

Again in 2021, Acea was included in the Bloomberg Gender-Equality Index (GEI), which is based on the following five elements:

- female leadership and talent pipeline;
- wage parity and equality between the sexes;
- a culture of inclusivity;
- policies to eliminate harassment;
- promotion initiatives aimed specifically at women.

Acea achieved a score of 80.67/100, representing a significant improvement on 2020 (70.49), and above the average for the sector (71.21) and the sample analysed (71.11).

DIVERSITY, INCLUSION AND WELFARE

In 2021, Acea furthered its commitment to the principles of inclusivity, valuing diversity, and combating and preventing all forms of discrimination. Two initiatives particularly stand out:

- signing, with social partners, of the Diversity and Inclusion Protocol, applicable at Group level, implementing tangible measures in the workplace, improving on the provisions of existing laws, to promote parenthood, support women who are victims of gender-based violence, work against all types of gender disparity and promote inclusivity for people with disabilities;
- definition of the 2021-2022 Diversity & Inclusion Plan to establish a programme of initiatives for employees and implement D&I projects with impacts for customers, local areas and institutions.

To promote corporate well-being, the Group Welfare Plan was enhanced in 2021, identifying six areas of action relating to health, work-life balance, emotional and physical well-being, supplementary pensions, income support and family. For example, employees can access a specific platform to convert their performance bonus into a range of different welfare services (flexible benefits), extended to the whole household. Acea has also reused part of the tax relief enjoyed thanks to the Welfare Plan, for the benefit of all employees, both through payment of an addition amount for those who allocated their performance bonus to supplementary pension schemes, and by offering health services, preventive campaigns and services promoting psycho-physical well-being and physical well-being for employees and their families.

STAKEHOLDER ENGAGEMENT

Acea promotes stakeholder engagement, promoting dialogue and sharing. This approach was demonstrated in 2021 with formalisation of the Principles and Values of Stakeholder Engagement, which guarantee a uniform approach for interaction with the parties involved, and a Group Procedure to better identify stakeholders and their priorities, and to manage the operational process, establishing effective communication.

INTEGRATION OF SUSTAINABILITY INTO THE CORPORATE STRATEGY

Considering the opportunities arising from the changing scenario and new economic, social and environmental challenges, the 2020-2024 Industrial Plan was drawn up on the basis of five mega-trends characterising the utilities sector: sustainability and circular economy, customer-centric approaches, energy transition, innovation and digitalisation, and improving competitive position.

The Business Plan has divided the Group's growth guidelines into five 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 environmental impacts and circular economy.

The investments set out in the Industrial Plan total € 4.3 billion over the entire plan period, with € 2.1 billion of this linked to sustainability targets.

THE 5 MEGA-TRENDS FOR UTILITY COMPANIES



Consolidation of target markets

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



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** (for example predictive maintenance, smart meters)



Customer focus

- "Change of paradigm" with **customer value becoming more important**
- Transition from "Commodity-based" to "**Service-based**"



Sustainability & the Circular Economy

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

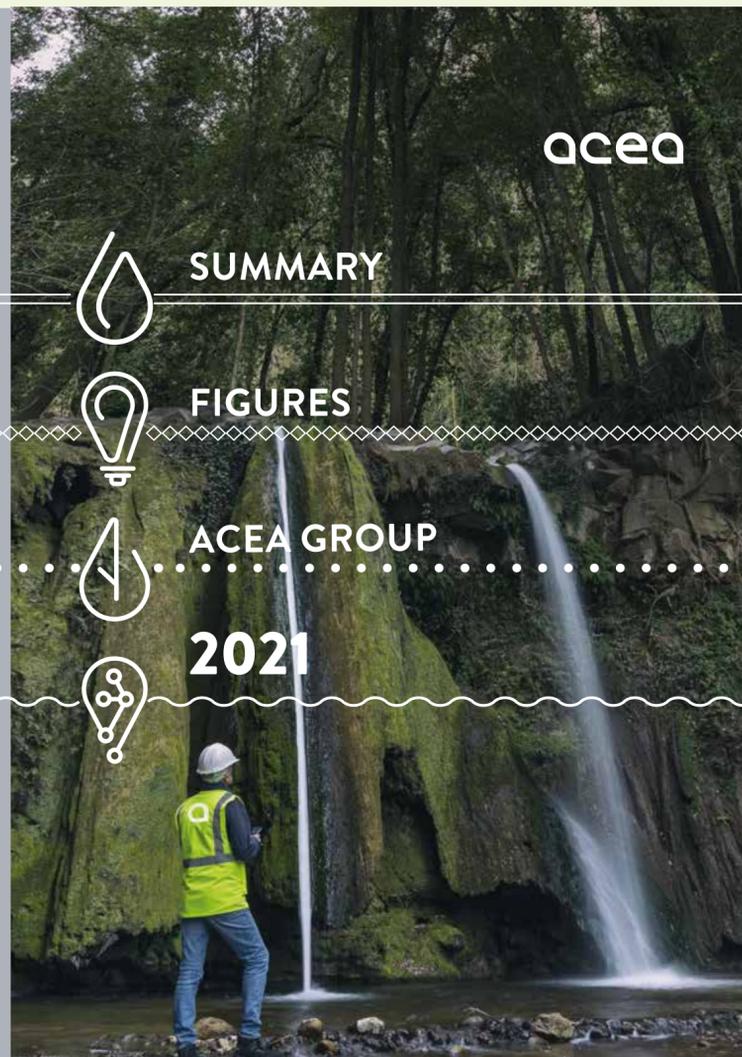


A LEADING ITALIAN INTEGRATED MULTIUTILITY COMPANY THAT INVESTS IN SUSTAINABILITY, KEY DRIVER OF THE GROUP'S BUSINESS STRATEGIES, GENERATING VALUE FOR PEOPLE AND THE TERRITORY IN WHICH IT OPERATES.

WE INVEST IN INNOVATION AND DIGITALIZATION, WITH A STRONG COMMITMENT TO ECOLOGICAL TRANSITION.

Leader in the integrated water sector and one of the primary operators in the distribution of electricity, energy, generation from renewable sources and environmental services with high added value.

The Group's industrial mission is also rooted in the development of innovative solutions enabling sustainable growth.



SUMMARY

FIGURES

ACEA GROUP

2021

LETTER TO THE STAKEHOLDERS

2021, which has just ended, was a crucial year for the successful overcoming of the most acute phases of the health emergency and the gradual economic and social recovery of the country and the rest of the world. If it were possible, just for a moment, to divert our thoughts from what is happening in Europe today, a conflict that marks a deep furrow of discontinuity with respect to the previous world political and economic balances, generating numerous unknowns about the future, we could, on the contrary, highlight the clear and coherent path of the European Union that is strongly characterised by the issues of sustainable and inclusive growth. This was also the case for the Acea Group in 2021.

The year began with the issue of Acea's first Green Bond, also aligning the financial strategy with the industrial and sustainability planning defined in 2020. The green projects eligible for funding through Green Bond are attributable to four particularly significant areas for the common challenge of sustainable growth: management of water resources, energy efficiency, circular economy and green energy. The initiative was very much welcomed by the market and initiates, for Acea, a gradual expansion of the use of sustainable finance instruments.

We wanted to promote a stronger rooting of sustainability issues in corporate governance by equipping the Group with policies and tools with transversal, internal and external impacts. Among these, for example, the definition and adoption of the Principles and Values of Stakeholder Engagement, through which we wanted to take on wider responsibilities with respect to the efficient management of the business and related to the ability to contribute to sustainable development of the territories in which we operate, increasing attention to the well-being of our people and of all the stakeholders with whom we interact. With this in mind, the principles and procedures for involving interested parties will increase the ability to listen and the effectiveness of dialogue and will facilitate the construction of a solid relational network. The evolution of the Group's vendor rating system and the partnership with Ecovadis, both implemented, also respond to the same logic, which will contribute to promoting and enhancing sustainability along the supply chain, fostering increasingly virtuous collaborations, with the utmost consideration for the health and safety of all workers.

Of equal importance during the year was the signing with the Trade Unions of a Protocol on Diversity and Inclusion, operational at Group level, which emphasises the centrality of the principles of gender equality, social inclusion, contrast to all forms of discrimination and the enhancement of diversity, and the definition of a Diversity and Inclusion Plan, for the development of initiatives dedicated to employees, and a dashboard dedicated to measuring and analysing trends relating to the variables of interest.

A particularly important step was the choice of integrating quantitative sustainability objectives into the medium-long and short-term incentive remuneration policy. Both the new Long-Term Incentive Plan (LTIP), referring to the three-year period 2021-2023 and reserved for some senior positions, and the annual incentive plan, Management by Objectives, applied to top and middle management, include, in fact, starting from 2021, a composite sustainability indicator, the achievement of which affects the performance evaluation system.

The 2020-2024 Sustainability Plan in force, approved by the Board of Directors, was prepared in accordance with the Development Goals of the 2030 Agenda, with the values of our Code of Ethics and the principles of the United Nations "Global Pact", to which Acea confirmed to adhere to again this year. The specific objectives set out therein

find a key to understanding not only in relation to the main stakeholders, but also around some drivers that qualify our sustainability strategy, and in particular: resilience and modernisation of infrastructures, customer care, the circular economy, sustainable water management, the decarbonisation of the energy system, sustainability along the supply chain, the reduction of environmental impact, the contribution to smart cities and the containment of impacts on the urban context, innovation, the centrality of people and involvement in the territory. During the year, both the state of progressive pursuit of the sustainability targets set for 2024, the annual final balance of which is published in this document, and the amount of investments envisaged in the industrial plan and related to sustainability targets were monitored.

Determined to go further, we have already activated working groups that will lead us to define even more ambitious longer-term strategic planning. We are in fact convinced that business management capable of pursuing sustainable success, jointly evaluating economic growth and impacts on the environmental and social context and therefore directing the business development prospects so that they also generate a positive contribution for the territory, is, particularly in our time, the only way forward to preserve and develop the common good.

The Chairperson
Michaela Castelli



The Chief Executive Officer
Giuseppe Gola



QR code to access the Consolidated Financial Statements and Sustainability Report

ACEA AND ITS STAKEHOLDERS

ENVIRONMENT

The main challenges for **environmental sustainability** are indicated in the **Green Deal**, the European Union's growth strategy, which sets the goal of carbon neutrality by 2050, an essential element for safeguarding the climate, thanks to a progressive transition towards an economy supported by **renewable, decarbonised, energy efficient sources**, in the context of a **circular economy**. In this context, note the growth of production from PV and the Group's progressive expansion into the "circular" management of waste. In particular, in 2021 Acea Produzione acquired an additional 4 MW in the photovoltaic segment, and installed 16 MW, reaching a total of 72.5 MW.

Acea has also set itself the objective of achieving a **high level of efficiency for final domestic usage** and usage in energy processes, and reducing carbon intensity (gCO₂/kWh produced). The electricity consumption of the main companies, particularly connected to water needs, waste management and internal consumption of work premises, originates from renewable sources with a Guarantee of Origin, for a total of approximately **420 GWh**, which in 2021 was equal to **57% of specific consumption** (731.8 GWh).

With regard to the subject of climate change, in the year a **first project was carried out to align** to the international recommendations of the **Task Force on Climate-related Financial Disclosures**, which analyses the climate risk management approaches by the organisation. Acea is committed to **safeguarding biodiversity**. In 2021, it carried out further detailed analysis of potential impacts on biodiversity, with the aim of identifying "priority" areas with high levels of biodiversity in which sites/plants/networks of Group Companies are located, i.e. the most fragile habitats or those most greatly impacted by external factors. Based on this information, it was possible to internally prepare an **Environmental fragility index (EFI)**, aimed at evaluating the different habitats present and the portion of land occupied, the fragility of the habitat and the type of sites/plants present, for each protected area intersected by the activities of the main Group Companies.

EMPLOYEES

Employees are the company's most important asset. Acea is committed to promoting the best conditions of **stability**, promoting **safety** and developing a sense of **cohesion** and **participation** in the company's mission.

In 2021, the total staff of the companies within the scope of reporting was numbered **6,466 people**, of which **24% women**. **98%** of the company population have a **permanent employment contract**. The professional structure is composed as follows: 60% are employees, 31% are workers, 8% are executives and 1% are managers. **335 people** were hired, 39% of which aged 30 years or younger. **262 people left**, 81% aged over 50 years. The **turnover rate**, which was **9.2%**, decreased (11.1% in 2020).

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

In 2021, Acea Energia and Acea Elabori also achieved **Biosafety Trust Certification** for the prevention and control of the spread of infection. Particular attention was paid to the risk mitigation of work-related stress, exacerbated by the pandemic, with the activation of the **I Care project**.

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

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

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

SUPPLIERS

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

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

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

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

COMMUNITY

2021 was still characterised by the pandemic and Acea took significant action to make its contribution to the local community. Indeed, it was the first Italian multi-utility company to transform its own company space into a **vaccination hub, open to the local area and citizens**, in support of the anti-Covid vaccination plan in the Lazio Region. In total, in 2021 over 140,000 doses of the Covid-19 vaccine were administered. With **technical and economic support**, Acea also supported a number of healthcare organisations, including the Campus Biomedico, the Policlinico Gemelli and the Bambino Gesù Paediatric Hospital.

The health emergency also had socioeconomic impacts on the local community. Applications for **social bonuses** increased significantly in order to address this situation. For the energy sector, **over 57 thousand** Acea Energia customers were eligible for the bonus compared to around 26 thousand in 2020, by virtue of the changes in the regulations of reference which set up automatic application, with intermediation by INPS with the Acquirente Unico. Aware of these findings, at the end of the year, Acea joined the **Insieme per contrastare la Povertà energetica (Together to combat fuel poverty) Manifesto**, promoted by the Banco dell'Energia, and supported the project **Energia in periferia** (Energy in the suburbs), in order to address situations of energy poverty. In the water segment, the **Water Safety Plans**, to which the Group companies are committed, had effects on health risk prevention and mitigation.

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



SHAREHOLDERS AND INVESTORS

The relationship with the **capital markets** guarantees the best conditions thanks to a careful diversification of sources. About 85% of the debt stems from **bond placement** operations. With reference to bank loans, Acea mainly borrows from **institutional operators, such as EIB and Cassa Depositi e Prestiti**, worth around 10%, whose mission is to **support strategic infrastructure**. Acea recorded a positive performance on the stock exchange with a **9.4% increase in the share**. The value of each share rose from € 17.15 at the beginning of the year to € 18.76 as at 30 December 2021 (the last session of the year) with a capitalisation of **€ 3,995 million**. The ratings agencies Moody's and Fitch confirmed the **long and short-term rating**.

The interest of "sustainable investors" towards Acea is growing, **from 5.5%** of the share capital and to **around 40% of total institutional investors**.

In January 2021, the **first Acea Green Bond** was issued, which recorded a market demand seven times higher than the offer. It obtained a price premium compared to a traditional issue, and, **for the first time for corporate issues of Italian issuers**, a negative yield for the five-year tranche with a consequent reduction in the interest paid by Acea. Lastly, in November, the "Policy for managing dialogue with institutional investors, shareholders and bondholders" was adopted in line with the provisions of the new Corporate Governance Code.

CUSTOMERS

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

The evolution of market demands towards **green and innovative solutions** is monitored by the Group through increasingly more specific and wider offers, such as those launched during the year by Acea Energia on 100% sustainable power and gas, the services linked to electric mobility and added-value products (energy efficiency of buildings, boilers, air conditioners and wall boxes). The development of **more advanced interaction dynamics**, as has happened with the figure of the **prosumer** – a party that is both a customer and an energy producer, connected to the distribution network – up by 8% compared to the previous year, manifests in an increasing focus on the use of **digital channels and services** by customers, including as a result of the requirement for safety due to the ongoing health emergency. Acea proposes solutions that are constantly improving, such as the **digital service point**, which in 2021 consolidated its operations, the **"Waidy Point" local branches, the MyAcea App**, enriched in 2021 with new functionalities (downloads of MyAcea have increased by 24.5% compared to 2020) and the **new navigable web bill** for companies in the water sector. Acea adopts initiatives intended to maintain the high level of trust and good customer relations. In addition to relations with **consumer associations**, through the action to raise their awareness and promoting the use of digital and telephone channels dedicated exclusively to them, critical situations were also monitored via the activities of the ADR Body for the out-of-court settlement of disputes (in the year, for the companies managed, **345 requests were received** – 419 in 2020) and initiatives are carried out to **prevent cases of unfair commercial practices** (567 cases reported to the sales agencies during the year, equal to 61% of the cases analysed – 53% in 2020).

INSTITUTIONS

For a company that delivers essential public services, mostly subject to **regulation by the public authorities**, the relationship with institutions is of fundamental importance both for planning and performing the company activities. In this context, in agreement with the institutions of reference, it continued the preparatory activities for the construction of the new upper section of the **Peschiera-Le Capore Aqueduct** and the **Marcio Aqueduct**, strategic infrastructures for safeguarding the water supply in the city and province of Rome. Acea is active in the prevention and management of critical events and in the event of an emergency it provides support to the **authorities responsible for public health, civil protection and public safety**, for example through **plans for managing emergencies** of the water companies, shared with **local institutions** (such as Governmental Territorial Offices, Local Health Authorities, Area 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 on topics of **public relevance** with public bodies such as **ENEA** with which a study was conducted in 2021 to perform a preliminary investigation into the definition and implementation of **sampling and analysis methods of microplastics** in the water lines of treatment plants and in recipient bodies of water. Acea participates in **research centres, standard-setting bodies and industry associations**, acting as promoter or contributing to research and experimentation in the businesses in which it operates. Also as a result of this commitment, Acea takes part in international programmes (**Horizon 2020**), for example through the **PlatOne** and **Promises** projects.

COMPANY

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

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

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

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

For Acea, **overseeing the ecosystem of innovation** is fundamental for accessing ideas and business and technological opportunities, leading it to establish partnerships with InnovUp (formerly Italia Start-up), SEP (Start-up Europe Partnership) and Open Italy and launch collaborations with specialised observers at the Politecnico di Milano (Digital Innovation, Start-up Intelligence and Space Economy).

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

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

THE 2020-2024 SUSTAINABILITY PLAN AND THE OPERATIONAL GOALS

The Acea Group **2020-2024 Sustainability Plan**, approved by the BoD, takes into account the **material issues defined by listening to stakeholders**, maintaining consistency with the objectives of the **European Green Deal** and the **UN Sustainable Development Goals of Agenda 2030** that are relevant to Acea's businesses. The **2020-2024 Sustainability Plan** is divided into a **governance level**, intended to consolidate the integration of sustainability into the company's governance, and **into five operating macro-objectives**, split into **127 targets for 2024** and corresponding KPIs, illustrating the **unique aspects of sustainability** for the Group, in the practical management of production and organisational processes and in relations with stakeholders.

GOVERNANCE LEVEL THE 8 OBJECTIVES

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

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

OPERATING LEVEL THE 5 MACRO-OBJECTIVES (*)

- ### PROMOTING A FOCUS ON THE CUSTOMER

 - Improving communication with customers**
 - Developing web presence and digital channels in compliance with the Group's communication and positioning needs
 - Improving the quality of services**
 - Improve the sales quality of services
 - Improving the technical quality of services
- ### ENHANCING STAFF FOR THE GROUP'S GROWTH

 - Professional enhancement, training and development of skills**
 - Enhancing and boosting human capital skills
 - Investing in the development and improvement of the staff assessment and recruitment system
 - Involving people in the Group's identity**
 - Boosting the level of engagement of the company population
 - Defining and promoting an employer branding plan
 - Organisational inclusion and well-being**
 - Identifying and improving the organisational well-being of the entire company population
 - Enhancing diversity and promoting inclusion
- ### QUALIFYING PRESENCE IN THE REGIONS AND PROTECTING THE ENVIRONMENT

 - Reducing the environmental impact**
 - Planning and implementing actions aimed at fighting climate change (mitigation and adaptation)
 - Promoting an efficient use of resources, thus facilitating circular economy
 - Taking initiatives to protect the territory and limit impacts on the natural environment
 - Enhancing certified environmental and energy management systems
 - Improving sustainability along the supply chain**
 - Implementing sustainability logics in procurement procedures
 - Contributing to the well-being of the community**
 - Promoting activities with positive impact on the collectivity and on the territories where the company works
 - Consolidating relations with the territory**
 - Contributing to create awareness on social and environmental matters
 - Facilitating the engagement of stakeholders in company projects with the aim of creating shared values
- ### PROMOTING HEALTH AND SAFETY ALONG THE VALUE CHAIN

 - Health and safety at workplace for Group workers**
 - Promoting a culture of health and safety at workplace
 - Health and safety at workplace for contractors and subcontractors**
 - Creating awareness among contractors on health and safety at workplace
 - Health and safety of the communities with which the Group operates**
 - Ensuring the health and safety of the customers of the reference territory for the various services provided
- ### 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 goal has multiple targets and KPIs.