

# 2023

## SUSTAINABILITY REPORT





# 2023

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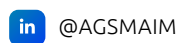
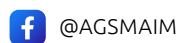
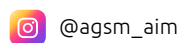
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# *Letter to stakeholders*

Dear Stakeholders,

the AGSM AIM Group presents the Sustainability Report for 2023, a year full of milestones and successes that have allowed the Group to strengthen the commitment to sustainability and innovation. This Report provides an accurate and detailed description of the Group's performance, with the aim of offering a timely account of the results achieved from an economic, social and environmental point of view.

During the year just ended, the turbulence generated in the energy market by the Russian-Ukrainian conflict was partially overcome, and therefore the Group was able to witness a progressive improvement in the macroeconomic context with a decreasing trend in the energy component prices, for the benefit of all consumers, both domestic and business.

However, where consumers still experienced economic difficulties, the AGSM AIM Group intervened through multiple measures to support the customers in conditions of financial hardship, demonstrating a commitment to creating a relationship of trust and solidarity with those who choose AGSM AIM Group. Initiatives such as the Light, Gas and District Heating Support Bonuses activated at the beginning of the year, as well as the renewed collaboration with the Diocesan Caritas of Vicenza and Verona by establishing a fund to support families in temporary economic difficulty, are just some examples of AGSM AIM's commitment to the community.

Considerable work and investment this year focused on people, and in particular the Group's almost 2,000 employees. With a view to the continuous development and enhancement of personnel, over 25,000 hours of training were provided, with a sharp increase in the number of hours per capita compared to the previous year. In addition, using the modern methodology of design thinking, through the "Valori in azione" (Values in Action) project, five working groups were set up, consisting of participants from all corporate functions, with the aim of developing and designing tangible ideas to bring value to the organisation and the people who work in the Group. We then launched the UNI/PdR125:2002 gender equality certification project to encourage a management culture focused on inclusion and ensure equal opportunities for professional growth and development.

In 2023, the energy transition commitment continued. In particular, electricity produced by renewable sources, thanks to hydropower, wind power and photovoltaic, amounted to over 268 GWh, up by more than 30% compared to 2022. The energy produced by renewable sources now stands at 47.36% of the total energy produced by our plants.

In order to promote the principles of circularity, the creation and start-up of the Ca' del Bue biodigester represents a perfect example of virtuous implementation of the principles of valorisation of the circular economy, which allows proper waste management, from sorted waste collection to recycling all the way to resource optimisation. The anaerobic digestion plant is designed, following the treatment of the organic fraction of urban waste, to produce biomethane to be fed into the national distribution grid.

Significant investments have been made in sustainable mobility. AGSM AIM Smart Solutions continued the plan to install charging stations in the territories of Verona, Vicenza and Brescia, increasing the available charging sockets by more than 70 percent and offering the subscription formula to take advantage of the e-mobility service. We have extended interoperability with other electric mobility operators, guaranteeing the possibility for the customers to be able to recharge on the stations of other operators and for customers of national and European circuits to recharge their electric vehicles on AGSM AIM's infrastructure.

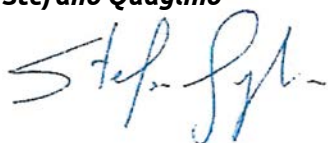
Once again 2023 saw the recognition of V-Reti, the business unit committed to the development and digitisation of distribution networks, as one of the most virtuous companies in Italy for the standards and quality of the service provided. Continuous investment and commitment during 2023 reflect a precise development plan to improve service quality and adapt the electricity system to the decarbonisation of consumption.

The Group's future will see greater integration of its industrial development initiatives with ESG targets and Agenda 2030 objectives at the centre of its Strategic Plan. In particular, investments on increasing the share of electricity generated from traditional renewable sources such as photovoltaic, wind and geothermal, and investments in innovative and challenging projects, including green hydrogen production and the further development of production from geothermal sources, will continue. The continuation of territorial enlargement projects, essential to further strengthen the Group's presence and scope of action, will also be of particular importance.

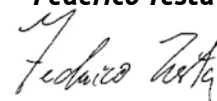
The Group's efficient management allowed AGSM AIM to achieve revenue of Euro 2.04 billion and EBITDA of Euro 157 million, an economic value generated and shared with all the stakeholders.

AGSM AIM Group expresses its deep gratitude to all the people who have contributed to AGSM AIM's success during a challenging year. A special thanks goes to the Shareholders and all the Stakeholders.

**Stefano Quaglino**



**Federico Testa**







## 2023 Highlights



Revenue  
€ **2.04** bn



People  
**1,821**



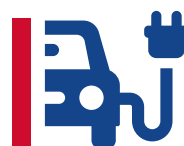
Generation of electricity  
**566** GWh



Percentage of renewable electricity production  
**47.36** %



Energy customers in Italy  
**855** thousand



Charging sockets for electric vehicles  
**177**



Waste collected  
**388** thousand tonnes



Cogeneration of thermal energy fed into the grid  
**299** GWh

# 1.

## *The AGSM AIM Group*













*With revenue of Euro 2.04 billion, EBITDA of Euro 157 million, 1,821 employees and more than 855.000 customers served in the sale of electricity, natural gas and heat, the AGSM AIM Group is one of Italy's leading multi-utility companies.*

AGSM AIM is a multi-utility group resulting from the takeover and merger, on 1 January 2021, of AGSM Verona S.p.A. and AIM Vicenza S.p.A., which gave rise to the Parent Company AGSM AIM S.p.A. (hereinafter also "Company"), a wholly publicly owned company. The company is 61.2% owned by the Municipality of Verona and 38.8% by the Municipality of Vicenza, territories in which the Group is historically and deeply rooted.

The AGSM AIM Group provides essential services and products with high added value for citizens and the development of companies, organisations and institutions in Italy. In addition, through its subsidiary EcoTirana, it offers waste collection and transport services in the capital of Albania.

The AGSM AIM Group is active in the following sectors:

	<b><i>Sale of electricity, gas and heat</i></b>	
	<b><i>Generation of electricity</i></b>	
	<b><i>Cogeneration and district heating</i></b>	
	<b><i>Electric mobility</i></b>	
	<b><i>Energy efficiency</i></b>	
	<b><i>Public and artistic lighting</i></b>	
	<b><i>Parking</i></b>	
	<b><i>Telecommunications</i></b>	
	<b><i>Distribution and metering of electricity and gas</i></b>	
	<b><i>Waste management</i></b>	

As an aggregator hub, particularly in the North-East of Italy, and thanks to the significant critical mass achieved with the merger, AGSM AIM aims to make investments that directly benefit the territories, improve the quality of service offered to citizens, and respond effectively to the challenges faced by the public utility service sector.

AGSM AIM recognises the value of sustainable development and its role is characterised by both the multi-service nature and the regulatory and economic context of the sector, as well as the different demands that in each area of activity derive from the general objectives of customer satisfaction.

The integration initiated in 2021 made it possible to optimise the organisational structure of the AGSM AIM Group thanks to establishing six Business Units.

Extraordinary operations aimed at facilitating the simplification and rationalisation of companies operating in the waste collection, treatment and disposal sector continued during 2023. The combination process will continue in 2024.



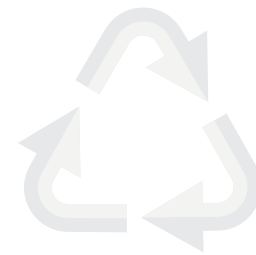


## agsm aim | Power

AGSM AIM Power produces electricity from renewable sources (hydroelectric, wind, photovoltaic and biogas) and from traditional sources (thermoelectric).

## agsm aim | Ambiente

AGSM AIM Ambiente ensures practical and innovative waste management solutions, of which it follows the entire cycle: from collection to treatment, recovery, reuse and disposal. It also maintains the city's decorum.



## agsm aim | Energia

AGSM AIM Energia is the commercial company that deals with the sale of electricity, gas and heat.



# Business





## agsm aim | Calore

AGSM AIM Calore operates eight cogeneration plants, a geothermal well and an extensive district heating network.



*Unit*

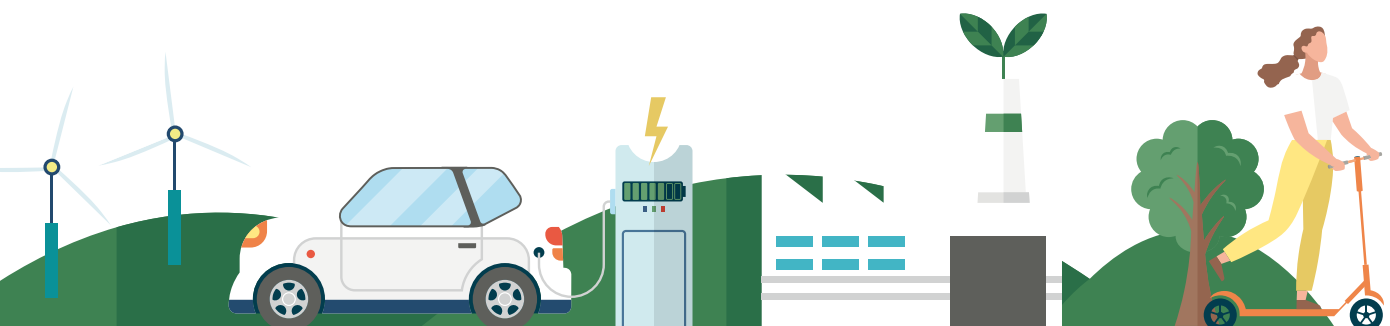
## agsm aim | Smart Solutions

AGSM AIM Smart Solutions invests in electric mobility projects, manages public and artistic lighting, telecommunications, ground-level and underground car parks and paid parking areas. The company also offers energy efficiency solutions for buildings.



## v-reti

V-Reti is the AGSM AIM Group company that deals with the distribution and metering of gas and electricity in the cities of Verona and Vicenza and in other municipalities in Northeast Italy.



## 1.1 Non-financial reporting scope



The 2023 Consolidated Non-Financial Statement (hereinafter also “CNFS” or “Statement”), drawn up in the form of a Sustainability Report, includes within its scope the companies consolidated on a line-by-line basis in the Consolidated Financial Statements, which are considered significant for the Group’s business, of which:

- ▶ **AGSM AIM Ambiente S.r.l.**
- ▶ **AGSM AIM Calore S.r.l.**
- ▶ **AGSM AIM Energia S.p.A.**
- ▶ **AGSM AIM Power S.r.l.**
- ▶ **AGSM AIM S.p.A.**
- ▶ **AGSM AIM Smart Solutions S.r.l.**
- ▶ **AGSM Holding Albania Sha**
- ▶ **CogasPiù Energie S.r.l.**
- ▶ **Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.**
- ▶ **DRV S.r.l.** **NEW**
- ▶ **EcoTirana Sh.a.**
- ▶ **Parco Eolico Carpinaccio S.r.l.**
- ▶ **Parco Eolico Riparbella S.r.l.**
- ▶ **Company Igiene Territorio S.p.A.** (hereinafter “SIT”)
- ▶ **SER.I.T. S.r.l.** (hereinafter “SERIT”)
- ▶ **Company Intercomunale Ambiente S.r.l.** (hereinafter “SIA”)
- ▶ **TRANSECO S.r.l.**
- ▶ **Tre V Ambiente S.r.l.**
- ▶ **Valore Ambiente S.r.l.**
- ▶ **V-Reti S.p.A.**
- ▶ **Juwi Development 02 S.r.l.** **NEW**
- ▶ **Juwi Development 08 S.r.l.** **NEW**

According to this approach, some companies that are not subject to direct management and control of the Group are not included in this report.

The reporting scope for the AGSM AIM Group’s Consolidated Non-Financial Statement for the year 2023 is substantially consistent with that of the CNFS for the previous year: in particular, the subsidiaries are all reconfirmed, considering the exit of the company 2V Energy, merged by incorporation into AGSM AIM Energia S.p.A. during 2023, while the entry of the companies listed below was planned.

- ▶ DRV S.r.l. acquired 100% through the subsidiary AGSM AIM Ambiente S.r.l.
- ▶ Juwi Development 02 S.r.l. and Juwi Development 08 S.r.l. wholly owned through the company AGSM AIM Power S.r.l.



In addition, it should be noted that on 29 November 2023 the process of acquisition of the company AMIA Verona S.p.A. by the Municipality of Verona, thus becoming an in-house company, was completed. Therefore, in application of IFRS 5 (Non-current assets held for sale and discontinued operations), AMIA Verona's information and data referring to the period from 1 January to 29 November 2023 were presented in an annex to this CNFS and not consolidated with the non-financial performance of the AGSM AIM Group.

Each of the companies within the reporting scope presents, in different ways, information relating to environmental, social, personnel, human rights and anti-corruption issues, which is useful to better understand business performance, its results and, above all, the Group's impact on these issues.

The companies listed below are excluded from the scope of the Consolidated Financial Statements and, consequently, from the reporting scope of this CNFS, due to the reduced ownership percentage and/or the parent company's failure to exercise direction and coordination:

▶ **Agrilux S.r.l.**

▶ **Parco Eolico Monte Vitalba S.r.l.**

▶ **Bovolone Attività S.r.l.**

▶ **Soenergy S.r.l.**

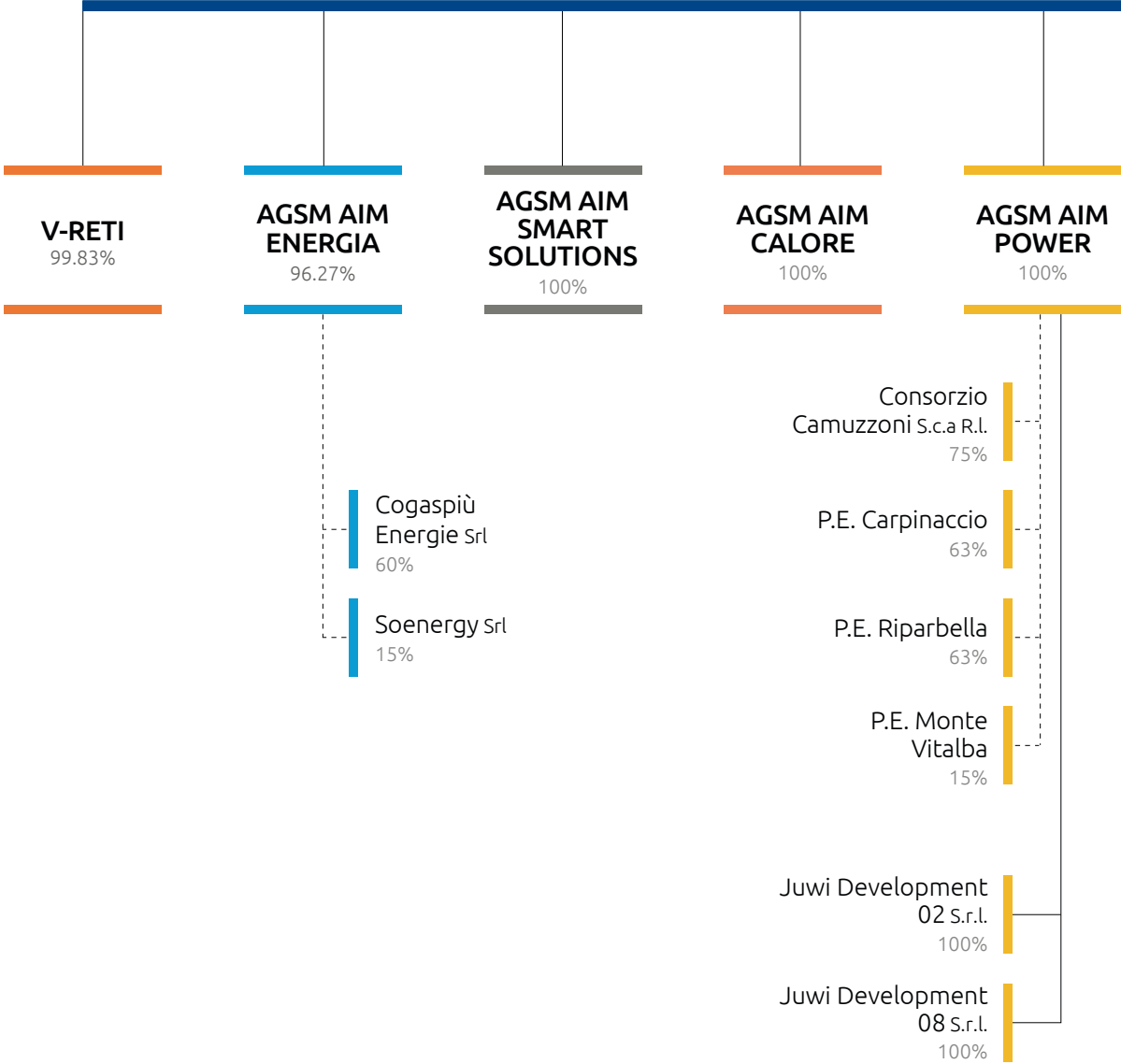
▶ **Consorzio GPO**

▶ **Sive S.r.l.**

▶ **Legnago Servizi S.p.A.**



# agsm aim



----- Indirect investees  
 \_\_\_\_\_ Direct investees







# 2.

## *Our identity*



*The Group is close to customers and the territories served. It interprets their needs and support their growth by offering quality services through integrated management of energy resources. The Group is driven by innovation, reliability, respect and constant attention to people, the environment and society.*

The values on which the AGSM AIM Group bases its strategy are as follows: reliability, development, teamwork and innovation.

			
<b>Reliability</b>	<b>Development</b>	<b>Teamwork</b>	<b>Innovation</b>
<i>Be a tangible point of reference, build trust and care customers and people.</i>	<i>Be agile and flexible, for the continuous improvement of the company.</i>	<i>Be a united and cohesive group, working together to achieve common objectives.</i>	<i>To be pursued with responsibility to build the future while respecting people, the environment and the society.</i>

As part of its business activities, the AGSM AIM Group considers it essential to carry out actions in line with the declared intentions and corporate values and rules. Furthermore, it considers fulfilling commitments important, seeking solutions to solve problems, communicating and acting with transparency in order to foster the engagement of stakeholders and, as a consequence, nurture their confidence.

To develop its activities, the Company embraces every new opportunity with courage, with the aim of pursuing the result with perseverance, passion and attention to the quality of the services offered.

In pursuit of its Mission, the AGSM AIM Group has adopted its Code of Ethics, which sets out the general principles and rules of conduct that the People operating in the name and on behalf of AGSM AIM are inspired by when carrying out their activities.

The ethical principles adopted by the AGSM AIM Group are listed below.

- |                                                                                                                                              |                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|
| ▶ <b>fairness, loyalty, integrity, honesty and transparency in managing relations with counterparties and with the Group's own employees</b> | ▶ <b>a spirit of service for all corporate initiatives aiming to pursue a high social value useful for the community</b>                |
| ▶ <b>fighting corruption in order to avoid any illegal act or offence</b>                                                                    | ▶ <b>confidentiality of information and protection of personal data in the instruments and methods</b>                                  |
| ▶ <b>respect for and optimisation of people as the vital factor for the company's growth and business continuity</b>                         | ▶ <b>impartiality in relations with stakeholders, avoiding any form of discrimination or favouritism inside or outside of the Group</b> |
| ▶ <b>the protection of the corporate image in order to safeguard the Company's good reputation and credibility</b>                           | ▶ <b>recognition of individual responsibility for performing the work activity</b>                                                      |
| ▶ <b>efficiency of each work activity in pursuit of the cost-effectiveness of using company resources</b>                                    | ▶ <b>quality of the services provided in order to constantly meet customers' requirements</b>                                           |
| ▶ <b>fair competition avoiding deceptive behaviour</b>                                                                                       |                                                                                                                                         |

The provisions of the Group's Code of Ethics are binding, with no exception, for the Directors, the employees and for all those who directly or indirectly establish relations with it, whether permanently or temporarily (collaborators, consultants, agents, attorneys or anyone else operating in the name, and on behalf, of the Company).

The Code of Ethics is published on the website [agsmaim.it](http://agsmaim.it), distributed internally and promoted through specific company training.

Being a Group means respecting others, their ideas and their identities, and being able to enhance the diversity of everyone.

The Group aims at careful and responsible innovation as the foundation for looking at the future of the business, generating connections with the surrounding ecosystem and ensuring overall awareness for common benefit.

The objective to be pursued by the Group has become

*to improve the quality of life of people  
and create value for the territories,  
build a better future by promoting  
innovation, development  
and sustainability.*



# 3.

## *The path to sustainability*





The Sustainable Development Goals (SDGs) of the 2030 Agenda and the extraordinary challenges arising from energy transition have heightened the awareness of sustainable development, which entails a business model able to guarantee resilience, flexibility and effectiveness in the long term. These goals and challenges are combined with the ability to reduce risks and respond to external factors, also of an exceptional magnitude.

AGSM AIM has sustainability issues at its core and strongly believes in integrating Environmental, Social and Governance (ESG) criteria.

As a responsible operator, AGSM AIM believes that sustainable development and more generally sustainability, broken down into the three dimensions included under the acronym ESG, play a fundamental role in today's economic landscape. In fact, sustainability represents the guiding star for the future development of the Group which, in the 2022-2025 Business Plan, foresees the investment of a significant part of the Euro 600 million in projects that encourage the transformation of the sector towards green and digital, circular transformation and decarbonisation.

The Group is aware that sustainability is not a precise objective but a process, which it decided to call "The Path to sustainability". It is a project that imposes new perspectives on a daily basis, with the awareness that the path is still long and demanding.

AGSM AIM has defined its Sustainability Management Policy as the set of choices and behaviours that allow the Group to pursue its corporate purpose, guaranteeing its long-term profitability and competitiveness and enhancing the interests of all its stakeholders.

The ambition to pursue sustainable success and the daily commitment to ensuring the integration of environmental, social and good governance principles into its business model are essential elements to create value to benefit its stakeholders, with particular attention to the community and the territory in which the Group operates.

For the AGSM AIM Group, Sustainability means conducting its activities with a view to the future and orienting the business strategy towards creating value for stakeholders in the medium and long term. In this context, AGSM AIM intends to base its activities on ensuring a sustainable approach in terms of respect for people, the environment and the adoption of good governance practices of the organisation.

The Group bases its activities on the ten principles of the United Nations Global Compact (UNGC) on human rights, labour, environment and anti-corruption.

In 2023, it renewed its membership in the United Nations initiative by committing to respect and integrate the ten principles on human rights, labour, the environment and the fight against corruption into its activities. (www.globalcompactnetwork.org). Therefore, the AGSM AIM Group submits the COP (Communication on Progress) on an annual basis, whereby it maintains a transparency relationship with the Global Compact and its stakeholders, reporting its contribution to the dissemination and observance of the ten fundamental principles.

AGSM AIM intends to continuously adopt the 10 Universal Principles in its business strategy, but even more so in the culture of its organisation.



## Human rights



- ▶ **Support and respect the protection of internationally proclaimed human rights within the respective spheres of influence.**
- ▶ **Make sure that it is not, albeit indirectly, complicit in human rights abuses.**

AGSM AIM respects, protects and promotes human rights and fundamental freedoms for all by committing to guarantee professional relationships with its stakeholders based on respect for human dignity.

See paragraph no. 7.1 "People"

## Labour



- ▶ **Uphold the freedom of association and the effective recognition of the right to collective bargaining.**
- ▶ **Support the elimination of all forms of forced and compulsory labour.**
- ▶ **Support the effective abolition of child labour.**
- ▶ **Support the elimination of discrimination in respect of employment and occupation.**

Attention to People is a central element of the AGSM AIM Group's growth project as they represent an essential factor for carrying out the activity and achieving the company objectives.

AGSM AIM promotes an inclusive work environment, which encourages a work-life balance, able to value people, respectful of human dignity and individuality.

See paragraph no. 7.1 "People"

## Environment



- ▶ **Support a precautionary approach to environmental challenges.**
- ▶ **Undertake initiatives to promote greater environmental responsibility.**
- ▶ **Encourage the development and diffusion of environmentally friendly technologies.**

AGSM AIMS safeguards the landscape heritage of the territory in which it operates by adopting policies to preserve, protect and maintain the environment, ecosystems and biodiversity. The aim is to reduce the environmental impact of its activity, adopting an approach oriented towards monitoring and continuous improvement of performance, starting from compliance with current legislation with a constant focus on protecting the environment and mitigating the loss of biodiversity.

See paragraph no. 8 "Group Activities", no. 9 "Environmental Impacts"

## Fight against corruption



- ▶ **Work against corruption in all its forms, including extortion and bribery.**

The Group adopts policies aimed at spreading the culture of legality, protecting the company's reputation, thus ensuring value creation over time. In the belief that the fight against corruption represents a fundamental value in the conduct of its business, AGSM AIM has defined and adopted, on a voluntary basis, its Group Code of Ethics, the Anti-Corruption Policy and, where deemed appropriate, the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

See paragraph no. 4.4.3 "Anti-Corruption Policy"

Table 1. Ten principles of the United Nations Global Compact

## 3.1 2030 Agenda: AGSM AIM Group commitments for sustainable growth

In September 2015, the United Nations approved the Global Agenda for Sustainable Development and its Sustainable Development Goals (SDGs). It is an action plan whose implementation requires States, productive sectors, enterprises, financial institutions, non-governmental organisations and civil society to orient their programmes towards these goals.

The goals of the 2030 Agenda, divided into 169 targets to be achieved by 2030, represent the blueprint on which to build a path to sustainable development through an integrated approach and tangible measures to address a major socio-economic paradigm shift, the many complex environmental and institutional challenges.



Figure 1. Sustainable Development Goals ("SDGs")

The AGSM AIM Group has decided to make its own contribution to achieving these goals: in declaring its charter of commitments for the coming years, AGSM AIM has chosen to link its actions with the SDGs most akin to its core business and strategic lines of action. The strategies and actions envisaged in the AGSM AIM Group's Business Plan are aimed at sustainability and traced back to 10 of the 17 SDGs.

The Group started defining its Strategic Plan in order to represent the organisation's strategic vision in an organic and integrated manner, combining business growth and economic-financial performance with environmental and social sustainability, so as to enable the creation of value and sustainable success in the long term.

1 NO POVERTY



The AGSM AIM Group is committed to providing practical answers to its customers every day. Aware of the impact that the expensive bills have had on families and businesses especially in recent years, AGSM AIM has established **ad hoc funds to pay** electricity, gas and district heating **bills**. The **possibility of paying by instalments has been expanded** and more people have been assigned to addressing the numerous requests for information and enquiries from customers.

4 QUALITY EDUCATION



The AGSM AIM Group considers continuing education and training an essential tool for social and economic development and, therefore, provides its employees with ongoing training courses for professional and personal growth.

During 2023, the Group provided specific training courses to develop individual skills and for technical and regulatory updating in the field of personal data protection, cyber security, occupational health and safety and preventing corruption. **There were 20.65 hours of training per capita, provided both** in-house and at specialised external centres.

AGSM AIM also cooperates with several universities, giving students the opportunity (8 in 2023) to carry out curricular training projects lasting about three months.

5 GENDER EQUALITY



AGSM AIM supports the potential of women working within the Group by promoting full and effective participation and equal opportunities for leadership at all levels of decision-making in corporate life, preventing favouritism and gender discrimination. In the next three years, projects are planned to raise awareness of diversity, equity and inclusion (DE&I), fostering a management culture focused on inclusion, as well as **the launch of a project aimed at achieving the gender equality certification according to UNI PDR 125:2022 guidelines**.

7 AFFORDABLE AND CLEAN ENERGY



The goal of the energy transition is an integral part of AGSM AIM's Business Plan, increasing, year after year, the share of energy generated from renewable sources and allocating 100% of investments in energy production to plants from green sources, in particular wind and photovoltaic. In 2023, the **electricity produced** by plants powered by **renewable sources represented 47.36%** of the total energy produced by the Group.

8 DECENT WORK AND ECONOMIC GROWTH



People are at the core of the Group's growth project. AGSM AIM pays particular attention to the healthiness of the workplace. Therefore, it undertakes to **comply with the highest safety and health standards of the work environment**, to offer optimal conditions and to pay adequate wages.

---

**9** INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



AGSM AIM promotes **scientific and technological development aimed at environmental protection and safeguarding resources** by adopting criteria for safeguarding and energy efficiency. More specifically, the Group is active in infrastructure improvement projects in networks, smart services, environmental health, power generation and district heating.

---

**11** SUSTAINABLE CITIES  
AND COMMUNITIES



The Group is aware that **its commitment to environmental protection represents a competitive advantage in a market that is increasingly attentive to the quality of services**. AGSM AIM supports the circular economy by improving the integrated waste management service, guaranteeing city decorum, promoting cultural initiatives, developing fibre optic telecommunications infrastructure and helping to transform city mobility by favouring the use of electric vehicles.

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**12** RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



The efficient use of renewable sources and the shift towards sustainable production processes contribute to minimising the environmental footprint. AGSM AIM has always been committed to **reducing the use of fossil fuels**, one of the elements most responsible for climate change, and **improving the energy efficiency of production sites and company offices**. The Group then carries out information activities towards its customers regarding the correct management of sorted waste collection and domestic energy consumption.

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**13** CLIMATE  
ACTION



The AGSM AIM Group contributes to caring for the planet by protecting the territory, promoting the circular economy and electric mobility. It pays great attention and makes important investments in **developing renewable sources in order to create a more sustainable energy system**, less dependent on fossil fuels and, therefore, less polluting.

---

**16** PEACE, JUSTICE  
AND STRONG  
INSTITUTIONS



AGSM AIM actively contributes to achieving the United Nations Sustainable Development Goal on “Peace, justice and strong institutions” (SDG no. 16) by **carrying out business activities inspired by high standards of fairness, loyalty, integrity and transparency and in compliance with current legislation**. In this regard, the Group adopts policies aimed at spreading the culture of legality, protecting the company’s reputation, thus ensuring value creation over time.

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## 3.2 Stakeholder engagement



AGSM AIM's attention to its stakeholders is based on the values set out in the Group's Code of Ethics, which defines the guidelines to be adopted in relations with each stakeholder, establishing principles and modes of conduct for each of them.

Building a relationship of mutual trust with the Group's stakeholders starts from considering their interests and their compatibility with those of the organisation.

The stakeholder engagement process is a key aspect of sustainability reporting.

Stakeholder engagement activity is continuous and is carried out both through established practices (customer satisfaction surveys, meetings with employees, etc.) and when there are fulfilling statutory obligations (e.g. shareholders' meetings, discussions with trade unions, etc.).

The Group is committed to listening to and understanding the needs of its stakeholders to ensure positive and lasting relationships. The Company is committed to promoting a process of gradual listening and dialogue, which is open and transparent, with a view to integrate this with its strategic choices.

Based on the results of the internal and external context analysis conducted, it was possible to identify the categories of stakeholders most relevant to the Group. This process was carried out in consideration of the potential degree of influence, interest and impact that:

- ▶ stakeholders have on the organisation;
- ▶ the organisation has on its stakeholders, in view of the Group's activities and products/services, as well as its performances.



Figure 2. Stakeholders of the AGSM AIM Group

The table below indicates, in relation to each category of stakeholders identified and involved in the process of materiality, the type and engagement initiatives used and the relevant issues.








Stakeholders	Engagement initiative
 <p><b>People</b></p> <ul style="list-style-type: none"> <li>• Employees and non-employees</li> <li>• Trade union representatives</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate intranet</li> <li>• Engagement initiatives</li> <li>• Training meetings and webinars</li> <li>• Meetings with trade union representatives</li> <li>• Dedicated whistleblowing channel</li> <li>• Health surveillance and occupational safety monitoring actions</li> </ul>
 <p><b>Customers</b></p> <ul style="list-style-type: none"> <li>• Domestic customers and other uses</li> <li>• Resellers</li> <li>• Consip</li> <li>• Business customers</li> <li>• Associations</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Management of reports to the customer care service</li> <li>• Company websites</li> </ul>
 <p><b>Shareholders</b></p> <ul style="list-style-type: none"> <li>• Public and private shareholders</li> <li>• Municipalities of Verona and Vicenza</li> <li>• Minority shareholders (for subsidiaries)</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meetings</li> </ul>
 <p><b>Lenders and Investors</b></p> <ul style="list-style-type: none"> <li>• Credit institutions</li> <li>• Investment funds</li> </ul>	<ul style="list-style-type: none"> <li>• Specific meetings</li> </ul>
 <p><b>Suppliers</b></p> <ul style="list-style-type: none"> <li>• Suppliers of works, goods and services</li> </ul>	<ul style="list-style-type: none"> <li>• Specific meetings</li> <li>• Supplier audits</li> </ul>
 <p><b>Authorities and Institutions</b></p> <ul style="list-style-type: none"> <li>• Reference local authorities</li> <li>• Regulatory and control bodies</li> <li>• Universities and research institutes</li> </ul>	<ul style="list-style-type: none"> <li>• Partnerships and collaborations</li> <li>• Meetings with institutions</li> <li>• Meetings with regulators and authorities</li> </ul>
 <p><b>Community and Territory</b></p> <ul style="list-style-type: none"> <li>• Local and trade associations</li> <li>• Citizens</li> <li>• Citizen committees</li> <li>• Media and social media</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews, services and live TV, press conferences</li> <li>• Working groups</li> <li>• Collaboration in the organisation of conferences and events</li> <li>• Support and participation in local events</li> </ul>

Table 2. Stakeholder Mapping



## Relevant topics for the stakeholders

<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Circular economy</li> <li>• Decarbonisation, energy efficiency and the use of renewable sources</li> <li>• Protection of the environment, biodiversity and ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• Smart cities and sustainable mobility</li> <li>• Corporate wellbeing, diversity and inclusion - protection of human rights</li> <li>• Occupational health and safety</li> <li>• Technological innovation and digital transformation</li> </ul>
<ul style="list-style-type: none"> <li>• Climate change</li> <li>• Circular economy</li> <li>• Decarbonisation, energy efficiency and the use of renewable sources</li> <li>• Protection of the environment, biodiversity and ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>• Smart cities and sustainable mobility</li> <li>• Development of distribution networks</li> <li>• Attention to customer needs and customer satisfaction</li> <li>• Technological innovation and digital transformation</li> </ul>
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The AGSM AIM Group also adopts proactive and multi-channel communication as a complementary tool for dialogue with its stakeholders. In this regard, the activity on the main social media channels<sup>1</sup> involves sharing content aimed at disseminating the activities and initiatives carried out by the Group and raising awareness among the stakeholders on sustainability issues.

During 2023, AGSM AIM increased the Stakeholder Engagement process that involved different categories of stakeholders, through a survey aimed at gathering their opinions on the importance of sustainability issues (environmental, social and governance) considered pertinent and potentially relevant for each category.

Thanks to specific free and optional fields provided for and included in the questionnaires, stakeholder engagement activities have also allowed the collection of opinions and suggestions expressed directly by the individual stakeholders on projects and sustainability objectives that the Group should set itself.



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<sup>1</sup> The social channels of the ASGM AIM Spa Parent Company alone are: Facebook, Instagram, LinkedIn, X, YouTube. The company V-Reti has a LinkedIn page.

### 3.3 Planning future projects

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AGSM AIM directs its strategies towards a sustainable business model, capable of determining competitive advantages for the Group, integrating economic objectives with environmental aspects that it pursues by sharing the generated value and respect for the environment and the protection of biodiversity.

The Group is committed to mitigating the environmental impacts of its activities on the climate, by creating and managing production systems with reduced climate-altering emissions, supported by research and innovation of the best available technologies, as well as by offering its customers the most efficient solutions and technologies aimed at energy optimisation and progressive decarbonisation of consumption, along a path accompanying the ecological transition.

Objectives, strategies and measures envisaged in the 2022-2025 Business and Strategic Plan, are based on sustainability, chosen as a pillar of the Group's growth by 2025 and beyond.

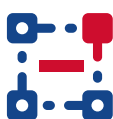
The following growth drivers have been identified:



**Strengthening of the green vocation, with 100% of the investments in the generation from renewable sources, development of the circular economy and extension of the district heating networks**

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**Continuous improvement of the commercial offer with the expansion of smart and innovative services**



**Investments in the digitisation of gas and electricity networks**

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**Increasing energy customers by 2025**

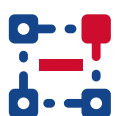


The identified strategic approaches are indicated below.



**Energy transition:** increase in the share of energy generated from renewable sources.

**Circular economy:** through strengthening of plants, aimed at optimisation of waste flow management and encouraging the achievement of treatment and recycling autonomy.



**Digitisation of the networks:** digitisation of electricity and gas networks in order to improve efficiency and personnel working methods.

**Expansion of smart services:** increase in smart lighting points and electric charging stations, with a view to developing a smart infrastructure in the territories served.



## ENERGY TRANSITION



The Group aims to contribute to the country's energy transition by increasing the share of electricity generated from renewable sources and the coverage of energy needs. AGSM AIM has planned investments to install new nominal capacity that will achieve at least 51% renewable energy sources (for a total of 198 MW of installed capacity net of cogeneration plants).

- ▶ Construction of a photovoltaic plant (about 3-4 MW) to provide green charging for 100 electric buses used for public transport.
- ▶ Projects to increase the production capacity of electricity from renewable sources.
- ▶ Construction of institutional Energy Communities.

## CIRCULAR ECONOMY



The AGSM AIM Group's commitment to reducing environmental impacts is also reflected in the sustainable and efficient management of energy, water and other natural resources consumed. AGSM AIM pays particular attention to optimising the use of natural resources by limiting wastage and minimising the generation of waste while performing its operational activities.

The Group actively contributes to achieving the Sustainable Development Goal on "Responsible consumption and production" (SDG no. 12) by promoting initiatives to encourage waste reduction and the collection, reuse and recycling of materials and products.

## DIGITISATION OF NETWORKS



The AGSM AIM Group is committed to making its infrastructures increasingly resilient and able to remain available even in times of climate emergency, ensuring the continuous provision of essential services and helping to mitigate the effects of climate change in the territories where it is present with its assets.

- ▶ Actions to extend, upgrade and revamp the MV electricity distribution network in the municipalities of Verona and Vicenza.
- ▶ Implementation of a new software system for the remote conduction of the electricity network.

## EXPANDING SMART SERVICES



The AGSM AIM Group focuses on innovation and the green economy by providing robust development models for all the services offered with the aim of accompanying the public administration in the energy and digital transition and by supporting local communities with its effectiveness in managing energy efficiency projects and its expertise in managing complex projects such as the redevelopment in public buildings.

- ▶ Redevelopment of public lighting systems.
- ▶ Design of projects for sustainable mobility also for public transport.
- ▶ Evolution of video surveillance, Wi-Fi and Smart City services for the city of Verona.

## 3.4 Materiality analysis



3-1; 3-2; 3-3

*The tool to start “The Path to sustainability” is the materiality analysis through which the issues of greatest importance and relevance to the organisation and its stakeholders were identified.*

Due to the involvement of the Stakeholders and the analysis of the context in which the AGSM AIM Group operates, the materiality analysis allows the Group to identify the relevant material topics, i.e. the priority issues for the stakeholders and for the Group, in relation to its development strategy, which represent the most significant impacts of the organisation on the economy, the environment and people, including impacts on human rights. The relevant material topics represent the priorities for action on which to guide the Group’s development strategy, also identifying improvement actions aimed at creating long-term value. The result of this analysis supports the definition of the sustainable development goals and the areas of non-financial reporting that are considered in the Sustainability Report.

The materiality analysis for this Report has been conducted according to the guidelines of the most widely used international standards. In particular, the GRI Universal Standards 2021, which entered into force on 1 January 2023, require organisations to adopt an impact materiality approach, i.e. to identify, assess and prioritise the actual and potential impacts generated by the Group in the context of reference. This approach has been adopted since the previous year’s report. During 2023, the Company’s Management integrated and updated the impact materiality analysis carried out during the previous financial year; moreover, with a view to the future, the Group has defined and started the process of updating the materiality analysis according to the concept of double materiality introduced by the Corporate Sustainability Reporting Directive (CSRD)<sup>2</sup>, in force since 5 January 2023 and applicable from 2024.

Compared to the materiality definition adopted by the GRI Standards, the CSRD requires organisations to report on material topics by adopting a double perspective that takes into account two dimensions of impact, that are listed below.

- ▶ The actual and potential significant impacts, negative and positive, on the external context (people and environment) related to the organisation’s activities as well as its value chain, upstream and downstream (impact materiality).
- ▶ Risks and opportunities related to sustainability aspects that influence or can significantly influence the future cash flows of a company by triggering financial repercussions on the development, performance and positioning of the organisation in the short, medium or long term (financial materiality).

The process for updating the materiality analysis included the following activities.

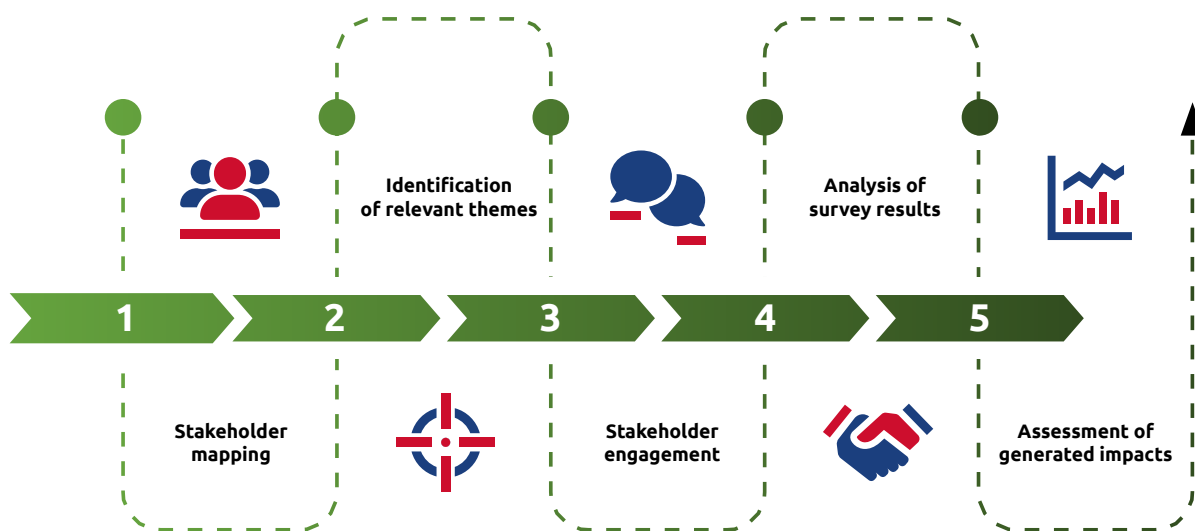


Figure 3. Process for updating the materiality analysis

The 14 relevant topics that emerged as a result of the materiality analysis carried out during 2023 are listed below.

2 Directive (EU) 2022/2464: <https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32022L2464>

Material topics	Description
<b>[E1] Climate change</b>	Promote climate change mitigation strategies in order to reduce climate-changing emissions that have a direct impact on the quality of the environment in which we live.
<b>[E2] Decarbonisation, energy efficiency and the use of renewable sources</b>	Contribute to the decarbonisation of the territory both through technological solutions and energy efficiency services and through the production of energy from renewable sources.
<b>[E3] Protection of the environment, biodiversity and ecosystems</b>	Safeguard the landscape heritage of the territory in which the Group operates by adopting policies to preserve, protect and maintain the environment, ecosystems and biodiversity.
<b>[E4] Circular economy</b>	Reduce waste production by promoting industrial initiatives aimed at encouraging the collection, reuse and recycling of materials and products.
<b>[E5] Smart cities and sustainable mobility</b>	Promote the creation of efficient, sustainable and innovative infrastructure and services that can improve the quality of life of citizens, in harmony with the surrounding area.
<b>[E6] Development of distribution networks</b>	Develop and adapt electricity, gas and heat distribution networks, in order to make them sustainable and resilient to climate change, as well as progressively aligned with the challenges arising from the energy transition.
<b>[S1] Attention to customer needs and customer satisfaction</b>	Adopt strategies and actions geared towards developing services able to meet the needs and expectations of customers.
<b>[S2] Corporate wellbeing, diversity and inclusion - protection of human rights</b>	Promote an inclusive work environment, able to value people, respectful of human dignity and individuality and that encourages a work-life balance.
<b>[S3] Occupational health and safety</b>	Safeguard the integrity of the people who work directly or indirectly for the Group, promoting a culture of health and safety in the workplace, adopting policies of training, information and prevention of accidents and diseases.
<b>[S4] Commitment to local communities and protection of the territory</b>	Play an active role in the territory in support of local social growth and economic and sustainable development.
<b>[S5] Responsible supply chain management</b>	Adopt sustainable procurement policies in order to promote integrated and effective supply chain management capable of reducing the environmental and social impacts generated.
<b>[S6] Technological innovation and digital transformation</b>	Adopt innovative technologies capable of ensuring cultural and social evolution, in an efficient business context, protecting personal data.
<b>[G1] Governance geared towards sustainable success</b>	Create and distribute value for the benefit and in the interest of stakeholders, contributing significantly and sustainably to the economic and social development of the territory.
<b>[G2] Business integrity and corporate reputation</b>	Carry out business activities inspired by high standards of fairness, loyalty, integrity and transparency and in compliance with current legislation. Adopt policies aimed at spreading the culture of legality, protecting the company's reputation.

Table 3. List of material topics



Based on the stakeholder engagement activities carried out in 2023, the following is a list of relevant material topics in order of importance.

<b>S2</b>	<b><i>Corporate wellbeing, diversity and inclusion - protection of human rights</i></b>
<b>E6</b>	<b><i>Protection of the environment, biodiversity and ecosystems</i></b>
<b>E1</b>	<b><i>Climate change</i></b>
<b>S6</b>	<b><i>Occupational health and safety</i></b>
<b>E3</b>	<b><i>Circular economy</i></b>
<b>G1</b>	<b><i>Business integrity and corporate reputation</i></b>
<b>E2</b>	<b><i>Decarbonisation, energy efficiency and the use of renewable sources</i></b>
<b>S1</b>	<b><i>Attention to customer needs and customer satisfaction</i></b>
<b>S5</b>	<b><i>Technological and digital innovation</i></b>
<b>E5</b>	<b><i>Development of distribution networks</i></b>
<b>S4</b>	<b><i>Commitment to local communities and protection of the territory</i></b>
<b>E4</b>	<b><i>Smart cities and sustainable mobility</i></b>
<b>S3</b>	<b><i>Responsible supply chain management</i></b>
<b>G2</b>	<b><i>Governance geared towards sustainable success</i></b>

### 3.4.1 Management Of Impacts Related To Material Topics

In line with GRI Standards 2021 (GRI 3-3), for each material topic, which emerged during the materiality analysis, the potential and actual positive and negative impacts generated by the AGSM AIM Group on the economy, environment and people, are presented below.

**Impacts on the ENVIRONMENT**



- ▶ **Climate change**
- ▶ **Decarbonisation, energy efficiency and the use of renewable sources**
- ▶ **Protection of the environment, biodiversity and ecosystems**

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The Group’s activities contribute to reducing the effects of climate change both through the progressive increase in power installed for the production of electricity from renewable sources via new plants (wind and photovoltaic) and through the implementation of energy efficiency projects to benefit customers and the Group’s existing offices and plants.




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The business activities carried out by the Group produce climate-changing emissions that have a direct impact on climate change and thus on the territory to be protected, particularly with regard to the electricity production at gas-fired thermoelectric power plants, heat production for district heating networks, gas sold and/or distributed, and waste collection and treatment.

**Policy and management systems:**

- Code of Ethics
- ISO 14001 - Environmental Management System
- Environmental protection policy
- Operational procedures for plant monitoring and maintenance

**Commitments and actions taken:**

The Group aims to contribute to the energy transition and climate action by increasing the share of electricity generated from renewable sources to over 45 MWh of power by the end of 2026.

In this regard, scouting activities are underway to identify sites where new renewable energy plants (mainly wind and photovoltaic) can be built and to start the authorisation process.

In addition, the Group is actively engaged in defining and implementing energy efficiency plans both at our and our customers’ operating sites/ production plants (e.g. redevelopment activities in public buildings, public lighting, etc.).

During 2023, an energy analysis and a preliminary assessment were carried out to define the path to obtain the ISO 50001 energy certification to be launched in the near future.

The Group is actively engaged in ensuring the points listed below.

- The definition and implementation of routine and extraordinary maintenance programmes of its facilities to guarantee maximum operating efficiency (ref. paragraph 10.2).
- The gradual replacement of the company car/vehicle fleet with new electric and/or hybrid powered vehicles (ref. paragraph on Group Consumption).
- Energy efficiency enhancement at operating sites and production facilities in order to reduce energy consumption and related emissions.
- District heating systems always combined with high-efficiency cogeneration plants (also using geothermal energy sources) to produce electricity, benefiting from the economies of scale resulting from the production and distribution of heat to the customers.

**Monitoring and KPIs:**

Managing and monitoring of this material topic is described in paragraphs no. 8.1 “Electricity generation”, no. 8.2 “Cogeneration for district heating” and no. 8.4 “Smart Services”.

## ► Circular economy

The environmental health services provided by the Group through the sorted waste collection in the territory and the treatment of waste (Environment Business Unit) can positively affect the consumption of natural resources. They encourage the reuse of "secondary raw materials" in production cycles and make it possible to positively contribute to reducing the natural resources used.

The Group's procurement process of goods can have a negative impact if it is carried out without respecting the principles of environmental and social sustainability.



### Policy and management systems:

Code of Ethics

ISO 14001 - Environmental Management System

Company Regulation for works, services and supply contracts for an amount below the EU threshold

Operational procedures:

PO.0018 "Works and services contracts"

PO.0033 "Management of the supplier register"

PO.0058 "Management of internal audits, NCs and CAs"



### Commitments and actions taken:

The Group is committed to promoting the development of the circular economy through the points listed below.

- Sorted waste collection in the territory.
- Increasing the recovery of recyclable materials in waste by obtaining "secondary raw materials" that can be exploited at an industrial level.
- Research and development of relationships and partnerships with local authorities to encourage collaboration in order to concentrate treatment plants while minimising transport and improving the quality and efficiency of the process.

At the Group level, a procurement process for goods, services and processes is defined and implemented. It prioritises, where possible, compliance with the principles of environmental and social sustainability (e.g. careful selection and contracting of suppliers and recyclable/reusable goods).

### Monitoring and KPIs:

Managing and monitoring of this material topic is described in paragraph no. 8.5 "Environmental Services"

## ► Smart cities and electric mobility

The development and promotion of efficient, sustainable and innovative infrastructures and services capable of improving the quality of life of citizens, in harmony with the surrounding territory, contribute to the ecological transition and the reduction of the impact on climate change thanks to a decrease in greenhouse gas emissions and an improvement in the air quality of the area, in addition to the reduction of noise pollution.



### Policy and management systems:

Code of Ethics

ISO 14001 - Environmental Management System



### Commitments and actions taken:

The Group is committed to gradually replacing the current corporate fleet with electric and/or hybrid powered cars and vehicles, with the aim of changing 270 vehicles fitted with combustion engines with as many EVs by the end of 2025.

For the benefit of the area where the Group operates, the Business Plan envisages the construction of 450 charging points during the three-year period 2023-2025.

The public lighting service has defined and started the plan to progressively replace the lighting points with new units illuminated with LED technology that are more efficient in terms of energy savings and that do not generate upward light emission to eliminate the effects of light pollution.

### Monitoring and KPIs:

Managing and monitoring of this material topic is described in paragraph no. 8.4 "Smart Services"



Potential impact



Actual impact



Positive



Negative

## ► Development of distribution networks

Developing and adapting network infrastructures to handle the future energy mix helps to ensure the quality and reliability of the distribution service, while contributing to decarbonisation.



### Policy and management systems:

Code of Ethics

2023-2027 electricity distribution network development plan

Plan for resilience



### Commitments and actions taken:

The Group is committed to developing and implementing programmes to ensure the evolution of distribution networks in order to make them resilient to climate change and consistent with the consumption trends dictated by the energy transition, in particular through the points listed below.

- The adaptation of electricity networks to new and increasing levels of demand and supply (higher power, e-mobility, decentralised production).
- The digitisation and increased efficiency of distribution networks.

### Monitoring and KPIs:

Managing and monitoring of this material topic is described in paragraph no. 8.3 "Electricity and natural gas distribution"

## Impacts on SOCIAL CONTEXT

### ► Attention to customer needs and customer satisfaction

The macroeconomic environment has recently contributed to a high volatility of natural gas, electricity and heat prices, which has consequently generated higher bills for energy customers that is progressively reducing.



### Policy and management systems:

Code of Ethics



### Commitments and actions taken:

The Group is committed to strengthening the relationship with its customers by promoting the initiatives listed below.

- Gradual digitisation of services and customer relationship management methods (creation of a new website for the Group's commercial companies and an application for managing commercial relationships via smart devices).
- Reorganisation of processes between front and back office to speed up contractual procedures at desks.
- Enhancement of the "InFace" video call assistant service, available on the sites.
- Increased availability of call centre operators.
- Improvement of the "Fai da te" online area to provide a better view of the progress of requests.
- Instalment facility for bills, also directly in the Customer Area, by granting a higher number of instalments than provided for by law.

In compliance with the principles of competition, the Group is actively committed to developing and proposing to its customers competitive offers compared to competitors operating on the market and capable of ensuring effective savings on consumers' energy budgets.

### Monitoring and KPIs:

Managing and monitoring of this material topic is described in paragraph no. 7.5 "Customers"

► **Corporate wellbeing, diversity and inclusion - protection of human rights**

The working environment and the well-being of employees have a direct potential impact on the performance of the company's operational processes and the ability to guarantee quality service to customers. For example, the presence or absence of policies to optimise human capital could have a positive or negative impact on the corporate well-being of employees.



**Policy and management systems:**

- Code of Ethics
- Policy for the protection of diversity, equity and inclusion
- Policy for the protection of human rights



**Commitments and actions taken:**

The Group intends to promote a safe, inclusive and engaging working environment based on people's involvement through flexibility policies that allow for a work-life balance, in addition to training programmes to promote skills development.

The Group also sets itself the goal of activating programmes related to Diversity, Equity & Inclusion with the aim of encouraging an inclusive culture, guaranteeing fair opportunities for professional and personal growth and development.

**Monitoring and KPIs:**

Managing and monitoring of this material topic is described in paragraph no. 7.1 "People"

► **Occupational health and safety**

During the Group's own operational activities, occupational accidents may occur with negative impacts on the health of persons working directly for the Group or indirectly for its suppliers.



**Policy and management systems:**

- Code of Ethics
- ISO 45001 - Occupational Health and Safety Management System
- Organisational Model pursuant to Legislative Decree 231/01
- Risk Assessment Document (DVR)
- Interference Risk Assessment Document (DUVRI)
- Operating procedure: PO.109 "Emergency preparedness and response"



**Commitments and actions taken:**

The Group promotes health and safety in the workplace through training/information and prevention initiatives aimed at reducing accidents and improving working conditions through a safer and healthier workplace for people working directly or indirectly for the Group.

**Monitoring and KPIs:**

GRI 403 "Occupational Health and Safety"



## ► Commitment to local communities and protection of the territory

By implementing its activities, the Group generates economic value for its stakeholders, contributing significantly to the economic and social growth of the area.



### Policy and management systems:

Code of Ethics  
Guidelines to manage sponsorships and donations

### Commitments and actions taken:

Each year, the Group allocates a portion of its budget to finance numerous cultural, sporting, social, musical and environmental projects and events of both local national relevance.

### Monitoring and KPIs:

Managing and monitoring of this material topic is described in paragraph no. 7.7 "Community and territory"

## ► Responsible supply chain management

A responsible procurement process has positive impacts in terms of both the environment (e.g. choosing easily recyclable reusable goods) and health, safety and regulatory compliance.



### Policy and management systems:

Code of Ethics  
ISO 14001 - Environmental Management System  
ISO 45001 - Occupational Health and Safety Management System  
Organisational Model pursuant to Legislative Decree 231/01  
Company Regulation for works, services and supply contracts for an amount below the EU threshold  
Operational procedures:  
PO.0018 "Works and services contracts"  
PO.0033 "Management of the supplier register"  
PO.0058 "Management of internal audits, NCs and CAs"



### Commitments and actions taken:

The Group intends to develop and adopt sustainable procurement policies in order to promote an integrated and effective supply chain management, which translates into the adoption of a fair and transparent supplier selection and procurement process that includes the integration of ESG criteria.

### Monitoring and KPIs:

Managing and monitoring of this material topic is described in paragraph no. 7.6 "Suppliers"

## ► Technological innovation and digital transformation

Adoption of innovative technologies capable of ensuring cultural and social evolution, in an efficient business context, also with respect for the protection of personal data.



### Policy and management systems:

Code of Ethics



### Commitments and actions taken:

The Group aims to promote digital inclusion to support the ecological transition and overcome the digital divide for workers, citizens and customers.

### Monitoring and KPIs:

Managing and monitoring of this material topic is described in paragraph no. 8.4 "Smart services"

## Impacts on GOVERNANCE

### ► Governance geared towards sustainable success

The Group carries out its economic activity, generating and distributing value to benefit the stakeholders, in particular the people who work directly or indirectly for the organisation, partners/shareholders, lenders, suppliers, customers, the PA, etc.



#### Policy and management systems:

Code of Ethics  
Anti-Corruption Policy  
Organisational Model pursuant to Legislative Decree 231/01



#### Commitments and actions taken:

The Group recognises the value and relevance of its work in the area. It carries out its business activities with the utmost care to ensure the efficiency and effectiveness of production processes, while respecting the interests of stakeholders and achieving long-term sustainable success.

#### Monitoring and KPIs:

Managing and monitoring of this material topic is described in paragraph no. 6 "Creating value for stakeholders"

### ► Business integrity and corporate reputation

In conducting their operational and business activities, people operating directly or indirectly on behalf of the Group may behave in a manner that could constitute offences and/or misconduct with possible negative impacts on people, the environment and the socio-economic fabric in which the organisation operates.



#### Policy and management systems:

Code of Ethics  
Anti-Corruption Policy  
Organisational Model pursuant to Legislative Decree 231/01



#### Commitments and actions taken:

The Group is committed to ensuring both compliance with current legislation and the highest principles of conduct by defining, adopting and periodically updating the Group's Code of Ethics and Anti-Corruption Policy.

In addition, the parent company and the most significant subsidiaries adopt their own organisational model and appoint a Supervisory Body to contribute to ensuring compliance with and effective implementation of the principles of conduct and internal operating protocols.

The Group has adopted and is committed to periodically updating internal corporate regulations such as the Group's Code of Ethics, the Group Anti-Corruption Policy and the Organisational Models pursuant to Italian Legislative Decree 231/2001 and their implementation protocols.

#### Monitoring and KPIs:

GRI 205-3 "Confirmed incidents of corruption and actions taken"

Table 4. Management of impacts related to material topics



Potential impact



Actual impact



Positive



Negative

# 4.

## *Group Governance*



2-9; 2-10; 2-11; 2-15; 405-1





## MATERIAL TOPICS

- ▶ **[G1] Governance geared towards sustainable success**
- ▶ **[G2] Business integrity and corporate reputation**

The Group's corporate governance system is designed to ensure sustainable success and the creation of economic, social and environmental value for shareholders and for the local community over the medium/long term, being aware of the ESG impacts of the business activities in which it is engaged and while respecting the interests of all stakeholders involved in its operations.

The Corporate Governance structure is represented by the rules and forms of behaviour adopted by AGSM AIM in order to guarantee the fair, effective and transparent working of the Company's governance bodies and control systems of the Parent Company and the companies directly controlled by it, in compliance with the "Management and Coordination Guidelines" adopted at Group level in May 2022.

*The organisational model of the AGSM AIM Group consists of a comprehensive system of delegated powers and powers of attorney in relation to the acts and transactions concerning the individual corporate Departments.*

The Group's operating companies, in concert with the Parent Company, manage the "technical-specialist" aspects of the services carried out - marketing and distribution of gas, electricity and district heating and environmental health, parking, public lighting and telecommunications services - including through consultation with the various administrative, regulatory and control bodies.

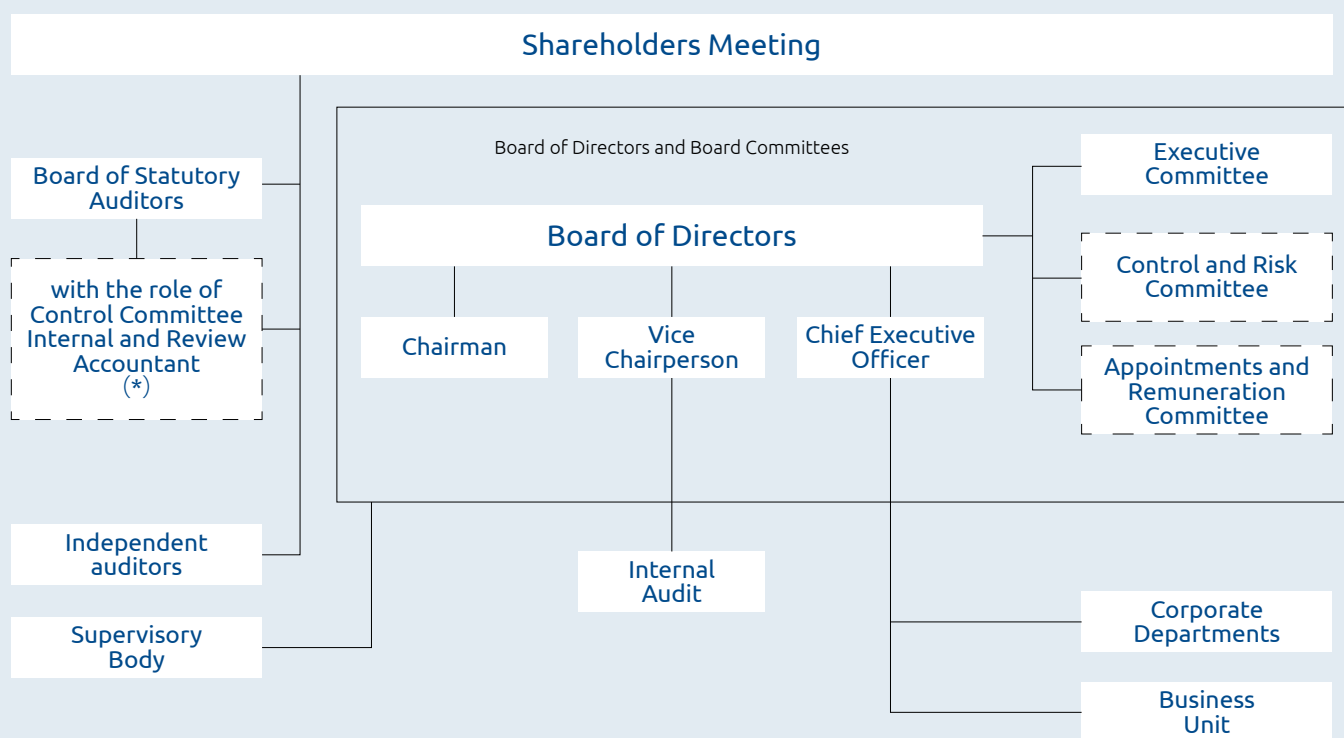
As the Parent Company, AGSM AIM S.p.A. centralises its typical structure activities on its own by

providing services to most of the companies belonging to the Group. In particular, in addition to activities directly related to the production of electricity, the Company is responsible for administrative and financial activities, the management of human resources, legal and corporate affairs, compliance and quality, the management of health and safety in the workplace, environmental protection, the management of owned assets, as well as risk management, communication and marketing, planning and development activities.

The companies belonging to the AGSM AIM Group have adopted a traditional administration and control system that consists of the typical administration, management and control bodies provided for by current legislation, supplemented by the provisions of their respective articles of association.

On the other hand, the subsidiary EcoTirana Sh.A. has adopted a two-tier system in which administration and control are exercised by a Management Board and a Supervisory Board.

## agsm aim



*\*Pursuant to Article 19 of Legislative Decree 39/2010 (vigilance on the adequacy of the company's organisational structure for the aspects within its competence, the internal control system and the administrative - accounting system as well as on the reliability of the latter in correctly representing the management facts).*

Figure 4. Organisational Structure of AGSM AIM

## 4.1 Shareholders' meeting

The Shareholders' Meeting is mainly responsible for approving the Separate Financial Statements and for deciding on the distribution of profits, the appointment and dismissal of the management body, the control body and the independent auditors, as well as on the approval of extraordinary transactions involving changes to the corporate structure, such as changes to the legal form, mergers and demergers.

Company	Meetings 2021	Meetings 2022	Meetings 2023
<b>AGSM AIM</b>	2	3	5
<b>AGSM AIM Ambiente</b>	N.A. (*)	1	1
<b>AGSM AIM Calore</b>	N.A. (*)	1	1
<b>AGSM AIM Energia</b>	N.A. (*)	4	4
<b>AGSM AIM Power</b>	N.A. (*)	3	1
<b>AGSM AIM Smart Solutions</b>	N.A. (*)	3	1
<b>CogasPiù Energie</b>	2	1	2
<b>Consorzio Canale Industriale G. Camuzzoni in Verona</b>	1	3	3
<b>DRV</b>	N.D. (**)	N.D. (**)	1
<b>Eco Tirana [Supervisory Board]</b>	4	2	4
<b>Parco Eolico Carpinaccio</b>	2	2	1
<b>Parco Eolico Riparbella</b>	2	1	1
<b>SERIT</b>	1	3	3
<b>SIA</b>	2	1	1
<b>SIT</b>	3	1	1
<b>Transeco</b>	2	1	3
<b>Tre V Ambiente</b>	1	3	2
<b>Valore Ambiente</b>	1	1	1
<b>V-Reti</b>	N.A. (*)	3	1

(\*) Company established in 2022

(\*\*) Company in the reporting scope since 2023

**Table 5.** Shareholders' Meetings of AGSM AIM Group

## 4.2 Management bodies

The Management Bodies (Board of Directors or Sole Director) of the Group companies play a central role, since they are responsible for all the strategic and organisational choices that are necessary to achieve the corporate purpose.

Pursuant to the articles of association adopted individually by the subsidiaries, the Management Body is vested with all broadest powers for the ordinary and extraordinary management of the company. It is entrusted with all the necessary and appropriate acts to implement the corporate purpose, excluding only those reserved by law or the Articles of Association to the shareholders' meeting.

Company	Meetings 2023
<b>AGSM AIM</b>	21
<b>AGSM AIM Ambiente</b>	9
<b>AGSM AIM Calore</b>	6
<b>AGSM AIM Energia</b>	18
<b>AGSM AIM Power</b>	7
<b>AGSM AIM Smart Solutions</b>	14
<b>CogasPiù Energie</b>	7
<b>Consorzio Canale Industriale G. Camuzzoni in Verona</b>	9
<b>DRV</b>	4
<b>Eco Tirana [Management Board]</b>	4
<b>Parco Eolico Carpinaccio</b>	3
<b>Parco Eolico Riparbella</b>	3
<b>SERIT</b>	20
<b>SIA</b>	5
<b>SIT</b>	2
<b>Transecò</b>	5
<b>Tre V Ambiente</b>	1
<b>Valore Ambiente</b>	4
<b>V-Reti</b>	7

**Table 6.** Meetings of the management bodies

AGSM AIM ensures, in the composition of the corporate bodies, the balanced representation of gender and guarantees the presence of independent Directors in accordance with current legislation.

The members of the Management Body, appointed by the respective shareholders' meetings on the basis of lists submitted by the shareholders, hold office for three financial years and may be re-elected.

The chairpersons of the highest governing body of the consolidated companies are not employees of the Group. Each chairperson has the powers and duties referred to in Article 2381 of the Italian Civil Code.

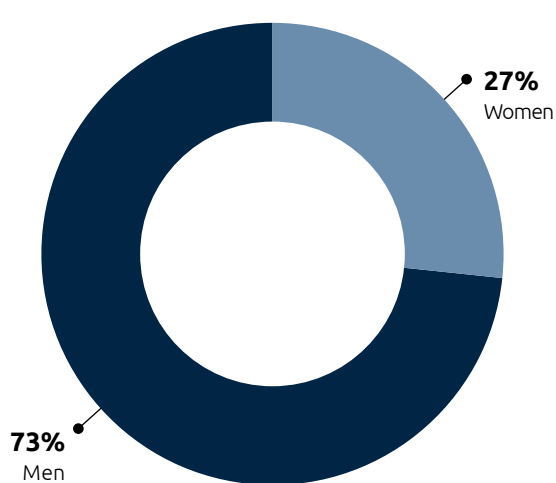


Figure 5. Composition of the Management Bodies of the Group companies

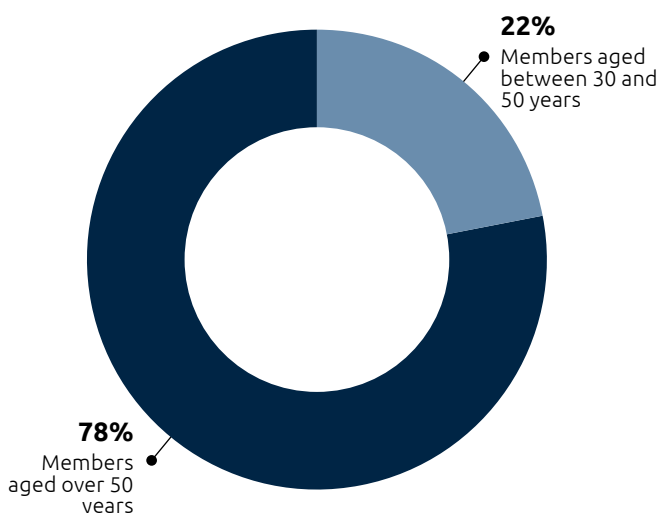


Figure 6. Age of the Management Bodies' members of the Group companies

## Conflict of interest

In accordance with the Code of Ethics adopted by the Group, all those who work in the name and on behalf of AGSM AIM are obliged to refrain from making decisions or carrying out activities in situations of conflict of interest with respect to the Group. Therefore, any activity that conflicts with the proper performance of their duties or that may harm the interests or image of the Group must be avoided.

The person who works for the Group, whether internal or external, and who is in a situation that, even potentially, may constitute or cause a conflict of interest, must promptly notify their manager or company contact person, who, according to the methods defined by the company, will inform the Supervisory Body of the company concerned so that all the necessary measures are taken to avoid the situation of conflict of interest.

In addition, pursuant to Article 2391 of the Italian Civil Code, the directors shall promptly report to the Board of Directors and the Board of Statutory Auditors any interest that they may have, on their own behalf or on behalf of third parties, in any given transaction of the Company, specifying its nature, terms, origin and scope.

## 4.2.1 Board of Directors of the Parent Company

The Parent Company is governed by a Board of Directors consisting of six members of which two are women, including the Chairperson, Vice Chairperson and Chief Executive Officer. The description of the process of appointment and selection of the Board of Directors is set out in the Articles of Association, which can be consulted on the Company's website ([www.agsm.aim.it](http://www.agsm.aim)) in the corporate governance section.



During the reporting period, the Parent Company's Board of Directors met 21 times.

All the Directors meet the requirements pursuant to Article 2382 of the Italian Civil Code and all the directors appointed by the Shareholders' Meeting have the necessary skills with reference to the characteristics of the business carried out by AGSM AIM.

The following Board Committees have been established within the Board of Directors of the Parent Company.

- ▶ **Executive Committee**, composed of the Chairperson, Vice Chairperson and Chief Executive Officer, with investigative and consulting functions on more complex issues and to which the Board may delegate certain functions, excluding those that cannot be delegated by law and pursuant to the Articles of Association, as well as the matters delegated to the Chief Executive Officer.
- ▶ **Control and Risk Committee (CRC)**, composed of three non-executive and independent directors, one of whom acts as Chairperson, has the task of assisting the Board of Directors and, as far as it is concerned, the Chairperson and the Chief Executive Officer of the Company, with investigative, proposing and advisory functions, in evaluations and decisions relating to the Internal Control and Risk Management System and the approval of periodic financial and non-financial reports.

► **Appointments and Remuneration Committee (ARC)**, appointed by the Board of Directors with the task of supporting it in the activities listed below.

- Self-assessment of the management body and its committees.
- Definition of the optimal composition of the management body and its committees.
- Identification of candidates for the office of director in the event of co-optation.
- Possible presentation of a list by the outgoing management body to be implemented in a manner that ensures its transparent formation and presentation.
- Preparation, updating and implementation of any succession plan for the Chief Executive Officer and other executive directors.

The AGSM AIM Group has also set up the **Renewable Energy Sources Committee** composed of the Chief Executive Officer of the Parent Company, the Chief Executive Officer and the PMO of the AGSM AIM Power company, the Head of the Engineering and Research Department, the Head of the Risk Management Function as well as the Head of the Planning and Control and Business Development Function in the role of secretary of the Committee. The Renewable Energy Sources Committee is responsible for examining and evaluating initiatives aimed at increasing the share of energy generated from renewable sources.

## 4.2.2 Board of statutory auditors

The Board of Statutory Auditors is a control body that oversees that the law and the Articles of Association are complied with, that the principles of correct management are observed and that the organisational, administrative and accounting system adopted by the Group Companies is adequate and works properly.

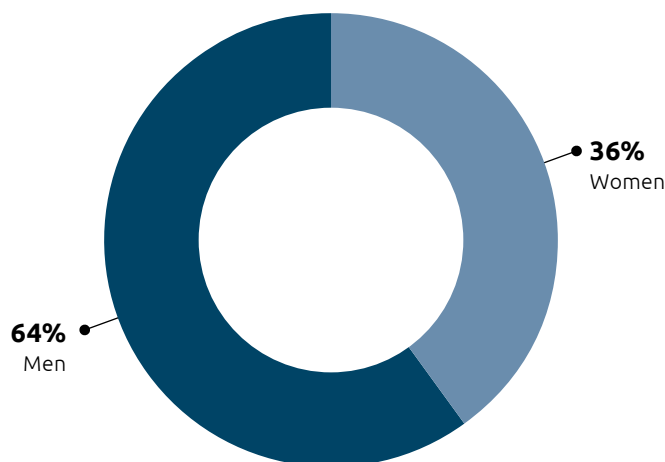





Figure 7. Composition of the control bodies of the Group companies

## 4.3 Organisational management system

The AGSM AIM Group, in pursuing the continuous improvement of the quality of services provided, and in order to limit its own environmental impact, adopted the main standards based on ISO standards. Moreover, in consideration of the activities carried out, the AGSM AIM Group is subject to regular checks by the Veneto Regional Environmental Protection Agency (ARPAV, Agenzia Regionale per la Protezione Ambientale Veneto).

Company	  		
	Quality Management System	Environmental Management System	Occupational Health and Safety Management System
<b>AGSM AIM</b>	✓	✓	✓
<b>AGSM AIM Energia</b>	✓	-	-
<b>AGSM AIM Smart Solutions</b>	✓	✓	✓
<b>AGSM AIM Calore</b>	✓	✓	✓
<b>AGSM AIM Power</b>	✓	✓	✓
<b>DRV</b>	✓	✓	✓
<b>SIT</b>	✓	✓	✓
<b>SERIT</b>	✓	✓	✓
<b>SIA</b>	✓	-	✓
<b>Transeco</b>	✓	✓	-
<b>Tre V Ambiente</b>	-	✓	-
<b>Valore Ambiente</b>	✓	✓	-
<b>V-Reti</b>	✓	✓	✓

**Table 7.** ISO Management Systems adopted by the AGSM AIM Group



AGSM AIM Calore also obtained **F-GAS certification** (expiring on 31 January 2027) on the management of fluorinated greenhouse gases, which certifies the ability to manage the installation, repair, maintenance or support, and decommissioning of fixed cooling and air-conditioning equipment and fixed heat pumps with a maximum load size with no limits in Kg.

In addition, the two subsidiaries of the Group, AGSM AIM Smart Solutions and SIT, obtained **certification from the certifying body (SOA)**, which is mandatory in order to submit bids for public works contracts. This certification proves the company’s capacity to carry out, either directly or through subcontractors, public works subject to a starting price, for the submission of bids, of more than Euro 150,000, and it guarantees that the company meets all of the requirements established by current legislation governing public works contracts.

Company	Reference law	No. of certificate	Date of issue	Date of expiry	Category	Class
AGSM AIM Smart Solutions	Italian Consolidated Act on Tender Procedures	SOA-certificate 7463/57/01	07/03/2019	06/03/2024	OG10	II
SIT	Italian Consolidated Act on Tender Procedures	SOA-certificate 20494/16/00	25/05/2022	24/05/2027	OG9-OS14	II

**Table 8.** SOA certificates obtained by AGSM AIM Group



## 4.4 Internal control and risk management system

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The AGSM AIM Group defined an **Internal Control and Risk Management System** (hereinafter also “SCI-GR”) inspired by national and international good practices in terms of risk management and corporate governance processes, which divides the corporate organisation into the traditional three lines of defence listed below.

- ▶ The **first line** of defence is represented by the Business Units (BU) and the operational functions supporting the organisation. The representatives of the business units (BU) and the various organisational structures are involved in the risk management process, with particular reference to the activities of identifying, managing, assessing and monitoring risks, including the definition of the most appropriate actions to be implemented to mitigate them.
- ▶ The **second line** of defence consists of the Risk Management Function, set up within the Strategic Planning and Risk Management Department, and the Compliance Function, established within the Corporate Affairs, Legal Affairs and Compliance Department, both set up at the Parent Company with the responsibility of overseeing the risk & compliance management process and supervising the application of enterprise risk management methodologies (strategic, reporting, operational and compliance risks), also with reference to both the reputational component and the so-called ESG (Environmental, Social & Governance) areas.
- ▶ The **third line** of defence is provided by the Group Internal Audit Function, set up at AGSM AIM S.p.A. and in charge of planning and conducting audits on the effective implementation of company regulations and procedures adopted by the Group, and supporting the Board of Directors of the Parent Company in assessing the adequacy of the SCI-GR.

The Enterprise Risk Management Process is adopted at Group level and integrated into the Group’s corporate governance system and SCI-GR. This process contributes to defining the strategic and operational choices adopted, supporting management in identifying risks and opportunities and in assessing the potential negative impacts, both from a financial point of view and with reference to the ESG areas relevant to sustainability, that could arise, thus promoting the creation of value and the achievement of sustainable success for the Group and its stakeholders.

By adopting and constantly improving its SCI-GR, the Group aims to develop and implement a solid risk culture that is consistent with the corporate values, strategies and objectives defined by the Board of Directors, promoting the adoption of informed decisions.

The Group Risk Management and ESG Function holds the responsibilities listed below.

- ▶ Provide high-level support to disseminating the risk culture.
- ▶ Define the integrated methodologies for the identification and analysis of risks, opportunities and impacts, to ensure an overview of them, homogeneous assessments and their accurate measurement and monitoring.
- ▶ Ensure the correct application of the enterprise risk, opportunities and impacts management methods.
- ▶ Constantly discuss with the first level Managers and the heads of BUs in order to ensure adequate enterprise risk control and monitoring activities carried out by them.
- ▶ Produce periodic information on the enterprise risk management process to the bodies responsible

for the SCI-GR and on the outcome of the monitoring activities carried out thanks to periodic reports and KPIs.

Within the scope of the responsibilities described above, the Risk Management Function coordinates and supports management when identifying and assessing risks, opportunities and impacts, supervising the methods defined and adopted to control and monitor enterprise risks, as well as consolidating the results of the risk assessment at Group and individual Business Unit level.

To ensure constant operational supervision over the management of enterprise risks since 2021, the year the new Group was set up, the Risk Management and ESG Function was established at the Parent Company and, subsequently, in 2022, the Management Risk Committee (hereinafter the "Management RC") was established, composed of the Chief Executive Officer and the Heads of the main Corporate Departments, and which also sees the participation of the Head of the Internal Audit Function as observer, in addition to the Head of the Risk Management Function in the role of secretary of the Management RC. Due to the topics dealt with, other first level managers, heads of BUs, and any other person inside and/or outside the organisation deemed necessary to further the issues addressed by the RC may also be invited to take part in the work of the Management RC.

The Management Risk Committee has a proactive and advisory role and meets at least quarterly to promote the sharing and in-depth analysis of issues deemed relevant to corporate risk management. Among the main tasks assigned to the Management RC, there are those listed below.

- ▶ Assisting the Chief Executive Officer in evaluations and decisions relating to the definition of the SCI-GR of its own competence.
- ▶ Expressing opinions on specific aspects concerning the definition of the Risk Appetite Framework (RAF) and the relative tolerance thresholds, the identification of the main corporate risks, opportunities and impacts, in addition to the periodic assessments carried out by management ("Risk Self-Assessment").
- ▶ Analysing and evaluating the results of Risk Self-Assessment activities.
- ▶ Supporting the Chief Executive Officer in implementing the guidelines defined by the Board of Directors and the Control and Risk Committee and in designing, creating and managing the SCI-GR.
- ▶ Proposing to the Chief Executive Officer the corrective measures to be implemented in a timely manner in order to mitigate business risks that exceed the limits stated in the Risk Appetite Statement (RAS).
- ▶ Approving the annual plan of corporate risk management activities.

The Management Risk Committee met 5 times during 2023 (in February, May, July, October and December).

The Group Compliance Function is assigned the responsibility of identifying, assessing and classifying, through assessment activities, compliance risks and implementing the related controls (e.g. Italian Legislative Decree 231/2001 on the administrative liability of entities, EU Reg. 2016/679 GDPR on the protection of personal data and privacy, Italian Legislative Decree 50/2016 of the Public Procurement Code, etc.). The main tasks listed below are added to these.

- ▶ Monitor the evolution of regulations, reporting any significant new developments and highlighting any significant impact that new laws and regulations may have on Group companies.
- ▶ Support Group companies in the activities of preparing and updating the organisation, management and control models adopted pursuant to the Legislative Decree of 8 June 2001, also providing operational support to the appointed supervisory bodies.

- ▶ Ensure regulatory compliance and observance with the requirements of the current data protection and privacy legislation (EU Reg. 2016/679 GDPR).
- ▶ Assist top management and organisational units in defining the appropriate tools and methodologies for the identification, measurement and assessment of compliance risks, providing adequate methodological and operational support in the activities relating to the process of issuing and updating internal implementation rules to prevent the risk of non-compliance (procedures, operating instructions, regulations, etc.).
- ▶ Coordinate with the Human Resources and General Services Department of the Parent Company, the management of the model of delegated powers and authorities attributed to the delegated directors and company management of the companies belonging to the Group, assessing their correct and appropriate attribution.
- ▶ With the support of the Internal Audit Function, plan and conduct compliance audit activities aimed at assessing the effectiveness of the internal procedures adopted to ensure compliance with the provisions of the relevant legislation.
- ▶ Oversee the management of relations with the Supervisory Authorities and external and internal control bodies.



Internal Auditing is an independent and objective assurance and consulting activity, whose purpose is to improve the organisation's effectiveness and efficiency. This function assists the Board of Directors of the Parent Company in the pursuit of its objectives through a systematic professional approach, that generates added value given that it aims at assessing and improving the control, risk management and corporate governance processes. In particular, the Group Internal Audit Function is assigned the main tasks listed below.

- ▶ Draft the Audit Plan proposal according to a risk-based approach to be submitted to the Parent Company's Board of Directors for appropriate evaluation and approval.
- ▶ Plan and conduct audits on the basis of the approved plan, agreeing with the audited Departments on the improvement actions identified. Periodically submit to the Board of Directors the summary report of the outcome of the audit activities carried out, the status of implementation of the audit plan and the improvement actions identified.
- ▶ Analyse both administrative and industrial business processes to assess their appropriateness in terms of: effectiveness, i.e. suitability to achieve the objectives of the individual process; efficiency and cost-effectiveness, i.e. conformity of the process to achieve the objectives with a rational use of production factors and at an appropriate cost (Operational Audit).
- ▶ Design and carry out, also with the support of external third parties, any specific audit activities such as fraud audits, IT audits, etc.
- ▶ Support the Supervisory Body of the Group companies in overseeing the implementation of compliance programmes (Code of Ethics, Organisation, Management and Control Model according to Italian Legislative Decree 231) and coordinate audit activities in the event of alleged violations of these documents.

The following main tasks are assigned to the Quality, Safety and Environment function.

- ▶ Define management policies and models, in compliance with the regulations and internal reference guidelines, on the environment, quality and health and safety of workers, monitoring their correct implementation and ensuring adequate information flows to the top of the Group.
- ▶ Manage and coordinate the execution of environmental, quality and safety audits and certification systems.

## 4.4.1 Main corporate risks

The integrated corporate risk management model of the AGSM AIM Group is inspired by the best market practices and the main international reference standards, in particular the Enterprise Risk Management (ERM) - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (CoSO), also declined for ESG dimensions according to the guidelines "Applying ERM to ESG-related Risks" defined by the World Business Council for Sustainable Development (WBCSD). During 2024, the adopted model will be gradually developed in order to also consider the regulatory indications contained in the European Union Directive 2022/2464 on Corporate Sustainability Reporting (CSRD).

The Group's ERM model adopted at Group level was developed under the guidance of the Group Risk Management and ESG Function, which is in charge of overseeing and coordinating the process of identifying, assessing and managing corporate risks.

This model is adopted at Group level and makes it possible to provide a representation of the risk profile at both a consolidated level and for each individual BU/relevant company belonging to the Group, while respecting the principle of organisational independence of each subsidiary.

The process of identifying, assessing and managing corporate risks (enterprise risk assessment) is inspired by the international standard ISO 31000:2018 - Risk Management Guideline and envisages a cycle of updates at least once a year, carried out by benchmarking activities and thanks to scheduling and conducting meetings and workshops with the risk owners, as competent individuals with an appropriate organisational role that allows them to define and manage the process and operational activities that are directly or indirectly related to the risk event.

Consistently with the COSO ERM - Integrated Framework, once risk events and their causes have been identified and appropriately described, corporate risks are assessed according to the two main dimensions of the probability (or expected frequency) of occurrence and the expected potential impact in both economic-financial and non-financial terms (e.g. environmental, occupational health and safety, compliance, etc.). The level of inherent risk thus estimated is weighted according to the various methods of control and mitigation (i.e. preventive or subsequent controls, manual or automated, etc.) generating the so-called residual risk.

The methodology for identifying and assessing corporate risks is currently being revised and supplemented in order to map additional specific characteristics of corporate risks such as possible interconnections and the speed of propagation of impacts among the various risk areas.

The risk assessment update activities carried out during the second half of 2023 identified the AGSM AIM Group’s corporate risk portfolio, broken down into five homogeneous categories:



A total of 107 risks were mapped, surveyed and assessed in the AGSM AIM Group’s corporate risk catalogue (Risk Register), classified according to the five categories indicated above and, in turn, divided into 27 macro-risk areas.

A selection of corporate risks is classified as “key risks” and involves both a qualitative-quantitative assessment according to the aforementioned ERM (Probability x Impact) model, and an assessment using probabilistic methods that allow the calculation of the relative Value at Risk (VaR). In particular, the key risks that require periodic VaR (Value at Risk) calculations are those relating to credit exposure to customers and other third-party counterparties, commodity prices (also thanks to using the special application solution ETRM - Energy Trading Risk Management tool), churn-out rates, expected profitability of capex plan investments, liquidity management, etc.

Additional mathematical and statistical models are used to monitor liquidity risk and manage investments that have an impact on achieving the economic and financial performance in the future years within the business plan. For further details on economic and financial risks, please refer to the “Report on Operations” contained in the AGSM AIM Group’s consolidated financial statements for 2023.

Climate change-related risks are classified in the categories of strategic and/or external risks and are specifically analysed and monitored by the cross-functional working group set up at Group level and coordinated by the Risk Management and ESG Function.

The following is a selection of the main corporate risks listed in the ERM risk catalogue, which are classified according to the areas set out in Article 3 of Italian Legislative Decree 254/2016.

## Environmental issues

### Transition risks related to the ineffective monitoring of the decarbonisation process, energy inefficiency and failure to use renewable energy sources.

As part of the decarbonisation and greenhouse gas (GHG) emission reduction pathway, it is necessary to consider that some of the Group's production activities emit considerable amounts of GHGs.

The adequacy of the operating and control procedures is key to avoiding the production of greater quantities of GHG than those defined and permitted by current regulations, i.e. that can be produced by existing plants (e.g. due to deterioration of the plants, malfunction of control systems, increased leaks due to ineffective maintenance, etc.). At the same time, the containment of emissions is achieved by carefully monitoring and reducing energy consumption (from non-renewable sources), guaranteed by maintaining production assets in good working order (e.g. electricity and heat generation and cogeneration plants and power stations), which are periodically inspected and tested. Lower consumption also means an economic-financial advantage in terms of lower expenses and operating costs of the plants.

The decarbonisation process is facilitated by the planning, development and launch of specific investment projects aimed at increasing the energy efficiency of existing plants and for the construction of new renewable energy production plants (wind, photovoltaic, hydroelectric, geothermal and biomass).

Transition risks are also affected by any regulatory evolution that may modify the operational requirements of the plants, limiting them and making them more stringent, thus accelerating the energy transition path.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 14001 - Environmental Management System
- ISO 9001 - Quality Management System
- Internal operating procedure for the management of air emissions from cogeneration plants (PO.0068)
- Establishment of the Group Renewable Energy Sources Committee
- Monitoring of both economic-financial and ESG strategic performance, carried out as part of the activities carried out by the Strategic Planning, Risk Management and IT Systems Department, in particular with reference to the Investment Plan

### Acute and chronic physical risks arising from climate change.

Reference is made both to the acute risks generated by the increased severity of extreme atmospheric phenomena (e.g. heat waves/cold spells, floods, particularly strong winds, etc.) that may impact business continuity and service quality, and to the chronic risks attributable to the phenomenon of global warming and, therefore, to the increase in average temperature with a consequent decrease in gas demand.

Both types of physical risks can have potentially negative consequences, for example, on the operation and efficiency of electricity production and energy and heat cogeneration plants, as well as the related energy, gas and heat distribution networks.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 14001 - Environmental Management System
- ISO 9001 - Quality Management System
- Establishment of the Group Renewable Energy Sources Committee
- Monitoring both economic-financial and ESG strategic performance, carried out as part of the activities carried out by the Strategic Planning, Risk Management and IT Systems Department, in particular with reference to the Investment Plan

### Risk of inadequate development and adaptation of distribution networks.

The risk in question is closely related to the physical, acute and chronic transition risks, and consists of the potentially negative impacts that can be caused to the distribution network infrastructures by extreme weather (e.g. heat waves/cold spells, floods, particularly strong winds, etc.) by an increase in average operating temperatures (progressive operational inefficiency).

The same risk is also connected to the regulatory evolution that pushes the energy sector towards the transition to non-fossil energy sources with the progressive decrease in gas consumption and the consequent increase in electricity consumption for both industrial and domestic purposes.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 14001 - Environmental Management System
- ISO 9001 - Quality Management System
- 2023-2027 electricity distribution network development plan
- Establishment of the Group Renewable Energy Sources Committee
- Monitoring of economic-financial and ESG strategic performance, performed as part of the activities carried out by the Strategic Planning, Risk Management and IT Systems Department, in particular with reference to the Investment Plan



**Risk of exceeding the regulatory limits of pollutant emissions into the environment with potentially negative impacts on ecosystems and to the detriment of biodiversity.**

The Group companies operating in the electricity and thermal energy generation sector are authorised for emissions into the atmosphere according to limits set (previously authorised by the designated entities - Provinces). The authorisation levels for industrial activities are identified by Legislative Decree 152/2006 (where necessary in accordance with the provisions of the integrated environmental authorisations). The risk of exceeding these limits is monitored through preventive and detective control systems. The causes may be the deterioration of the systems, the malfunction of control systems, use of a different fuel mix, etc.

The possibility of adverse events that could have a potentially negative impact on the environment (water, flora, fauna, atmosphere, etc.) is mitigated by compliance with current legislation and the application of specific guidelines, processes, procedures and operating instructions certified and periodically verified within the reference management systems.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 14001 - Environmental Management System
- ISO 9001 - Quality Management System
- Internal audits for compliance with environmental legislation
- Anti-discharge KIT
- Environmental emergency plan
- Exhaust fumes monitoring
- Internal operating procedure for the management of air emissions from cogeneration plants (PO.0068)

**Risk of inadequate management of generated waste, temporarily stored in dedicated areas at production sites, transferred to third parties for transport, its disposal or recovery.**

The risk refers to solid/hazardous waste and water waste. It is process waste, i.e. waste resulting from production activities.

The risk is identified for each of the phases carried out at the production site, including handling and storage, up to the transfer to specialised companies.

The risk is identified in order to reduce potential impacts on the Group companies' business activities in full compliance with the regulatory framework (national and local obligations and regulations and related authorisations obtained) and to protect all the stakeholders concerned.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 14001 - Environmental Management System
- Internal audits for compliance with environmental legislation
- Internal operating procedure for waste management (PO.0120)

**Risk of contamination of soil, subsoil and water**

The risk is related to Discharge of contaminants in the soil, subsoil and ground and surface water.

The main causes include human error, breakdowns and malfunctions (plant components/equipment) and weather/natural events that may affect the Group's infrastructure.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 14001 - Environmental Management System
- ISO 9001 - Quality Management System
- Internal audits for compliance with environmental legislation
- Anti-discharge KIT
- Environmental emergency plan
- Tests on wastewater and yard rain-wash

**Risk of excessive or anomalous water consumption**

The risk of excess or anomalous water consumption is typically linked to inadequate infrastructure (leaks due to the compromised integrity of the assets) or production processes (waste).

The risk is identified in order to respect the environment, protect biodiversity and ecosystems, conserve scarce water resources and avoid an increase in operating costs.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 14001 - Environmental Management System
- ISO 9001 - Quality Management System
- Internal audits for compliance with environmental legislation

**Risk relating to health and safety for employees and suppliers.**

The risk refers to damage to the health and safety of people who work directly and indirectly for the Group, therefore both the employees and the workers of its suppliers of goods, services and work, caused by failures and malfunctions of company assets (internal factors) and/or natural/weather events (e.g. gas leaks, collapses of overhead electricity distribution lines, etc.). In this context, it is essential to ensure proper maintenance (routine and extraordinary) and operational management of company assets.

The AGSM AIM Group considers the health and safety of the person a priority for its business model. In this regard, it has implemented an effective management system compliant with the international standard ISO 45001 which, together with staff training and awareness-raising activities, plays a key role in reducing health and safety risks for staff.

The activities carried out by personnel external to the AGSM AIM Group are subject to strict rules of conduct to prevent interference risks contained in the DUVRI shared with suppliers, together with evaluation and prior assignment of the supplier and, subsequently, verification of the effective implementation of risk measures in the field of health and safety at work (as provided for in the DUVRI, etc.).

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 14001 - Environmental Management System
- ISO 45001 - Occupational Health and Safety Management System
- ISO 9001 - Quality Management System (operating procedures for asset management and maintenance)
- Health insurance policies
- Organisational model pursuant to Legislative Decree 231/01
- Monitoring work-related stress (INAIL)
- Risk assessment documents (DVR) pursuant to Italian Legislative Decree 81/2008
- Interference Risk Assessment Document (DUVRI) pursuant to Italian Legislative Decree 81/2008

**Risk of not adopting innovative digital technologies and solutions, able to ensure cultural and social evolution in an efficient business context, ensuring the protection of data and information processed.**

The risk refers to the failed, partial or late design and implementation of advanced technological and information solutions capable of reducing the impact of the operational activities carried out both by the Group's organisational resources (computerisation, automation and digitisation of company operational and production processes) and on the customers (for example digitisation of communication channels and interaction with customers).

This type of risk is also closely related to the need to guarantee a high level of security and confidentiality of business data and sensitive personal information managed (so-called special data) both by improper processing of the same and by external cyber-attacks (cybersecurity).

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 9001 - Quality Management System
- Procedures adopted for cyber risk management
- Rules for using AGSM AIM Group IT systems and tools
- Operational privacy management model including all the operating procedures required by the GDPR (EU Reg. 2016/679).
- Cybersecurity Charter and the related operating procedures adopted

**Risk of failed and/or inadequate management of due diligence duties on partners and suppliers (due diligence).**

Reference is made both to the risk of inadequate assessment and selection of suppliers, and to the consequent risk of potential illegal and/or unethical behaviour by the selected suppliers.

The selection of suppliers within the Group is inspired by principles of impartiality, competence, cost-effectiveness and competition in compliance with the highest quality standards. In addition, legislation on tender management is applied.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 9001 - Quality Management System
- Company Regulation for works, services and supply contracts for an amount below the EU threshold in accordance with current legislation (Public Procurement Code)
- PO.0018 "Works and services contracts"
- PO.0033 "Management of the supplier register"
- PO.0058 "Management of internal audits, NCs and CAs"

**Risk of not meeting customer needs.**

The risk refers to the potential inability to respond to and meet customer needs and expectations due to the inadequacy and poor quality of the services offered.

For this reason, the Group strives to treat its customers according to high quality standards and to ensure the best possible levels of flexibility, availability and reliability, fostering professional, fair and transparent communication practices.

Service quality is ensured both in managing the physical customer interaction (at the desks and the agencies that operate on behalf of the Group) and through computerised and digitalised interaction systems (such as: social networks, call centres, institutional website and "do it yourself" portal, apps for mobile devices).

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 9001 - Quality Management System (operating procedures for asset management and maintenance)

**Risk of inadequate management of relations with local communities and the territory where the Group operates.**

The risk refers to any gaps or inadequacies in managing relations with bodies and representatives of local communities and the territory.

This risk can arise with reference to both the environmental and social impacts associated with the Group's operational and business activities and the development projects planned in the strategic planning of both innovative and offsetting investments.

In this context, the Group is committed to ensuring timely, clear and transparent communication to all the stakeholders, with the aim of promoting both the dissemination and understanding of the impacts (positive and negative, actual and potential, direct and indirect) of the operational and business activities carried out by the Group, and the culture of environmental and social sustainability among the local population (citizens' associations, students, users, etc.).

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 9001 - Quality Management System (operating procedures for asset management and maintenance)
- Active role played by the Communication and Strategic Marketing Function

**Personnel issues**

**Risk of failing to value personnel.**

The risk refers to the failed and/or inadequate enhancement of personnel who work, directly or indirectly, in the name and on behalf of the Group in the context of the business activities managed.

The Group is committed not only to complying with the minimum requirements provided for by current legislation on occupational health and safety or relating to remuneration and contribution, but also to guaranteeing each worker a context in which they can achieve their personal and professional ambitions and aspirations, developing their specific and soft skills, in a welcoming and comfortable working environment, respecting the right balance between working hours and private life.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 9001 - Quality Management System
- Internal operational procedure for personnel selection and recruitment
- Recruitment Plan
- Training Plan
- Personnel development projects as "Valori in Azione"

**Human rights**

**Risk of human rights violations.**

Risk related to possible organisational and operational shortcomings leading to a lack of protection of human rights with regard to the statements listed below.

- Ensure adequate working conditions for people, avoiding cases of forced or child labour.
- Ensure an adequate working environment, health and safety.
- Need to avoid discrimination and inequality, and ensure the inclusion, privacy and confidentiality of people's data.
- Ensure freedom of association and adequate remuneration through collective bargaining.
- Personnel training.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- ISO 45001 - Occupational Health and Safety Management System
- ISO 9001 - Quality Management System
- Organisational model pursuant to Legislative Decree 231/01
- Policy for the protection of human rights
- Policy for the protection of diversity, equity and inclusion

## Economic and governance topics

### Risk of failure to create and distribute value to benefit the stakeholders.

The risk refers to the failure to create and distribute value to benefit the Group's shareholders in compliance with the interests of the relevant stakeholders and the principles of environmental, social and financial economic sustainability.

The territory and the community in which our Group operates can and must benefit from the positive impact created by the distribution of the economic value generated by the business activities carried out.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- Multi-year strategic and annual budget planning
- Sustainability policy
- ISO 9001 - Quality Management System
- Guidelines to manage sponsorships and donations

### Risk of failure to comply with laws, regulations and internal rules.

Risk arising from the failure of the AGSM AIM Group to comply with laws, regulations and internal rules whose negative effects may result in the application of sanctions, financial and economic losses, as well as potential negative impacts on the Group's reputation.

This risk could also derive from the inadequacy of company procedures that guarantee compliance with the legislation in force to which the Group is subject.

The AGSM AIM Group carries out business activities inspired by high standards of fairness, loyalty, integrity and transparency and in compliance with current legislation. In this regard, the Group adopts policies aimed at spreading the culture of legality, protecting the company's reputation, thus ensuring value creation over time.

In the belief that the fight against corruption represents a fundamental value in the conduct of its business, AGSM AIM has defined and adopted, on a voluntary basis, its Group Code of Ethics, the Anti-Corruption Policy and, where deemed appropriate, the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.

Risk management and monitoring is ensured by adopting specific controls:

- Code of Ethics
- Anti-Corruption Policy
- Guidelines on Management and Coordination
- Organisational model pursuant to Italian Legislative Decree 231/01 and appointment of the Supervisory Body at the Group's main companies
- ISO 14001 - Environmental Management System
- ISO 45001 - Occupational Health and Safety Management System
- ISO 9001 - Quality Management System (operating procedures for asset management and maintenance)
- Establishment of the Group Compliance Function
- Checks on company processes and procedures carried out by the Group Internal Audit Function and the Quality, Safety and Environment (QSE) organisational unit

**Table 9.** Risk management

## 4.4.2 Organisation, management and control model pursuant to Legislative Decree no. 231/2001



205-1; 205-2; 205-3

Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter also referred to as “Decree 231”), with its subsequent amendments and extensions of applicability, introduced into the Italian legal system a special form of liability, qualified as “administrative liability for offences”, for companies, associations and entities in general, following the commission, in their interest or to their advantage, by a person holding an executive or subordinate position within them, of a criminal offence.

In order to comply with the provisions of Decree 231 and to facilitate compliance with the principles of fairness and ethics in carrying out their businesses, the Parent Company AGSM AIM S.p.A. and the following subsidiaries defined and adopted their Organisation, Management and Control Model (hereinafter also “Model 231”):

Group Companies	Supervisory Body e-mail address
<b>AGSM AIM</b>	agsm.aim.odv231@gmail.com
<b>AGSM AIM Energia</b>	odvagsm.aimenergia@gmail.com
<b>AGSM AIM Smart Solutions</b>	odvagsm.aimsmartsolutions@gmail.com
<b>CogasPiù Energie</b>	odv.cogaspiuenergia@gmail.com
<b>Consorzio Canale Camuzzoni</b>	odv@camuzzoni.it
<b>SERIT</b>	odv.serit@gmail.com
<b>SIA</b>	odv@sia.vi.it
<b>Transeco</b>	odv@transeco.info
<b>Valore Ambiente</b>	odv.valoreambiente@gmail.com
<b>V-Reti</b>	odvV-Reti@gmail.com

**Table 10.** E-mail addresses of the SB

Pursuant to Decree 231, when adopted by an organisation Model 231 constitutes a criminal defence against any offences committed or attempted by persons in a senior position and/or by employees (subject to management or supervision by senior positions), from which an interest or advantage for the organisation may derive.

During 2023, the projects for the update of the Models 231 relating to the companies AGSM AIM Energia S.p.A., AGSM AIM Smart Solutions S.p.A., V-Reti S.p.A. and AGSM AIM Power S.r.l. continued. These entailed the revision of the general part and the disciplinary code, adapting them not only to the adoption of the policy for whistleblowing reports, but also to the corporate organisational structure adopted by the companies, simultaneously carrying out the recognition of the existing safeguards in order to prevent the commission of the predicate offences of the administrative liability of the entities pursuant to Decree 231.

For Model 231 to be considered suitable in pursuing the company’s exemption from liability, it is

constantly updated not only in the event of new regulations, but also due to corporate, organisational and operational developments.

Adopting Model 231 by each Group company has also improved the effectiveness and transparency of the Group's operations and thus contributed to preventing lack of transparent information and possible improper conduct by senior positions and employees.

Pursuant to Decree 231, the Parent Company AGSM AIM S.p.A. and the aforementioned companies have appointed their Supervisory Body (hereinafter also "SB") with the task of supervising the effectiveness and proper implementation of the adopted Model 231, through the continuous monitoring of corporate conduct, as well as continuous updating of the functioning of the Model 231, with subsequent periodic updates based on the needs arising from legislative measures or the evolution of the company and corporate organisation.

In compliance with the provisions of Decree 231, an e-mail address was set up for each Supervisory Body to submit any requests for clarification on the interpretation of the indications contained in the Model 231 or reports of suspected violations thereof.

In order to facilitate the effective implementation of the adopted Models 231, the heads of corporate functions were made aware of the methods of periodic transmission of information flows to the SB.

231 training is indispensable for the effective application of the Organisation, Management and Control Model adopted by the companies of the AGSM AIM Group.

In this regard, during 2023, the AGSM AIM Group planned specific training for employees of the Parent Company and of the subsidiaries AGSM AIM Smart Solutions, AGSM AIM Energia and V-Reti.

By using an e-learning platform, with the possibility of independently choosing the time of day or week to devote to it, AGSM AIM Group personnel have been trained and made aware of the principles set out in Italian Legislative Decree 231/01, Organisation, Management and Control Model, Code of Ethics, Code of Conduct, Supervisory Body, as well as the new criminal cases recently introduced (receipt, laundering and use of money, crimes relating to payment instruments, criminal cases for the protection of cultural heritage, tax offences).

In particular, two slightly different training courses have been developed since the one aimed at senior managers and middle managers illustrates in detail the risk and prevention measures contained in Model 231; it also draws attention to the concept of organisational fault.

Completion of the training programme was certified by a final test on learning the training content consisting of 10 questions with a threshold for passing the test set at 6 correct answers.

### 4.4.3 Anti-corruption policy



205-1; 205-2; 205-3

Well aware that the fight against corruption is a fundamental value in the pursuit of its business activity, the Parent Company AGSM AIM S.p.A. defined and adopted a Group Anti-Corruption Policy on a voluntary basis that, in coordination with Model 231 and the Group's Code of Ethics, provides a systematic reference framework to combat corruption and aims to disseminate within the Company, as well as to all those who work in favour of or on behalf of the Group member companies, the principles and rules to be followed to exclude any type of direct and indirect, active and passive corruption, including in the form of instigation.

In order to ensure the implementation of its management system to prevent corruption, the AGSM AIM Group carries out a periodic assessment to determine the risks related to corruption. The results of the risk assessment are shown in the annex to the Anti-Corruption Policy.

Pursuant to the Management and Coordination Guidelines, the Anti-Corruption Policy is progressively adopted by all the AGSM AIM Group's subsidiaries that fall within the scope of the consolidated financial statements through their own internal measures.

This Policy is binding for the employees of the companies belonging to the AGSM AIM Group and for third parties. In this regard, the companies shall ensure that it also becomes binding for all those who operate in any capacity in favour of them or on their behalf.

The heads of the various corporate functions also have the task of supervising compliance with the Policy by their employees and adopting measures to prevent, identify and report potential violations.

The recipients of the Anti-Corruption Policy are also required to report, even anonymously, any violation, even alleged, of the current legislation on preventing corruption or this Anti-Corruption Policy by Group employees, collaborators or third parties operating in favour of or on behalf of Group Companies.

In order to facilitate the receipt of requests for clarification, AGSM AIM has set up the following communication channels:



▶ **ORDINARY POST:**

*to the attention of the Funzione Compliance  
Lungadige Galtarossa 8, 37133 Verona (VR)*



▶ **E-MAIL:**

*e-mail address [compliance@agsmait.it](mailto:compliance@agsmait.it)*

## 4.4.4 Whistleblowing

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In order to implement European Directive 2019/1937 and related implementing Italian Legislative Decree 24/2023 (the so-called Whistleblowing Decree), the Board of Directors of the Parent Company approved the Whistleblowing Policy containing the management system for receiving and managing the Company's reports.

The Policy aims to regulate the methods of making and managing reports of violations of national or European regulatory provisions that harm the public interest or the integrity of the company, as well as the measures to protect the people who make the reports. A specific internal channel has been set up to report illegal conduct and/or violations, the management of which has been assigned to a third party. Reports can be made in writing, through the specific channel available on the Company's institutional website on the whistleblowing page, or verbally by meeting directly with the channel manager.

This Policy is addressed to all subjects who operate in the company's working context as members of the corporate or control bodies (including persons with the function of Management, administration and control), employees and - as a result of specific clauses - also in favour of third parties who have negotiating relations with the company itself.

In implementation of the Whistleblowing Decree, an internal channel (computerised platform) has also been activated to report illegal conduct and/or violations addressed to the Supervisory Body.

The AGSM AIM Group has entrusted the management of the channel for reports to a third party (hereinafter also "Manager") who is responsible for diligently following up on the report received, first verifying its contents, assessing the existence of the reported facts, the outcome of the investigations and any measures taken.

The channel established for the aforementioned violations and/or unlawful conduct also complies with Article 6 paragraph 2 bis of Italian Legislative Decree 231/01.

In compliance with the indications of the Parent Company, the subsidiaries have activated their own specific internal channel to report illegal conduct and/or violations, adopting their own Policy in line with that of the Parent Company.

During 2023, **no reports were received with regard to potential offences, crimes or irregular conduct**, committed in violation of the Group's Code of Ethics, the Anti-Corruption Policy and Models 231 adopted by Group companies.



## 4.4.5 Protection of personal data

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In order to protect the personal data and privacy of all the individuals with whom the Group interacts and in line with the provisions of the General Data Protection Regulation (“Regulation (EU) 2016/679” or “GDPR”), the AGSM AIM Group has adopted a privacy governance system that provides, among others, for the fulfilment of the obligations listed below.

- ▶ The definition of roles and responsibilities within the Group, including the identification of the Data Protection Officer (“DPO”) and the persons authorised for the processing (employees of the Group).
- ▶ Identification and appointment of data processors, i.e. providers that process personal data on behalf of the data controller.
- ▶ Collection of consent in an explicit and free manner, combined with the use of information provided in a concise, transparent, intelligible and easily accessible form.
- ▶ Keeping of the activities processing records pursuant to Article 30 of the GDPR.
- ▶ Collection and keeping of the list of System Administrators.

During 2023, the training programme, which began in 2022, continued in order to raise awareness among the people who work for the Group. In particular, through a dedicated e-learning platform, specific training courses were delivered on Personal Data Protection (GDPR) and Cyber Security.

During the reporting period, no Data Breaches occurred (i.e. loss of data or unauthorised access) of such a magnitude to lead to communications to the Data Protection Authority or to the data subjects. No GDPR-related penalties were imposed on Group companies during 2023.

During 2023, a total of 21 requests to exercise the rights were received from data subjects pursuant to Articles 15-22 of the GDPR (access to personal data, exercise of the right to be forgotten, etc.).

# 5.

## *European Taxonomy*



*Since January 2022, organizations subject to the obligation to publish the consolidated non-financial statement pursuant to Legislative Decree 254/2016 are required to publicly disclose the share of turnover, capital expenditure and operational expenditure that are qualified as eco-sustainable from an environmental point of view according to the current European legislation.*

Regulation (EU) 2020/852 introduced the Taxonomy for environmentally sustainable economic activities into the European regulatory framework (EU Taxonomy), which requires the classification of activities that can be considered sustainable according to their alignment with the environmental objectives defined by the European Union. It has the ambitious goal of supporting the EU's economic activities on the path to adopting a common language on ESG and promoting the decarbonisation of the European economy by 2050.

With respect to the three sustainability pillars covered by the acronym "ESG" (Environmental, Social, Governance), the European Taxonomy initially focused on environmental aspects, defining six environmental objectives with reference to which it is necessary to assess whether an activity is eligible based on the criteria defined by the legislation:

- ▶ **Climate change mitigation (CCM)**
- ▶ **Climate change adaptation (CCA)**
- ▶ **The sustainable use and protection of water and marine resources (WTR)**
- ▶ **The transition to a circular economy (CE)**
- ▶ **Pollution prevention and control (PPC)**
- ▶ **Protection and restoration of biodiversity and ecosystems (BIO)**

In accordance with EU Regulation 2020/852, the European Commission is required to adopt delegated acts aimed at supplementing the regulation itself, detailing the technical screening criteria and the methods of compliance with the Do No Significant Harm (DNSH) principle that make it possible to assess under what conditions each economic activity makes a substantial contribution to at least one of the six identified environmental goals.

An economic activity is defined as environmentally sustainable if it:

- ▶ contributes substantially to achieving at least one of the six environmental objectives;
- ▶ does not cause significant damage to any of the remaining environmental objectives (Do No Significant Harm - DNSH);
- ▶ is carried out in compliance with the minimum safeguards (based on international guidelines for the respect of human rights);
- ▶ complies with the technical screening criteria set by the European Commission.

EU Delegated Regulation 2021/2139 “Climate Delegated Act” came into force in 2021. It defines the technical criteria for the first two goals (mitigation and climate change adaptation), supplemented on 15 July 2022 by the Complementary Delegated Act (EU Delegated Regulation 2022/1214), which includes the production of energy from gas and nuclear in the Taxonomy.

Subsequently, on 27 June 2023, the following were published in the Official Gazette:

- ▶ EU Delegated Regulation 2023/3850 which, by amending the Climate Delegated Act, provides for the expansion of those economic activities that contribute to mitigating and adapting to climate change, in addition to the updates of the technical assessment criteria for existing economic activities;
- ▶ EU Delegated Regulation 2023/3851 (Taxonomy Environmental Delegated Act) which defines the technical assessment criteria to determine the economic activities that contribute significantly to one or more of the other four environmental objectives not covered by the previous regulatory phase and provided for by EU Regulation 2020/852.

With particular reference to the timing for application of the changes introduced by the Taxonomy Environmental Delegated Act, starting from 2024 for the reporting of performance relating to 2023, companies must only report the eligibility of the Taxonomy for new economic activities.

Pursuant to the provisions of Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation - TR), the organisations subject to the Non-Financial Reporting Directive (NFRD) and, subsequently, the new Corporate Sustainability Reporting Directive (CSRD) are required to disclose information on alignment with the Taxonomy using some indicators: revenue, capital expenditure and operating expenditure. In particular, non-financial companies must publish information on the following topics.

- ▶ **Share of revenue from products or services associated with economic activities aligned with the Taxonomy (Revenue).**
- ▶ **Share of capital expenditure (CapEx).**
- ▶ **Share of operating expenditure (OpEx) related to activities or processes associated with economic activities aligned with the Taxonomy.**

The European Taxonomy of sustainable economic activities is a guide:

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**For companies**, in order to assess their activities, define corporate policies with a view to environmental sustainability and report to stakeholders their performance in a complete and comparable manner.

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**For investors**, in order to integrate sustainability issues into investment policies and enable a clear understanding of the environmental impact of economic activities in which they invest or could invest.

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**For public institutions**, which can use the Taxonomy to define and improve their ecological transition policies.

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The objective of the Taxonomy Regulation is to increase market transparency, i.e. increase the quantity, quality and comparability of information on sustainability issues regarding companies, operators and financial products. In addition, it allows the examination of each operating line and production facility - in the context of investment analysis or assessment of the company's position with respect to competitors - through performance indicators (KPIs).

In the sectors with the greatest climate impact (e.g. energy, construction and transport), this information makes it possible to select the companies that have undertaken ecological transition processes. Finally, thanks to the availability of data on the alignment of business plans with the Taxonomy, investors can make their engagement actions more effective, measuring their effects over time and strengthening their dialogue with the investees.

The adoption of the Taxonomy is relevant since it allows the following objectives to be pursued.

- ▶ **Provide adequate and consistent indications to companies and investors with regard to which economic activities can be considered environmentally sustainable.**
- ▶ **Be an enabling factor to achieve the objectives set by the Green Deal, as a strategy for transforming climate issues and environmental challenges into growth opportunities in every economic sector.**
- ▶ **Limit the risk of greenwashing.**
- ▶ **Help companies plan their transition to business models in line with a low-carbon economy.**

In February 2022, Platform on Sustainable Finance, a group of experts that assists the European Commission in developing sustainable finance policies, presented the **Final Report on Social Taxonomy** with the aim of extending the concept of sustainable investment within the European Union. The Taxonomy of Sustainable Economic Activities is therefore accompanied by a Social Taxonomy that has three objectives: to promote decent work, adequate standards of living and inclusive and sustainable communities.

As further confirmation of the importance given by the Group to social topics, AGSM AIM decided to launch in-depth analyses on the subject, which, among other considerations, led to initiating the project to obtain the UNI PDR 125:2022 gender equality certification in 2024.



## 5.1 Implementation process

In line with the provisions of the EU Taxonomy Regulation 2020/85 and following an in-depth assessment, the AGSM AIM Group decided to engage on various fronts to contribute to the achievement of the following objectives in scope among those currently standardised by the Taxonomy:

- ▶ **Climate change mitigation**
- ▶ **The sustainable use and protection of water and marine resources**

During 2023, the AGSM AIM Group carried out an across-the-board project, which involved all the main Departments of the Parent Company and the companies included in the scope of the CNFS, aimed at identifying, with respect to the above-mentioned objectives of the Taxonomy, the Group's aligned eligible, non-aligned eligible and non-eligible activities. In addition, in order to ensure an adequate process of extraction, analysis, processing and aggregation of administrative-accounting data, specific software currently used by the Administration Department and the Strategic Planning and Business Control Department has been developed and/or integrated.

### Eligible Activities

**Aligned eligible activities:** activities carried out by the AGSM AIM Group explicitly included in the Delegated Acts that meet the technical screening criteria, comply with the DNSH principle and the minimum safeguards.

**Non-aligned eligible activities:** activities carried out by the AGSM AIM Group explicitly included in the Delegated Acts that do not meet the technical screening criteria, do not respect the DNSH principle and/or the minimum safeguards.

Table 11. Taxonomy-eligible activities (aligned and non-aligned)

### Non-eligible Activities

**Non-eligible activities:** activities carried out by the AGSM AIM Group that are not explicitly included in the Delegated Acts because they do not contribute substantially to any environmental objective.

Table 12. Taxonomy-non-eligible activities

The analysis was carried out according to the following steps:

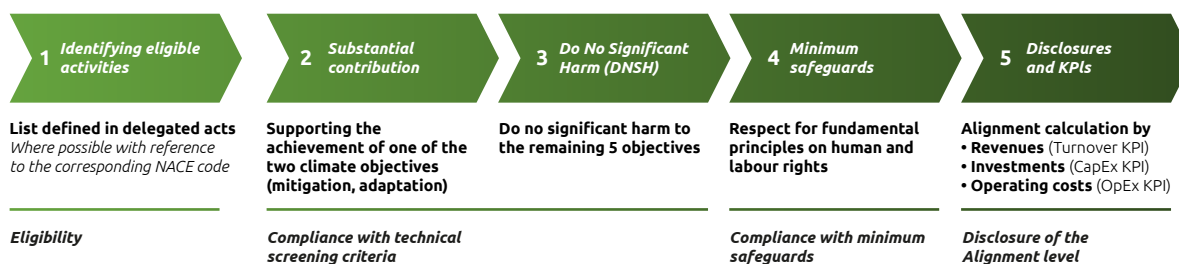


Figure 8. Activity analysis process

### ► 1. Identifying eligible activities

The first stage of the process allowed for the identification, through a careful analysis of the activities included in the Taxonomy Regulation, of those applicable to AGSM AIM's business, also considering the description provided and the potentially applicable NACE codes (i.e. Statistical Classification of Economic Activities of the European Community).

### ► 2. Substantial contribution

After identifying eligible activities, the technical contacts of the Departments and subsidiaries were involved in order to initiate the Substantial Contribution Assessment. The activities classified as eligible were analysed in detail for their compliance with the specific technical criteria established to measure their substantial contribution to achieving the three objectives in scope and the Group.

### ► 3. Do No Significant Harm (DNSH)

For sustainable activities classified as eligible and aligned, an analysis of existing environmental procedures was performed to verify compliance with the Do No Significant Harm (DNSH) principle also with reference to the other environmental objectives identified by the EU Taxonomy.

## What does DNSH mean?

The principle of "not causing significant harm" to the environment (also known as the DNSH principle, i.e. "Do No Significant Harm") was created to combine economic growth and ecosystem protection, ensuring that investments are made without affecting environmental resources. The criteria for assessing DNSH compliance include analysing the environmental impact, assessing the long-term sustainability and the absence of significant negative effects. It is also essential that projects demonstrate a positive contribution towards the environmental objectives indicated in the European Taxonomy.

The criteria for assessing DNSH compliance include analysing the environmental impact, assessing the long-term sustainability and the absence of significant negative effects.

### ► 4. Minimum Safeguards

Compliance with the minimum social safeguards in the area of human and labour rights provided for in Article 18 of the Taxonomy Regulation was then verified. For further details, see the dedicated box.

### ► 5. Disclosures and KPIs

The corresponding economic-financial metrics were associated with each economic activity according to the classification made in steps 1 to 4 above, gathering the relevant administrative-accounting information from the Group's applications, and ensuring consistency with the data reported in the consolidated financial statements.



## Verifying compliance with the minimum safeguards

The AGSM AIM Group operates in compliance with current Italian and European regulations and with the specific objective of ensuring that its stakeholders achieve sustainable goals. In particular, the AGSM AIM Group's operational activities are carried out in accordance with the OECD Guidelines for Multinational Enterprises, the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work, the International Bill of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the principles issued by the Global Compact.

In line with international reference standards, the AGSM AIM Group has defined and adopted a series of internal policies and operating practices to ensure compliance with minimum safeguards:

- ▶ in order to protect and promote **human rights**, the AGSM AIM Group has defined and adopted the Policy for the protection of human rights in order to indicate the fundamental principles on which the Group inspires its work in order to safeguard and promote human rights when conducting its business and activities. The Group has also adopted a Code of Ethics that defines the values and principles of conduct that each person working in the name and on behalf of the Group must respect when performing their duties. In order to protect the confidentiality of its stakeholders' personal data, the AGSM AIM Group has implemented a privacy governance system in which roles, responsibilities and operating methods are defined in compliance with the GDPR;
- ▶ with reference to **combating corruption**, a Group Anti-Corruption Policy has been drawn up detailing rules, controls and safeguards to prevent active and passive corruption offences. In addition, several Group companies have adopted their own organisation, management and control model pursuant to Italian Legislative Decree 231/2001, which defines protocols and procedures aimed at mitigating the risk of the offences provided for in Decree 231 being committed by directors, senior managers or employees in the interest or to the advantage of the entity. The Group has also adopted a communication system aimed at employees reporting potential conduct in breach of the Code of Ethics, the Anti-Corruption Policy and the Organisation, Management and Control Model;
- ▶ with reference to **tax management**, the Group has adopted a tax strategy aimed at ensuring fair, responsible and transparent taxation;
- ▶ with reference to **respect for the principle of competition and the market**, the values enshrined in the Group's Code of Ethics and the safeguards set out in the operational procedures for the management of business activities, help to ensure fair competition, free from improper, collusive or predatory conduct, to the detriment of consumers, suppliers and business partners.

## 5.2 Our commitment to European Taxonomy

The in-depth analysis carried out during 2023 enabled the redefinition and consequent expansion of the number of eligible activities attributable to the inclusion of the four environmental objectives introduced with the Taxonomy Environmental Delegated Act EU 2023/3851. The following table shows the sustainable activities carried out by the Group with an indication of the relevant Business Unit.

#	Eligible environmentally sustainable activities	Business Unit
<b>Climate change mitigation</b>		
4.1	<b>Electricity generation using solar photovoltaic technology</b> , which consists in building and operating photovoltaic panels to develop green and sustainable electricity from renewable sources.	<b>Power</b>
4.3	<b>Electricity generation from wind power</b> , which consists in building and operating plants for the production of electricity from wind power, sustainable and renewable energy for significant environmental benefits.	<b>Power</b>
4.5	<b>Electricity generation from hydropower</b> , which consists in building and operating plants using a renewable and sustainable energy source.	<b>Power</b>
4.9	<b>Transmission and distribution of electricity</b> , which consists in building and operating networks to transport electricity throughout the territory via low, medium, high and extra-high voltage systems.	<b>Networks</b>
4.15	<b>District heating distribution</b> involving the construction, refurbishment and operation of pipelines and associated infrastructure for distribution of heating and cooling, ending at the sub-station or heat exchanger.	<b>Heat</b>
4.29	<b>Electricity generation from fossil gaseous fuels</b> , which consists in constructing or operating plants to generate electricity using fossil gaseous fuels.	<b>Power</b>
4.30	<b>High-yield cogeneration of heat/cold and electricity from gaseous fossil fuels</b> consisting of the construction, redevelopment and management of combined heat/cold and electricity generation plants using gaseous fossil fuels.	<b>Heat</b>
5.5	<b>Collection and transport of non-hazardous waste in source segregated fractions</b> , which consists in sorted waste collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling.	<b>Environment</b>
5.9	<b>Material recovery from non-hazardous waste</b> , which consists in building and operating plants for sorting and processing separately collected non-hazardous waste streams into secondary raw materials involving a mechanical transformation process, except for backfilling purposes.	<b>Environment</b>
7.3	<b>Installation, maintenance and repair of energy efficiency devices</b> carried out by the subsidiary AGSM AIM Smart Solutions through upgrades involving new installations, maintenance and repair of public lighting devices with the virtuous aim of increasing energy efficiency.	<b>Smart Solutions</b>

#	Eligible environmentally sustainable activities	Business Unit
7.4	<b>Installation, maintenance and repair of charging stations for electric vehicles</b> which consists in the installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	Smart Solutions
8.1	<b>Data processing, hosting and related activities</b> carried out through the storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.	Smart Solutions
<b>Sustainable use and protection of water and marine resources</b>		
2.1	<b>Water supply</b> that consists of the construction, expansion, management and renewal of systems for the collection, treatment and supply of water intended for human consumption based on the extraction of natural resources from surface or underground water sources.	Corporate
2.2	<b>Urban wastewater treatment</b> that consists of the construction, expansion, modernisation, management and renewal of urban wastewater infrastructure, including treatment plants, sewage networks, stormwater management facilities, connections to wastewater infrastructure, decentralised wastewater treatment plants, including individual and other appropriate systems, and discharge facilities for treated sewage.	Corporate

**Table 13.** Eligible environmentally sustainable activities

In order to ensure consistency in representing the Group's performance in the field of European Taxonomy as well as comparability with the data of the previous year, the potentially eligible environmentally sustainable activities 2.3 (Collection and transport of non-hazardous and hazardous waste), 2.5 (Recovery of bio-waste by anaerobic digestion or composting) and 2.7 (Sorting and material recovery of non-hazardous waste), referring to the objective of "Transition to a circular economy", currently classified in activities 5.5 (Collection and transport of non-hazardous waste in source segregated fractions) and 5.9 (Material recovery from non-hazardous waste) referring to the objective of "Climate change mitigation" are subject to analysis and in-depth studies by specific working groups within the Group with the aim of allowing the reporting of the admissible performance share aligned with the European Taxonomy only from the following year 2024, also on the basis of the appropriateness of reclassifying the relevant cost centres and subject to an appropriate assessment of the relevant technical screening criteria and minimum safeguards.

With reference to activities related to the sustainable use and protection of water and marine resources, it is worth noting that the Parent Company owns the assets related to the supply (2.1) and treatment (2.2) of water in the Municipality of Verona. The aqueduct and the purifier are entrusted for the operating year to the company Acque Veronesi S.c.a.r.l. (entirely controlled by the same municipality), which is responsible for managing their ordinary and extraordinary maintenance. The values of the indicators reported in the following paragraphs are therefore the revenues deriving from renting the assets to Acque Veronesi, while there are no operating costs or investments specifically attributable to these assets.

In general, the values indicated in the paragraph below relating to revenue, direct operating costs and increases in overall property, plant and equipment and intangible assets are consistent with the figures in the Consolidated Financial Statements prepared by the Parent Company AGSM AIM S.p.A. for 2023.

For the purposes of reporting pursuant to the Taxonomy Regulation, each of the economic activities of the AGSM AIM Group mentioned above was subject to specific (by cost centre) and detailed analyses (on the individual accounts and the related accounting entries), in order to avoid the risk of double calculation and determine the economic, financial and equity performance, broken down into the three categories listed below.

## 5.3 Results of the Group's environmentally sustainable activities

The indicators that represent the results achieved by the AGSM AIM Group in 2023 relating to the share of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) in relation to eligible, aligned and not eligible activities for European Taxonomy are shown below. It should be noted that the assessments of alignment of economic activities introduced by the Taxonomy Environmental Delegated Act will be carried out from 2024.

### REVENUE INDICATORS

The analysis of 2023 turnover allowed revenue to be identified for a total of Euro 712.9 million when considering Taxonomy-eligible and -non-eligible activities; of this amount, 22.8%, equal to Euro 162.5 million, was considered eligible under the legislation on the European Taxonomy of sustainable activities. The remaining Euro 550.4 million, amounting to 77.2%, is made up of non-eligible revenue from economic activities that are currently outside the scope of EU Regulation 2020/852.

Revenue from sales and services relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 91.3 million, equal to about 56.2% of the share of Taxonomy-eligible activities.

Revenue from sales and services	€/000	% of the total (A+B)	% of eligible activities
A.1. Environmentally sustainable activities (aligned with the Taxonomy)	91,257	12.8%	56.2%
A.2. Taxonomy-eligible but environmentally unsustainable activities (activities not aligned with the Taxonomy)	71,240	10.0%	43.8%
<b>A. Taxonomy-eligible activities</b>	<b>162,497</b>	<b>22.8%</b>	<b>100.0%</b>
B. Taxonomy-non-eligible activities	550,378	77.2%	
<b>Total (A + B)</b>	<b>712,875</b>	<b>100.0%</b>	

Table 14. Revenue from eligible and non-eligible activities

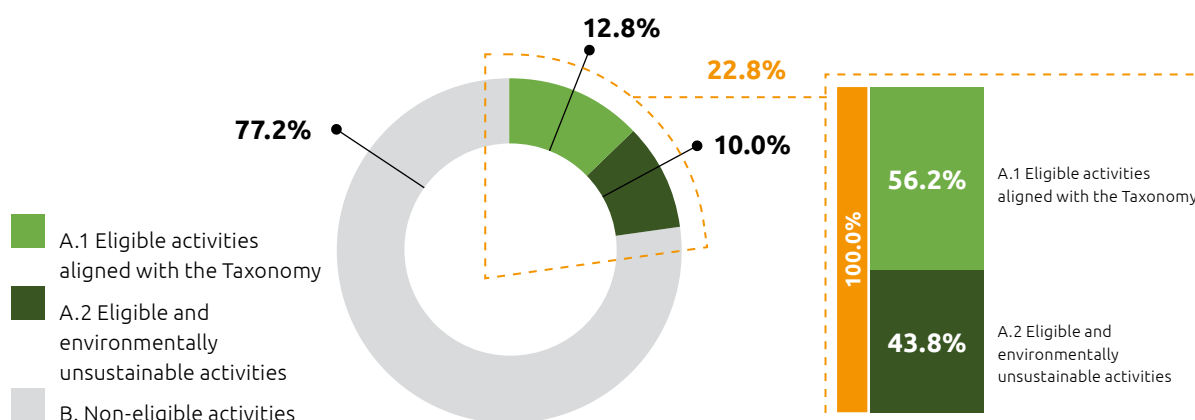


Figure 9. Revenue from sales and services

	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	12.8%	4.6%
CCA	0.0%	0.0%
WTR	0.0%	0.4%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

**Table 15.** Proportion of revenue

With reference to the revenues of eligible (A.1 and A.2) and ineligible activities (B) under the EU Taxonomy criteria, it is possible to highlight the economic impacts attributable both to some general macroeconomic phenomena and to the Group's characteristic operations:

- ▶ during 2023, the evolution of the energy scenario led to a sharp reduction in the average price of electricity (PUN) compared to the previous year (approx. -58%) with negative impacts on electricity production activities for all sources: by means of solar photovoltaic technology (4.1), electricity production from gaseous fossil fuels (4.29) and high-yield cogeneration of heat/cold and electricity from gaseous fossil fuels (4.30);
- ▶ the generation of electricity at the Mincio Thermoelectric Power Plant (4.29) was also negatively affected by the energy scenario and production choices favouring other sources;
- ▶ the cogeneration of electricity and thermal energy (4.30) was negatively affected by the price scenario, by the climatic conditions (particularly mild winter) and by the changing propensity to spend of customers who are more and more cost-conscious when it comes to heating their homes and businesses;
- ▶ the impact of zeroing the GRIN incentives (Management of Incentives Recognition pursuant to Ministerial Decree 06/07/2012) on wind plants negatively affected the revenues from the production activity deriving from this source (4.3);
- ▶ the decreasing trend in energy prices has also negatively affected the value of revenues deriving from the production of electricity from hydroelectric energy (4.5), even in the face of the significant increase (+56.5%) recorded in the volumes of energy produced, growing from 81.3 GWh in 2022 to 127.2 GWh in 2023;
- ▶ the decrease in performance was partially offset by the increase in revenues deriving from the activities of electricity distribution (4.9), district heating distribution (4.15), recovery of materials from non-hazardous waste (5.9), installation, maintenance and repair of charging stations for electric vehicles (7.4) and data processing, hosting and related activities (8.1);
- ▶ due to the application of IFRS 5, the exit of AMIA from the scope of consolidation led to a decrease in revenues relating to the collection and transport of non-hazardous waste in source segregated fractions (5.5).

## OPERATING EXPENDITURE (OPEX) INDICATORS

The analysis of operating expenditure (e.g. for services, use of third-party assets, management charges, etc.) for 2023 allowed operating costs to be identified for a total of Euro 542.5 million considering Taxonomy-eligible and -non-eligible activities; of this amount, 11.1%, equal to Euro 60.1 million, was considered eligible under the legislation on the European Taxonomy of sustainable activities. Euro 482.4 million, amounting to 88.9%, is made up of non-eligible costs from economic activities that are currently outside the scope of EU Regulation 2020/852.

Operating costs relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 24.0 million, equal to about 40.0% of the share of Taxonomy-eligible activities.

Operating Costs (OpEx)	€/000	% of the total (A+B)	% of eligible activities
A.1. Environmentally sustainable activities (aligned with the Taxonomy)	24,026	4.4%	40.0%
A.2. Taxonomy-eligible but environmentally unsustainable activities (activities not aligned with the Taxonomy)	36,102	6.7%	60.0%
<b>A. Taxonomy-eligible activities</b>	<b>60,128</b>	<b>11.1%</b>	<b>100.0%</b>
B. Taxonomy-non-eligible activities	482,415	88.9%	
<b>Total (A + B)</b>	<b>542,543</b>	<b>100.0%</b>	

Table 16. Operating expenditure from eligible and non-eligible activities

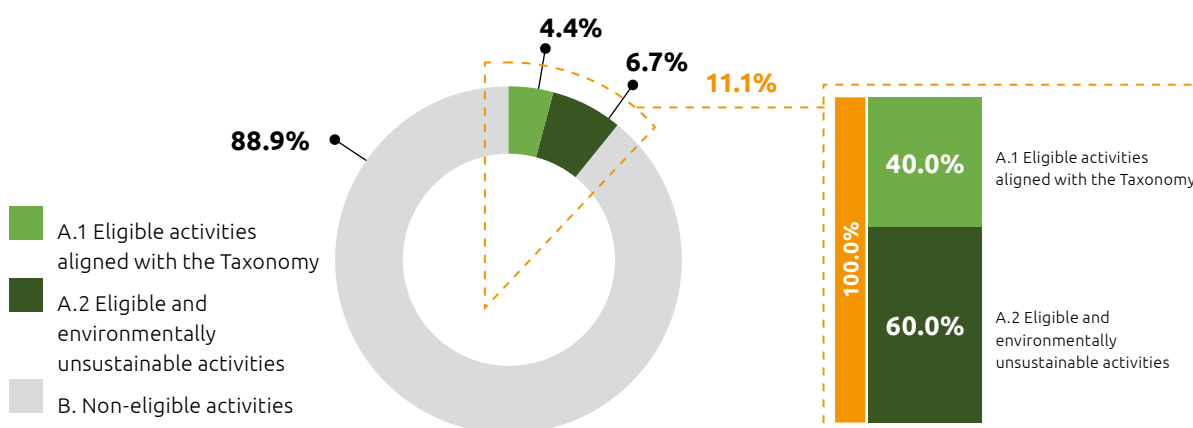


Figure 10. Operating costs

	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	4.4%	3.2%
CCA	0.0%	0.0%
WTR	0.0%	0.1%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

**Table 17.** Proportion of operating expenditure

With reference to the operating costs relevant to the eligible (A.1 and A.2) and non-eligible (B) activities under the EU Taxonomy criteria, it is possible to highlight the economic impacts mainly attributable to the Group's characteristic operations:

- ▶ the reduction of operational maintenance costs for electricity production plants using solar photovoltaic technology (4.1);
- ▶ the lower costs incurred to dispose of leachate and to maintain the SIA plants led to a reduction in the costs of managing the recovery of materials from non-hazardous waste (5.9);
- ▶ the lower costs to manage electricity production activities from hydroelectric energy (4.5) are representative of the lower maintenance costs partially offset by an increase in charges for hydroelectric fees;
- ▶ the lower maintenance costs of the plants allowed a cost reduction in managing the production of electricity from fossil gaseous fuels (4.29) and high efficiency cogeneration of heat/cold and electricity from fossil gaseous fuels (4.30);
- ▶ in line with the growing trend in relative revenues, there are higher costs to manage the electricity distribution activities (4.9), district heating distribution (4.15), installation, maintenance and repair of charging stations for electric vehicles (7.4) and data processing, hosting and related activities (8.1);
- ▶ due to the application of IFRS 5, the exit of AMIA from the scope of consolidation led to a decrease in operating costs relating to the collection and transport of non-hazardous waste in source segregated fractions (5.5).

## CAPITAL EXPENDITURE (CAPEX) INDICATORS

The analysis of capital expenditure for both intangible and tangible non-current assets for 2023 allowed increases for a total of Euro 116.6 million to be identified when considering Taxonomy-eligible and -non-eligible activities; of this amount, 67.1%, equal to Euro 78.2 million, was considered eligible under the legislation on the European Taxonomy of sustainable activities. The remaining Euro 38.4 million, amounting to 32.9%, is made up of non-eligible costs from economic activities that are currently outside the scope of EU Regulation 2020/852.

Capital expenditure relating to eligible business activities and aligned with the climate change mitigation objective amount to approximately Euro 19.3 million, equal to about 16.6% of the share of Taxonomy-eligible activities.

Capital Expenditure (CapEx)	€/000	% of the total (A+B)	% of eligible activities
A.1. Environmentally sustainable activities (aligned with the Taxonomy)	19,347	16.6%	24.7%
A.2. Taxonomy-eligible but environmentally unsustainable activities (activities not aligned with the Taxonomy)	58,886	50.5%	75.3%
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>	<b>78,233</b>	<b>67.1%</b>	<b>100.0%</b>
B. Taxonomy-non-eligible activities	38,385	32.9%	
<b>Total (A + B)</b>	<b>116,618</b>	<b>100.0%</b>	

Table 18. Capital expenditure from eligible and non-eligible activities

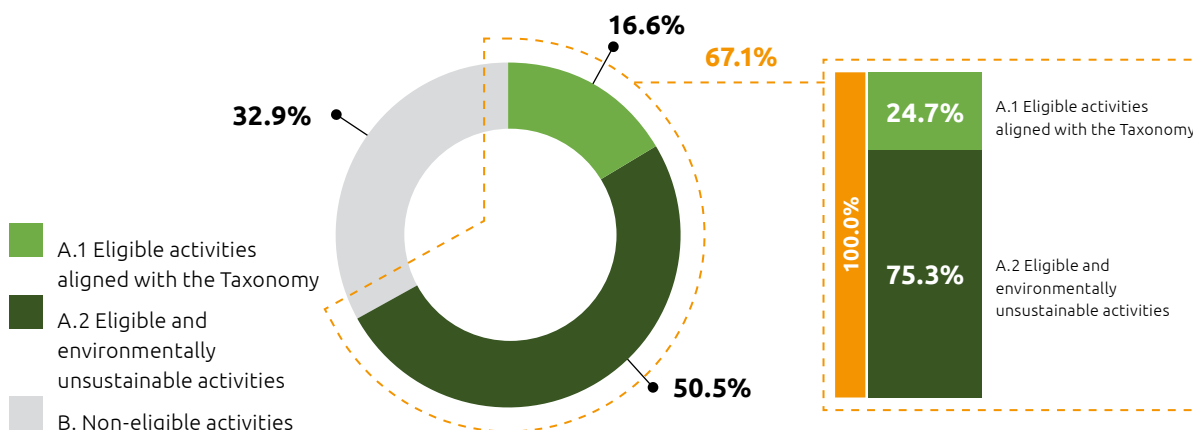


Figure 11. Capital expenditure



	Taxonomy Alignment by objective	Taxonomy Eligibility by objective
CCM	16.6%	25.3%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
PPC	0.0%	0.0%
CE	0.0%	0.0%
BIO	0.0%	0.0%

**Table 19.** Proportion of capital expenditure

With reference to the capital expenditures relevant to the eligible (A.1 and A.2) and non-eligible (B) activities under the EU Taxonomy criteria, there are investments increasing by 19.4% compared to the previous year, mainly due to the Group's commitment to implementing the projects indicated in its Business Plan:

- ▶ the growth in capital expenditure incurred in starting up the construction sites for the Monte Giogo di Villore wind plant (4.3) is demonstrated by the significant investments made during 2023;
- ▶ the modernisation and efficiency activities of the district heating distribution networks (4.15) and the electricity distribution networks (4.9) continue - the latter, in particular, due to new connections and the replacement of meters;
- ▶ the revamping activities started at the Borgo Trento cogeneration plant in Verona and which will continue in 2024, have made it possible to record an increase in capital expenditure on cogeneration activities with high heat/cold and electricity yield from gaseous fossil fuels (4.30);
- ▶ investments in installing charging stations for electric vehicles continue (7.4);
- ▶ the eligible investments of the Environment BU aimed at modernising vehicles, plants and equipment aimed at the collection and transport of non-hazardous waste in source segregated fractions (5.5) and at recovering materials from non-hazardous waste (5.9) decreased, also due to the effect of the application of IFRS principle no. 5 in relation to the exit of AMIA from the scope of consolidation.

# 6.

## *Creating value for stakeholders*



*The Group organises its business activities in order to achieve sustainable success to benefit its stakeholders. The generated and distributed economic value represents the ability to create wealth and distribute it among stakeholders.*

In 2023, the AGSM AIM Group generated a high Added Value, in terms of economic wealth, of approximately Euro 211.6 million, which was partly reinvested for Euro 29.4 million and partly distributed among its stakeholders for the remaining Euro 182.3 million, broken down as shown in the table below.

Considering that 74.2% of AGSM AIM Group employees live in the Municipalities of Verona and Vicenza and in other areas in the two provinces, more than Euro 70 million was distributed locally in the form of wages and salaries, which contribute significantly to the economic and social growth within the territory.

86.1% of the value created was distributed to stakeholders, both internal and external, while the remaining 13.9% remained within the Group.

Distribution of added value in 2023	€/000	%
<b>Total Added Value Generated</b>	<b>211,691</b>	<b>100.0%</b>
<b>Personnel</b> (wages and salaries for employees and collaborators)	95,262	45.0%
<b>Public Administration</b> (direct and indirect taxes)	21,830	10.3%
<b>Local community and territory</b> (contributions to social, cultural and sporting sponsorship initiatives and to consumption and environmental education)	1,590	0.8%
<b>Lenders</b> (financial expenses paid to credit institutions)	25,603	12.1%
<b>Shareholders</b> (dividends and reserves)	38,000	18.0%
<b>Share reinvested in the company organisation</b>	<b>29,405</b>	<b>13.9%</b>

**Table 20.** Distribution of added value

In compliance with the sustainability reporting standards adopted, the amount of the Generated Added Value is indicated net of some non-applicable economic items such as provisions, adjustments and changes in value, etc.

# 7.

## *Attention to the stakeholders*



## 7.1 People



### MATERIAL TOPICS

- ▶ [S2] Corporate wellbeing, diversity and inclusion - protection of human rights
- ▶ [S3] Occupational health and safety
- ▶ [S6] Technological innovation and digital transformation

The AGSM AIM Group considers people the most valuable resource to ensure the achievement of its objectives. For this reason, it is committed to ensuring a work environment in which all people feel respected and have equal opportunities for growth and development and to spreading a culture that respects and values diversity.

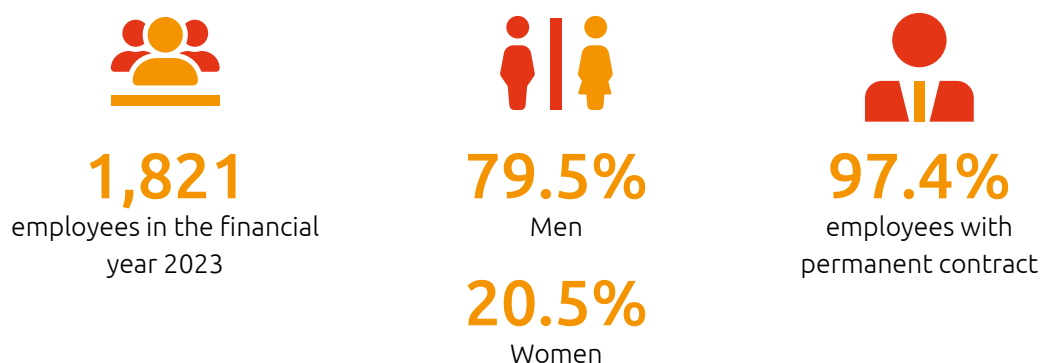
AGSM AIM promotes an inclusive work environment, which encourages a work-life balance, able to value people, respectful of human dignity and individuality.

*The AGSM AIM Group is committed to achieving sustainable success by ensuring the well-being and protection of the rights of people working directly or indirectly for the Group. It respects, protects and promotes human rights and fundamental freedoms for all by committing to guarantee professional relationships with its stakeholders based on respect for human dignity. In this regard, it has defined and adopted the **Policy for the protection of human rights** in order to indicate the fundamental principles on which the Group inspires its work in order to safeguard and promote human rights when conducting its business and activities.*

*By adopting the Policy, AGSM AIM confirms its commitment to protecting human rights, ensuring that all activities are carried out in compliance with the provisions of the Universal Declaration of Human Rights of the United Nations and current national and international legislation.*

## 7.1.1 Composition and characteristics

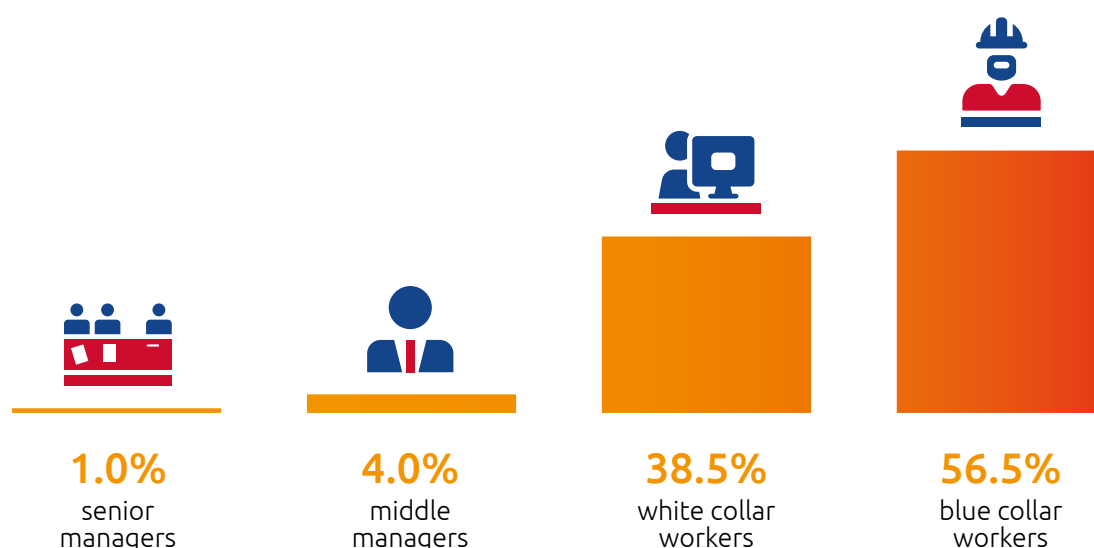
GRI 2-7; 2-8; 401-1; 405-1



The centrality of people for the AGSM AIM Group is also shown by its continuous investment in human resources, which increased by 26 overall during the reporting period.

Women in the AGSM AIM Group represent 20.5% of the company population, 13.1% of whom, out of the total workforce, hold clerical positions. The company population mainly consists of men, equal to 79.5%. This is due to the characteristics of the business sectors in which the AGSM AIM Group operates. In particular, there is a predominant presence of male blue collar workers due to the operational management of all our services in the area, such as environmental health services, the maintenance of networks and power and heat production plants, as well as the treatment of waste.

The professional structure breaks down as follows: 1.0% senior managers, 4.0% middle managers, 38.5% white collar workers and 56.5% blue collar workers.



The Group seeks to contribute to local employment. Almost all employees actually reside within the areas in which the Group operates, in particular Veneto (AGSM AIM), Milan (AGSM AIM Energia), Abruzzo (CogasPiù Energie) and Albania (EcoTirana).

The activities put in place to support the development of people are also expressed by using contractual forms that offer greater guarantees, such as that of permanent employment. This classification represents almost all of the employment relationships in the AGSM AIM Group (97.4% of the employment contracts of the Group Companies). Part-time contracts, which account for 4.5%, arise mainly for workers' personal needs.

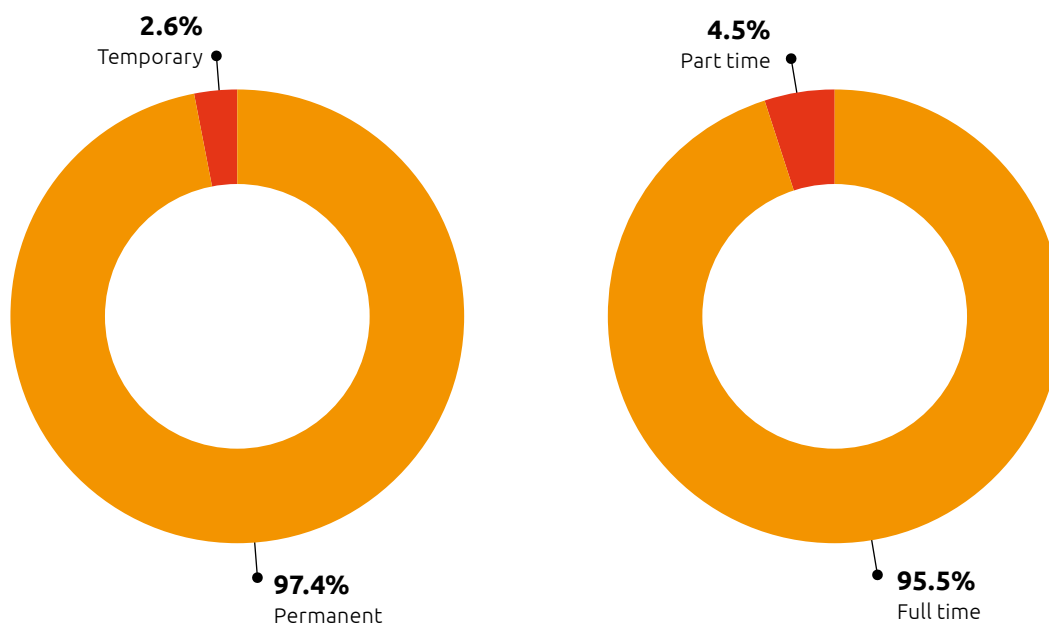


Figure 12. Type of contract

During 2023, 61 non-employees (37 men and 24 women) worked for the AGSM AIM Group. AGSM AIM's non-employees are mainly staff on manpower supply contract for the purpose of temporary employment with the Group and staff on internship contracts (8 people) to perform the curricular training projects lasting about 3 months. In 2023, an internship contract was converted into a temporary contract.

As for length of service, the group of people who have worked in the company for less than 6 years is the most represented, covering 42.6% of the total personnel. This confirms the Group's desire to continue increasing its human capital by integrating it with new resources and skills from outside the organisation.

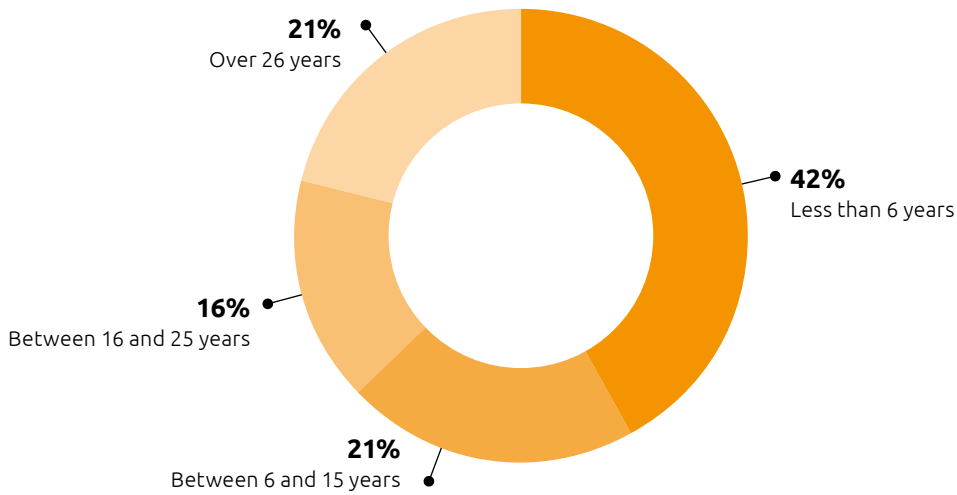


Figure 13. Seniority

**48**

*The average age in the AGSM AIM Group is 48 years old<sup>3</sup>.*

At Group level, during 2023, 223 people were hired (64.6% of whom were related to the Group’s environmental companies), of whom about 10.0% were women and 52.7% aged 30 to 50, a sign of the Group’s commitment to investing in young people and encouraging generational change.

The incoming turnover rate, obtained from the ratio between the sum of people joining during the year and the total number of people who work at the company in the relevant year, is 12.2% (approx. 90.0% for men and 10.0% for women), while the outgoing turnover rate is 10.8% (94.0% for men and 6.0% for women).

During the reporting period, 197 people left the Group, of which 74.1% related to the Group’s environmental companies where, due to the type of activities carried out, there is a high rate of outgoing turnover.

The main reasons were voluntary resignations (60.1% of cases), followed by retirement (20.2% of cases) and temporary employment contract expiry, for 9.6% of the total.

<b>228</b> Recruitment incoming turnover rate: 12.2%	<b>197</b> Terminations outgoing turnover rate: 10.8%
------------------------------------------------------------	-------------------------------------------------------------

3 The average age data does not include the companies EcoTirana, DRV, SIT, SERIT and Transeco in which 41.3% of the AGSM AIM Group’s personnel works.



## 7.1.2 Personnel selection and management

### 7.1.2.1 Selection process

The process of selecting and hiring new employees of the Parent Company and its investees is carried out by acquiring the most adequate resources, in terms of number and quality, according to the actual company needs and the economic resources available, according to the principles listed below.

- ▶ **Adequate publicity of the recruitment.**
- ▶ **Impartiality.**
- ▶ **Cost-effectiveness and speed of execution.**
- ▶ **Respect for equal opportunities between female workers and male workers.**

Selections are made by the Human Resources and Facility Management Department based on a job description defined with the Managers of the Parent Company and the Business Units, adopting objective mechanisms.

The selection process involves one or more motivational and technical interviews, capable of verifying the satisfaction of the aptitude and professional requirements needed for the position to be filled and assessing the candidate's potential. Each step of the process, as well as the different interactions with candidates, are tracked within a management software.

The CVs received at the office, after a period of two years, will be eliminated, according to the provisions of the current legislation on privacy.

Hiring takes place with an individual employment contract, in line with the national collective agreements (of a private nature) applied by the Company.

## 7.1.2.2 Remuneration and welfare



2-30; 401-2; 401-3

*“The AGSM AIM Group sets its remuneration policy in full compliance with internal equity and Italian legislation, with scrupulous reference to the relevant National Collective Bargaining Agreements, excluding any type of discrimination.”*

Within the Group, numerous National Collective Bargaining Agreements (CCNL) are applied. The main ones are listed below.

- ▶ **Confservizi-Federmanager Senior Managers of public utility service companies CCNL**
- ▶ **UTILITALIA Environment Sector CCNL**
- ▶ **FISE - Environment CCNL**
- ▶ **UTILITALIA Electricity Sector CCNL**
- ▶ **Confcommercio Services CCNL**

100% of the employees in Italy are covered by the above-mentioned National Collective Bargaining Agreements.

The costs that AGSM AIM incurs for its employees mainly take into consideration: both immediate (remuneration and fringe benefits) and deferred (severance indemnities and additional months) direct remuneration, and indirect remuneration (social security contributions borne by AGSM AIM Group companies).

Personnel costs are a significant indicator of the contribution of the AGSM AIM Group to employment in the local area (Veneto) in which 74.2% of its employees reside.

With regard to supplementary pensions, AGSM AIM favours the registration of workers both in the negotiation supplementary pension funds (Pegaso, Previambiente, Previndai, Fonte) and in the open funds (of a private nature and promoted by the main insurance companies and credit institutions). Membership in a Negotiation Fund entitles the employer to contribute at least the same amount paid by the worker.

The Group provides different opportunities for both supplementary health protection and the development of recreational activities for employees.

For personnel based in Verona, “ordinary membership” is envisaged in CRAEM, a welfare and recreational club set up among all employees in accordance with the provisions of the National Collective Bargaining Agreement and trade union agreements, which has as its purpose the moral and physical elevation of workers with the implementation of welfare, social security, cultural, artistic,

recreational and sports initiatives. Employee membership can also be of the “voluntary type” by paying a percentage of the gross monthly salary based on the package (recreational activity and/or care activity) and the type of membership selected (ordinary or voluntary).

Personnel based in Vicenza are expected to join FISDE OPEN to ensure greater health coverage as well as to join CRAIM to develop recreational activities and opportunities for colleagues to share.

The profitability, productivity and quality objectives to be pursued in 2023 in all Group companies are geared towards the implementation, with regard to the Parent Company, of the harmonisation between Departments with the aim of making the procedures and systems already in place more efficient and rationalised. These activities result in an improvement in the service provided to the subsidiaries.

For the various subsidiaries, the objectives aim at implementing the preparatory activities to merge the individual companies (which were then set up on 1 January 2022) with the purpose of making procedures and systems already in place more efficient and rationalised for a fully harmonised post-merger integration.

Once the profit in the Group’s consolidated financial statements is realised, the possibility of receiving the Bonus will depend on the achievement of the profitability, productivity and quality objectives of the Group.

Therefore, the annual Performance Bonus for the employees will be related:

- ▶ **to the profitability parameter for a percentage of 40%**
- ▶ **to the productivity and quality parameter for a percentage of 60%**

In this regard, the possibility of converting, in whole or in part, the amount of the Performance Bonus into forms of welfare was also maintained in 2023.

In particular, to all workers who freely chose to convert their Bonus into welfare goods and services and who are entitled to do so under current tax legislation, the Company made available an additional package of welfare goods and services with a value equal to 20% of the converted portion of the Bonus. Instead, workers who chose to convert the Performance Bonus by allocating it in whole or in part to the sector Supplementary Pension Fund, were granted a further amount equal to 5%, in addition to the above value of 20%, of the converted portion of the Performance Bonus.

Among the “Flexible Benefits” made available: fuel vouchers, food vouchers, shopping vouchers, health packages, travel packages, cinema, theatre, gym and swimming pool season tickets, educational and training expenses, and other care costs.

The AGSM AIM Group made available an individual budget to beneficiaries, equal to the portion of the envisaged Performance Bonus, to be paid via the forms described above. Beneficiaries can convert their Bonus into welfare benefits by logging on to the dedicated welfare portals. Failure to choose conversion into one of the proposed benefits results in full payment of the Bonus in the salary, with reduced taxation, for those entitled in accordance with the provisions of current tax regulations.

## Group investments in People's well-being

In order to improve the quality of life of the Group's personnel, greater flexibility is one of the levers for improving performance and productivity.

AGSM AIM facilitates the work-life balance by applying flexible working hours, providing part-time employment contracts, and allowing the use of smart working. In 2023, smart working involved, in the Parent Company and in the subsidiaries AGSM AIM Energia, AGSM AIM Power, AGSM AIM Calore, AGSM AIM Smart Solutions, CogasPiù Energie and V-Reti, 387 people (43%) for a total of 161,647 hours.

In support of employment and in order to reconcile private life with work commitments, the AGSM AIM Group intends to gradually adopt some measures which are currently being developed and studied, such as:

### **Flexibility under exceptional circumstances**

The Group takes into account the needs of workers, analysing each situation and arranging ad hoc management for each individual, based on a linear organisation.

### **Part-time on return from maternity leave**

Granted to enable the new mother to care for the child on a continuous basis.

### **Smart working**

AGSM AIM has introduced and consolidated smart working for all roles in those staff categories which can work remotely. Smart working represents a form of flexibility and at the same time a new management philosophy, which evaluates work on objectives and not on schedules.

In addition, the AGSM Group complies with the Consolidated Law on the protection and support of maternity and paternity (Italian Legislative Decree 151/2001 and subsequent amendments), which regulates the leave, rest, absence and economic support of workers, related to maternity and paternity of natural, adoptive and foster children.

AGSM AIM also supports its personnel in parenting by providing a maternity allowance of 100% of salary instead of the 80% envisaged by applicable legislation during the period of compulsory leave.

In 2023, 40 people took parental leave: 16 women and 24 men. All employees who took parental leave still work for the Group.

### 7.1.2.3 Relations with trade unions

The Group supports freedom of association and the effective recognition of the right to collective bargaining, considering dialogue with trade unions and workers' representatives essential. Periodic meetings with company union representatives are planned in order to promote not only constant communication but also proactive cooperation on all relevant issues, with particular attention to safety, training and sustainability initiatives.

The trade union membership rate in the AGSM AIM Group in 2023, calculated considering the number of personnel having joined the union compared to the total number of employees, was equal to 34.0%.

### 7.1.2.4 Diversity & Inclusion



405-2; 406-1

Diversity, equity and inclusion are fundamental values to promote and create an open, respectful and plural working environment, where everyone can contribute with their own uniqueness, and bring added value to the organisation and the community in which it operates.

Diversity represents people as distinct identities, fostering a heterogeneous cultural environment, nurturing creativity, innovation, productivity and the generation of ideas, and improving the working environment. Therefore, it must be safeguarded and protected in all its forms, as a source of wealth for the growth of the Group and for the community in which it operates.

The Group promotes respect for equal opportunities in each dimension of diversity:

- ▶ **Gender:** committing to combating stereotypes, prejudices, even unconscious, and any form of discrimination related to gender differences or gender identity.
- ▶ **Interculturality:** recognising the value that the integration of different cultures and experiences can offer on a human, social and professional level, generation and disability.
- ▶ **Generation:** addressing the challenges related to the evolution of society, the market and innovation through the knowledge, experiences and different perceptions of work, roles and relationships that characterise each age.
- ▶ **Disability:** recognising equal opportunities, regardless of sensory, cognitive and motor disabilities by adopting any action or measure aimed at breaking down cultural, structural, sensory and physical barriers. Within the Group some personnel belong to the protected categories, representing 2.8% of the total workforce.

AGSM AIM promotes equality right from the time of recruiting staff with job growth paths based on criteria of competence and performance and is committed to eliminating all forms of discrimination based on gender, age or personal and ideological beliefs, in order to foster a harmonious and stimulating working environment.

With the aim of promoting diversity in all its forms, combating discrimination and ensuring equal treatment for all personnel, the AGSM AIM Group has defined its Equity Diversity & Inclusion Policy with the ultimate goal of creating an inclusive working climate, in which different ideas and perspectives are valued and encouraged to stimulate innovation and creativity.

In the next three years, projects are planned to raise awareness of the topic of DE&I, fostering a management culture focused on inclusion, as well as the launch of a project aimed at achieving the gender equality certification according to UNI PDR 125:2022 guidelines.

In 2023, there were no episodes of discrimination.



AGSM AIM's commitment to combating and preventing all types of discrimination is also reflected in the remuneration structure of its staff. The Group's system of remuneration policies is based on the ability to recognise the most appropriate remuneration package on the basis of individual performance and professional skills. Any distinction in remuneration between the persons of AGSM AIM may be exclusively attributable to these factors.

The ratio between the remuneration of women compared to that of men in the senior and middle managers, white collar workers, and blue-collar workers categories is equal to: 92%, 74% and 62% respectively. While the ratio of the basic salary is equal to: 94% for senior and middle managers, 92% for white collar workers and 80% for blue collar workers<sup>4</sup>.

In the category of senior managers, the differential is justified in the roles and responsibilities held by women senior managers. The differential of each category is also influenced by the level of length of service.

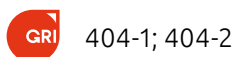
The analysis of specific deviations did not reveal discriminatory trends, but dynamics linked to the representativeness of the female sample in the reference cluster.

The differential in the pay ratio between male and female white-collar workers is also motivated by the fact that 9% of female white-collar workers benefit from the flexibility of part-time work.

The process of collecting data relating to the pay ratio was started during 2023 and, from the next reporting period, it will therefore be possible to identify any improvement trends.

<sup>4</sup> The data does not include the companies EcoTirana, TREV Ambiente, SIA, SIT, SERIT and DRV in which 40.6% of the AGSM AIM Group's personnel works.

### 7.1.3 Training and development



The AGSM AIM Group promotes a working environment where all employees feel positively involved in ensuring the definition of their own skills and career development path, while maintaining high performance and motivation.

Training is an important part of developing personnel. Given the nature of the activities provided, continuous updating in the regulatory and technical field is essential for providing an adequate and efficient level of service.

On-the-job training plays a primary role and is guaranteed thanks to the involvement of hierarchical superiors, who are encouraged to take a leading and coaching role in the development of their co-workers, to ensure that they are successful in their current role while increasing their awareness for future career aspirations.

In 2023, 29,359 hours of training were provided to employees, 91.6% more than in the previous reporting period.

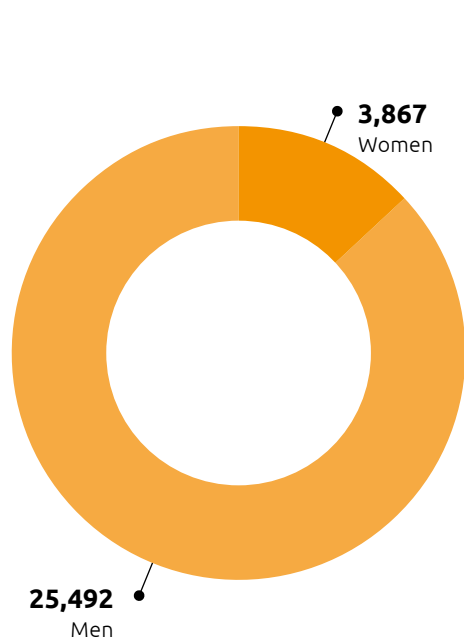


Figure 14. Hours of training by gender

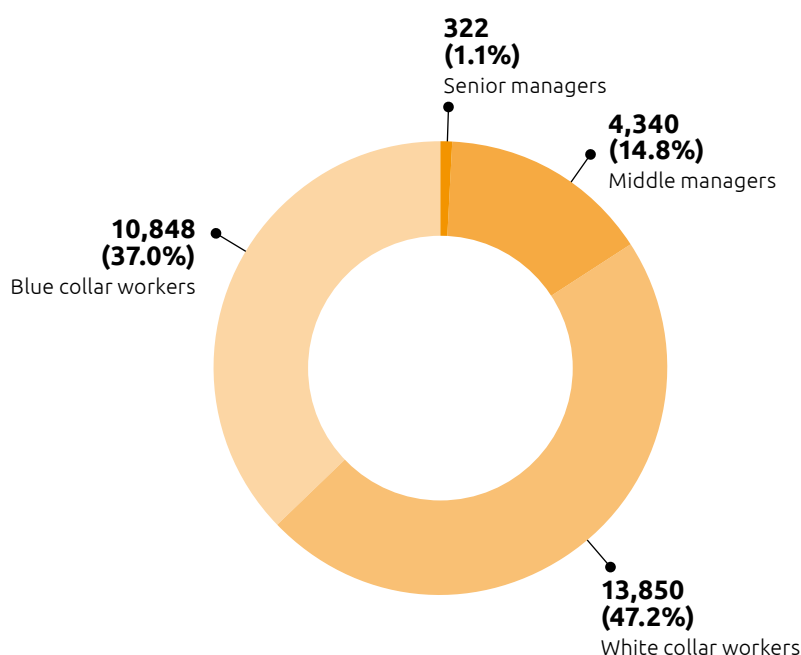


Figure 15. Hours of training by qualification

In 2023, the per capita training hours per participant in the AGSM AIM Group amounted to 16.15. Not including the Albanian company EcoTirana Sh.a., which does not currently monitor training hours accurately, per capita training hours correspond to 20.65.

At the end of each training course, employees are asked to evaluate the teaching, the content covered and the overall effectiveness by completing an anonymous questionnaire.

E-learning training will be provided to allow greater flexibility for employees.

The 2023 training plan provided courses on occupational safety or technical and professional refresher courses. A wide range of projects were therefore promoted, aimed at all the professional families of the AGSM AIM Group covering issues related to soft skills and managerial competence.

In line with the VOLT (Values, Horizon, Leadership, Transformation) Project launched in previous years, which defined the mission and values of the AGSM AIM Group, two multi-year courses were launched that address soft skills with particular regard to interpersonal communication, change management and teamwork. A first course, VOLT Lab, was started in 2023 and will end in the first half of 2024, aimed at the Heads of the AGSM AIM Group already involved in the performance management process; a second course, VOLT Learning Center, launched in 2023 and ending in 2025, will involve all the employees of the AGSM AIM Group hired under the National Collective Bargaining Agreement (CCNL) for the electricity sector.

As part of the VOLT Project, the “Valori in Azione” (Values in Action) Project was undertaken, involving heterogeneous working groups with the aim of defining ways to transform values from ideas into practical behaviour and initiatives. The project involved over 50 employees who in June 2023 submitted their projects for improvement to the AGSM AIM Group Management. The first of these, “Erasmus Aziendale” (Corporate Erasmus), i.e. the possibility of being hosted for a short period in a company function other than one’s own in order to work on issues not related to one’s own daily work, will take place in the first months of 2024.

At the end of 2023, VOLT UP was launched, a project aimed at developing individual skills and initially addressed to all AGSM AIM Group employees under the age of 40 (graduates and high school diploma holders in technical subjects). The project will be completed during 2024 with the aim of identifying specific individual development courses for all participants, aimed both at professional development and at increasing engagement in their organisation.

These two courses involving the entire company population were then supplemented with training initiatives focused on specific topics, such as ones listed below.

- ▶ Smart working, provided to the entire population that use this style of work in order to develop the soft skills required to operate remotely in a profitable manner.
- ▶ Change management and team building delivered to the Collections and IT Systems organisational units, with the aim of strengthening the sense of belonging of teams located in different workplaces.
- ▶ Customer relationship management provided to the Front Office organisational unit of AGSM AIM Energia with the aim of enhancing customer management skills at a difficult time for the energy market.

In line with what was started during 2022, a group of more than 50 employees were given the opportunity to access seminars and webinars on topics related to soft skills and the national and international context with the aim of promoting the development of professional skills that may also go beyond one’s own sphere of work.



## Digital transformation and HR process development

During last year, the Group launched an HR digitisation project, which includes implementing a Human Capital Management (HCM) system. This tool is aimed at simplifying the processes that follow the employee journey from recruitment to termination.

During 2023, the project saw the release of the module referring to the Group's registry and organisational data, integrated with the payroll processing application, the complete digitisation of the recruitment process and the release of a portal, integrated into the HCM system to collect applications, the management of the selection process and the inclusion of workers in the AGSM AIM Group, the digitisation of the workflow to manage training requests by employees and managers and the start of the migration of all the training provided to AGSM AIM Group employees since recruitment.

In this regard, during 2023, the collection, analysis and digitisation of training carried out by all personnel was undertaken, also before the corporate integration for AGSM AIM Smart Solutions Srl. The progressive digitisation of historical training for all the remaining companies of the AGSM AIM Group will follow in 2024.

During 2024, the Performance Management and MBO processes within the Development module and the remaining processes of the development module will be fully digitised; a tool will also be released to provide data analysis on Compensation.

Thanks to these projects, in 2023 AGSM AIM received the HR Innovation Award in the category "Digitisation of HR processes" by the HR Innovation Practice Observatory of the School of Management of the Politecnico di Milano. AGSM AIM was awarded for "defining a technological architecture review project to support the Group's HR processes and practices, offering a better user experience for people and HR Management and creating a single data-driven ecosystem".

At the beginning of 2023, a new corporate intranet was created, with the aim of providing all employees of the AGSM AIM Group with a unique space, from which to draw information and from which to start reaching the applications, from the most common and used ones, to those most specialised and sector specific.

## 7.1.4 Occupational Health and Safety



403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-8; 403-9; 403-10

The Group is committed to the health and safety of all its workers.

The occupational health and safety management system adopted, as defined by the current provisions of Italian Legislative Decree no. 81/08 “Consolidated Law on Health and Safety at Work”, provides for a careful examination of the risks of each sector of activity with the aim of continuously improving work and social performance.

The Group’s managerial approach to this issue has long been inspired and guided by international standards and rules: firstly, the reference was the OHSAS 18001 standard and then the ISO 45001 standard, which are observed by the systems implemented in nine Group companies. The personnel of ISO 45001-certified companies are covered by the occupational health and safety management system (ref. paragraph 4.3).

The AGSM AIM Group identifies the hazards present in company activities that may cause accident or illness through inspections carried out jointly in the workplace by the Heads of the Health and Safety Service (RSPP), Company Doctors, Workers’ Health and Safety Representatives and the related heads of unit. The Group Companies then assess the risks to the health and safety of workers due to the hazards detected in the workplace, and check whether there is the possibility of eliminating or reducing them by adopting prevention and protection measures.

In the event of an accident, an investigation is launched which may include, in addition to interviewing the injured person and any witnesses, an inspection of the site of the event. The objective of the investigation is to determine its causes in order to identify the measures to be taken to prevent it from happening again. A similar investigation is opened in the case of near misses.

In accordance with the provisions of Articles 17, 18, 28 and 29 of Italian Legislative Decree no. 81/08, Employers, in collaboration with the Heads of the Health and Safety Service (RSPP) and the Company Doctors, implement a process to identify the hazards and assess risks to health and safety in the workplace and in the activities carried out by the personnel. This process allows Employers to identify suitable prevention and protection measures to avoid or, if not possible, reduce the likelihood of an unfavourable event or, in any case, reduce its consequences.

The provision of Personal Protective Equipment (helmet, footwear, high-visibility clothing, etc.) or Collective Protective Equipment is the responsibility of the company, which also provides training for correct use. The Health and Safety Service (SPP) identifies the characteristics of the necessary PPE by preparing a special catalogue and verifies its effectiveness with the support of the workers, supervisors, Workers’ Health and Safety Representatives and heads of department.

The risk assessment and the consequent prevention and protection measures are contained in the **Risk Assessment Document (DVR)** prepared for each Group company.

Given the type of accident events and risks identified in the DVRs, the “Corporate Wellness” project was launched in 2023. It is aimed at training and raising the awareness of workers with the aim of preventing musculoskeletal disorders, visual disturbances and biomechanical overload pathologies of the upper limb.

At the various company sites, plans are in place to manage possible emergencies, known as “Emergency Plans”. To this end, in each Group company, there are personnel specifically trained in fire-fighting, first aid and also in using a defibrillator, available in various company premises. The emergency procedures require that anyone who detects an abnormal or dangerous situation should call the internal designated numbers answered by the personnel in charge.

In 2023, there were 80 accidents at work, of which the main causes were tripping, slipping, stress injury and injuries caused by working. During 2023, no injuries to non-employees were recorded.

There were seven commuting accidents, this term indicating those accidents occurring when traveling from home to the workplace with means owned by the individual worker. In these events, the causes depend on factors that cannot be managed by the companies of the AGSM AIM Group.

Finally, there are 14 accidents that can be classified as accidents with serious consequences for absence from work of more than 40 days. No event had an initial prognosis of more than 40 days.

In 2023, the AGSM AIM Group maintained the trade union agreement to protect workplace safety concerning adoption of the “man on the ground” system for isolated or solo workers.

Health surveillance, as regulated in Section V (Health Surveillance) of Italian Legislative Decree no. 81/08 and in the Risk Assessment Document, is entrusted to external professionals (Article 41 of Italian Legislative Decree no. 81/08) who meet the legal requirements. Company doctors, based on risk assessment and regulations, define health protocols for health surveillance and subject employees to medical examinations during working hours.

In addition to regular medical examinations, according to the health protocol, examinations are made in the event of hiring, change of job, due to absence for illness/accident of more than 60 days and upon request to the doctor by the worker. The frequency and type of examinations are contained in the health protocol prepared by the Company Doctors based on the job, age and risk to which the employee is exposed. Health surveillance expenses are borne entirely by the relevant company.

In the head offices of the Parent Company and in the premises of Group companies, a room hosts the infirmary and is used by doctors on a weekly or on-demand basis. Blood tests and specialist exams, which take place on the prescription of the company doctors, are entrusted by the Group to external medical laboratories based on an agreement. Personnel are invited to attend the medical examination within the time limits laid down in the regulations, by means of individual written communications from the Health and Safety Service.

All health data is processed in accordance with current legislation and remains with the company doctors.

Health surveillance includes the prevention of occupational diseases that the worker could contract in carrying out their activity. 17 applications were received in 2023 for the recognition of occupational diseases by Group employees or former Group employees, all in the environmental area.

It is believed that the jobs most exposed to risks are those of the environmental sectors or in any case operational.

An awareness-raising campaign for personnel working in tick-infested areas was initiated during the reporting period. In particular, in order to prevent diseases caused by these parasites, the AGSM AIM

Group invited the personnel concerned to be vaccinated against tick-borne encephalitis virus (TBE) bearing all costs.

Meetings are scheduled at least once a year involving the Employers, the Health and Safety Service, company doctors and workers' safety representatives to manage potential problems related to workers' health and safety. During the meetings, an analysis is made of the Risk Assessment Document, the trends of accidents, occupational diseases and health surveillance, as well as the suitability of the PPE provided and the personnel safety training programmes.

It is extremely important for each employee to be aware of the risks to which they are exposed in their activities; this awareness is also gained by participating in safety training organised by the Company. The Group is strongly committed to involving employees, on all levels, in safety training to spread the culture. Though to a limited extent, the traditional meetings with the operational contact persons have resumed, in which accidents and near misses in the Group in the previous year are analysed together with the Head of the Health and Safety Service.

## 7.2 Shareholders

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### MATERIAL TOPICS

- ▶ **[G1] Governance geared towards sustainable success**
- ▶ **[G2] Business integrity and corporate reputation**

Aware of the importance of the role played by the Shareholders, the AGSM AIM Group ensures them accurate, truthful and timely information that is also aimed at improving the conditions of informed participation in corporate decisions.

In relation to its shareholders, the Group undertakes to ensure the effective participation of all members of corporate bodies in the shareholders' meeting through timely information on the items on the agenda, in order to establish a fruitful dialogue among the Shareholders, the Board of Directors and the Board of Statutory Auditors.

Moreover, the Group companies have entered into "service agreements" with the municipalities of Vicenza and Verona aimed at governing the performance of activities subject to concessions and/or administrative authorisations.

The Group's is also committed to protecting and increasing the value of its business and the solidity of its assets, by enhancing management and pursuing high standards in production and service activities. AGSM AIM also undertakes to safeguard and store the corporate resources and assets contributed by the Shareholders.

During 2023, the AGSM AIM Group paid dividends accrued in the previous year and released reserves set aside in previous years to benefit the Municipalities of Verona and Vicenza for a total of Euro 38 million.

## 7.3 Lenders and investors



### MATERIAL TOPICS

- ▶ **[G1] Governance geared towards sustainable success**
- ▶ **[G2] Business integrity and corporate reputation**

The Group pursues a policy aimed at the utmost transparency and fairness in communications with lenders, maintaining a balanced diversification and distribution of debt.

The financial management objective is to guarantee the Group an adequate current and future balance between investments and capital use on the one hand and sources of financing on the other hand and, for the latter, negotiate sustainable conditions, in terms of both repayment plan and type and amount of interest rate and rate of return.

For the performance of its activities, the AGSM AIM Group resorts to self-financing as well as to short-term (to be repaid within the following year) and long-term debt capital (to be repaid beyond the following year).

Net financial debt as at 31 December 2023 amounted to Euro 370.4 million (so-called Net Financial Position), a decrease of 41.5% compared to FY 2022 (equal to Euro 632.7 million) against a reduced absorption of working capital due to the normalisation of electricity and GAS raw material prices.

The credit facilities are not concentrated on a single lender but are distributed among the leading Italian banks with which the Group has entertained consolidated relations for years.

The AGSM AIM Group is among the first Italian entities operating in the local public services sector which the European Investment Bank has involved in the new loan programme called "Medium Sized Utilities Programme Loan", intended to support companies' medium-term development plans.

The financial expenses accrued on debt capital in 2023 amounted to Euro 23.6 million up compared to the previous year's figure (amounting to Euro 9.8 million) due to the absorption of working capital in the first part of 2023 and the increasing trend in interest rates on debt capital.

The AGSM AIM Group has entertained relations with the Banca Etica credit institution that recognised the Company's compliance with high management standards and specific social and environmental requirements, thereby allowing the opening of some credit facilities aimed at the company's economic-social sustainability.

With a pool of seven financing banks, a transaction for a total of Euro 350 million has been signed to meet the cash needs determined by the current scenario of energy markets still characterised by high volatility and uncertainty, as well as to accompany the comprehensive multi-year investment plan that has a specific ESG relevance with a focus on renewable energies. This transaction is in addition to the Euro 150 million sustainability-linked loan, signed in August 2022 with a pool of four banks, consisting of BNL BNP Paribas and Banco BPM (Global Coordinator), BPER Banca and Cassa di Risparmio di Bolzano.

It should be noted that in 2017, the former company AIM Vicenza issued a first tranche of an unsecured bond amounting to Euro 50 million through listing on the regulated market of the Dublin Stock Exchange (Euronext Dublin), one of the reference trading venues at the European level for the

corporate bond market. This transaction was followed in 2018 by the issue of a second tranche of the bond for a further Euro 20.5 million, demonstrating the Group's commitment and interest in supporting and developing the investment plan characterised by assets with a particular focus on sustainability. The unrated private placement was fully subscribed by institutional investors. The bonds have a duration of 7 years, expiring in 2024, and an annual coupon of 1.984%.

The remaining principal will be repaid according to an amortisation schedule divided into constant annual principal amounts. The proceeds from the issue were used to fund the important investment programme (in the various business areas) envisaged by the Business Plan and allowed, also through a diversification of the sources of financing, the Group's financial consolidation process pursued in recent years to be continued also increasingly shifting the type of debt to the fixed rate in order to reduce the uncertainty of a possible fluctuation in interest rates.

AGSM AIM wins the

## **Credit Reputation Award 2024**

The AGSM AIM Group won the prestigious "CRAward", awarded by MF Centrale Risk Spa - a company specialised in credit analysis - to companies that stand out for their punctuality and regularity vis-à-vis banks and financial intermediaries.

The recognition was assigned on the basis of a specific evaluation model that analysed the periodic surveys carried out by the Bank of Italy's Central Credit Register ("CR").

AGSM AIM emerged as one of the top 20 Big companies (turnover over Euro 250 million) attending the event.

## 7.4 Authorities and institutions



2-28; 415-1



### MATERIAL TOPICS

- ▶ **[G1] Governance geared towards sustainable success**
- ▶ **[G2] Business integrity and corporate reputation**

The Institutions represent for the AGSM AIM Group a privileged partner with whom to collaborate in the implementation of initiatives designed to generate positive effects on the social and economic fabric of the territory and on the citizens' quality of life, including by virtue of the essential nature of the services provided by the Group and their impact on the communities.

Relations with institutional parties, maintained in accordance with current legislation and the principles of the Code of Ethics, play a fundamental role both socially, with reference to relations with local institutions, sector authorities, trade associations, etc., and economically for the payment of taxes and duties.

AGSM AIM regularly pays the contributions and registration fees due to public and private entities, such as Chambers of Commerce, independent administrative authorities, sector associations and representative bodies.

The AGSM AIM Group also maintains relations with some trade associations by participating and actively collaborating in benchmarking against other companies and to promote regulatory and technological updates, including:

- ▶ **Utilitalia**, a federation of companies operating in the water, environment, electricity and gas public services.
- ▶ **AIRU** (Associazione Italiana Riscaldamento Urbano), which aims to promote and disseminate the application and innovation of district heating and cooling systems.
- ▶ **Confservizi Veneto**, an association that coordinates and promotes the development of local service management companies and encourages the exchange of knowledge and experience, carries out studies, drafts regional law proposals, administrative measures, economic and statistical data and cooperates with other regional associations.
- ▶ **ANEV** (Associazione Nazionale Energia del Vento) whose aims include contributing to the promotion and use of wind energy in a balanced relationship between settlements and nature, as well as encouraging research and technological development aimed at using wind resources and the rational use of energy, and the dissemination of correct information based on real data.

The national regulatory and control authority that has the greatest impact on the management and activities of the AGSM AIM Group is the Italian Regulatory Authority for Electricity, Gas and Water (ARERA), an independent body established by Italian Law no. 481 of 14 November 1995, with the task of protecting consumer interests and promoting competition, efficiency and the dissemination of services with adequate quality levels.



In particular, the functional unbundling rules, governed by ARERA by means of Resolution 296/2015/R/com, set, for vertically integrated companies operating in the electricity and natural gas sectors, the conditions to ensure:

- ▶ Neutrality in managing infrastructure under concession.
- ▶ The non-discriminatory management of commercially sensitive information relevant to the correct development of competition.
- ▶ The absence of cross-subsidies among activities, in particular among those subject to tariff regulation and those operated under the free market regime.

In compliance with regulatory requirements, V-Reti, a vertically integrated company within the AGSM AIM Group, established the Independent Manager for natural gas and electricity distribution activities.

The Independent Manager is entrusted with the concrete implementation of the functional unbundling of managed activities, which it implements and guarantees by preparing a Compliance Programme, containing the measures to pursue the regulatory purposes.

The AGSM AIM Group is attentive to compliance with rules and regulations and has no significant litigation proceedings against the Public Administration.

The AGSM AIM Group receives contributions from the Public Administration, mainly from CSEA (Casa Servizi Energetici Ambientali).

Moreover, the AGSM AIM Group does not contribute in any way to the financing of political parties or political and trade union movements, committees and organisations, as well as their representatives and candidates, except for the cases provided for by specific regulations, as set out in the Group's Code of Ethics.

## 7.5 Customers



### MATERIAL TOPICS








- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E4] Circular economy
- ▶ [E5] Smart cities and sustainable mobility
- ▶ [E6] Development of distribution networks
- ▶ [S1] Attention to customer needs and customer satisfaction
- ▶ [S6] Technological innovation and digital transformation

The AGSM AIM Group pays great attention to the needs of its customers, constantly striving to provide high-quality, safe and reliable services, acting with flexibility and willingness to meet customers' expectations and adopting professional, correct and transparent communication practices.

The AGSM AIM Group, through its Business Units, guarantees its customers equal rights, equal treatment and non-discrimination. The Group is highly committed to rendering information about its services simple and readily available. These are the key underlying principles that the Group follows in order to ensure that customer relations are long-lasting, through the adoption of a variety of channels of communication with customers.

The Group has undertaken to comply with general and specific quality standards, and to constantly improve the services provided through technological, organisational and procedural solutions designed to further the effectiveness and efficiency of its operations.

AGSM AIM Group customers for the following services:

	Sale of electricity, gas and heat: <b>855,208</b> energy customers
	Gas distribution: <b>293,973</b> PDRs carried
	Electricity distribution: <b>253,286</b> PODs carried
	Urban waste collection: <b>68</b> municipalities served by the collection service
	Telecommunications: <b>67</b> institutional customers, businesses and sector operators
	Sustainable mobility: <b>2,600</b> customers using AGSM AIM charging points for electric vehicle charging
	Public lighting: <b>32</b> municipalities served

## 7.5.1 Quality and proximity: relations with energy customers

AGSM AIM Energia and CogasPiù Energie are the commercial companies of the AGSM AIM Group that carry out the activity of sale and after-sale of electricity, natural gas and heat (district heating service) supplies for different types of customers. In 2023, the commercial companies served a total of **855,208 customers** divided between electricity, natural gas and heat.

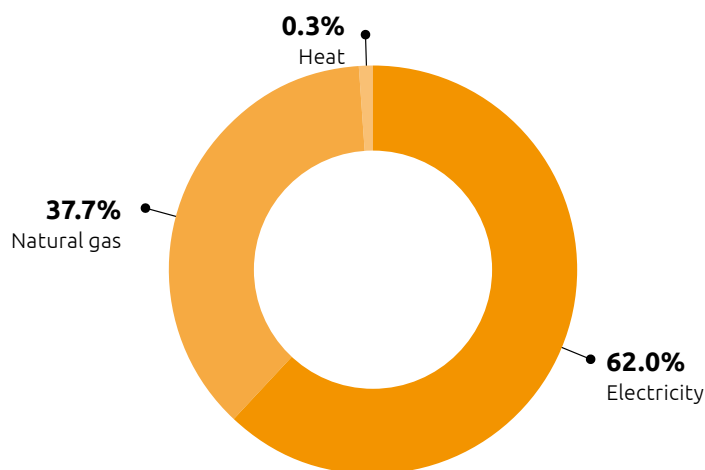


Figure 16. Energy customers served

Residential customers correspond to 61.0% for electricity supply, 88.0% for gas supply, and 66.4% for district heating services. The remaining customer portfolio is unevenly distributed between large accounts, public administration and resellers.

The marketing campaign of the Group companies is aimed at strengthening their identity in their regions of origin (Veneto and Abruzzo) but also at further strengthening their presence in other regions of Italy, through sales agencies and partnerships with trade associations located throughout Italy. The strong presence in the territory that characterises the AGSM AIM Group is also unequivocally reflected in the customer base and its geographic concentration in the Veneto region.

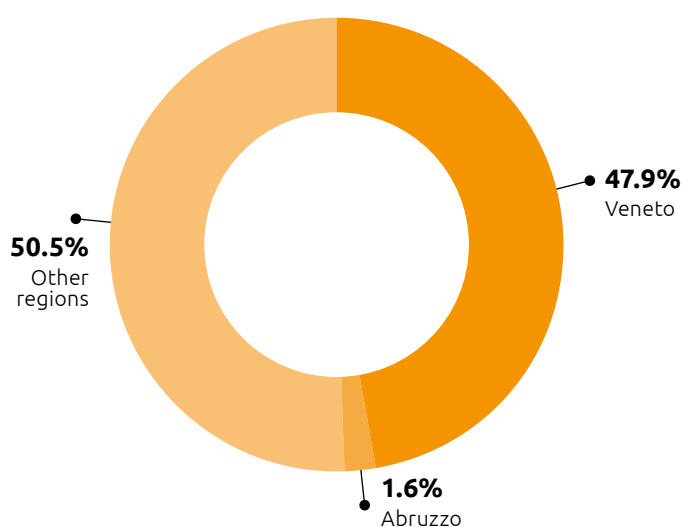


Figure 17. Electricity customer origin

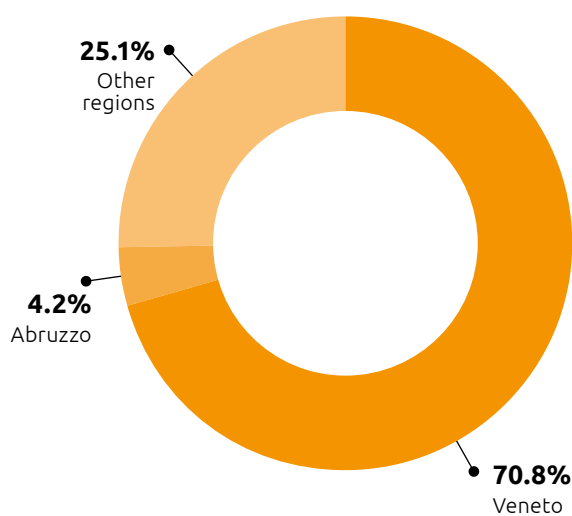
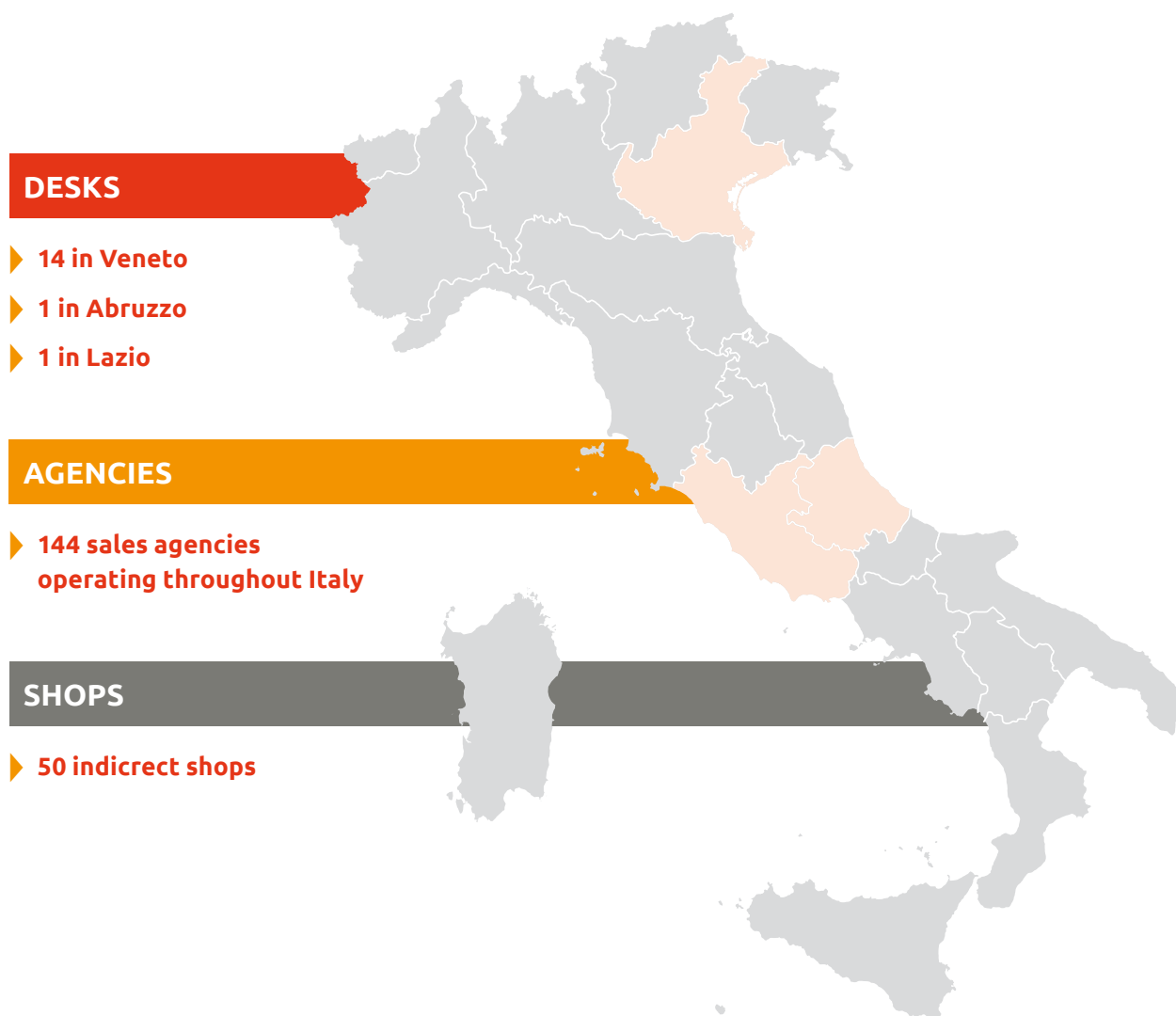


Figure 18. Gas customer origin

The Group is present in the area with 16 sales desks located as follows: 14 in Veneto, 1 in Abruzzo and 1 in Lazio and 140 sales agencies active throughout the country.

In order to ensure a widespread presence in the area, thanks to the partnership with local businesses, AGSM AIM Energia makes 50 indirect stores (AGSM AIM Shop) available to its customers where it is possible to request advice on bills received or sign up to the commercial offers proposed by the Group.

In the 16 sales desks, customers can find numerous information leaflets concerning the self-reading service, digital services, consumer education campaigns and a host of promotions active in the electricity and natural gas market.



AGSM AIM al Volante (in the driving seat) is a campaign that aims to provide assistance to AGSM AIM customers, and not only, for everything related to the world of electricity and gas thanks to the camper used as a real mobile office. The mobile desk visits in several locations in the province of Verona, covering the most important markets in the area, according to a dense and constantly updated calendar.

During the reporting period, 61,270 customers were served at the commercial desks of the AGSM AIM Group, i.e. 11.7% more than in the previous year. The growing number of procedures managed and

consequently of customers served is mainly determined by the numerous requests for information received due to the price dynamics of the first quarter of 2023.

Access to the commercial desks located in Vicenza and Treviso is allowed only by appointment to be made through the website or by calling the toll-free number 800226226. This makes it possible to eliminate customer waiting times to carry out the procedure. On the other hand, in the desks located in Verona and the province, an appointment is not required.

The subsidiary CogasPiù Energie has also eliminated waiting times at the desk thanks to adopting a system of customised appointments exclusively for the desk dedicated to bill payments.

In the event of urgent procedures or for the elderly or the disabled, "traditional" management is always guaranteed, i.e. the possibility of accessing the desk at any time without an appointment.

The average waiting time for non-appointment desks in the financial year 2023 is:

	<b>Verona desk</b> <b>Single queue</b>	<b>04:21 min</b>
	<b>CogasPiù Energie desk</b> <b>Payment queue</b>	<b>04:00 min</b>

Through the Digital Customer Area and the applications it is possible to access the electronic desk in which 391,584 cases were managed in the reporting period (28% more than in 2022), which corresponds to 76.1% of all cases managed by sales companies.

In addition to branches, the AGSM AIM Group companies provide customers with the call centre service for which 785,221 calls were received in 2023 (94% of which were successful) with an average waiting time of 158 seconds.

Furthermore, in 2023, 2,436 video calls were handled through InFace, the video call assistant service that allows the execution of all contractual transactions, using face-to-face assistance with an operator.

During 2023, the development and renewal of the Customer Area of the AGSM AIM Energia website and the app was completed.

The customer area and the "AGSM AIM Energia" app have been redesigned to be clearer and more intuitive, facilitating their use and introducing new customer-facing features such as, for example, the management of contractual practices, the activation of direct debit, the request to send bills by e-mail, the change of contact details and contacts.

Through the new app dedicated to AGSM AIM Energia customers, it is possible to carry out operations such as monitoring consumption through special graphs, self-reading of the gas meter so as to reduce consumption estimates in bills.

From the Customer Area it is possible to access the historical archive of the bills with summary data,

amount, due date and date of issue. Customers can also securely pay their bills, through the Nexi circuit, PayPal and the leading digital payment services. By activating notifications within the account, it is also possible to receive due notices.

Finally, a special section dedicated entirely to condominium administrators has been implemented in the new digital channels in order to help them when consulting the contracts they manage.

With reference to the subsidiary CogasPiù Energie, by accessing the Customer Area of the website <http://www.cogaspiu.it>, customers can independently send multiple requests for contract management by filling out and sending the prepared forms, self-reading the consumption, consulting the history of their bills and switching from sending paper bills to digital ones.

For the supply of natural gas and electricity, the sales companies of the AGSM AIM Group issued over 5.1 million bills, of which over 2.6 million were issued electronically, accounting for 51.1% of total bills issued by the AGSM AIM Group. The service of sending bills in electronic format is called Bollettaelettronica@, STOPCARTA and Vi@Mail. Therefore, by activating this service paper bills are eliminated, with the advantage of having them always available in digital format.

In 2023, over 26,646 customers activated this service, thus contributing to continuous paper savings by helping to save 78.4 tonnes of paper.

Each bill, including previous bills, is always available to all customers in a convenient digital archive, accessible through the App and the Customer Area of each company.

Via the Customer Area of the websites and the dedicated Apps, the AGSM AIM Group also gives its customers the possibility of paying bills by credit card or activating payment via SEPA (Single Euro Payments Area) direct debit, facilitating the customer, reducing the movement and printing of documentation, with consequent saving of paper and mailing services.

During 2023, 109,899 bills were paid through websites and Apps, up by 2.3% compared to the previous year.

## 7.5.2 Responsible and transparent offers

The Group's commercial companies provide diversified energy offers and tariff plans to meet the needs of the various types of customers. The offers provide benefits in terms of savings through discounts, support services, energy bonuses, electronic billing, online desk and billing based on real consumption.

For electricity, the Group's sales companies have long promoted the choice to serve end customers in the free market with electricity produced from renewable energy sources providing the GO (Guarantee of Origin) certification that proves the green source of production. AGSM AIM Energia gives customers the opportunity to include renewable energy in all commercial offers, contributing to environmental protection, while CogasPiù Energie only supplies electricity produced from renewable energy sources.

The number of contracts signed in 2023 that include the sale of renewable electricity is equal to 17,965, which corresponds to about 8.2% of the total contracts entered into.

Also in 2023, AGSM AIM includes natural gas products in its catalogue, with offers aimed at sustainability and commitment to the environment. Carbon offsetting is a mechanism that allows organisations and individuals to voluntarily offset their CO<sub>2</sub> emissions by supporting emission reduction projects aimed at absorbing or avoiding CO<sub>2</sub>. This mechanism is based on the purchase of carbon credits on the reference market.

The “GREEN GAS” offer remains active. It is the first offer of the AGSM AIM Group dedicated to households that provides for offsetting the CO<sub>2</sub> emitted by the gas supplied to the customer. This offsetting takes place by purchasing certified carbon credits on behalf of the customer, generated by projects that offset the CO<sub>2</sub> emitted, in different ways depending on the project.

For natural gas, the number of contracts including CO<sub>2</sub> offset signed in 2023 is 4,914.

For electricity, households can opt for the “MERCATO CASA” offer in which the price of energy is aligned to the PUN (Single National Price), the wholesale reference price, while the “MERCATO CASA GREEN” offer includes the supply of electricity produced from renewable sources; “PROMO LUCE”, on the other hand, offers a Euro 25 discount on the first bill.

For the sale of natural gas, the “GREEN GAS” offer is active, which allows customers to purchase natural gas at the PSV (Virtual Trading Point) price, the main index in Italy for the wholesale market, and which also includes offsetting the CO<sub>2</sub> produced in the price, thanks to the purchase of carbon credits.

For customers with a VAT number, the following offers are active: “MERCATO IMPRESA” and “SMALL/MEDIUM/LARGE BUSINESS” which envisage the application of an energy component indexed to the average PUN set on the National Electricity Exchange Market. For gas, the “PREMIUM BUSINESS GAS” offer is active, with a gas component indexed to the PSV price.

In view of the end of the natural gas protection service (Law no. 124/17 “Annual Law for the market and competition” and subsequent amendments and by Decree-Law no. 115/2022), effective from 1 January 2024, AGSM AIM has sent its customers supplied in the protected market, the information required by law, offering all non-vulnerable domestic customers the possibility of signing a new contract, adhering to the “SPECIAL HOME GAS” offer, which represents the Group’s most affordable proposal. For customers who have not made any choice, AGSM AIM will continue to provide the supply by applying, as of 1 January 2024, the conditions of the PLACET offer (“Prezzo Libero A Condizioni Equiparate di Tutela” - Free Price at Equivalent Controlled Price Conditions), that is, an offer with characteristics established by the Italian Regulatory Authority for Electricity, Gas and Water.

The gas protection service (vulnerability protection service) will remain active for vulnerable customers with the conditions listed below.

- ▶ Are in financial difficulty pursuant to Article 1, paragraph 75, of Law 124/17.
- ▶ Fall within the category of persons with disabilities pursuant to Article 3 of Law no. 104 of 5 February 1992.
- ▶ Their utilities are located in emergency housing facilities following a disaster.
- ▶ Are over 75 years of age.

## Support for energy poverty

AGSM AIM always operates in the best interests of its customers: through the “Social Bonus”, it promotes saving on electricity and gas expenditure for families in economic hardship and for large families. In particular, through targeted communication and assistance, AGSM AIM supports customers so they can benefit, in the easiest possible way, from the Gas Bonus and the Electricity Bonus: discounts on the bill, introduced by the Government and implemented by the Italian Regulatory Authority for Electricity, Gas and Water (ARERA) with the cooperation of the nation’s municipalities, to guarantee a saving for those families who find themselves in specific difficult circumstances. 126,636 contracts are eligible for the Electricity and Natural Gas Bonus.

The AGSM AIM Group is careful to evaluate and accommodate requests for extended payment terms for bills where possible, also in those cases not provided for by the Authority.

For the municipalities of Vicenza and Verona, there is also active collaboration with Caritas Diocesana, through the creation of a **dedicated fund for the association Diakonia Onlus**, the operational wing of Caritas itself, for those families in temporary financial difficulties. The objective of the collaboration is to guarantee intervention to support individuals and households in difficulty in paying their electricity and gas bills, in a context of increasing adversity. In 2023, the AGSM AIM Group disbursed **Euro 20,700.43** for local families in social and economic hardship via this fund.

In favour of residents in the Municipality of Vicenza, the Group also provided special repayment plans for families in social and economic hardship: an annual agreement is signed with this municipality to help the payment in instalments of electricity and gas bills.

In order to support families in difficulty due to the increase in energy prices, during 2023 AGSM AIM presented offers on the free market called **“Luce Bonus Sostegno”, “Gas Bonus Sostegno”, “Bonus Sostegno Teleriscaldamento”** targeting domestic users in the name of customers with an Equivalent Economic Situation Indicator between Euro 15,000 and Euro 18,000, with less than 4 dependent children and who do not receive income or a citizenship pension. The initiative, which involved about 11,000 users in the provinces of Verona and Vicenza alone, was specifically designed to offer tangible support to those customers who are not entitled to the social bonus but who are facing the sudden surge in the cost of living of which electricity and gas represent two particularly relevant items.

As far as electricity is concerned, the **“Luce Bonus Sostegno”** offer provided for the application of a discount of 3.5 euro cents on the wholesale energy price corresponding to the PUN - Single National Price - which is the reference price of the Electricity Exchange and indicatively represents the cost price for sales companies. All other tariff components are those established by the Energy Authority (ARERA). With regard to **“Gas Bonus Sostegno”**, a discount of 3.5 euro cents per cubic meter was applied to the PSV (Virtual Trading Point) DA, the price currently adopted by ARERA for gas contracts with greater protection. For customers served by district heating, the bonus allocated is Euro 300.



### 7.5.3 Customer protection and continuous listening

In order to improve the quality of the service, the Group provides customers with a Customer Relations department that handles requests with care and punctuality, including those that can be classified as complaints, according to ARERA.

The objective of the continuous monitoring of complaints by the AGSM AIM Group is to identify critical issues, defining and implementing appropriate corrective actions, with a view to continuous improvement.

In particular, through a specific system, the Customer Relations department manages written requests from customers that are received through various channels, and automatically sends information on the response methods and timing.

A form for submitting complaints or other written reports is available at the desks or on the websites. Alternatively, customers may directly submit the request from the relevant sections of the websites.

The reports received through the various channels of the AGSM AIM Group, relating to the energy services offered, amounted to 9,828 and are broken down as follows:

- ▶ **46.4% were requests for information.**
- ▶ **49.4% were complaints.**
- ▶ **4.2% were billing adjustment requests.**

## 7.6 Suppliers



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E4] Circular economy
- ▶ [S5] Responsible supply chain management
- ▶ [S6] Technological innovation and digital transformation

The AGSM AIM Group promotes responsible management throughout the supply chain by adopting sustainable procurement policies in order to promote integrated and effective supply chain management capable of reducing the environmental and social impacts generated.

The focus on responsible supply chain management starts from the phase of supplier selection and contracting and continues over time, through regular dialogue, support, monitoring and control activities.

The selection of suppliers is carried out in compliance with the principles enshrined in the EU Treaty for the protection of competition and is inspired by principles of impartiality, competence, and cost-effectiveness, as well as principles of transparency and excellence, in compliance with the highest quality standards. The supply relationships are based on compliance with the laws and regulations in force also in the field of labour, human rights, health and safety, environmental protection, the fight against corruption and illegality.

For the acquisition of goods and for the award of the provision of services and the execution of works to third parties, the companies of the AGSM AIM Group are subject, in the respective sectors, to the provisions of Legislative Decree no. 50/2016 as amended ("Public Contracts Code"). Pursuant to Article 36, paragraph 8, of Legislative



Decree 50/2016, the AGSM AIM Group has adopted its “Company Regulation for works, services and supply contracts for an amount below the EU threshold”.

The internal rules of awards of contract and performance are also inspired by the legislative principles of proportionality, rotation, non-discrimination and equal treatment between economic operators. In order to ensure transparent and effective management of the procedures for awarding works, services and supplies, the AGSM AIM Group has established the “Procurement Portal”, a tool for communicating and interacting with suppliers, available on <https://www.agsmait.it/fornitori>.

Through this Portal, the AGSM AIM Group manages its Online Supplier Register, which allows the registration of those who intend to apply and express their interest in being invited to submit bids, without prejudice to the fact that the economic operators are qualified on a case-by-case basis according to the call for tenders.

With a view to absolute transparency, the general conditions of participation and the rules for registration in the Procurement Portal and the supplier registration guide are published on the Supplier Register. In addition, an online technical assistance service is provided to use the Portal for operators who request it.

The economic operators to be consulted are identified on the basis of information regarding compliance with requirements related to general qualification, professional ethics, characteristics of economic-financial and technical-organisational qualification, and in particular, minimum environmental requirements.

For some types of supplies and services, the AGSM AIM Group Companies require potential suppliers, within reason and where permitted, to possess specific technical, organisational and economic-financial skills, as objective as possible and always proportionate to the nature and the subject of the contracts, as well as, more and more frequently, to prove the fulfilment of and compliance with the management standards issued on the basis of the European standards of the UNI EN ISO series relating to systems for managing quality, health and safety, environment, etc.

The inclusion in the Supplier Register is, in any case, subject to the prior acceptance and compliance with the Integrity Agreement, the Code of Ethics and the Organisation, Management and Control Model adopted pursuant to Legislative Decree no. 231/2001 which constitute the necessary and indispensable prerequisite for contracting with the AGSM AIM Group.

The AGSM AIM Group is handling the dissemination and promotion of sustainable issues and criteria related to procurement and contracts, especially for specific types of purchases and for the performance of works, including through the application of CAMs, the Minimum Environmental Criteria required for a contract to be identified as “green” according to the guidelines of the PAN-GPP, National Green Public Procurement Action Plan.

For the AGSM AIM Group it is especially important to spread knowledge and use of quality, safety and environment certifications, not only referred to products and services but also within the scope of other processes and projects (a requirement that is now consolidating in many tenders) through ISO 9001:2015, ISO 14000:2015 and ISO 45001:2018 certifications.

AGSM AIM prefers the choice of qualified, reliable suppliers and, where possible, located in its reference territory. Support for local production is, in fact, an integral part of the Group’s commitment to the communities where it operates, in order to foster the development of the local economy, promoting the creation of shared value.

During 2023, the AGSM AIM Group purchased goods and services from 3,354 suppliers, of which 38.4% were based in the provinces of Verona and Vicenza (“local suppliers”)<sup>5</sup>.

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<sup>5</sup> The company DRV is excluded from the reporting of AGSM AIM Group suppliers.

## Tender management

The requirements to participate in tenders are related to professional competence as well as to the priority compliance with the requirements of professional ethics. It is also generally required to meet requirements relating to economic and financial standing, and technical and professional suitability. With reference to tenders concerning waste disposal, the legal authorisations required from the contractor for the transport, storage and disposal of waste, both with regard to the vehicles used and the plants of destination, are always verified so as to ascertain the legal suitability to operate with total respect for the environment.

Tenders are mainly awarded based on the best price, or alternatively on the economically most advantageous offer (best value for money) based on both technical and economic criteria, and consider the different parameters depending on the type and characteristics of the awards.

The Group companies undertake to inform the supplier in a correct and timely manner regarding the characteristics of the contracts, the payment methods and times in compliance with current regulations and internal accounting procedures, contents and contractual clauses in general. The AGSM AIM Group guarantees its contractors that the performance of the contract is carried out in a manner consistent with the principles of equality, fairness, diligence and good faith in compliance with current legislation, the contracts signed and company procedures.

The professional and technical suitability of contractors or subcontractors in relation to works, services and supplies to be awarded under a tender, by works contract or manpower supply contract, is scrupulously verified, providing companies with detailed information on specific risks in the environment in which they are intended to operate and on the preventive and emergency measures taken in relation to their activities. The supplier companies cooperate in the implementation of the measures designed to prevent and protect from risks on the work site that have an impact on the work activity subject to contract, coordinate the operations aimed at the protection from and prevention of the risks to which the workers are exposed, thereby exchanging information, in order to eliminate risks due to interference between the activities of the different companies involved in the performance of the overall work (Articles 14 and 26 of Legislative Decree 81/2008).

In the awarding of tenders relating above all to companies operating in the environmental field (e.g. Valore Ambiente, SIA, AMIA, etc.), if considered appropriate also on the basis of the movement of the vehicles involved, the containment of the movement of vehicles within the territory and the homologation classes referring to the emissions into the atmosphere of the discharges are often evaluated in rewarding terms. The aim of the valuation criteria is to reduce atmospheric emissions and hence air pollution as much as possible. Considering the extent of the movements and the use of means for collecting and transporting waste for disposal, this criterion is particularly effective in terms of respect for the environment and with a view to sustainability.

## 7.7 Community and territory

GRI 413-1



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E4] Circular economy
- ▶ [E5] Smart cities and sustainable mobility
- ▶ [E6] Development of distribution networks
- ▶ [S4] Commitment to local communities and protection of the territory
- ▶ [S6] Technological innovation and digital transformation
- ▶ [G1] Governance geared towards sustainable success
- ▶ [G2] Business integrity and corporate reputation



2023 was a special year, marked by continuous fluctuations in energy market prices caused by the prolonged military conflict between Ukraine and Russia.

The Group was called upon to promptly respond with commitment to the major change in the traditional scenario in which the company was accustomed to operating and, consequently, to communication needs. During the first few weeks of 2023, many efforts were directed at trying to help the weaker segments of the population, with the establishment of ad hoc funds for the payment of energy, gas and district heating bills. The possibility of paying by instalments has been expanded and more people have been assigned to respond to the numerous requests for information and enquiries from customers. The tangible commitment was accompanied by a clear and

transparent communication that, in addition to illustrating the particular international scenario and the consequences on the prices of raw materials, answered the most frequent questions of citizens.

At the same time, in line with the plan carried out in 2022, the processes of renewal of the Group's digital presence continued, which led to the online launch of the new websites of AGSM AIM Smart Solutions, AGSM AIM Calore and AGSM AIM Power. The portals were designed and created to best convey AGSM AIM's corporate identity through completely revamped graphics, following the Group's corporate image. The same line was followed in the creation of the new company intranet, a modern, effective and participatory digital workspace available to all Group employees.



The path of digital integration began towards the end of the year with the convergence of the systems and commercial applications of the former companies AGSM Energia and AIM Energy, started in 2022 following the merger of the two companies in Verona and Vicenza. Following this operation, in the first days of 2024, the new single reference website for all AGSM AIM Energia customers entered into service with a redesigned layout that is clearer and more intuitive, making it easier to use and introducing new customer-oriented features, including a revamped Customer Area alongside the new AGSM AIM Energia app. The important work carried out, which has brought inevitable consequences in the relationship with customers, called to interact with new platforms, was accompanied by a wide and timely communication to inform about all the innovations introduced and to give useful information relating to the new services.

In addition, communication activities continued to support all the initiatives and projects implemented by the Group and the Business Units. A step in this direction was the event celebrating the centenary of the Chievo dam, a structure built in 1923 that continues to play a fundamental role in the sustainable development of the region, contributing to the production of renewable electricity. Numerous related initiatives were organised, including an on-site photo exhibition and a competition for primary and secondary schools in Verona.



## “Top Utility Communication” award

Efforts to ensure clear, comprehensive and always up-to-date communication with the Group’s stakeholders led to the winning of the first “Top Utility Communication” award, attributed to AGSM AIM by Althesys, an independent professional company specialising in strategic consulting and knowledge development. The reasons that have made it possible to reach this goal lie in “achieving a surprising increase in content and variety of communication channels, in particular in recent years, with a constant commitment to transparency, despite the structure of its business”.

In the complex scenario in which AGSM AIM has operated, the Communication and Strategic Marketing Office has also managed the communication relating to the end of the protected gas and electricity market, preparing and disseminating widespread information to customers on the subject, both through physical and digital channels. In the “AGSM AIM informa” section, in fact, attention was paid to how to manage this transition, with the indication of due dates, offers proposed by AGSM AIM on the free market and vulnerability management.

During 2023, about 35 press releases of various kinds were produced, which generated more than 100 television services directly or indirectly, and more than 2,000 articles in the local and national press. Over 200 pieces of content were published on the official social channels of AGSM AIM, reaching a total of over 300,000 views.

In addition, in 2023 AGSM AIM made a significant contribution to the dissemination and disclosure of sustainability issues on the different social channels through some dedicated sections listed below.

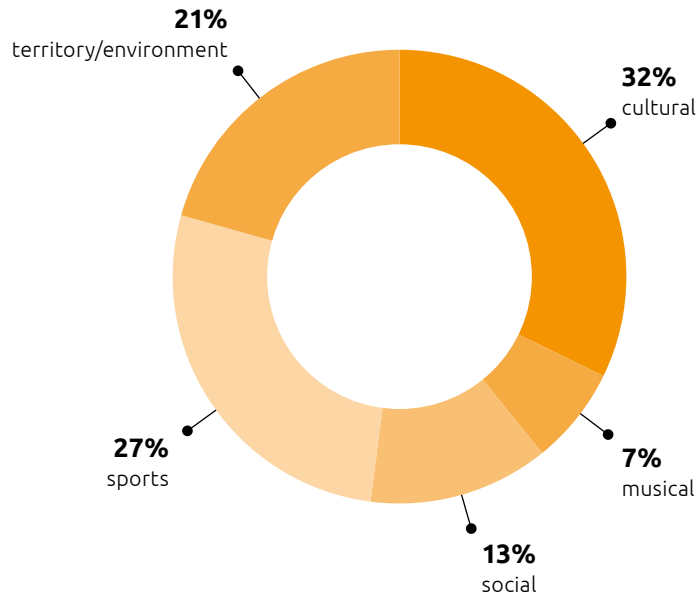
### ▶ “How much do you know about sustainability”

A series of Instagram stories in the form of a survey to engage followers in discovering the United Nations Global Goals and how the AGSM AIM GROUP contributes to achieving them.

### ▶ “What is it...?”

AGSM AIM energy glossary. The meaning of a word from the world of energy and the environment explained to AGSM AIM followers.

In 2023 the AGSM AIM Group was an active player in promoting and supporting several significant cultural, sports, social, musical and environmental events of not only local but also national importance, with **a financial commitment of Euro 1.8 million.**



**Figure 19.** Sponsorships and donations by type of initiative

In order to be truly close to the territory, the AGSM AIM Group also and above all chooses to support small cultural organisations, associations for amateur sports and people with disabilities, non-profit associations and associations dedicated to promoting local traditions.

The initiatives in the territory, supported by the AGSM AIM Group, aim to protect and showcase the historical and cultural heritage, as well as encourage the education and training of young people and sports activities.



## SOCIAL INITIATIVES

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During 2023, the AGSM AIM Group participated in numerous solidarity initiatives in favour of people and families in difficulty, becoming a reference point in the social sustainability of the Verona and Vicenza area. AGSM AIM has also been a supporter of numerous associations and social promotion initiatives, including the Hermete Social Cooperative, La Grande Sfida Onlus, Cooperativa Sociale Quid, the Italian Red Cross, the Verona Ronda della Carità and the L’Arena in Rosa initiative.

### ▶ **AGSM AIM and Caritas Agreement**

The agreement between AGSM AIM and Caritas of the territories of Verona and Vicenza was also renewed in 2023, which have jointly pledged to support people and families in situations of economic and social hardship.

In particular, the agreement envisaged helping those who find it difficult to meet economic and financial commitments to satisfy basic needs, including the payment of electricity, district heating and gas bills.

### ▶ **Support bonus**

Aware of the difficulty that, in particular, the more vulnerable groups of citizens experienced at the beginning of 2023 due to the increase in the cost of living, AGSM AIM presented the “Light and Gas Domestic Utilities Support Bonus” and “District Heating Support Bonus”, allocating Euro 2.1 million and Euro 1 million respectively to counter rising energy prices.

### ▶ **“La Grande Sfida International - Abbiamo bisogno di noi (The Great International Challenge - We need us)”**

The initiative, now in its twenty-eighth edition, aims to bring people together through their common passions for sport, art, culture, the spiritual dimension and work. The event is a meeting point between the world of disability and the associative, cultural, educational, institutional, administrative, religious and economic realities of the territory, establishing relationships of knowledge, esteem and reciprocity.



### ▶ **Questo non è amore (This is not love)**

From 24 to 29 November 2023, AGSM AIM illuminated the Verona police station building orange to raise awareness of the phenomenon of violence against women. A simple and concrete way to be, like the AGSM AIM Group, active players in the “Questo non è amore” campaign, and to help educate about respect for people. “This is not love” is the project of the Verona Police Headquarters, Soroptimist International and Calzedonia, which has implemented a series of initiatives and specific interventions in the territory against all the forms of violence against women.

## CULTURAL INITIATIVES

Numerous cultural initiatives and associations for which the AGSM AIM Group, also with its own companies, has been among the main partners and supporters, including Fondazione AIDA, TedX Verona e Vicenza, Fucina Culturale Macchiavelli, Festival della Bellezza, Festival Biblico, Divertiamoci a Teatro, Tocati, Verona Shakespeare Fringe Festival and Fondazione Verona Minor Hierusalem.

### ► Utilitalia Innovation

The AGSM AIM Group hosted the second stage of “Utilitalia Innovation” in Verona, a series of events organised and promoted by Utilitalia, a federation that brings together companies operating in water, environmental, electricity and gas utilities, to support the development of innovative utility programmes and facilitate dialogue between member companies and the best vertical and sector start-ups.

### ► Tocati - International festival of street games

The AGSM AIM Group supported and actively participated in the twenty-first edition of Tocati - International Festival of Street Games.

The Festival, organised by the Associazione Giochi Antichi (AGA), adopts a sustainable management system certified in accordance with the ISO 20121 international standard “Sustainable event management”, which defines the sustainability requirements for the event and all related activities.



AGSM AIM staff welcomed children to their stand, offering games and sustainability-themed activities created for the occasion by the Group's Communication and Strategic Marketing office. More than 800 children, and not only, had fun with "VOLTami", the memory of AGSM AIM that led them to get to know the Group's production plants, or "Play with AGSM AIM", a booklet of crosswords, labyrinths and much more about the world of energy and the environment. And then with "The goals of AGSM AIM", an interactive game to discover the Sustainable Development Goals to which AGSM AIM contributes.

### ► Fieracavalli (Horse Fair)

The same format of Tocati was also proposed during Fieracavalli, an event in Verona dedicated to the equestrian world, which saw the involvement of about a thousand children at the AGSM AIM stand. They were entertained by an enthusiastic team of people from the Group, who volunteered to participate in the event to explain what sustainability means for AGSM AIM.



### ► "New utilities for new customers" workshop

In May 2023, the AGSM AIM Group participated in the annual Utilities Workshop organised by AGICI and Accenture. The round table "Ecological transition and new solutions of utilities" was dedicated to the new services that operators can provide to customers and how they can become promoters of Renewable Energy Communities.

### ► Teaching Days

On 4 and 5 September 2023, AGSM AIM participated in the “Teaching Days”, an event promoted by the Department of Educational and School Policies in collaboration with the Department of Culture of the Municipality of Verona. It was an opportunity to provide information and materials to teachers and families on the guided tours organised by AGSM AIM of its energy production plants.

### ► DISCOVER. Local economies beyond the global storm

The event, organised by the Athesis publishing group, was attended by AGSM AIM and was an opportunity for a discussion among entrepreneurs, stakeholders and citizens in search of answers on the state of health and prospects of the local economy in the great global scenario.

### ► Guided tours of the plants

Again in 2023, AGSM AIM opened its energy production plants to local schools. A total of 551 students visited the power plants, including the Rivoli Wind Farm, the Borgo Trento cogeneration plant and the Tombetta hydroelectric plant. The students were welcomed by AGSM AIM staff who illustrated, following a didactic path, the peculiarities and characteristics of the various systems. In addition, an higher class interested in gaining in-depth knowledge of the operation of electric mobility and public charging infrastructures was welcomed. A kit of eco-sustainable gadgets was designed for all the visitors, handed out at the end of the visits.

In addition, over 500 primary and secondary school students participated in classroom teaching workshops, aimed at exploring issues such as the recycling of raw materials and energy processes. The laboratories used only waste materials to make small useful products.



### ► La diga nell'arte (The dam in art)

The competition “La diga nell'arte” was part of the celebrations for the centenary of the construction of the Chievo dam, held on 23 March 2023. Designed for primary and secondary schools of the Second and Third District of Verona, it involved a total of 105 students. The goal was to have all the students participate to reward in 2024 the class that produced the most significant work in connection with the relationship between the plant, the dam, the city and renewable energy. A jury consisting of AGSM AIM staff, in collaboration with the Department of Education and with the II and III District of the Municipality of Verona, will assess the papers, rewarding all participants with an eco-sustainable prize.



### MUSICAL INITIATIVES

The AGSM AIM Group has also supported numerous musical associations and initiatives, including the Estate Teatrale Veronese, the Associazione Musicale Liszt, the Associazione Jazz Set Orchestra, Incontro sulla Tastiera, Treviso suona jazz festival, Festival Vicenza in Lirica and Fondazione Teatro Comunale Città di Vicenza.

## SPORTS INITIATIVES

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In 2023, the AGSM AIM Group, promoting sport as a metaphor for clean energy, supported various sports groups in the Verona and Vicenza areas, also assisting amateur organisations and people with disabilities. The main 2023 sponsors include Scaligera Basket, L.R. Vicenza, Verona Run Marathon, European Sprint Orienteering Championships, A.S.D. Rugby Vicenza, A.S.D. Mastini Verona American Football and Verona Rugby.

### ▶ Angels in run

The sports initiative, also supported by AGSM AIM, is a great solidarity race that has united exercise, sport and the pleasure of being together with a beneficial cause to help many women who have chosen to change the course of their lives by saying no to gender violence.

### ▶ Run4Hope

Run4Hope, supported by AGSM AIM, is the Giro d'Italia running race, organised each year on synchronous regional relays, with an exclusive charitable purpose. In 2023, Italian runners ran in support of the Fondazione AIRC for research against female cancers.

### ▶ Spin Pass Project

The AGSM AIM Group supported the "Spin Pass Project" of the company Dingo Rugby Club Verona. Thanks to the contribution of AGSM AIM, Dingo Rugby Club made four "sports bags" available, designed to financially support girls and boys who want to play sports, in particular rugby.

## ENVIRONMENTAL PROTECTION INITIATIVES

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### ▶ AGSM AIM and ADOA (Diocesan Association of Assistance Works Verona) Agreement

For the companies belonging to the ADOA ethical network, an agreement was signed with the AGSM AIM Group for the study and joint modelling of Solidarity Energy Communities (called CER-S. Adoa) aimed at the comparative analysis of solutions for the constitution of ad hoc participating entities capable of optimising savings, improving the energy behaviour of owned properties and offering real opportunities to combat the energy poverty of families, people and SMEs in particular the state of need of the parishes and the territory where the CER is located.

### ▶ Earth Hour

Earth Hour is WWF's great global mobilisation that, starting from the symbolic gesture of turning off the lights for an hour, unites citizens, institutions and businesses in a common will to give the world a more sustainable future. AGSM AIM contributed to the initiative by turning off the lights of two important structures on Saturday 25 March 2023, from 20:30 to 21:30: the Verona Arena and the Chievo dam, in the Verona district.

### ▶ **Together Green Week**

A week of events focused on issues of great importance for sustainability. The initiative involved experts in the sector, university lecturers and authoritative professionals who discussed and offered food for thought on strategies and solutions for “responsible environmental management”. AGSM AIM participated in the initiative, raising awareness of their sustainability policies and products.

### ▶ **Festa del vento (Wind Festival)**

The second edition of the Wind Festival, organised by the Legambiente “Il Tasso” club in collaboration with AGSM AIM, Baldo Festival and the patronage of the Municipality of Rivoli Veronese, involved citizens in an excursion to the educational path that leads to the wind turbines, as well as kite construction workshops for the little ones.

### ▶ **Agenda Sostenibilità (Sustainability Agenda)**

In 2023, the third edition of Sustainability Agenda was held, a project promoted by the Athesis publishing group divided into three days dedicated to promoting environmental and social sustainability. The event gave the AGSM AIM Group, partner of the initiative, the opportunity to talk about its projects on sustainable mobility.

### ▶ **L'energia che vorrei (The energy I'd like)**

An event that saw AGSM AIM as one of the organisers, in collaboration with the Municipality of Verona and the University of Verona on the occasion of the day of energy saving and the national initiative “M’illumino di meno” (I will use less light). The meeting discussed the most topical issues related to energy saving, from ecological transition to renewable sources. The event took place thanks to the energy generated by the pedalling of those present on six bicycles, specially positioned and set in motion to illuminate the room and give it a voice.

### ▶ **Ecological Saturday**

An ecological Saturday on the banks of the Adige to collect plastic. The “Operation clean banks” initiative was organised by the Rotary Club Verona District 2060 to collect even small-sized plastic waste, which inevitably end up polluting the river when it floods. The event was supported by AGSM AIM, which helped to create a fabric bag for the collection.

# 8.

## *Group's business*





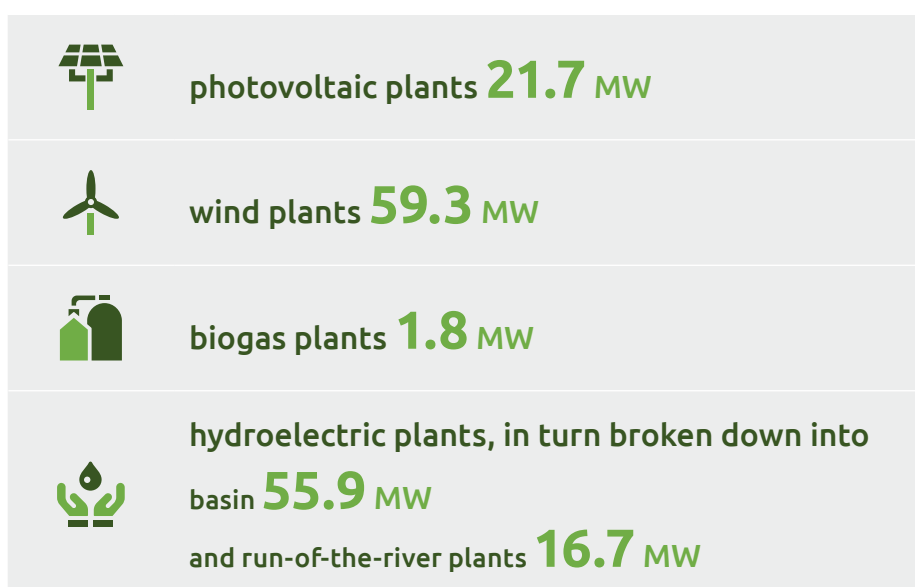
## 8.1 Electricity generation



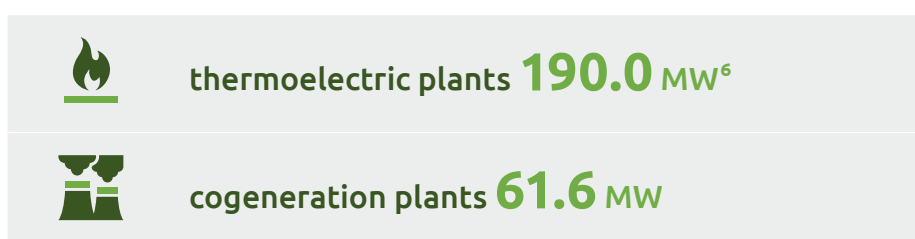
### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E4] Circular economy
- ▶ [S6] Technological innovation and digital transformation

The electricity production plants of the AGSM AIM Group use renewable, hydroelectric, photovoltaic, wind and biogas energy sources and traditional fossil fuels (thermoelectric and cogeneration through gas combustion). The Group's production sources of **renewable energy** comprise a total of 155.4 MW of installed power, unevenly distributed between:



The Group's production sources of **non-renewable energy** consist of 251.6 MW of installed power divided into:



<sup>6</sup> Portion owned by the AGSM AIM Group equal to 50% of the Ponti sul Mincio thermoelectric power plant.

The electricity produced by plants powered by renewable sources is 965,353 GJ (corresponding to 268,153,685 MWh) and represents **47.4%** of the total energy produced by the Group's plants.



**Figure 20.** Electricity Mix Generation

The financial year 2023 saw a general increase in the production of electricity from renewable sources, with an increase of 31% compared to the previous year.

The wind sector recorded excellent production, both compared to the previous year and to historical averages, especially in the last three months of 2023, where the plants in Emilia-Romagna and Tuscany benefited from favourable weather conditions.

As for hydroelectric plants, the first four months of the year were affected by the drought that characterised the winter and spring months of 2023. Subsequently, starting from May 2023, the frequent rainfall allowed excellent production to continue throughout the second half of the year.

The photovoltaic sector suffered from malfunctions in the plants in the Marche and Abruzzo, due to tracker damage and damage caused by the typhoon in the region of Abruzzo at the beginning of November 2023. The other photovoltaic systems, on the other hand, performed in line with the previous year and the budget forecasts.

Thermoelectric production in the first months of the 2023 was affected by the drought in that period, with a reduction in production due to the low hydrometric levels in the Mincio river, used for cooling the turbine. In the following months, the energy scenario, characterised by a low-payoff combination of PUN and PSV rates and CO<sub>2</sub> quotas, had an extremely negative impact. This, combined with a growing supply of electricity from renewable sources (especially for the hydroelectric sector), led to the thermoelectric power plant not being switched on for most of the remaining months of 2023.

With regard to the Heat BU, the second half of the 2022-2023 heating season was characterised by higher average temperatures, especially in January and March. This led to a lower demand for thermal energy for the cogeneration plants and, consequently, a lower production of electricity. The start of the 2023-2024 heating season recorded better production than the previous season, but still lower than historical averages, due to high temperatures.

Finally, the electricity sector of cogeneration plants, like the Mincio thermoelectric power plant, was greatly affected by the unprofitable energy scenario. This did not allow the motors to be started during the most unfavourable periods, thus resulting in a lower production of electricity. Extraordinary

maintenance and some failures of the cogenerators at the Forte Procolo, Golosine and Cricoli plants further affected electricity production in the early months of 2023.

The AGSM AIM Group's objective is to pursue the energy transition, increasing, through its subsidiary AGSM AIM Power, the share of electricity generated from renewable sources and the coverage of energy requirements at Group level.

In order to concretely contribute to achieving the United Nations Global Development Goal on "Affordable and Clean Energy" (SDG 7), the Group has planned investments to instal new nominal capacity that will achieve at least 51% renewable energy sources (for a total of 198 MW of installed capacity net of cogeneration plants). In particular, investments will concern new photovoltaic, wind and biogas plants, as well as upgrading the existing hydroelectric plants. In this regard, it should be noted that during 2024, the construction of three photovoltaic tracker plants with 12.2 MW of installed power will be completed, for which an annual production of approximately 20 GWh is expected. The AGSM AIM Group also plans to design a photovoltaic plant for green charging of about one hundred electric buses for public transport.

## Wind power plant at Monte Giogo di Villore

The AGSM AIM project involves the installation of seven wind turbines, with a hub height of about 95 meters, on the Mugellano ridge between Monte Giogo di Villore and Monte Giogo di Corella which, with a total power of 29.6 MW, will produce about 80 million kWh per year, saving, every year, 16 million cubic meters of gas and emissions of 40 thousand tonnes of CO<sub>2</sub> (approximately the amount consumed by ten thousand average Italian families in a year).

The Monte Giogo di Villore plant will allow the AGSM AIM Group to grow in the renewable sector and is part of the projects envisaged in the Business Plan that allocates 100% of the planned investments in the power generation sector to the construction of new plants from renewable sources.





## Run-of-the-river hydroelectric plants

### Hydroelectric control unit of Lobia

Lobia (VI) - Pot. nom. MW 0,3

### Belfiore

Belfiore (VR) - Pot. nom. MW 3,8

### Hydroelectric station Tombetta

Verona - Pot. nom. MW 11,1

### Hydroelectric station Diga Chievo

Verona - Pot. nom. MW 1,5



## Basin hydroelectric plants

### Hydroelectric station San Colombano

Terragnolo (TN) - Pot. nom. MW 11,4

### Hydroelectric station Maso Corona

Ala - Leno (TN) - Pot. nom. MW 42,8

### Station of Valbona

Ala - Leno (TN) - Pot. nom. MW 1,6



## Wind plants

### Wind plant Affi

Affi (VR) - Pot. nom. MW 4,0

### Wind plant Rivoli Veronese

Rivoli (VR) - Pot. nom. MW 8,0

### Wind plant Carpinaccio

Firenzuola (FI) - Pot. nom. MW 13,6

### Wind plant Riparbella

Riparbella (PI) - Pot. nom. MW 20,0

### Wind plant Monte Vitalba

Chianni (PI) - Pot. nom. MW 0,9

### Wind plant Casoni di Romagna

Monterenzio (BO) - Pot. nom. MW 12,8



## Biogas

### Cogeneration Depuratore Verona

Verona - Pot. nom. MW 0,9

### Landfill of Grumolo delle Abbadesse - Valore Ambiente

Grumolo delle Abbadesse (VI) - Pot. nom. MW 0,9



## Cogeneration plants

### Cogeneration Riparante Forte Procolo

Verona - Pot. nom. MW 6,4

### Cogeneration plant Banchette

### Cogeneration plant Golosine

Verona - Pot. nom. MW 4,2

### Cogeneration plant Centro Città

Verona - Pot. nom. MW 10,5

### Cogeneration plant Borgo Trento

Verona - Pot. nom. MW 31,5

### Cogeneration station Fiera Verona

Verona - Pot. nom. MW 0,3

### Cogeneration station Cricoli

Vicenza - Pot. nom. MW 4,5

### Cogeneration plant Monte Zebio

Vicenza - Pot. nom. MW 7,5



## Photovoltaic plants

### Scuole veronesi

Verona - Pot. nom. MW 1,0

### Photovoltaic station - Stadio Bentegodi

Verona - Pot. nom. MW 1,0

### Photovoltaic station - Consorzio ZAI

Verona - Pot. nom. MW 3,8

### Grezzana - Corrubio - Zerbaro

Grezzana (VR) - Pot. nom. MW 1,1

### Photovoltaic station - ex military base of Roncà

Roncà (VR) - Pot. nom. MW 0,6

### Valciapelo

Valciapelo (VR) - Pot. nom. MW 0,6

### Photovoltaic station of Ca' del Bue

Ca' del Bue (VR) - Pot. nom. MW 0,4

### Photovoltaic station Zambelli

Verona - Pot. nom. MW 0,2

### Photovoltaic seat AGSM AIM S.p.A.

Lungadige Galtarossa - Verona - Pot. nom. MW 0,4

### Photovoltaic station of Carisio

Carisio (VC) - Pot. nom. MW 0,9

### Fusinieri

Fusinieri (VI) - Pot. nom. MW 0,7

### Monte crocetta

Vicenza - Pot. nom. MW 0,04

### Isola Vicentina

Isola Vicentina (VI) - Pot. nom. MW 0,1

### Scuole Vicentine

Vicenza - Pot. nom. MW 0,3

### Sigma

Monsanpolo Del Tronto (AP) - Pot. nom. MW 1,8

### Sphere Energy 1

Montazzoli (CH) - Pot. nom. MW 1,0

### Sphere Energy 2

Gessopalena (CH) - Pot. nom. MW 1,0

### TS Energia 2

Torino Di Sangro (CH) - Pot. nom. MW 1,0

### Diesse Energia

Roccascalegna (CH) - Pot. nom. MW 1,0

### Vinci Energia

Carpineto Sinello (CH) - Pot. nom. MW 0,5

### Astra Solar Energia

Paglieta (CH) - Pot. nom. MW 1,0

### Ecoenergia Vomano

Atri (TE) - Pot. nom. MW 1,0

### Landfill of Strillaie

Grosseto - Pot. nom. MW 0,1

### Landfill Masona - Sandrigo

Sandrigo (VI) - Pot. nom. MW 0,2

### Landfill Fossalunga

Lonigo (VI) - Pot. nom. MW 1,0

### Castelnuovo

Rovigo - Pot. nom. MW 1,0

### Biocampus








Verona - Pot. nom. MW 0,3

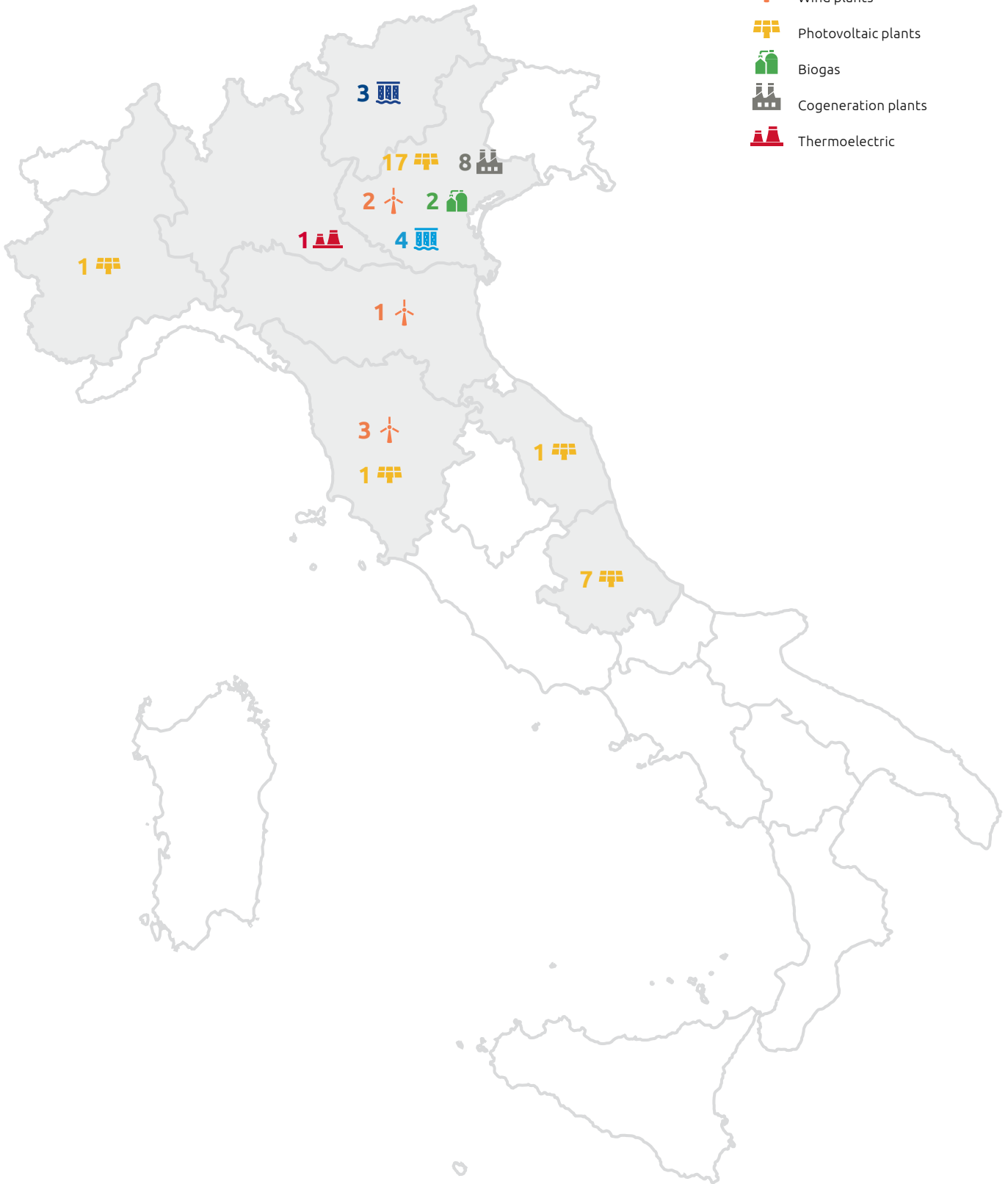


## Thermoelectric

### Thermoelectric station

Mincio (MN) - Pot. nom. MW 190,0

-  Run-of-the-river hydroelectric plants
-  Basin hydroelectric plants
-  Wind plants
-  Photovoltaic plants
-  Biogas
-  Cogeneration plants
-  Thermoelectric



## Green Hydrogen Venezia

During the two-year period 2024-2025, thanks to the “Green Hydrogen Venezia” joint venture specifically established in collaboration with the ENI Group, the AGSM AIM Group will build the plant for the production of green hydrogen which will be used to supply the fleet of approximately 90 hydrogen buses of AVM (Azienda Veneziana della Mobilità S.p.A.).

Starting from July 2026 these vehicles will be used to guarantee local urban public transport in the Municipality of Venice - Mestre.

The green hydrogen will be produced thanks to a water electrolysis plant that will use exclusively electricity from renewable sources.

## The Ca' del Bue redevelopment pathway

During 2023, the AGSM AIM Group completed the construction, at the Ca' del Bue environmental plant in Verona, of the anaerobic digestion and biomethane production plant to be fed into the national distribution grid. This project is able to contribute concretely to achieving the UN Global Development Goal on “Responsible consumption and production” (SDG 12).

The anaerobic digester plant, whose final testing took place in December 2023, will definitively come into operation during 2024 and will allow the treatment of 40,000 tonnes/year of Organic Fraction of Solid Urban Waste (OFSUW) through the anaerobic digestion process.

Once fully operational, the biodigester will be able to produce three million standard cubic meters (smc) per year of biomethane that will be used to supply local public transport fleets.

The digestate coming out of the anaerobic digestion process (about 15,000 tonnes per year) represents a biological organic soil improver, ideal to be transformed into high quality compost for local farms, reusable on the territory according to the latest European Community regulations.

The Ca' del Bue area will see the receipt of organic waste collected in the area, pre-treatment for the separation of non-organic materials, anaerobic treatment, extraction of biogas, its purification for the production of biomethane, drying of the digestate and subsequent transfer of the dried digestate to third-party plants for compost production.

The biodigester will be the driving force behind a virtuous circle that will allow for significant benefits for the environment and the territory, the reduction of landfill disposal, the recovery of soil improver rich in organic substances to be reintroduced into the biological cycle (circular economy), and the recovery of energy through the production of completely renewable biomethane.

Pursuant to the Ministerial Decree of 14 November 2019 that established the national system for certifying the sustainability of biofuels and bioliquids, also from waste, AGSM AIM has obtained, with regard to the production of biomethane from the Ca' del Bue plant, the sustainability certification for biofuels and bioliquids that allows the traceability and sustainability of bioliquids and biofuels to be demonstrated, tracing the entire process from raw materials to intermediate products up to the “end of waste” finished product, i.e. biomethane.

The biodigester represents the first piece of a larger project that the AGSM AIM Group intends to carry out thanks, among other things, to a civil sewage sludge treatment plant, the revamping of an undifferentiated mechanical urban waste treatment plant to further reduce the percentage of waste delivered to landfills, and an advanced multi-material sorting plant (paper, plastic, cans), in order to create a waste management hub that maximises the recovery of material and energy with a view to a circular economy, while reducing landfilling.

## Biomethane production process

The Ca' del Bue plant is built and organised on a process of anaerobic digestion of organic urban waste from sorted waste collection, market waste, lignocellulosic waste and agro-industrial waste for the production of biomethane and dry digestate for subsequent delivery to a third party treatment plant to produce quality compost and soil.

In order to transform biogas into biomethane and make it of equivalent quality to normal natural gas produced from fossil sources, it will be necessary to subject it to a series of pre-treatments (dehumidification, desulphurisation, etc.) and a carbon dioxide removal process, called upgrading, using membrane technology.

The upgrading system for purifying the biogas produced by anaerobic digestion will be of the three-stage membrane type, with a nominal biogas flow rate of 800 Nm<sup>3</sup>/h.

To monitor the flow of biogas and biomethane at various stages of the process, thermal meters will be used. They assess the weight of the flowable biogas produced (mass), without the need for moving parts and without potential disturbances due to pressure or temperature variations in the process.

The biomethane produced by the upgrading plant will comply with the stringent technical specifications set out in UNI TS 11567 of 2019 "Guideline for the qualification of economic operators (organisations) involved in the production chain of biomethane", which defines a qualification scheme for the traceability and management of mass balance.

The operational treatment phases can be summarised as follows:

- ▶ waste weighing and reception
- ▶ waste unloading and storage
- ▶ pre-treatment of organic waste from sorted waste collection
- ▶ ingested tank load and digester feed
- ▶ ingested hopper and anaerobic treatment
- ▶ digestate extraction and drying
- ▶ biogas production, upgrading and feeding into the biomethane network

## 8.2 Cogeneration for district heating



### MATERIAL TOPICS

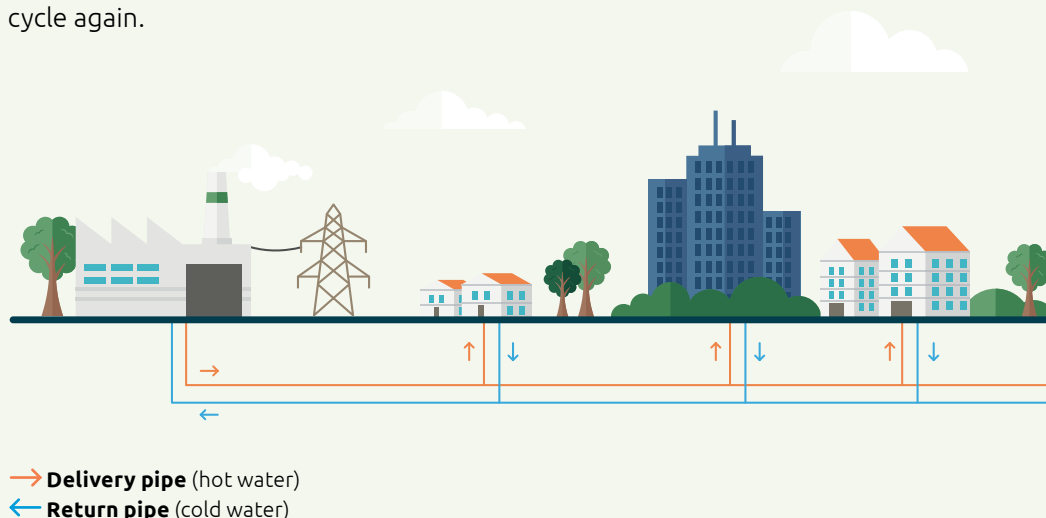
- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [S6] Technological innovation and digital transformation

The Group, through its subsidiary AGSM AIM Calore, produces and distributes heat to customers connected to the district heating network in the municipalities of Verona and Vicenza. In particular, the company operates eight cogeneration plants with natural gas energy input, a geothermal well, and an extensive district heating network of about 185.5 km that distributes heat to more than 140,000 inhabitants for a total of 216,064,320 Mcal.

District heating is provided to users connected by the six networks, almost all of which are operated by six natural gas cogeneration plants with a total installed electricity input of 61,597 kWe and an installed thermal input of 342,571 kWt. The thermal energy fed into the grid during 2023 is 298,634,512 KWht.

### How does district heating work?

District heating is a modern system that allows the remote transport of heat, in the form of hot water, to heat buildings and for sanitary use. The water, transported through a network of underground pipes, reaches the connected buildings, providing heating for the home. Once the heat is released, the water returns to the plant, ready to start the cycle again.





In general, managing district heating plants has the primary objective of maximising the energy transformation yields of heat and electricity generation equipment, in order to ensure compliance with mandatory regulations and minimise the impact of emissions, thus improving environmental performance.

Cogeneration plants associated with district heating networks owned by the AGSM AIM Group are subject to the "Emission trading" directive - EU 2003/87/EC and subsequent amendments updated by EU 2018/410, establishing the greenhouse gas "emissions market".

For two of the six cogeneration plants (Golosine Power Plant and Forte Procolo), in relation to the characteristics of their production capacity, AGSM AIM opted out of the emission trading regulation. For these plants there is no allocation and restitution obligation, but emission limits and offsetting on an annual basis; for 2023 there is no offsetting obligation.

During 2023, the solar thermal system of about 1.2 MW of thermal input located at the Borgo Trento cogeneration plant came into operation, which produced 1,025 MWh of thermal energy sold to the Borgo Trento and Forte Procolo networks during the year.

The plant allowed a natural gas saving of 115,841 smc, for an equivalent of 246 tonnes of CO<sub>2</sub> avoided.

In the coming years, AGSM AIM Calore plans to invest more than Euro 50 million with the aim of further extending the district heating network in the cities of Verona and Vicenza, thereby increasing the thermal energy sold. With a view to energy transition, the geothermal source available in the city of Vicenza will be exploited. All this will enable the Group to achieve a leadership role in the energy management of buildings in the reference territories by proposing an integrated offer.

## Revamping of the cogeneration plant in Borgo Trento

In order to make a tangible contribution to achieving the United Nations Global Development Goal on "Climate action" (SDG 13), the AGSM AIM Group has launched the revamping project of the Borgo Trento cogeneration plant in Verona, which envisages the replacement of the combined cycle, with a new plant set-up that is the result of a careful technical-economic analysis carried out during the project feasibility planning.

Under the project, the architecture of the existing system will be substantially maintained, with the replacement of the combined cycle and a new plant set-up featuring:

- ▶ two cogenerators with an electrical input of between 11 and 13 MW and a thermal input of between 10 and 13 MW
- ▶ four storage tanks capable of storing up to 800 m<sup>3</sup> of water at 105°C
- ▶ a boiler with an emergency function for cogenerators fired by natural gas, with a rated thermal input (pursuant to Article 268 of Legislative Decree 152/2006) of between 13 and <15 MW

The cogeneration engines will be equipped with a computerised automatic system to control combustion efficiency and support the prevention and/or reduction of emissions. The two engines will also adopt the "lean burn" technique, whereby the peak temperature in the flame is controlled by lean burn conditions, which is the main combustion mode to limit the formation of nitrogen oxides (NOX) in gas engines.

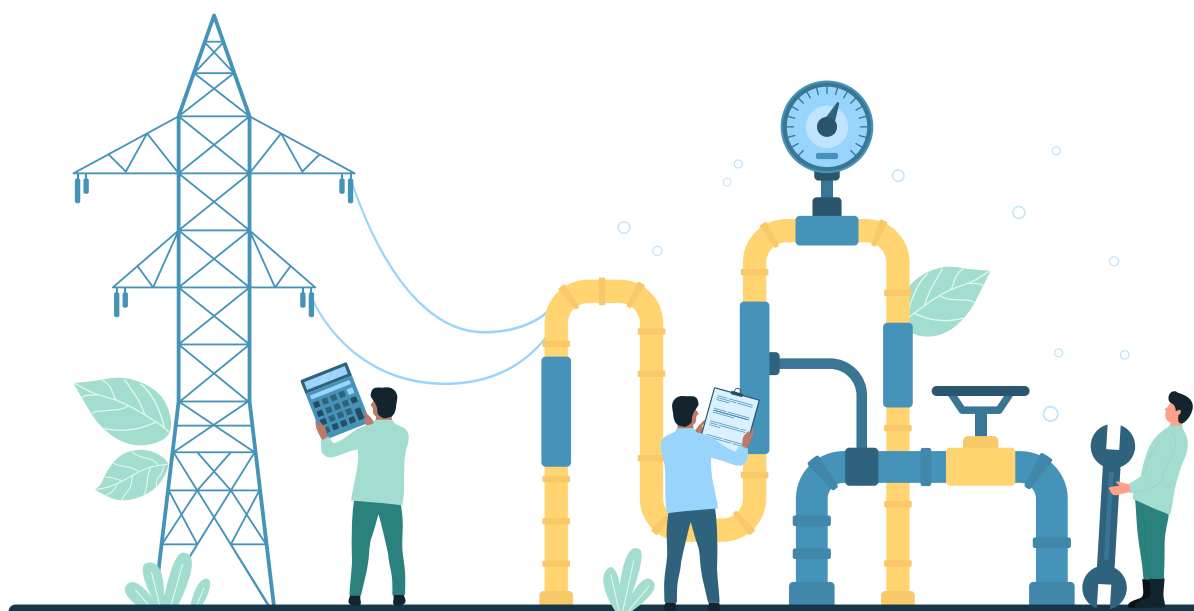
In order to assess the improvement brought about by revamping the power plant in terms of emissions into the atmosphere, a comparison was made between the pre-intervention situation and the post-intervention forecast simulation. When fully operational, the revamping project will reduce CO<sub>2</sub> production by at least 8% compared to the pre-Covid average figure recorded during 2019, which was 56,750 tonnes of CO<sub>2</sub> (an average figure considered representative of the normal operation of the cogeneration plant). According to the project simulation developed, the target emissions for 2025 will therefore be 52,210 tonnes of CO<sub>2</sub> or less.

## 8.3 Electricity and natural gas distribution



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E4] Circular economy
- ▶ [S6] Technological innovation and digital transformation



In the AGSM AIM Group, the distribution and metering service for electricity and natural gas is carried out by the distribution company V-Reti S.p.A. in compliance with the rules of functional unbundling for vertically integrated companies in the sector, in compliance with the principles of cost-effectiveness, profitability and confidentiality of company data.

The consolidated experience in distribution makes V-Reti a reliable company with strong technical skills. The company looks to the future by committing to significantly increasing investments with the goal of generating direct benefits for the territories served, improving the quality of service offered to citizens and effectively responding to the challenges faced by the public utility service sector.

With constant commitment and presence, the AGSM AIM Group continuously guarantees the supervision of electricity and gas distribution networks and works to maintain the highest levels of safety standards and continuity of the service.

## V-Reti among the most virtuous distribution companies in Italy

Average duration of annual interruptions of less than 12 and a half minutes, against an Authority target of 28 minutes and average number of annual interruptions per customer of 0.92 compared to the target of 1.2 times.

These are the two main indicators recorded by V-Reti in 2022, which place the distribution company among the most virtuous in Italy for standards and quality of service provided.

Results higher than the targets set by ARERA - Italian Regulatory Authority for Electricity, Gas and Water - were also obtained thanks to the constant and increasing investments in electricity networks, which totalled Euro 31 million in 2022 (24.4 million on distribution and 6.6 million on metering).

Exceeding the expected targets allowed V-Reti to receive a Euro 115,000 reward from ARERA for the duration indicator and Euro 181,000 for the number indicator.

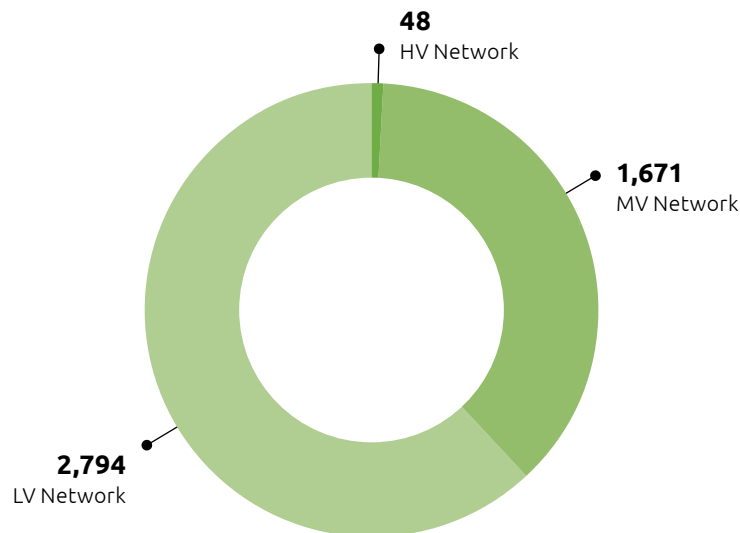
### 8.3.1 Electricity distribution service

The entire supply chain of the electricity market is composed of the following five phases:



Figure 21. Electricity supply chain phases

V-RETI mainly carries out the transformation, distribution and measurement of electricity throughout the Municipalities of Verona, Vicenza and Grezzana with an extension of about **4,513 km** between Low Voltage (LV), Medium Voltage (MV) and High Voltage (HV).



**Figure 22.** Electricity network extension (Km)

The **electricity fed into the grid** during 2023 was **9,956,132 GJ** equal to **2,766 GWh**, distributed between low, medium and high voltage.

In 2023, the number of PODS (Points of Delivery) managed by V-Reti for the distribution of electricity to the end user is equal to 313,457, of which 81% corresponds to PODS carried with active supply.

The number of meters connected to the distribution network reached 279,748 in 2023, of which 90% correspond to active meters. During the reporting period, the AGSM AIM Group continued to replace and modernise its electricity meters.

2G meters play an essential role in achieving the objectives of decarbonisation and efficient energy use and meet the constantly changing needs of the electricity industry. The V-Reti meter replacement project will ensure prompt and reliable metering of consumption, facilitate its control by end customers, allow the reduction of adjustments and an improvement in the service quality.

The Commissioning Plan of the 2G smart metering system (PMS2) planned by V-Reti complies with the functional specifications defined by ARERA with resolution 87/2016/R/eel, adopted in implementation of the provisions of Legislative Decree no. 102 of 4 July 2014, which transposes European Directive 2012/27/EU on energy efficiency and improvement for the entire national electricity system.

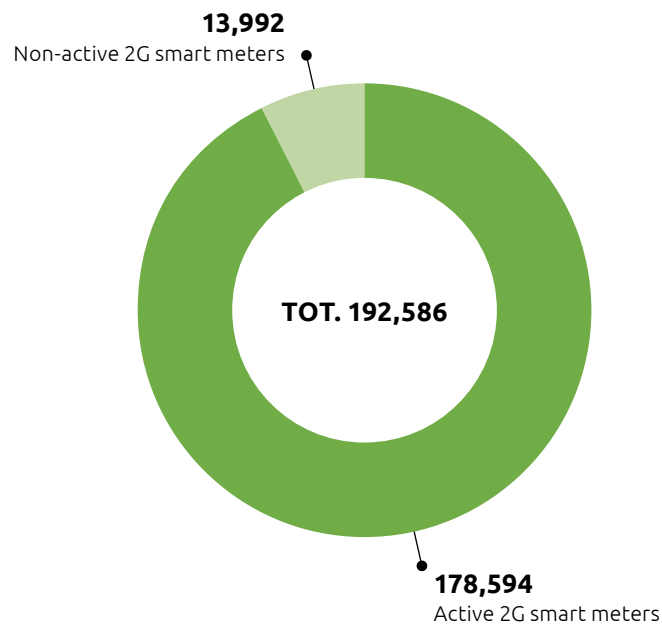
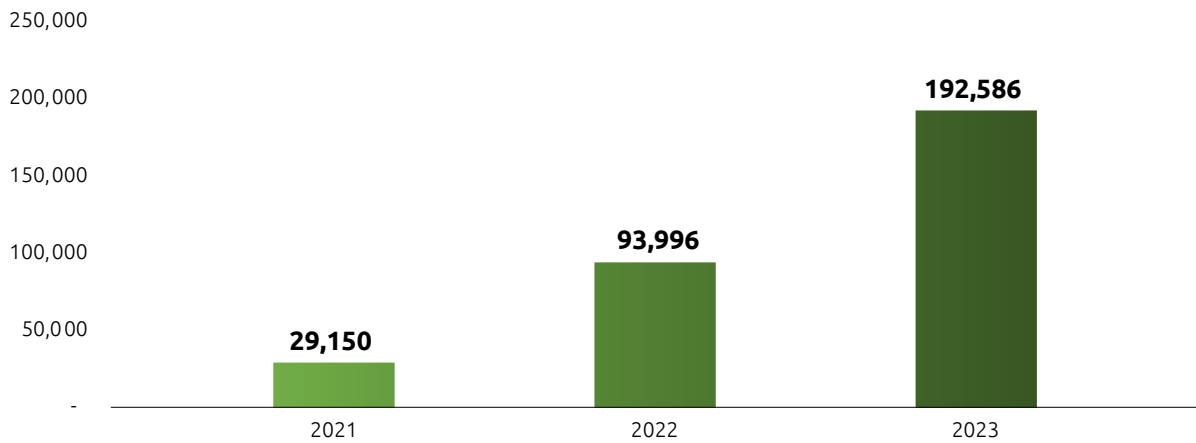


Figure 23. 2G smart meters

In order to inform the public and local stakeholders about the plan to replace electricity meters in the municipalities served by V-Reti, the **“Contatore 2G, Uno di Famiglia (2G Meter, One of the Family)”** communication campaign was created.





**Figure 24.** 2G smart meter replacement performance

### *8.3.1.1 Quality in the electricity distribution service*

The quality of electricity distribution and metering services is defined by the Italian Regulatory Authority for Electricity, Gas and Water (ARERA) in the “Integrated Output-Based Regulation of Electric Power Distribution and Metering Services (TIQE)” (Res. 566/2019/R/eel) for the period 2020-2023 and regulates the continuity of the service, the specific and general levels of commercial quality and the selective promotion of investments in distribution networks.

Compliance with commercial quality standards is constantly monitored through the use of dedicated software that can transmit alerts at the same time as every anomaly that is recorded and may generate an order for automatic compensation to be paid.

In 2023, V-Reti was **99.7%** compliant with the specific commercial quality standards for electricity.

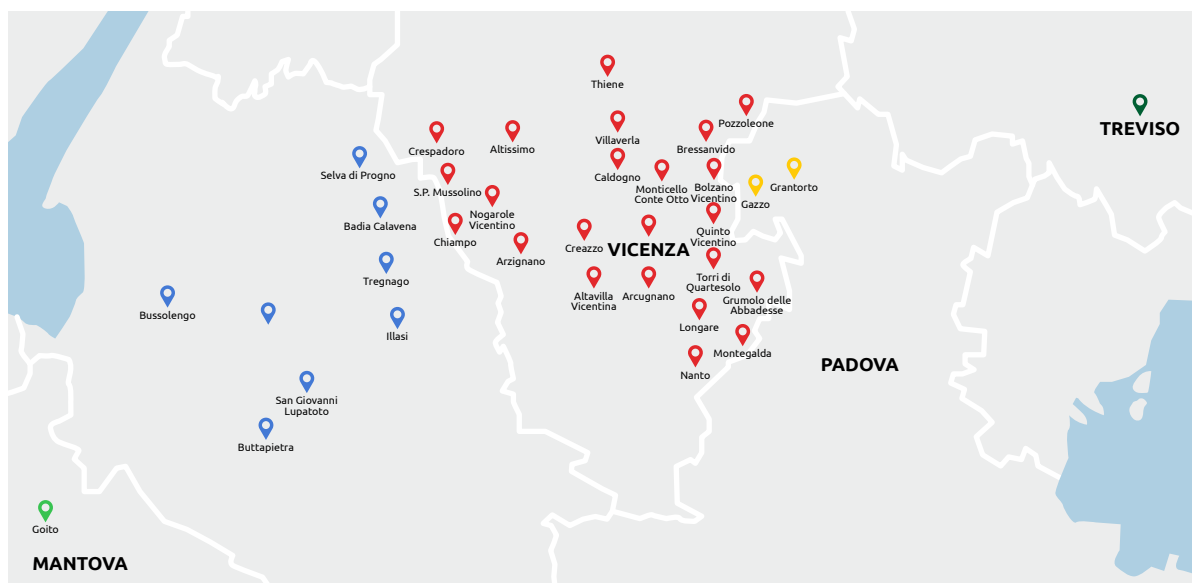
### 8.3.2 Natural gas management and distribution service

The distribution service carried out by V-Reti guarantees the withdrawal of methane gas from Snam Rete Gas pipelines and transport, through local networks, for delivery to end users.

V-Reti carries out the natural gas distribution service in the municipalities listed below.

- ▶ Verona and in the province in Badia Calavena, Illasi, Selva di Progno and Tregnago and, for a small number of users, in Bussolengo, Buttapietra and S. Giovanni Lupatoto.
- ▶ Vicenza and in the province in Altavilla Vicentina, Altissimo, Arcugnano, Arzignano, Bolzano Vicentino, Bressanvido, Chiampo, Creazzo, Crespadoro, Grumolo delle Abbadesse, Longare, Montegalda, Monticello Conte Otto, Nogarole Vicentino, Pozzoleone, Quinto Vicentino, S.P. Mussolino, Torri di Quartesolo, Villaverla and Nanto.
- ▶ Municipality of Goito in the province of Mantova.
- ▶ In the municipalities of Gazzo and Grantorto in the province of Padova.
- ▶ Treviso on behalf of the Parent Company, holder of the service concession.

Using its own infrastructure, V-Reti also supplies other municipalities (Costabissara, Caldogno, Carmignano del Brenta, Dueville, Thiene) where it manages the so-called “overruns”, i.e. those residual groups of users who connect to the network because of their proximity.



The gas network managed by the AGSM AIM Group extends for **3,228 km**. The infrastructure for the distribution of gas resources is made of different materials, the choice of which comes from technological and performance requirements.



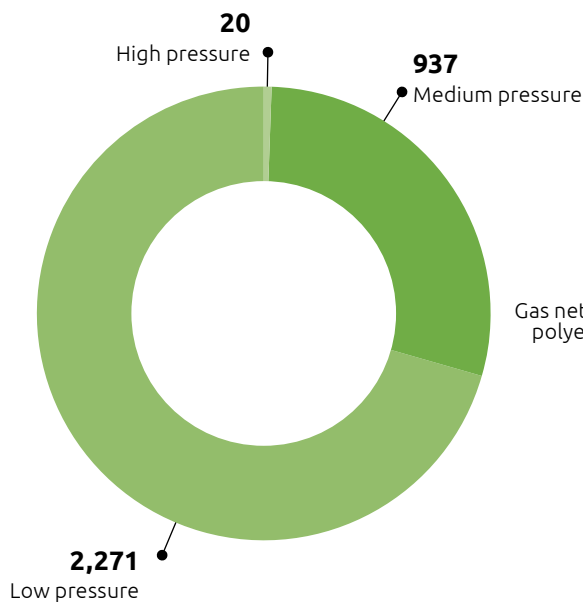


Figure 25. Gas network extension (Km)

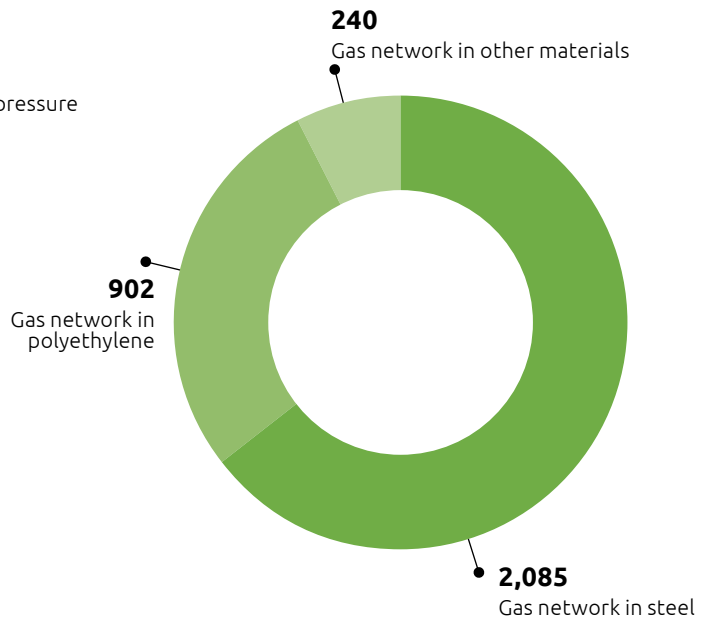


Figure 26. Gas network pipelines (Km)

The AGSM AIM Group is committed to reducing leaks by gradually renewing the network. The correct management of gas distribution systems and networks, the usage of competent resources and the use of suitable instrumentation, together with continuous monitoring, are the main elements to guarantee the safety of citizens, preventing potential impacts and accidents. During 2023, the AGSM AIM Group distribution company managed **354,311 PDRs**. The volume of gas fed into the distribution network during 2023 is **488.4 million Smc**.

During 2023, investments in modernising the network's infrastructure led to an important campaign to replace traditional meters (active and non-active) with the so-called "smart meters", latest generation electronic meters with remote control features, and digitisation to increase resilience and achieve energy savings. Smart meters managed by V-Reti amount to 278,356 and represent over 86% of the meters managed by the AGSM AIM Group.

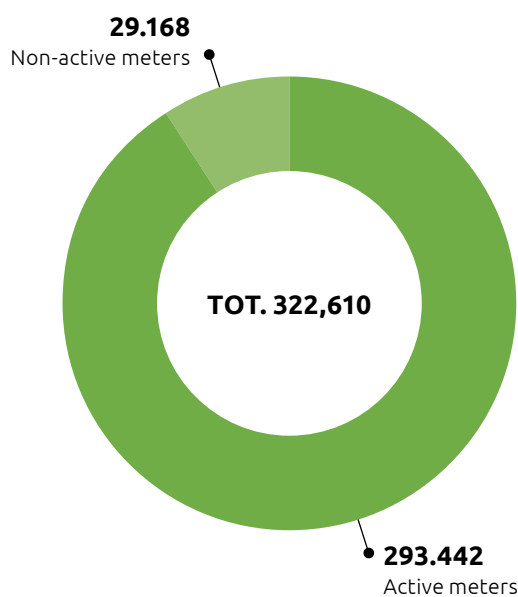


Figure 27. Meters managed

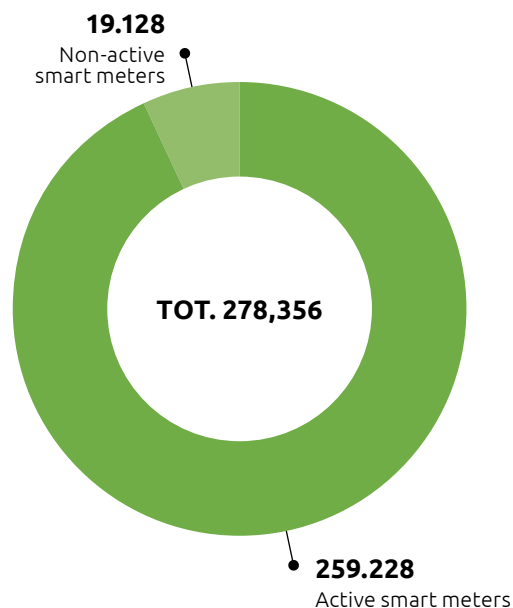


Figure 28. Smart meters

The dispersion of methane gas in the atmosphere is one of the elements that has the greatest impact on the environment and on safety during normal operation of the gas distribution service. Methane gas, which is naturally odourless and colourless, is constantly odorised in the collection and metering plants, through a controlled and tested procedure, so that humans can smell it in the event of a leak or of accidental use, and thus limit the risk of harmful or dangerous phenomena. It represents both a dangerous element because of its flammability, and a polluting element because of the high capacity to retain terrestrial infra-red radiation, which classifies it as a greenhouse gas. For these reasons, the containment and resolution of gas dispersion represent the main aim on which the safety, quality and continuity of the service are based. In order to monitor these risks, the principal monitoring systems distributed are remote control systems that monitor the distribution system's key parameters, and the alarm systems that discourage or give warning of intentional acts. Moreover, planned checks are constantly made for any gas leaks from piping, together with the routine and extraordinary maintenance of the networks.

In the first few months of 2023, the subsidiary V-Reti purchased a gas monitoring system called "Picarro Advanced Leak Detection" capable of detecting one part in a billion of gas. With this instrumentation, any gas leaks can be identified and then resolved with greater precision, improving the quality of the service and the distribution network. Picarro technology has the ability to detect a much higher density of leaks than traditional technologies, including underground leaks on service and overhead lines.

The monitoring system consists of hardware and software elements. The hardware elements consist of a device to be installed on a vehicle, called "Surveyor" and three portable devices, called "Picarro Energy Backpack".

The Surveyor consists of a gas analyser with sensitivity of parts per billion, based on cavity ring down spectroscopy (CRDS), which measures the composition of atmospheric gas and other tracers such as

ethane and allows emissions to be reduced and priority to be given to the breakdowns of large emitters to economically lower emissions and achieve the UNFCCC/National emission reduction targets.

On the other hand, the Picarro Energy Backpacks provide extremely precise and simultaneous measurements of methane and ethane at environmental levels. This tool uses the same technology as the Surveyor equipment in a miniaturised version, designed for foot surveys to investigate and confirm the presence of natural gas leaks.

## White Certificates

The White Certificates or Energy Efficiency Certificates (EEC) are tradable securities that certify the energy savings achieved in end uses of energy, implementing measures to increase energy efficiency. The promotion of energy savings through the system of the White Certificates is provided for by the Ministerial Decrees of 20 July 2004 (Ministerial Decree 20/7/04 on electricity, Ministerial Decree 20/7/04 on gas, as amended).

“Obligated” distributors of electricity and natural gas are expected to meet certain targets each year in terms of energy savings, measurable in Tonnes of Oil Equivalent (TOE) saved; each White Certificate is equivalent to savings of one Tonne of Oil Equivalent.

The Italian Regulatory Authority for Electricity, Gas and Water (ARERA) with the Decision of 31 October 2023 DSME 3/2023 communicated the primary energy saving obligations for electricity and gas distributors for 2023.

In 2023, ARERA awarded the Group 6,734 white certificates for electricity distribution and 25,471 for natural gas distribution.

In addition to energy distributors, other voluntary parties, typically energy service companies (ESCOs) or companies that have appointed a certified energy management expert (EGE) may also participate in the mechanism.

The voluntary parties are all the operators that freely choose to carry out consumption reduction measures in end uses of energy, and to whom the right to receive the corresponding quantity of white certificates is assigned.

### *8.3.2.1 Quality in the natural gas distribution service*

To distribute natural gas, V-Reti manages the transport of gas through local pipeline networks, for delivery to end users through two phases:

1. The pick-up of gas from Snam Rete Gas' pipelines through first-stage pick-up points.
2. Transport and distribution to end users.

Gas distribution activities are carried out by the AGSM AIM Group according to the rules of functional unbundling envisaged for vertically integrated companies in the sector, in compliance with the principles of economy and profitability and the confidentiality of company data for the purpose of promoting continuity, efficiency and adequate quality levels in the service provided.

The natural gas distribution service makes reference to the commercial quality parameters set by ARERA. In 2023, the minimum times and levels required by the Gas Distribution Service Quality Regulation (RQDG) were widely complied with.

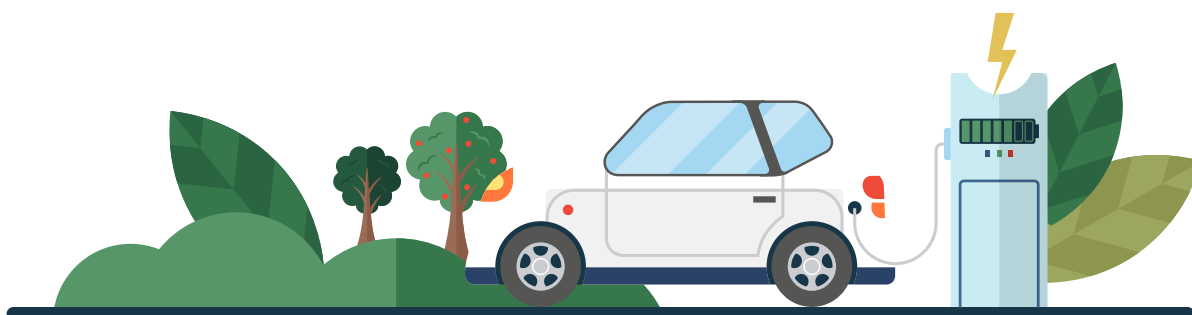
With reference to the AGSM AIM Group's distribution companies, commercial quality standards were 98.4% complied with in 2023. The average time for activating the supply corresponds to 2.70 working days down compared to the previous year while the average time for reactivating the supply following suspension due to lack of payment is 1.04 working days.

## 8.4 Smart services



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E5] Smart cities and sustainable mobility
- ▶ [S6] Technological innovation and digital transformation



AGSM AIM Smart Solutions is the Group company pursuing the mission of facilitating the transition towards electrification of the territories served through innovative and smart solutions. Its areas of expertise include electric mobility, public lighting, telecommunications, management of car parks and energy efficiency solutions for buildings.

Innovation and sustainability drive AGSM AIM Smart Solutions' choices, activities and projects. On the public lighting front, the Company manages around 79,000 lighting points, 89.5% of which are LED, thus ensuring efficiency, energy savings and compliance with light pollution directives. Furthermore, to enhance the smart approach of Verona and Vicenza, it is committed to expanding its electric mobility offer by increasing the number of charging stations in the area.

AGSM AIM Smart Solutions is a partner of local communities to support them in their energy transition through five business lines:

- ▶ connectivity and telecommunications
- ▶ public lighting
- ▶ energy efficiency and redevelopment of public buildings
- ▶ electric mobility and pay parking area management
- ▶ smart city services for the territories and communities

The company focuses on innovation and the green economy by providing robust development models for all the services offered with the aim of accompanying the public administration in the energy and digital transition and by supporting local communities with its effectiveness in managing energy efficiency projects and its expertise in managing complex projects such as the redevelopment in public buildings.

AGSM AIM Smart Solutions has investment plans of 9.8 million, of which 9.4 million for new projects that are listed below.

- ▶ Intelligent LED lighting points.
- ▶ Charging stations for smart infrastructure in the territories served.
- ▶ Energy efficiency and redevelopment activities in public buildings by analysing consumption and defining a continuous improvement plan.
- ▶ Redevelopment and structural revamping of owned car parks.
- ▶ Evolution of video surveillance, wi-fi and Smart City services for the city of Verona.

## 8.4.1 Electric mobility



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E5] Smart cities and sustainable mobility
- ▶ [S6] Technological innovation and digital transformation

Sustainable mobility plays an important role not only in terms of the smart growth of the city but more generally for implementing a truly sustainable approach for the community and the territory.

In this regard, AGSM AIM Smart Solutions proposes the creation of charging systems for electric vehicles and parking spaces dedicated to their parking and hardware and software system management for remote control and the use of charging stations by customers.

The Group actively contributes by proactively participating in the transformation of city mobility through the AGSM AIM project, a new service that uses modern charging infrastructures and a new digital platform to promote public electric mobility.

During 2023, AGSM AIM Smart Solutions' 177 charging sockets delivered a total of 1,307 GJ of energy, or 363 MWh.

The charging service can be activated by the end customer through the "AGSM AIM E-mobility" application and manages the entire car charging process, from the identification of the stations to the start of the service and its completion.

On the AGSM AIM stations, the charging session is available for a maximum of 300 minutes, with the obligation to move the car within one hour of the end of the service. On the other hand, at night, the car can be parked with the cable connected from 11.00 pm to 7.00 am.

In the event of a request for technical assistance or to report anomalies, customers can contact the Call Centre, available 24 hours a day, at the toll-free number 800 133 966. The call centre service is carried out by technical staff who can speak four languages: English, German, Spanish and French.

AGSM AIM has extended its commercial offer by introducing a subscription formula for the electric vehicle charging service. The solution, which can be activated directly from the dedicated APP, is added to the already existing pay per use rate, which saves money and charging time.

Purchasing the subscription allows users to top up their electronic wallet with the amount of energy, expressed in KWh, depending on the type of subscription chosen, available and valid for 30 calendar days from subscription. The subscriptions can currently be used at AGSM AIM Smart Solutions charging stations enabled for the public charging service.

The formula offered by the AGSM AIM Group includes three subscription sizes available to meet the various needs of customers who use public charging stations.

- ▶ **Small:** valid for 30 KWh
- ▶ **Medium:** valid for 75 KWh
- ▶ **Large:** valid for 150 KWh

During 2023, the AGSM AIM Group also expanded the interoperability with other electric mobility operators, guaranteeing the possibility for customers of other national and European operators to recharge their electric vehicles on the AGSM AIM Smart Solutions infrastructure, provided that they have joined the European Hubject circuit and have signed the service acceptance.

The new service allows occasional users such as tourists or visitors to recharge their cars in the AGSM AIM Smart Solutions stations directly with provider's app. Occasional users or customers of other operators can find the AGSM AIM Smart Solutions infrastructure through the "AGSM AIM E-mobility" app.



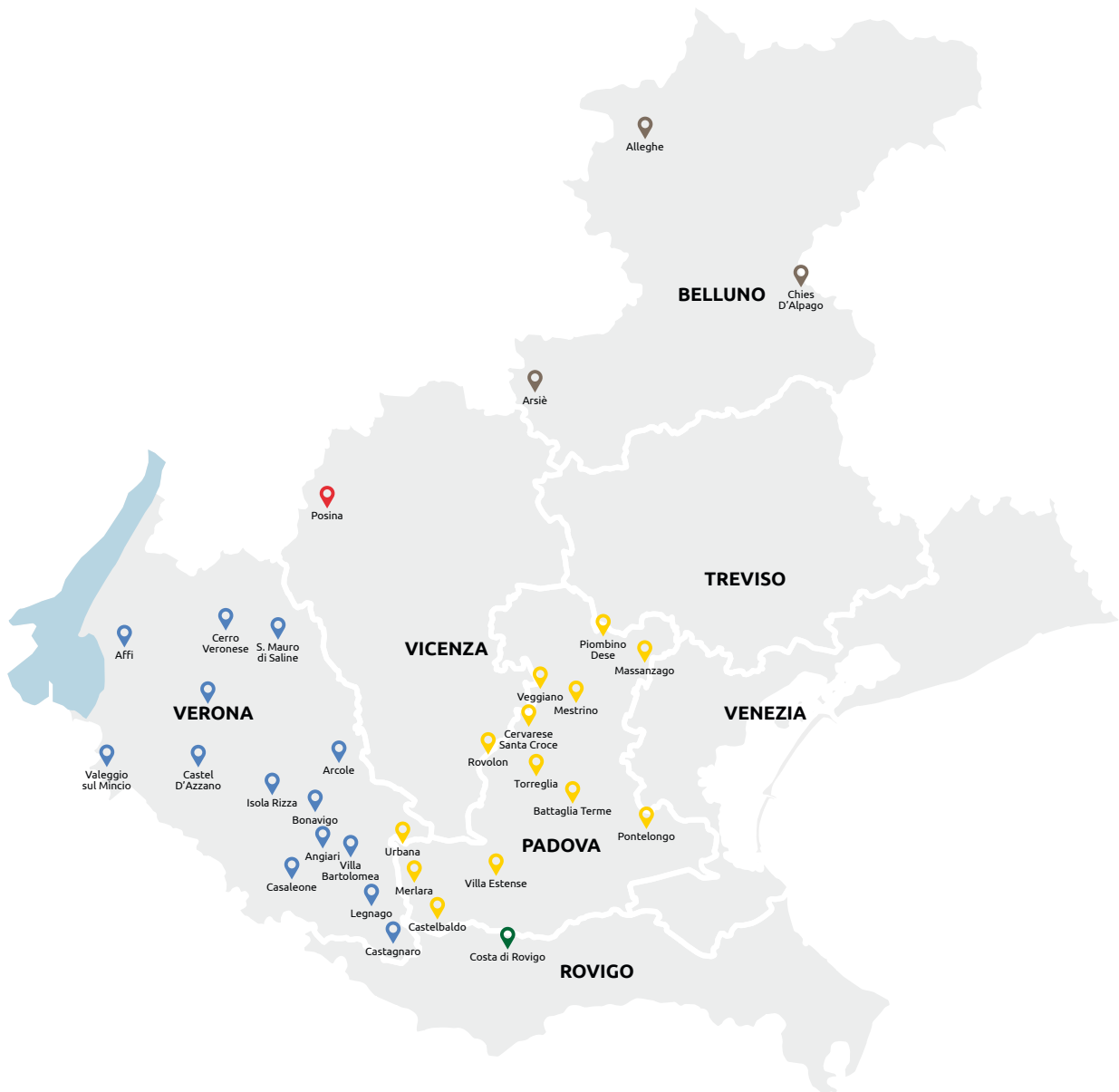
## 8.4.2 Public lighting



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [S6] Technological innovation and digital transformation

The AGSM AIM Group, through AGSM AIM Smart Solutions, manages the operation and standard maintenance of the public lighting service in a number of municipalities in the provinces of Verona, Padova, Rovigo, Belluno and Vicenza.



In 2023, AGSM AIM Smart Solutions continued the management service for the public lighting network (1,052 km) in the Municipality of Verona, where the asset is owned by the AGSM AIM Group.

The Smart Solutions Business Unit has also signed several concessions with other municipalities to upgrade the public lighting system to LED, as well as for operation and maintenance for medium-long periods, with the task of designing and replacing the gas-discharge lamps with LED lamps. In addition, there are plans for the next phase of the public lighting service and for the operation and maintenance/remote control with troubleshooting and service restoration activities.

AGSM AIM Smart Solutions directly deals with the construction, design and maintenance of local public lighting systems by using the latest generation technologies, ensuring the reduction of energy consumption, the containment of light pollution and respect for the environment.

All the new systems are provided with lighting equipment able to offer performance that complies with the regulations prohibiting the emission of upwards light to eliminate the effects of light pollution.

There are 78,956 Group lighting points managed throughout the service, of which 70,701 energy-saving LED lights. 89.5% of the lighting points operated by AGSM AIM Smart Solutions were upgraded to LED.

The sustainable nature of the service highlights the huge saving in terms of not only light pollution, but also greenhouse gas emissions saved, which in 2023 amounted to 14,117 tonnes of CO<sub>2</sub> (estimate)<sup>7</sup>.

The main values that characterise the public lighting service are listed below.

- ▶ The strong emphasis on innovation, thanks to using increasingly efficient technologies that ensure low consumption and high quality.
- ▶ Reliability for quick actions to solve faults.
- ▶ Sustainability in reducing environmental pollution.
- ▶ The timely management of current plants with the prospect of expanding into new territories.

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<sup>7</sup> Emission factors used: Verona: 0.4938 kgCO<sub>2</sub>/kWh. Source: "Atmospheric emission factors for greenhouse gases in the national electricity sector and in the main European countries" ed. 2020; Vicenza: 0.30921 kgCO<sub>2</sub>/kWh, taken from ISPRA analysis no. 212/2015 processed for Terna S.p.A.

## 8.4.3 Telecommunications



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [S6] Technological innovation and digital transformation



The AGSM AIM Group operates in the provinces of Verona and Vicenza through a complex fibre optic telecommunications infrastructure. The optic infrastructure stretches throughout the city areas and also reaches the main population centres in the Provinces of Verona and Vicenza for a total length of more than 667 kilometres.

The telecommunications network of AGSM AIM Group is designed to collect data traffic in urban and non-urban areas, providing the public administration, TLC operators and businesses with a portfolio of services featuring high levels of reliability and performance.

In the Vicenza area, the optical fibre network has 592 nodes and terminal points and is sold in the “dark fibre” mode by national telecommunications operators, which in turn use it to provide private e-business customers with broadband telephone and telematic connectivity services in the FTTC (Fibre To The Cabinet) and FTTH (Fibre To The House) modes.

The main connections to the network include: AGSM AIM offices in the Vicenza area, SVT offices, Vicacqua offices, Municipal Administration, Provincial Administration, Car parks, Electricity Substations, US Military Bases, Vicenza Trade Fair, Court, Hospital, University, Vodafone Cabinets and 5G network.

From an infrastructural point of view, the telecommunications network employed is generally of the ring variety, thus reducing to a minimum any inefficiencies due to faults.

AGSM AIM Smart Solutions also manages optical fibre connections among various company offices of the Group and the computer systems adopted to safeguard the technological network used to monitor and control operations. The response service is available for 24 hours a day, 365 days a year.

## CYBERSECURITY AND PERSONAL DATA PROTECTION

The telecommunications network of the Group has a special feature that distinguishes it from other similar networks. It is in fact a fully private network that connects the various users in point-to-point mode, employing one optical fibre for each user point. This allows completely isolated data transmission within the network in order to guarantee a very high level of security and confidentiality of the transmitted communications and data.

## PROJECTS FOR TECHNOLOGICAL INNOVATION

The Group launched an experimental project (POC - Proof of Concept) concerning the application of "Smart City" technologies in certain processes managed by company services, such as the monitoring of parking, temperatures inside buildings (offices, schools, public residential units), filling of waste containers and traffic light failures.

The aim of the project was to verify the potential of these instruments for reducing the operating costs of the services and for increasing the quality of the service provided. The positive results achieved by the POC induced some Group companies to start a transformation of the project from an experimental application to actual service provision. In particular, the LoRaWAN radio coverage for communication with IoTs has been stabilised, extending it geographically to certain sites of interest for the Group.

In the Verona area, the optical fibre network managed by AGSM AIM Smart Solutions is a telecommunications infrastructure that makes use of the capillarity of the subsoil to achieve high coverage in the area.

The network extends from Peschiera del Garda, crossing Verona and reaching Vicenza. A route also starts from Verona that reaches, through the high voltage lines, the Ala power plant.

The metropolitan network is divided into 10 POPs (Points of Presence) connected to each other in a ring to allow high reliability in the event of a section failure.

The service covers 5 municipalities for a length of 405 km (estimated) with 822 active terminal points and over 1,000 network devices that guarantee the proper functioning of the services.

Part of these terminal points are some of the points of the "LSN - Local Services Network" through which high value-added services are provided, such as the ones listed below.

- ▶ VMPs (Variable Message Panels) that provide public utility information to citizens and visitors.
- ▶ Number plate reading systems.
- ▶ Traffic lights that use the network for traffic programming by detecting active traffic, together with coils placed under the asphalt.
- ▶ Emergency call boxes. A network of safety points available to the community.
- ▶ Limited Traffic Zone gates controlling access to the city centre of Verona.
- ▶ Security cameras. Over 170 cameras guaranteeing constant monitoring by the local police and the police headquarters through the remote viewing of images by means of an optical fibre connection.
- ▶ Public Wi-Fi. The connection (freewifi@verona) is provided in the city's main areas as a public service to access the Internet. Under specific agreements, the service is also distributed to the Integrated University Hospital (hospitals of Borgo Trento and Borgo Roma) and at Verona University. Almost 3,000 antennas provide daily access to thousands of citizens and tourists.
- ▶ Public utility sites. The collaboration with the Municipality of Verona made it possible to bring the

internet to the public sites of primary interest. To name but a few: libraries, museums, theatres and public buildings.

AGSM AIM Smart Solutions is an Internet Service Provider and a telephone operator which enables the provision of high-content digital services to customers. The services are the following ones.

- ▶ Redundant internet bandwidth services via the main national routes.
- ▶ Domain Maintainer services (use of public IPs and Domain registrations).
- ▶ Lan-to-Lan Transport services for multi-site access.
- ▶ Perimeter Firewalling services with security management.
- ▶ Network design and operation.
- ▶ Sensor and camera installation and maintenance.
- ▶ Dark fibre.
- ▶ Housing services.

For the 67 customers who have signed a contract with the company, the toll-free number 800 394 800 and a 24-day 365-day support and maintenance service are available.

Customers of the telecommunications service fall into three main categories:

- ▶ Public Administrations (e.g. several municipalities, including Verona).
- ▶ Small/medium/large businesses in the territory.
- ▶ Telephone operators using the Group's fibre (active or dark) for the services they provide to their customers.

The infrastructure development plan provides for the use of existing networks and cable conduits owned by the AGSM AIM Group.

This synergy will reduce excavation activities to lay new cables, limiting the impact on the territory and the inconvenience for citizens.

## INTERNET OF THINGS

The term Internet of Things (IoT) means the technological area which, thanks to using the network, makes it possible to connect objects and to exchange information between things or places.

In 2023, the Group consolidated its activities and commitment to developing digital infrastructure and services to support the integration of digital technologies, and an example is "169 MHz network" which is the network distributed throughout the territory that allows the use of radio technology to collect service data and information.

## 8.4.4 Car parks and car parking services



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E5] Smart cities and sustainable mobility
- ▶ [S6] Technological innovation and digital transformation



AGSM AIM Smart Solutions manages ground-level and underground car parks and free and paid parking areas in the City of Vicenza.



During the reporting period

**804,557**  
vehicles

entered the car parks managed by the Group.

AGSM AIM makes paying for parking on blue-marked and barrier car parks convenient but above all smart by providing various circuits that can be used from mobile phones through free apps, available for both Android and iPhone. Blue-marked parking spaces in the city of Vicenza can be paid, as well as in cash, in the appropriate parking meters, also by smartphone, through active apps such as EasyPark, MyCicero and AIMFACILE, a customised app for parking in the Municipality of Vicenza.

In order to innovate and make parking easier in controlled car parks, AGSM AIM Group activated the "POSSibile" payment service on the city's four barrier car parks. Vicenza was the first Italian city to introduce this "Card in - Card out" contactless payment system, which is based on the use of a credit/debit card and a smartphone for access. POSSibile makes it possible to avoid using cash and having to get out of the car while paying. This system, the first of its kind in Italy, can be used by all those who possess a contactless card, and does not require any registration or pre-authorisation.

The barrier car parks managed by AGSM AIM Smart Solutions are equipped with POS readers where payment can be made with electronic cards, making the payment process easier and faster.

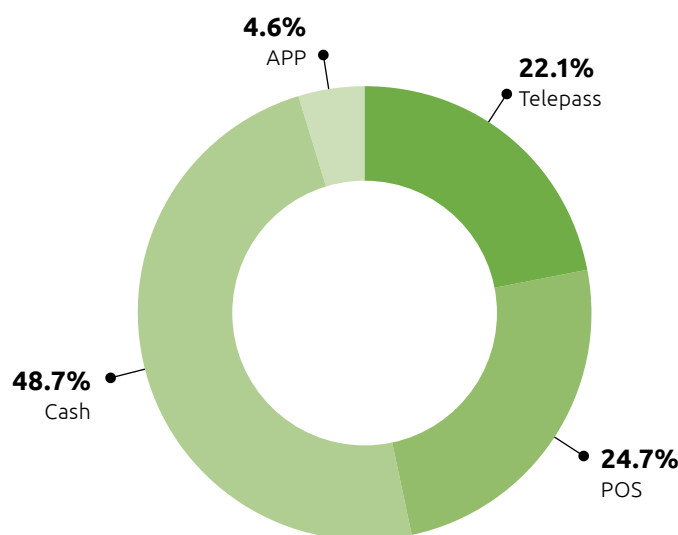


Figure 29. Payment methods

In order to ensure accessibility to the parking service for all citizens and the correct rotation in the paid parking areas, AGSM AIM Smart Solutions has activated maintenance and emergency services for the payment devices (parking meters and automatic tellers) and control on the regularity of the parking, with the possibility of issuing the penalties under applicable regulations.

## 8.5 Environmental services



### MATERIAL TOPICS

- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E4] Circular economy

The AGSM AIM Group, through the company AGSM AIM Ambiente and its subsidiaries, deals with the collection, treatment, recovery of waste and urban health. The Group is also committed to the development and strengthening of material treatment plants with the aim of optimising the management of waste flows.



In carrying out its activities, the Group is committed to new circular economy models. Both in the waste sorting and treatment sector and in the plant sector, the company is aware that the transformation and valorisation of waste materials is a necessary resource to support the sustainability of our industrial system.

Furthermore, AGSM AIM Ambiente aims to ensure the sustainable quality of the services offered by eliminating, or at least minimising, any malfunctions or disruptions. The level of service is achieved thanks to an infrastructure network closely related to the territory, which guarantees speed and control.





Valore Ambiente S.r.l. operates in the municipality of Vicenza and manages the collection, recovery and disposal of solid urban waste as well as the cleaning of public streets and pavements.



It operates a treatment plant for urban waste and special non-hazardous waste. Over time Transeco has also developed the management of ancillary services such as analysis, disposal of hazardous waste and disposal of liquid waste for which it carries out only intermediation activities. It also acts as a point of reference in the field of reclamation and restoration of polluted sites, intervening in all the reclamation phases. Transeco is also a COMIECO platform authorised in accordance with Ministerial Decree 188 - End Of Waste (EOW).



It collects and recovers solid urban waste in 59 municipalities in the northern area of Verona.



Marketing of integrated environmental services.

## agsm aim | Ambiente

AGSM AIM Ambiente ensures practical and innovative waste management solutions, of which it follows the entire cycle: from collection to treatment, recovery, reuse and disposal. It also maintains the city's decorum.



Collection of waste and the materials derived from it, including the sorted waste collection. It also carries out cleaning services in the public areas of the Municipality of Tirana (Albania).



Controlled by Consorzio Igiene Ambientale del Territorio, which brings together 64 municipalities in the Province of Vicenza, including the municipality of Vicenza itself, and an investee of Valore Ambiente. Since 2011, it has been managing the construction and operation of the landfill at Grumolo delle Abbadesse, operating since 1999.



The company DRV was the subject, during the first six months of 2023, of negotiations with the company MEG, in order to lease the CSR (Plastic Selection and Recovery Centre) business unit, the negotiations were successful.



SIT S.p.A. is involved in the post-management phase of two landfills. As part of a temporary association with Tecnologie Ambientali, it operates a purification system at the Strillaie landfill in Grosseto.

## 8.5.1 Waste collection

The AGSM AIM Group, through its subsidiaries Valore Ambiente, SERIT and EcoTirana, takes care of waste collection and disposal, with particular attention to sorted waste collection, recycling processes and proper disposal.

The collection of urban waste is mainly managed through door-to-door collection systems and roadside and mixed collection systems.

The method of waste collection is also diversified based on the real nature of the territory served and the characterisation of the users, in particular supplementary home services for specific types of waste are active for non-domestic users.

In December 2023, the company SERIT was awarded the tender to reallocate the urban health service in the municipalities already served in the previous year. The award refers to a period of twelve months, extendable by another thirty, pending the definition of the process of transfer of the company to the Bacino Verona Nord, to become the in-house collection management company in the municipalities of the same Basin.

In the Municipality of Vicenza, residual urban waste is collected at the Monte Crocetta transfer platform (where it is subject to sorting and/or shredding operations) and then sent to the two final plants of the area, i.e. the Schio waste-to-energy plant, not owned by the AGSM AIM Group, and the Grumolo delle Abbadesse landfill, managed by SIA.

During 2023, the companies of the Environment Business Unit collected 387,621 tonnes of municipal waste in the 66 municipalities served with about 590,000 inhabitants.

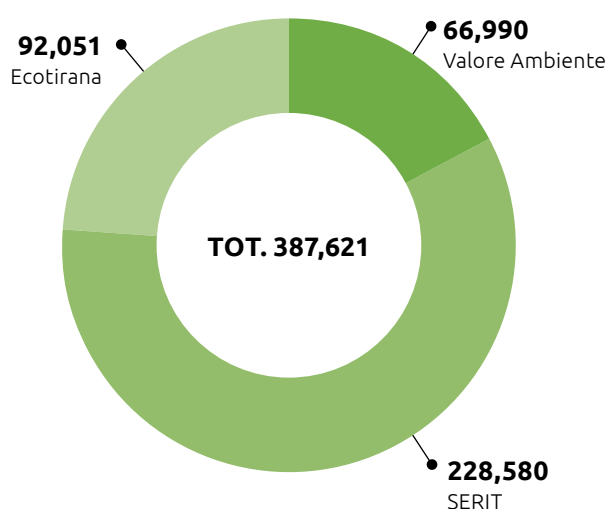


Figure 30. Waste collection (ton.)

As part of the waste collection activity, the AGSM AIM Group provides citizens with the mobile recycling service, that is, a mobile rubbish container placed daily near local markets and predisposed for the collection of seven particular types of waste: small household appliances; used clothes; batteries; expired medicines; flammable and dangerous waste; neon and low energy consumption lamps. In addition to the practical waste collection function, mobile recycling serves as a communication vehicle for raising awareness among citizens.

In order to promote the proper collection and disposal of bulky waste, the AGSM AIM Group provides citizens with a bulky collection service at home with the collaboration of social cooperatives in equipped recycling plants. The service is free, is reserved to domestic users, and envisages a call-out every two months, for a maximum of 5 pieces at a time and 30 pieces throughout the year.

Finally, the AGSM AIM Group carries out a service monitoring the “abusive” collection of abandoned waste outside the relevant containers.

The Collection Centres are at the service of all domestic users for the correct disposal of bulky and recyclable waste. The Group companies directly manage 22 collection centres, 4 in Vicenza and 18 in the Verona area. The four recycling centres active in the Municipality of Vicenza and managed by Valore Ambiente are at the service of all domestic users for the correct disposal of bulky and recyclable waste. Access is also allowed to non-domestic users, covered by Annex L-quinquies to Part IV of Legislative Decree 152/2006, only for the waste indicated in Annex L-quater of the same decree, subject to filling in a specific form.

The collection centres in the reference area, managed through Valore Ambiente and SER-IT, are designed with the aim of encouraging the sorted waste collection and recycling of recoverable materials.

In order to guarantee the achievement of the Circular Economy objectives, including the extension of the life cycle of products, specific areas have been set up in two Collection Centres of the Municipality of Vicenza where citizens can provide waste that they intend to dispose of but that can potentially be sent for reuse.

### 8.5.2 Waste treatment

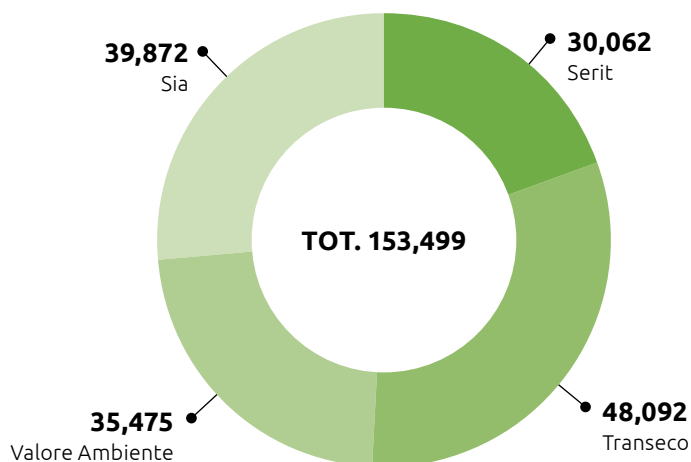


Figure 31. Waste treated (ton.)

## MATERIAL RECOVERY FACILITIES

The subsidiary SERIT operates, in Cavaion Veronese (VR), a plant for the selection and recovery of urban paper and plastic waste which during 2023 treated 30,062 tonnes of waste.

In the Cavaion plant, also known as the Comprehensive Centre (CC), as part of the COREPLA circuit -National Consortium for the Collection, Recycling and Recovery of Plastic Packaging, the plastic resulting from separate collection is pre-cleaned through a sorted waste collection. Subsequently, the product is pressed and sent to the COREPLA Secondary Solid Fuels, i.e. the selection centres. This step is fundamental in the recycling process, since one of the biggest problems in sorted waste collection is precisely related to the presence of foreign material.

The subsidiary DRV carries out recovery and preparation activities for recycling plastic raw materials. During 2023, DRV processed 19,442 tonnes.

Through Transeco S.r.l., in the Verona area, a plant is managed for the treatment of non-hazardous urban waste (mainly bulky waste, wood, paper) and of special non-hazardous waste. The volume of waste managed by the site in 2023 is 48,092 tonnes.

### How the waste sorting process works

The plastic waste that arrives at the plant is unloaded and reaches the bag opener via a conveyor belt, where it is then conveyed via a connecting belt to the rotary screen.

From here, through two connecting belts, on the one hand the residue with maximum dimensions of 30 cm is brought to the ballistic sieve and, on the other hand, the one with dimensions greater than 30 cm is brought directly to the first manual selection belt where it will be sorted into the various accumulation boxes.

The waste sent towards the ballistic sieve is divided into 3D and 2D, that is, all the rolling parts flow towards a belt (A) while the light parts such as plastic bags and tetrapak move towards a further belt (B).

The latter (B) will take the material to the second manual selection belt and consequently the waste will be sorted into the various accumulation boxes.

The plastic of the first belt (A) will subsequently pass with the following order below: the magnet, the magnetic separator and the optical reader.

It will then end its cycle on the third and last manual selection belt to be also conveyed to the various accumulation boxes.

All the material conveyed to the accumulation boxes to fill them is automatically transferred to the press to be pressed and subsequently sent to Secondary Solid Fuels.

## MECHANICAL TREATMENT PLANT

In the Vicenza area, Valore Ambiente manages a transfer platform with volume shredder (shredding), stored, sorted and recovered municipal waste from collection in the Municipality of Vicenza together

with other smaller quantities of waste from other adjacent municipalities. The volumes handled in the plant amount to 35,475 tonnes.

## LANDFILLS

The AGSM AIM Group, through its subsidiaries, manages a landfill in operation located in the municipality of Grumolo delle Abbadesse (VI), three post-operation landfills in the municipalities of Lonigo (VI), Sandrigo (VI) and Cà Nova (VR), and a landfill leachate treatment plant.

The Grumolo delle Abbadesse landfill operates in the field of disposal of urban waste mainly deriving from the sorted waste collection system, and special non-hazardous waste from urban waste sorting and mechanical separation plants, located mainly in the territory of the Province of Vicenza, within an integrated management system for urban waste disposal, organised and planned at regional level. Before being stored in the tank, the waste is reduced into pressed cubes in order to occupy less space.

During 2023, 39,872 tonnes of waste were deposited in the active landfill of Grumolo delle Abbadesse, also taking into account the rate coming from special non-hazardous waste.

In 2023, the volumetric remodulation of the landfill was approved, which will bring new volumes available for the years to come, thanks to the reconfiguration of the banks and the subsequent filling of these volumes, for a total availability of 440,000 cubic metres. The start of the remodulation site envisages initial investments in earthmoving machines that will be purchased during 2024.

The Fossalunga landfill in Lonigo (VI) is managed by the subsidiary SIT, through a contract for the management by CIAT (Consorzio per l'Igiene Ambientale e del Territorio) regarding all post-operation activities, as well as for the Masona landfill in Sandrigo (VI), where SIT, however, holds the authorisation for the management of the related activities.

SIT, as part of a temporary association with Tecnologie Ambientali S.r.l., manages under concession a reverse osmosis plant to treat landfill leachate in Strillaie, Grosseto.

Surveillance, environmental monitoring and maintenance activities are carried out at the landfills under post-closure management. A photovoltaic plant is active in the two Vicenza sites, while the technical and administrative procedures for permanent safety of the site are currently under way at the Verona site.

**TRE V Ambiente S.r.l.**, a purely commercial company, deals with the sale of integrated environmental services such as:

- ▶ technical and legislative advice
- ▶ environmental and waste analysis (testing)
- ▶ management of waste transport, recovery or disposal through third parties
- ▶ sale and/or rental of storage equipment
- ▶ assistance in fulfilling annual obligations with the supervisory bodies (Chamber of Commerce, Ministry of the Environment)
- ▶ sanitisation of premises and areas through authorised third parties

During 2023, TREV Ambiente handled **7,353 tonnes** of which **488 tonnes** of hazardous waste and **6,865 tonnes** of non-hazardous waste.

### 8.5.3 Services for the city

Street hygiene is necessary for the decorum and cleaning of streets and public areas, and is a constant commitment undertaken by the Group companies, such as Valore Ambiente and SERIT towards the territory served.

Street cleaning and hygiene services are carried out exclusively in public areas, or private areas for public use.

The services offered include the ones listed below.

- ▶ **Sweeping the streets** (mechanically or manually) indispensable for the urban health and decorum, for the **cleaning** of streets, squares and pavements also following sports events and local markets. The frequency of street sweeping is defined according to the characteristics of the area, vehicle traffic and use. Manual sweeping activities also include emptying the wastepaper bins, replacing the bag and replenishing the dog waste shovel dispensers.
- ▶ **Street washing**, normally active in the period from March to November, when the weather conditions make it possible to ensure operating in compliance with the safety of road traffic, to assist the activity of manual and mechanical sweeping for cleaning and hygiene of public streets and pavements. It takes place during the night in the monumental area, and during the day in the areas outside the city centre and is also provided on rainy days in the case of special events. The activity is a significant sanitisation of the public streets and pavements as it combines the three basic activities: manual and mechanical sweeping and street washing.
- ▶ **Cleaning of municipal parks and gardens** including regular emptying of waste-paper bins. The frequency of service provision depends on the location and use of the site.
- ▶ **High-pressure water cleaning** is an indispensable addition to standard cleaning procedures, and is used to treat important, architecturally prestigious sites, or particular situations of decay, and to rid surfaces of excreta.
- ▶ **Collection of leaves**, performed using small and large mechanical or vacuum auto-sweepers, operated by workers who either manually, or with the use of blowers, move the leaves from the roadsides and pavements towards the area where the sweepers are operating, and if necessary using a truck fitted with leaf-vacuuming equipment.
- ▶ **Street weeding**, through manual and mechanical systems by using a 'vapodiserbo' (steaming of weeds), a natural system for the elimination of weeds. The service includes weeding of the roadsides, pavements and the edges of traffic islands along the entire length of the city's road network.



# 9.

## *Environmental impacts*





## 9.1 Energy consumption of the Group



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems

The Group's **direct energy consumption** concerns the use of fuel for the production of electricity and heat in Group-owned plants (such as cogeneration plants and thermoelectric plants) as well as non-renewable primary energy flows not directly related to energy production (such as those for heating; for vehicles owned by the Group, used both in the movement of personnel and in the performance of company activities such as waste collection).

**Indirect energy consumption**, i.e. the electricity that the Group purchases and consumes, refers to the Group's production sites and plants. Also in 2023, the electricity consumed by the Group is from a renewable source, certified with Guarantees of Origin, except for the energy consumed by the Mincio thermoelectric plant owned by the Group, 50% owned by the Group, over which there is no operational control.

With the aim of reducing its environmental footprint, the Group certified the electricity used for its activities through the purchase of green certificates; these certificates cover a good part of the Group's entire electricity requirements<sup>8</sup>. A total of 21,454 green certificates were purchased.

The AGSM AIM Group's **company fleet** is made up of vehicles of different types and power supplies; this differentiation derives from the heterogeneity of the services offered, which necessarily require the adoption of different technologies. Starting from 2023, and with a view to an increasingly transparent communication of its environmental impact to the outside world, the Group has managed to identify and enhance, within its direct consumption, those deriving from cars as fringe benefits<sup>9</sup>. The company vehicle fleet is subject to particular attention by the Group, which is committed to gradually reducing atmospheric emissions deriving from road traffic, through the systematic renewal of the most polluting vehicles and the improved and more efficient management of travel between company premises.

In 2023, energy consumption amounted to 4,514,008 GJ (for further details, please refer to Appendix 2 - Performance indicators).

<sup>8</sup> The certificates cover 76.3% of the Group's consumption, including the Mincio thermoelectric plant over which the Group does not exercise operational control. Excluding the latter from the scope, the GOs cover 99% of the needs.

<sup>9</sup> With regard to the consumption of cars as fringe benefits, the Group has estimated that it is responsible for 70% of the fuel used in the vehicle for mixed use.

## 9.2 The Group's greenhouse gas emissions



305-1; 305-2; 305-3

The use of fossil fuels is one of the main contributors to climate change; reducing their use, in synergy with the spread of energy-efficient technologies, is strategic for the reduction of the greenhouse effect, due primarily to climate-altering gases.

The AGSM AIM Group is committed to reducing these emissions derived from its activities and reporting the performance achieved, in order to ensure transparency and continuous improvement of its performance.

AGSM AIM monitors direct emissions (Scope 1) and indirect emissions (Scope 2 and Scope 3).

- ▶ **Scope 1:** Scope 1 emissions - deriving from sources controlled by the Group - are mainly attributable to fuels used in plants to produce energy and heat, from waste-to-energy plants, related to operational sites, consumption from the fleet of company vehicles and methane consumption for the heating of the buildings of the various sites and for other activities to support production.
- ▶ **Scope 2:** Scope 2 emissions include emissions attributable to electricity purchased from third party suppliers and consumed both in the Group's plants and in the company's offices. These emissions, calculated with the market-based method, are null and void thanks to the total coverage of consumption with energy from renewable sources certified by the Guarantee of Origin.
- ▶ **Scope 3:** Starting from 2023, the AGSM AIM Group has embarked on a path of mapping and analysing indirect GHG emissions, which concern emission sources that do not fall under the direct control of the company, but which, through the value chain, are indirectly caused by the business. Therefore, this includes emissions upstream - such as emissions caused by the extraction, production and transport of raw materials - and downstream - such as emissions generated by using products sold - of company activities. The objective is to extend reporting and therefore monitoring - progressively - also to this area of GHG emissions, thus completing the measurement of its carbon footprint necessary to structure the Group's decarbonisation strategy.

The activity - started in 2023 and which will continue during 2024 - allows on the one hand, a gradual approach to the CSRD requirements and, on the other hand, is a useful tool to investigate the impacts generated by the Group on the climate and to identify related risks and opportunities.

Initially, AGSM AIM carried out an analysis of the internal and external relevance of each of the categories defined by the "Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" (revised edition). In particular, the significance for the Group of the emission sources described in the categories of Scope 3 was evaluated by taking into account, among others, the following criteria: magnitude of the reference category compared to the total emissions produced; the contribution of the category to the Group's risk exposure (e.g. climate-related, financial and/or regulatory risks); the level of significance of the emission source dictated by the specific characteristics of the sector to which it belongs; and, finally, the accessibility of the data.

Based on the results of the analysis and therefore the mapping of the relevant categories, the Group had already started data collection and emission calculation activities in 2023 for the following categories:

▶ **Category 3 - Energy and fuel-related activities**

Emissions are included from:

- The extraction, refining and transport of fuels, used both for energy production and for direct uses such as heating and the car fleet.
- The extraction, refining and transport of fuels before their use in generating non-renewable electricity purchased and consumed (both with reference to electricity used and electricity lost in electricity transmission and distribution systems - so-called network losses).
- Losses occurring in networks not controlled by the Group in relation to electricity purchased and consumed by the Group.

In addition, full life cycle emissions related to electricity purchased and resold to end customers are included.

▶ **Category 7 - Employee commuting**

This includes emissions from the home-work journeys of Group employees, calculated according to the Average method. In particular, on the basis of travel information, available only for a limited sample of employees, travel habits were identified, in terms of means of transport used and average KMs travelled; these were then used to estimate emissions for employees for whom data was not available.

▶ **Category 11 - Use of sold products**

This includes emissions from the consumption of methane gas sold by AGSM AIM.

The preparatory activities to estimate the additional categories of Scope 3 found to be relevant to the Group have been planned and appropriately addressed and will be completed over the next few years. At the same time, the Group is also committed to the progressive improvement and refinement of the calculation and quality of the data used.

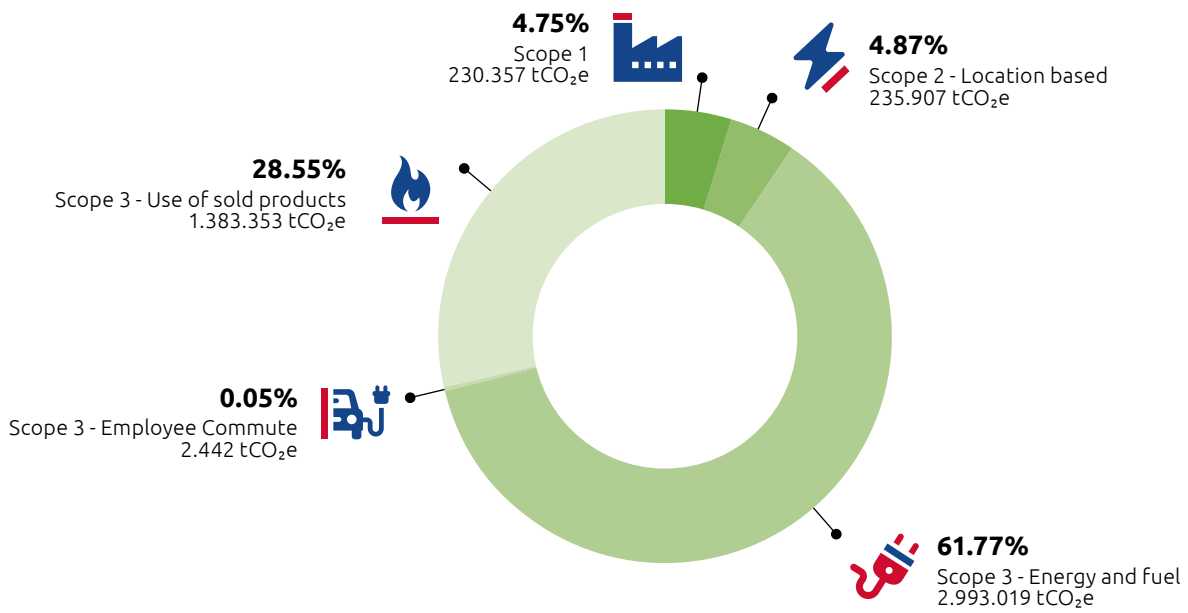


Figure 32. Scope 1, Scope 2 Location Based and Scope 3 Emissions

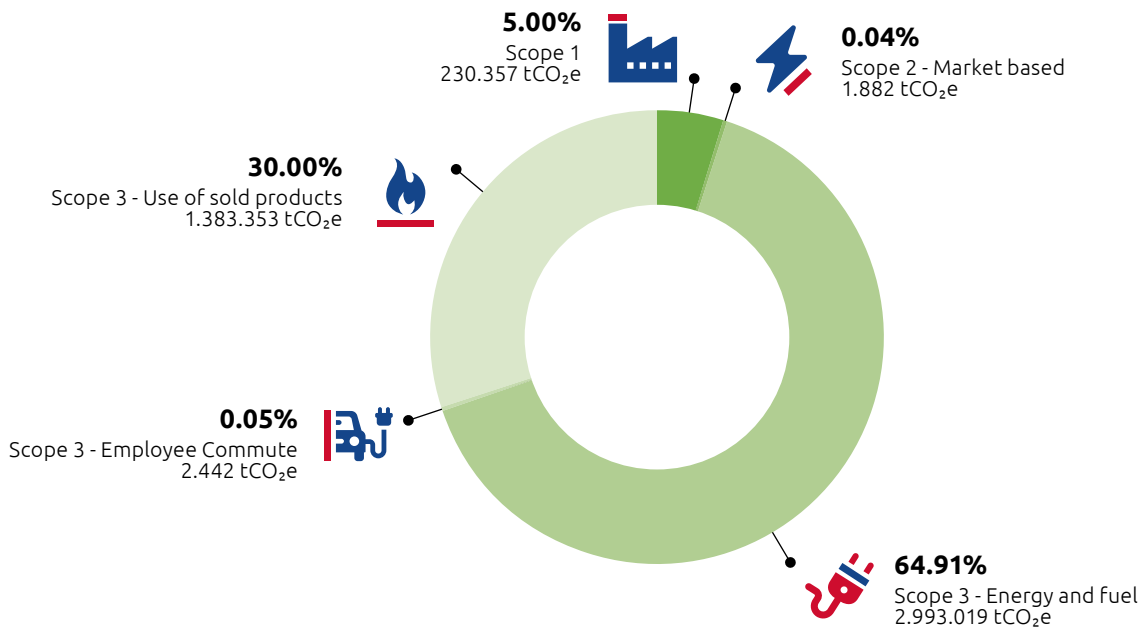


Figure 33. Scope 1, Scope 2 Market Based and Scope 3 Emissions

## 9.3 Water



303-3; 303-4; 303-5



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E3] Protection of the environment, biodiversity and ecosystems

The AGSM AIM Group’s commitment to reducing environmental impacts is also reflected in the conscious and sustainable use of water resources in all the production processes, in terms of both withdrawal and consumption as well as releases and effluents. AGSM AIM draws water from water sources mainly for hydroelectric and thermoelectric production and for cooling thermal cycles.

The water supply at the Group’s plants is provided by drawing water from surface water, groundwater and water from municipal networks. In particular, for hydropower production, water is mainly taken from rivers and reservoirs in compliance with the minimum vital runoff.

In 2023, the Group’s water withdrawals increased by about 15% compared to the previous reporting period, for a total of 4,354 million m<sup>3</sup> (4,354,118 megalitres), due to the increase in the production of hydroelectric energy. The latter increased by about 57% compared to 2022 and, in general, hydroelectric power plants represent 99.7% of the Group’s total withdrawals. Water abstracted for hydroelectric plants is not consumed but used in the production process and then released without alteration.

For effluents, as for withdrawal, there was a 15% increase compared to the previous year. The total water discharge at 31 December 2023 corresponds to 4,354 million m<sup>3</sup> (4,354,083 megalitres).

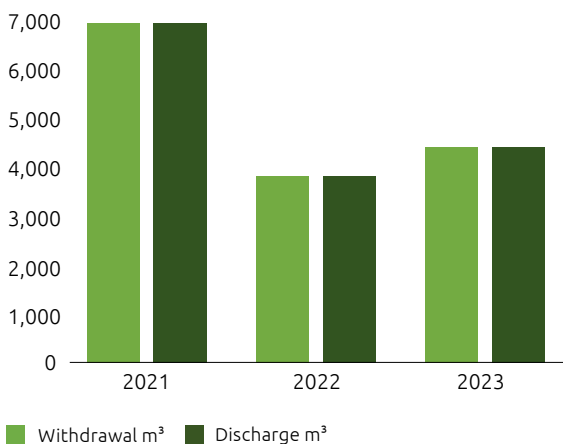


Figure 34. Water withdrawal and discharge (values in millions of m<sup>3</sup>)

For the assessment of areas subject to water stress, the Aqueduct Water Risk Atlas tool<sup>10</sup> of the World Resources Institute was taken as a reference. The analysis carried out showed that only two cogeneration plants of the AGSM AIM Group are located in an area with medium water stress whose water supply to these plants is entirely from the municipal network and corresponds to 0.2% of the total withdrawals from cogeneration plants, which represent 0.1% of the Group’s withdrawals.

<sup>10</sup> <https://www.wri.org/aqueduct>

## 9.4 Waste

GRI 306-2; 306-3; 306-4; 306-5



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems
- ▶ [E4] Circular economy

The AGSM AIM Group adopts a production and consumption model aimed at the efficient use of resources in line with the principles of the circular economy. The waste produced by the Group mainly derives from maintaining and operating electricity infrastructure and production facilities.

In 2023, **28,930 tonnes** of waste were produced. The analysis carried out on the waste produced in the Group showed that the overall production of waste is characterised only by 1.1% of hazardous waste composed of batteries, lamps, mineral oils, electrical and electronic waste, etc.

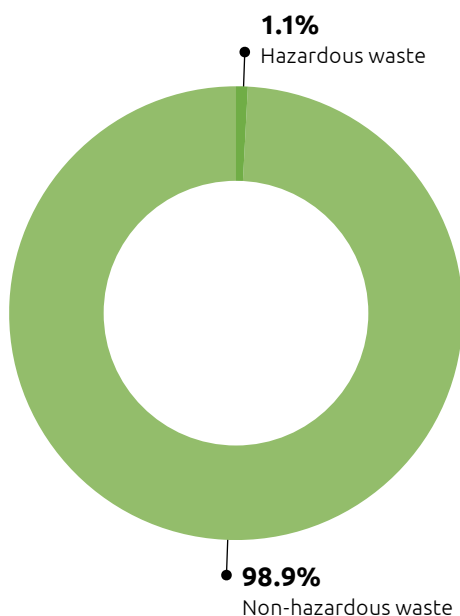


Figure 35. Waste produced by the Group

The waste produced at the AGSM AIM Group is managed in compliance with the procedures set out in the environmental management system adopted by the Group in accordance with the UNI ISO 14001:2015 standard. These procedures identify roles and responsibilities at organisational level on the direct management of internal waste.

The classification of waste produced by the AGSM AIM Group is carried out by the Parent Company's Quality, Safety and Environment function in agreement with the Waste Management Contact and included in the "Waste Classification" document approved by the Company Director or Legal Representative, according to the elements that influence and determine the classification, i.e. the ones listed below.

- ▶ Process from which the waste originates (e.g. construction and demolition, packaging, disposal of obsolete equipment).
- ▶ Specific description of the waste (e.g. soil, plastic packaging, monitor).
- ▶ Assessment of the hazardous nature of the waste through knowledge of the substances that may have contaminated it (product/safety data sheets) and/or chemical analysis and/or from bibliographical-legislative sources (e.g. waste oil, monitors, etc.) and/or laboratory report.

After classification, the waste produced by the AGSM AIM Group is delivered to the Group's temporary warehouses and then handed over to authorised third parties. If they do not belong to the AGSM AIM Group, authorised third parties (e.g. brokers, carriers and destination plants) are identified during the tender process.

Sorted waste collection systems are installed at all the Group's premises in order to increase and promote the subsequent recycling of materials.

## 9.5 Protection of biodiversity



### MATERIAL TOPICS

- ▶ [E1] Climate change
- ▶ [E2] Decarbonisation, energy efficiency and the use of renewable sources
- ▶ [E3] Protection of the environment, biodiversity and ecosystems

The AGSM AIM Group operates in an area rich in biodiversity, due to the fact that the services provided are many and varied in terms of type and location. All personnel undertake daily to safeguard the environment in which they operate, be it a protected or urbanised area, implementing control and monitoring actions.

The AGSM AIM Group's commitment to eliminating or minimising negative impacts on the environment is inspired by the Sustainable Development Goals (SDGs) approved by the United Nations, to which the Group actively contributes by promoting climate change mitigation strategies and contributing to the decarbonisation of the territory through technological solutions, energy efficiency services and through the production of energy from renewable sources.

Aware that the activities carried out could potentially have impacts on ecosystems and biodiversity, the AGSM AIM Group is committed to safeguarding the natural value and biodiversity of the territories in which it operates and affected by the presence of its plants by implementing appropriate environmental safeguards and measures.

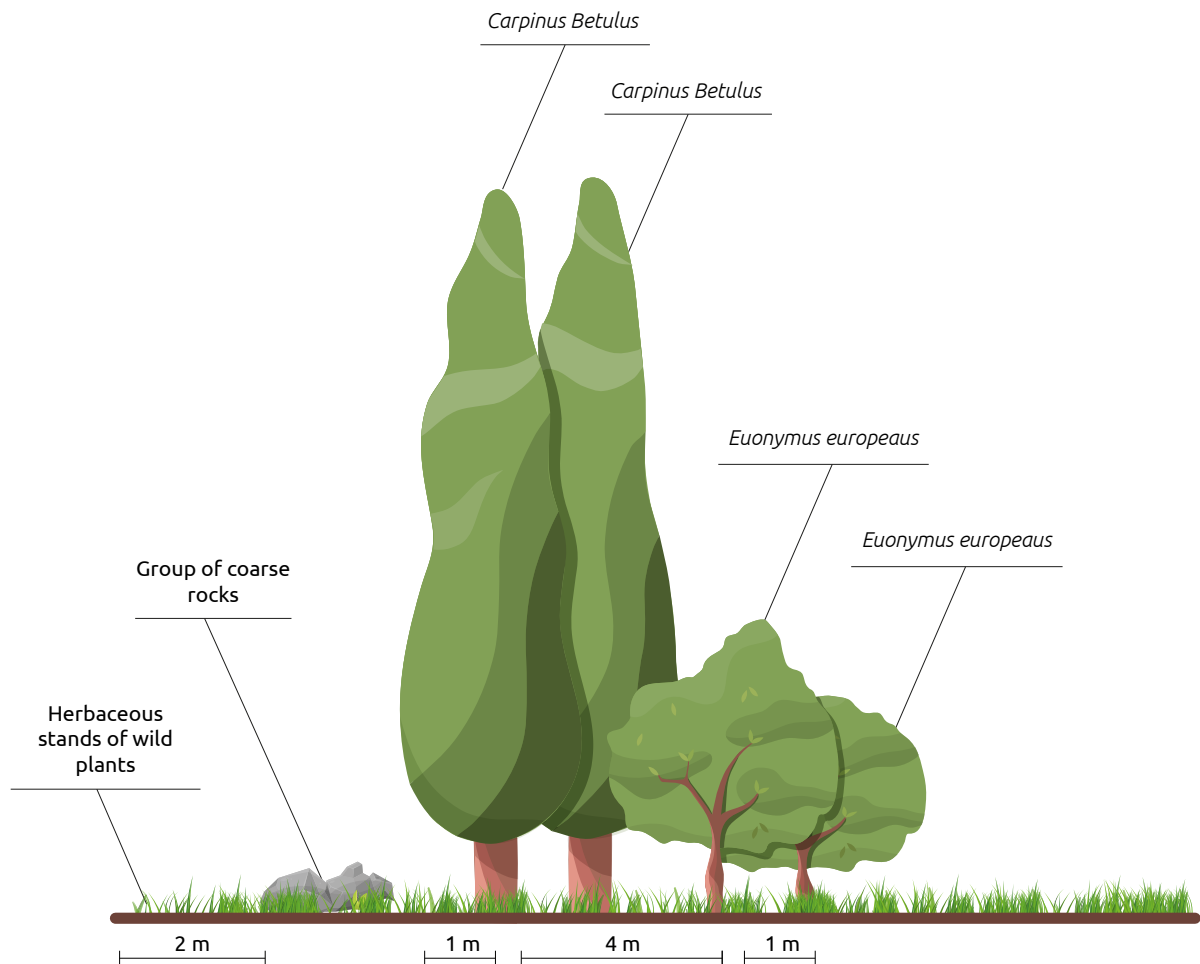
While performing its activities, the Group adopts a business model that is attentive to sustainable and environmentally responsible behaviour. It pays particular attention to the flora and fauna of the places where it operates, undertaking to carry out its activities by taking into account the needs of the surrounding ecosystem and to promptly correct any negative impacts that may occur as part of its business activities.

Before implementing new projects and maintenance activities of importance, which could give rise to environmental impacts in particular areas, the AGSM AIM Group submits the intervention to more specialised assessments for the safeguard of the area affected by the service.

The assessment activity took place during the construction of the wind plants of the Group, for which specific monitoring was carried out before construction in order to assess the environmental impact and introduce measures to mitigate the impacts. Among the Group's wind farms, the case of the wind farm Rivoli Veronese (VR) is exemplary. It was installed in 2013 on a Site of Community Importance (SIC) and ZPS (Special Protection Zone) of particular landscape and naturalistic value.

In collaboration with Legambiente (Baldo-Garda association "Il tasso"), the Parent Company was responsible for the restoration of the areas affected by earthworks (construction of the yards and access roads), carrying out the morphological recomposition of the land following construction activities and reconstituting the original turf on site. The protected species of the site were transferred and kept in another location during the construction works (Centre for forestry biodiversity of Peri - VR), in order to be re-planted after the works. This measure made it possible to preserve rare species, even at risk of extinction.





Also when designing the photovoltaic plants in the municipality of Trissino (VI), the Group paid special attention to respecting biodiversity. In the project to construct the two plants, a hedge was planted along the perimeter fence with an ecosystemic role, choosing native plant species that produce edible fruits capable of attracting wildlife and with an aesthetic relevance due to their flowers and berries.

Along this fence, at approximately every 50 metres, there are openings in the lower part of the net in order to allow small and medium-sized wildlife to pass. The supporting structures of the photovoltaic modules also allow wildlife to pass through the plant area.

In order to expand the habitat for the species of fauna present in the planting area, a group of coarse rocks has been created, providing shelter for reptiles and a suitable resting place for the wall lizard, and a meadow clearing with herbaceous stands of wild plants useful mainly to the Hierophis viridiflavus (green whip snake, a non-poisonous snake).

For the waste production and management activities carried out by the Group, there is no specific environmental hazard since the areas of the sites are not of the protected type.

Whereas, with reference to the natural gas and electricity distribution service, there is no significant impact on biodiversity and the utmost attention is paid to the use of materials and equipment for network management aimed at guaranteeing the minimum environmental impact.

# 10.

## *Methodological note*



*The third edition of the Consolidated Non-Financial Statement represents a tool for the AGSM AIM Group to provide transparent evidence of the work done on the path towards sustainability.*

The Statement has been prepared in accordance with Legislative Decree 254 of 30 December 2016 (hereinafter also “Decree” or “Legislative Decree 254/2016” concerning the communication of non-financial information, implementing European Directive 2014/95/EU. In compliance with Article 3 and 4 of the Decree, this Statement is intended to report to the extent necessary to ensure an understanding of the company’s business activities, its performance, its results and the impact produced by it with regard to environmental, social and personnel-related issues, the fight against active and passive corruption and respect for human rights.

The Group, which is included in the scope of “Large Companies” under Legislative Decree 254/2016, is required to prepare the Consolidated Non-Financial Statement on an annual basis, to be published on the website (agsmait) in the Sustainability section.

The Statement was also prepared in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” issued in 2016 by the Global Reporting Initiative (GRI) and updated at the end of 2021, according to the option “with reference to the GRI Standards”. For the drafting of this document, the Reporting Principles provided for by GRI Standard 1 - Fundamental Principles 2021 were considered: accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability.

The GRI indicators reported within the Statement are those considered most representative of the sustainability issues identified as relevant by the AGSM AIM Group. The list of reported indicators, any boundary omissions and any detailed notes are shown in the Concordance table with the GRI at the end of this document.

The reporting period runs from 1 January to 31 December 2023, the figures for the two previous years are shown, where available, for comparative purposes only in order to facilitate the understanding of the Group’s business development.

For the purposes of correctly representing the performance and guaranteeing the reliability of the data, the use of estimates has been limited as much as possible, which, if present, are based on the best available methodologies and are appropriately reported. In addition, any restatements of previously published comparative data are clearly indicated in the text.

This document was submitted to the Board of Directors for approval on 7 May 2024, at the same time as the draft Separate Financial Statements and the Consolidated Financial Statements.

The income statement and balance sheet figures are taken from the approved Consolidated Financial Statements.

The CNFS is subject to assurance by independent auditors, namely BDO Italia S.p.A., the audit firm responsible for verifying compliance with Legislative Decree 254/2016 and consistency with the reporting standards adopted.

The structure of the document aims to present the activities carried on by the Group in as clear and organised a manner as possible, first providing a broader and more strategic view and gradually concentrating and analysing in detail the relationships with stakeholders and the peculiarities of the activities carried out on the territory.

The CNFS includes, among its key reporting principles, the Materiality Analysis, i.e. the identification of a group of issues to which AGSM AIM is particularly sensitive, appropriately set out based on the main objectives of the Group's Business and Strategic Plan and to which the reported performance indicators are linked.

The 2023 Consolidated Non-financial Statement includes within its scope the companies consolidated on a line-by-line basis in the Consolidated Financial Statements, which are considered significant for the Group's business.

- ▶ **AGSM AIM Ambiente S.r.l.**
- ▶ **AGSM AIM Calore S.r.l.**
- ▶ **AGSM AIM Energia S.p.A.**
- ▶ **AGSM AIM Power S.r.l.**
- ▶ **AGSM AIM S.p.A.**
- ▶ **AGSM AIM Smart Solutions S.p.A.**
- ▶ **AGSM Holding Albania Sha**
- ▶ **CogasPiù Energie S.r.l.**
- ▶ **Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.**
- ▶ **DRV S.r.l.**
- ▶ **EcoTirana Sh.a.**
- ▶ **Parco Eolico Carpinaccio S.r.l.**
- ▶ **Parco Eolico Riparbella S.r.l.**
- ▶ **S.I.T. Company Igiene Territorio S.p.A.**
- ▶ **SER.I.T. S.r.l.**
- ▶ **Company Intercomunale Ambiente S.r.l.**
- ▶ **TRANSECO S.r.l.**
- ▶ **TREV Ambiente S.r.l.**
- ▶ **Valore Ambiente S.r.l.**
- ▶ **V-Reti S.p.A.**
- ▶ **JUWI Development 02 S.r.l.**
- ▶ **JUWI Development 08 S.r.l.**

The reporting scope for the AGSM AIM Group's Consolidated Non-Financial Statement for the year 2023 is substantially consistent with that of the CNFS for the previous year: in particular, the subsidiaries are all reconfirmed, considering the exit of the company 2V Energy, merged by incorporation into AGSM AIM Energia S.p.A. during 2023, while the entry of the companies listed below was planned.

- ▶ DRV S.r.l. acquired 100% through the subsidiary AGSM AIM Ambiente S.r.l.
- ▶ Juwi Development 02 S.r.l. and Juwi Development 08 S.r.l. wholly owned through the company AGSM AIM Power S.r.l.

In addition, it should be noted that on 29 November 2023 the process of acquisition of the company AMIA Verona S.p.A. by the Municipality of Verona, thus becoming an in-house company, was completed. Therefore, in application of IFRS 5 (Non-current assets held for sale and discontinued operations), AMIA Verona's information and data referring to the period from 1 January to 29 November 2023 were presented in an annex to this CNFS and not consolidated with the non-financial performance of the AGSM AIM Group.

According to this approach, some companies that are not subject to direct management and control of the Group are not included in this report.

The CNFS is drawn up under the coordination of the Strategic Planning, Risk Management and IT Systems Department. The information and figures set out are taken from documents officially adopted by the Company and its subsidiaries, or from reports created by personnel from the various operating areas. The reported data is officially confirmed, tracked and approved by the various Business Units and competent corporate Departments.

The Consolidated Non-Financial Statement is published in the “Sustainability” section of the Parent company’s website ([www.agsmait.it](http://www.agsmait.it)).

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For further information, please contact:

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# *Appendix*

# Appendix 1 - EU Taxonomy

## MODELS FOR KEY PERFORMANCE INDICATORS (KPI)

### Legend to read the models for key performance indicators (KPI)

“Activity code” contains the number corresponding to the eco-sustainable activity and the abbreviation of the objective to which the economic activity can make a substantial contribution:

<b>CCM</b>	climate change mitigation	<b>CE</b>	circular economy
<b>CCA</b>	adaptation to climate change	<b>PPC</b>	pollution prevention and reduction
<b>WTR</b>	waters and marine resources	<b>BIO</b>	biodiversity and ecosystems

### DNSH Criteria (“Do No Significant Harm”):

<b>S</b>	DNSH criteria are met for the activity in question
<b>N</b>	DNSH criteria is not met for the activity in question

### Criteria for substantial contribution:

<b>S</b>	the activity is Taxonomy-eligible and aligned with Taxonomy concerning the relevant environmental objective
<b>N</b>	the activity is Taxonomy-eligible but not aligned with Taxonomy concerning the relevant environmental objective
<b>AM</b>	the activity is Taxonomy-eligible for the relevant objective
<b>N/AM</b>	the activity is Taxonomy-non-eligible for the relevant objective

### Minimum safeguard criteria:

<b>S</b>	the minimum safeguard criteria are met for the activity in question
<b>N</b>	the minimum safeguard criteria are not met for the activity in question

It is specified that, in accordance with the provisions of Article 5 of Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, from 1 January 2024 to 31 December 2024 non-financial companies shall only report the proportion of eligible economic activities and those not eligible for Taxonomy. For this reason, in 2023, for activities 2.1 and 2.2 that contribute to the “Marine Waters and Resources” objective, only the eligibility pursuant to EU Regulation 2020/852 on EU Environmental Taxonomy was evaluated and analysed.

Share of turnover deriving from products or services associated with economic activities aligned with Taxonomy.

Economic Activities	Code(s)	Turnover	Proportion of turnover	Substantial contribution criteria			
				Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution
				S, N, N/AM	S, N, N/AM	S, N, N/AM	S, N, N/AM
		K€	%				
<b>A. Taxonomy-eligible activities</b>							
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>							
Electricity generation using solar photovoltaic technology	4_1 CCM	8,076	1.1%	S	N	N/AM	N/AM
Electricity generation from wind power	4_3 CCM	72	0.01%	S	N	N/AM	N/AM
Collection and transport of non-hazardous waste in source segregated fractions	5_5 CCM	59,481	8.3%	S	N	N/AM	N/AM
Material recovery from non-hazardous waste	5_9 CCM	23,039	3.2%	S	N	N/AM	N/AM
Installation, maintenance and repair of charging stations for electric vehicles	7_4 CCM	589	0.1%	S	N	N/AM	N/AM
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>91,257</b>	<b>12.8%</b>	<b>12.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Of which enabling</b>		<b>589</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Of which transitional</b>			<b>0.0%</b>	<b>0.0%</b>			
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>							
Water supply	2_1_WTR	3,596	0.5%	N/AM	N/AM	AM	N/AM
Urban Waste Water Treatment	2_2_WTR	2,738	0.4%	N/AM	N/AM	AM	N/AM
Electricity generation from hydropower	4_5 CCM	1,576	0.2%	AM	N/AM	N/AM	N/AM
Transmission and distribution of electricity	4_9 CCM	56,015	7.9%	AM	N/AM	N/AM	N/AM
District heating distribution	4_15 CCM	590	0.1%	AM	N/AM	N/AM	N/AM
Electricity generation from fossil gaseous fuels	4_29 CCM	1,800	0.3%	AM	N/AM	N/AM	N/AM
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4_30 CCM	2,304	0.3%	AM	N/AM	N/AM	N/AM
Installation, maintenance and repair of energy efficiency devices	7_3 CCM			N/AM	N/AM	N/AM	N/AM
Data processing, hosting and related activities	8_1 CCM	2,620	0.4%	AM	N/AM	N/AM	N/AM
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>71,240</b>	<b>10.0%</b>	<b>4.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Turnover of Taxonomy-eligible activities (A.1+A.2)</b>		<b>162,497</b>	<b>22.8%</b>	<b>17.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>B. Taxonomy-non-eligible activities</b>							
<b>Turnover of Taxonomy non eligible activities (B)</b>		<b>550,378</b>	<b>77.2%</b>				
<b>Total (A + B)</b>		<b>712,875</b>	<b>100.0%</b>				



Circular Economy	Biodiversity and ecosystems	DNSH criteria (Does Not Significantly Harm)						Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) turnover, year 2022	Category enabling activity	Category Transitional activity
		Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution								
S, N, N/AM	S, N, N/AM	S/N	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	S/N	S/N	
N/AM	N/AM	S	S	S	S	S	S	S	S	1.6%	N	N	
N/AM	N/AM	S	S	S	S	S	S	S	S	0.5%	N	N	
No	N/AM	S	S	S	S	S	S	S	S	15.1%	N	N	
No	N/AM	S	S	S	S	S	S	S	S	3.2%	N	N	
N/AM	N/AM	S	S	S	S	S	S	S	S	0.02%	S	N	
<b>0.0%</b>	<b>0.0%</b>									<b>20.5%</b>			
<b>0.0%</b>	<b>0.0%</b>												
N/AM	N/AM									0.5%			
N/AM	N/AM									0.4%			
N/AM	N/AM									0.7%			
N/AM	N/AM									7.0%			
N/AM	N/AM									0.1%			
N/AM	N/AM									2.2%			
N/AM	N/AM									0.4%			
N/AM	N/AM									0.0%			
N/AM	N/AM									0.4%			
<b>0.0%</b>	<b>0.0%</b>									<b>11.6%</b>			
<b>0.0%</b>	<b>0.0%</b>									<b>32.0%</b>			
										<b>68.0%</b>			
										<b>100.0%</b>			

Share of operating expenditure (OPEX) deriving from products or services associated with economic activities aligned with Taxonomy.

Economic Activities	Code(s)	OpEx	Proportion of OpEx	Substantial contribution criteria			
				Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution
				S, N, N/AM	S, N, N/AM	S, N, N/AM	S, N, N/AM
		K€	%				
<b>A. Taxonomy-eligible activities</b>							
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>							
Electricity generation using solar photovoltaic technology	4_1 CCM	505	0.1%	S	N	N/AM	N/AM
Electricity generation from wind power	4_3 CCM	2,532	0.5%	S	N	N/AM	N/AM
Collection and transport of non-hazardous waste in source segregated fractions	5_5 CCM	20,343	3.7%	S	N	N/AM	N/AM
Material recovery from non-hazardous waste	5_9 CCM	485	0.1%	S	N	N/AM	N/AM
Installation, maintenance and repair of charging stations for electric vehicles	7_4 CCM	160	0.0%	S	N	N/AM	N/AM
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>24,026</b>	<b>4.4%</b>	<b>4.4%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Of which enabling</b>		<b>160</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Of which transitional</b>			<b>0.0%</b>	<b>0.0%</b>			
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>							
Water supply	2_1_WTR	369	0.1%	N/AM	N/AM	AM	N/AM
Urban Waste Water Treatment	2_2_WTR	892	0.2%	N/AM	N/AM	AM	N/AM
Electricity generation from hydropower	4_5 CCM	5,052	0.9%	AM	N/AM	N/AM	N/AM
Transmission and distribution of electricity	4_9 CCM	26,541	4.9%	AM	N/AM	N/AM	N/AM
District heating distribution	4_15 CCM	901	0.2%	AM	N/AM	N/AM	N/AM
Electricity generation from fossil gaseous fuels	4_29 CCM	712	0.1%	AM	N/AM	N/AM	N/AM
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4_30 CCM	903	0.2%	AM	N/AM	N/AM	N/AM
Data processing, hosting and related activities	8_1 CCM	733	0.1%	AM	N/AM	N/AM	N/AM
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>36,102</b>	<b>6.7%</b>	<b>3.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>OpEx of Taxonomy eligible activities (A.1+A.2)</b>		<b>60,128</b>	<b>11.1%</b>	<b>7.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>B. Taxonomy-non-eligible activities</b>							
<b>OpEx ok Taxonomy non eligible activities (B)</b>		<b>482,415</b>	<b>88.9%</b>				
<b>Total (A + B)</b>		<b>542,543</b>	<b>100.0%</b>				

Circular Economy	Biodiversity and ecosystems	DNSH criteria (Does Not Significantly Harm)						Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) OpEx, year 2022	Category enabling activity	Category Transitional activity
		Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems						
S, N, N/AM	S, N, N/AM	S/N	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	S/N	S/N	
N/AM	N/AM	S	S	S	S	S	S	S	S	0.2%	N	N	
N/AM	N/AM	S	S	S	S	S	S	S	S	0.7%	N	N	
No	N/AM	S	S	S	S	S	S	S	S	8.3%	N	N	
No	N/AM	S	S	S	S	S	S	S	S	0.2%	N	N	
N/AM	N/AM	S	S	S	S	S	S	S	S	0.0%	S	N	
<b>0.0%</b>	<b>0.0%</b>									<b>9.5%</b>			
<b>0.0%</b>	<b>0.0%</b>												
N/AM	N/AM									-			
N/AM	N/AM									-			
N/AM	N/AM									1.7%			
N/AM	N/AM									6.7%			
N/AM	N/AM									0.2%			
N/AM	N/AM									0.4%			
N/AM	N/AM									0.4%			
N/AM	N/AM									0.2%			
<b>0.0%</b>	<b>0.0%</b>									<b>9.8%</b>			
<b>0.0%</b>	<b>0.0%</b>									<b>19.3%</b>			
										<b>80.7%</b>			
										<b>100.0%</b>			

Share of capital expenditure (Capex) deriving from products or services associated with economic activities aligned with the Taxonomy.

Economic Activities	Code(s)	CapEx	Proportion of CapEx	Substantial contribution criteria			
				Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution
				S, N, N/AM	S, N, N/AM	S, N, N/AM	S, N, N/AM
		K€	%				
<b>A. Taxonomy-eligible activities</b>							
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>							
Electricity generation using solar photovoltaic technology	4_1 CCM	1,253	1.1%	S	N	N/AM	N/AM
Electricity generation from wind power	4_3 CCM	9,157	7.9%	S	N	N/AM	N/AM
Collection and transport of non-hazardous waste in source segregated fractions	5_5 CCM	4,970	4.3%	S	N	N/AM	N/AM
Material recovery from non-hazardous waste	5_9 CCM	2,964	2.5%	S	N	N/AM	N/AM
Installation, maintenance and repair of charging stations for electric vehicles	7_4 CCM	1,004	0.9%	S	N	N/AM	N/AM
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>19,347</b>	<b>16.6%</b>	<b>16.6%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Of which enabling</b>		<b>1,004</b>	<b>0.9%</b>	<b>0.9%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Of which transitional</b>			<b>0.0%</b>	<b>0.0%</b>			
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>							
Water supply	4_5 CCM	975	0.8%	AM	N/AM	N/AM	N/AM
Urban Waste Water Treatment	4_9 CCM	41,548	35.6%	AM	N/AM	N/AM	N/AM
Electricity generation from hydropower	4_15 CCM	1,491	1.3%	AM	N/AM	N/AM	N/AM
Transmission and distribution of electricity	4_29 CCM	205	0.2%	AM	N/AM	N/AM	N/AM
District heating distribution	4_30 CCM	13,567	11.6%	AM	N/AM	N/AM	N/AM
Electricity generation from fossil gaseous fuels	7_3 CCM	19	0.0%	N/AM	N/AM	N/AM	N/AM
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	8_1 CCM	1,080	0.9%	AM	N/AM	N/AM	N/AM
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>58,886</b>	<b>50.5%</b>	<b>25.3%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>CapEx of Taxonomy eligible activities (A.1+A.2)</b>		<b>78,233</b>	<b>67.1%</b>	<b>41.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>B. Taxonomy-non-eligible activities</b>							
<b>CapEx of Taxonomy non eligible activities (B)</b>		<b>38,385</b>	<b>32.9%</b>				
<b>Total (A + B)</b>		<b>116,618</b>	<b>100.0%</b>				

		DNSH criteria (Does Not Significantly Harm)										
Circular Economy	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular Economy	Biodiversity and ecosystems	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) CapEx, year 2022	Category enabling activity	Category Transitional activity	
S, N, N/AM	S, N, N/AM	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	S/N	S/N	
N/AM	N/AM	S	S	S	S	S	S	S	1.8%	N	N	
N/AM	N/AM	S	S	S	S	S	S	S	0.9%	N	N	
No	N/AM	S	S	S	S	S	S	S	3.7%	N	N	
No	N/AM	S	S	S	S	S	S	S	12.4%	N	N	
N/AM	N/AM	S	S	S	S	S	S	S	1.1%	S	N	
<b>0.0%</b>	<b>0.0%</b>								<b>19.9%</b>			
<b>0.0%</b>	<b>0.0%</b>											
N/AM	N/AM								0.7%			
N/AM	N/AM								36.5%			
N/AM	N/AM								1.1%			
N/AM	N/AM								0.3%			
N/AM	N/AM								4.2%			
N/AM	N/AM								0.1%			
N/AM	N/AM								1.3%			
<b>0.0%</b>	<b>0.0%</b>								<b>44.2%</b>			
<b>0.0%</b>	<b>0.0%</b>								<b>64.1%</b>			
									<b>35.9%</b>			
									<b>100.0%</b>			

## Further information on the electricity generation from activities in the nuclear and gas sectors

### Nuclear energy related activities

1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	<b>NO</b>
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	<b>NO</b>
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	<b>NO</b>

### Fossil gas related activities

4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	<b>YES</b>
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	<b>YES</b>
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	<b>YES</b>

The Power and Heat Business Units are directly involved in the management, redevelopment and energy efficiency activities of plants for the production of electricity from fossil gaseous sources, including cogeneration, and heat for district heating in the cities of Verona and Vicenza.







## Nuclear energy and fossil gas related eligible economic activities but not aligned with Taxonomy

Economic activities		Amount and proportions					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation	
		Amount (k€)	%	Amount (k€)	%	Amount (k€)	%
<b>Turnover</b>							
(...)							
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the turnover	1,800	2.5%	1,800	2.5%	0.0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of turnover	2,304	3.2%	2,304	3.7%	0.0	0.0%
(...)							
8	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of turnover	67,136	93.7%	67,136	93.7%	0.0	0.0%
9	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of turnover	71,240	100.0%	71,240	100.0%	0.0	0.0%
<b>CapEx</b>							
(...)							
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	205	0.3%	205	0.3%	0.0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of CapEx	13,567	23.0%	13,567	23.0%	0.0	0.0%
(...)							
8	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of CapEx	45,114	76.6%	45,114	76.6%	0.0	0.0%
9	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of CapEx	58,886	100.0%	58,886	100.0%	0.0	0.0%
<b>OpEx</b>							
(...)							
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OpEx	712	2.0%	712	2.0%	0.0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of OpEx	903	2.5%	903	2.6%	0.0	0.0%
(...)							
8	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of OpEx	34,487	95.5%	34,487	95.5%	0.0	0.0%
9	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of OpEx	36,102	100.0%	36,102	100.0%	0.0	0.0%







## Appendix 2 - Performance indicators

### Chapter 7.1: People

#### GRI 2-7 Staff broken down by gender and type of contract<sup>11</sup>



	2021				2022				2023			
			Tot.	%			Tot.	%			Tot.	%
Temporary (no.)	5	108	113	5.7%	7	76	83	3.5%	3	44	47	2.6%
Permanent (no.)	279	1,602	1,881	94.3%	395	1,898	2,293	96.5%	370	1,404	1,774	97.4%
<b>Total</b>	<b>284</b>	<b>1,710</b>	<b>1,994</b>	<b>100.0%</b>	<b>402</b>	<b>1,974</b>	<b>2,376</b>	<b>100.0%</b>	<b>373</b>	<b>1,448</b>	<b>1,821<sup>12</sup></b>	<b>100.0%</b>

#### GRI 2-7 Full-time and part-time staff by gender

	2021				2022				2023			
			Tot.	%			Tot.	%			Tot.	%
Full-time	207	1,698	1,905	95.5%	334	1,959	2,293	96.5%	305	1,435	1,739	95.5%
Part-time	77	12	89	4.5%	68	15	83	3.5%	69	13	82	4.5%
<b>Total</b>	<b>284</b>	<b>1,710</b>	<b>1,994</b>	<b>100.0%</b>	<b>402</b>	<b>1,959</b>	<b>2,376</b>	<b>100.0%</b>	<b>373</b>	<b>1,445</b>	<b>1,821</b>	<b>100.0%</b>

#### GRI 2-7 Staff broken down by geographical area

	2021	2022	2023
Veneto	1,919	1,902	1,352
Italy (outside Veneto)	75	78	73
<b>Total Italy</b>	<b>1,994</b>	<b>1,980</b>	<b>1,425</b>
Outside Italy (EcoTirana)	399	396	396
<b>Total</b>	<b>2,393</b>	<b>2,376</b>	<b>1,821</b>

 Women  Men

<sup>11</sup> The data relating to gender is obtained from the personnel tax code at the time of recruitment.

<sup>12</sup> 2023 marks the exit of AMIA Verona S.p.A. from the scope of consolidation with a consequent decrease in the number of people belonging to the AGSM AIM Group. For further information on AMIA Verona's non-financial data, please refer to Appendix 3.



## GRI 2-7 Staff broken down by region and type of contract

	2021			2022			2023		
	Temp.	Perm.	Tot.	Temp.	Perm.	Tot.	Temp.	Perm.	Tot.
Veneto	N.A.	N.A.	N.A.	78	1,824	1,902	44	1,308	1,352
Italy (outside Veneto)	N.A.	N.A.	N.A.	5	73	78	3	70	73
<b>Total Italy</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>83</b>	<b>1,897</b>	<b>1,980</b>	<b>47</b>	<b>1,378</b>	<b>1,425</b>
Outside Italy (EcoTirana)	N.A.	N.A.	N.A.	-	396	396	4	392	396
<b>Total</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>83</b>	<b>2,293</b>	<b>2,376</b>	<b>51</b>	<b>1,770</b>	<b>1,821</b>

## GRI 401-1 Recruitment broken down by gender, age and region of the AGSM AIM Group

	2021	2022	2023
<b>Total recruitment</b>	<b>190</b>	<b>424</b>	<b>223</b>
Men	185	370	200
Women	5	54	23
Other	-	-	-
< 30 years	26	64	64
30 ≤ x ≤ 50 years	90	272	117
> 50 years	74	88	42
Italy	190	231	187
Outside Italy	-	193	36

## GRI 401-1 Recruitment broken down by gender, age and region of the Environment BU

	2021	2022	2023
<b>Total recruitment</b>	<b>84</b>	<b>279</b>	<b>144</b>
Men	83	238	139
Women	1	41	5
Other	-	-	-
< 30 years	9	36	31
30 ≤ x ≤ 50 years	37	204	72
> 50 years	42	39	41
Italy	84	86	108
Outside Italy	-	193	36

### GRI 401-1 Terminations broken down by gender, age and region of the AGSM AIM Group

	2021	2022	2023
<b>Total terminations</b>	<b>166</b>	<b>441</b>	<b>197</b>
Men	160	391	186
Women	6	50	11
Other	-	-	-
< 30 years	10	38	15
30 ≤ x ≤ 50 years	44	226	50
> 50 years	112	177	132
Italy	166	245	161
Outside Italy	-	196	36

### GRI 401-1 Terminations broken down by gender, age and region of the Environment BU

	2021	2022	2023
<b>Total terminations</b>	<b>77</b>	<b>291</b>	<b>146</b>
Men	74	252	140
Women	3	39	6
Other	-	-	-
< 30 years	4	35	8
30 ≤ x ≤ 50 years	23	175	43
> 50 years	50	81	95
Italy	77	95	110
Outside Italy	-	196	36

### GRI 401-1 Incoming and outgoing turnover

	2021	2022	2023
<b>Employees in total</b>	<b>1,994</b>	<b>2,376</b>	<b>1,821</b>
Total recruitment	190	424	223
<b>Incoming turnover</b>	<b>9.5%</b>	<b>17.8%</b>	<b>12.2%</b>
Total terminations	166	441	197
<b>Outgoing turnover</b>	<b>8.3%</b>	<b>18.6%</b>	<b>10.8%</b>

## GRI 404-1 Average per capita hours of training by gender and professional qualification

	2021	2022	2023
Men	6.89	11.66	12.90
Women	11.12	9.50	9.52
<b>Total</b>	<b>10.07</b>	<b>11.35</b>	<b>16.15</b>
Senior managers	21.52	9.26	8.94
Middle managers	16.33	37.75	54.93
White collar workers	15.07	13.19	10.17
Blue collar workers	6.28	8.62	5.27

## GRI 404-1 Hours of training by gender and professional qualification

	2021		2022		2023	
	Total hours	%	Total hours	%	Total hours	%
Men	16,912	84.3%	19,787	88.0%	25,492	86.8%
Women	3,159	15.7%	2,689	12.0%	3,867	13.2%
<b>Total</b>	<b>20,071</b>	<b>100.0%</b>	<b>22,476</b>	<b>100.0%</b>	<b>29,359</b>	<b>100.0%</b>
Senior managers	517	2.6%	213	0.9%	322	1.1%
Middle managers	1,029	5.1%	2,630	11.7%	4,340	14.8%
White collar workers	11,228	55.9%	9,920	44.1%	13,850	47.2%
Blue collar workers	7,298	36.4%	9,710	43.2%	10,848	36.9%

## GRI 405-1 Staff broken down by gender and professional qualification

	2021		2022		2023	
	no.	%	no.	%	no.	%
<b>Senior managers</b>	<b>24</b>	<b>1.2%</b>	<b>23</b>	<b>1.0%</b>	<b>19</b>	<b>1.0%</b>
Women	2	0.7%	2	0.5%	2	10.5%
Men	22	1.3%	21	1.1%	17	89.5%
<b>Middle managers</b>	<b>63</b>	<b>3.2%</b>	<b>79</b>	<b>3.3%</b>	<b>72</b>	<b>4.0%</b>
Women	8	2.8%	16	4.0%	16	4.3%
Men	55	3.2%	63	3.2%	56	3.9%
<b>White collar workers</b>	<b>745</b>	<b>37.4%</b>	<b>765</b>	<b>32.2%</b>	<b>701</b>	<b>38.5%</b>
Women	262	92.3%	259	64.4%	238	63.8%
Men	483	28.2%	506	25.6%	463	32.0%
<b>Blue collar workers</b>	<b>1,162</b>	<b>58.3%</b>	<b>1,509</b>	<b>63.5%</b>	<b>1,029</b>	<b>56.5%</b>
Women	12	4.2%	125	31.1%	117	31%
Men	1,150	67.3%	1,384	70.1%	912	63%
<b>Total</b>	<b>1,994</b>	<b>100.0%</b>	<b>2,376</b>	<b>100.0%</b>	<b>1,821</b>	<b>100.0%</b>
Women	284	14.2%	402	16.9%	373	20.5%
Men	1,710	85.8%	1,974	83.1%	1,448	79.5%

## GRI 405-1 Staff broken down by age and professional qualification

	2021		2022		2023	
	no.	%	no.	%	no.	%
<b>Senior managers</b>	<b>24</b>	<b>1.2%</b>	<b>23</b>	<b>1.0%</b>	<b>19</b>	<b>1.0%</b>
< 30 years	-	0.0%	-	0.0%	-	0.0%
30 ≤ x ≤ 50 years	3	5.1%	1	1.4%	2	1.8%
> 50 years	21	1.8%	22	1.7%	17	1.8%
<b>Middle managers</b>	<b>63</b>	<b>3.2%</b>	<b>79</b>	<b>3.3%</b>	<b>72</b>	<b>4.0%</b>
< 30 years	-	0.0%	-	0.0%	1	0.9%
30 ≤ x ≤ 50 years	14	1.8%	26	2.6%	33	4.4%
> 50 years	49	4.2%	53	4.1%	38	4.0%
<b>White collar workers</b>	<b>745</b>	<b>37.4%</b>	<b>765</b>	<b>32.2%</b>	<b>701</b>	<b>38.5%</b>
< 30 years	34	57.6%	38	55.1%	44	38.9%
30 ≤ x ≤ 50 years	313	40.9%	310	30.7%	307	40.8%
> 50 years	398	34.0%	417	32.2%	350	36.6%
<b>Blue collar workers</b>	<b>1,162</b>	<b>58.3%</b>	<b>1,509</b>	<b>63.5%</b>	<b>1,029</b>	<b>56.5%</b>
< 30 years	25	42.4%	31	44.9%	68	60.2%
30 ≤ x ≤ 50 years	435	56.9%	673	66.6%	410	54.5%
> 50 years	702	60.0%	805	62.1%	551	57.6%
<b>Total</b>	<b>1,994</b>	<b>100.0%</b>	<b>2,376</b>	<b>100.0%</b>	<b>1,821</b>	<b>100.0%</b>
< 30 years	59	3.0%	69	2.9%	113	6.2%
30 ≤ x ≤ 50 years	765	38.4%	1,010	42.5%	752	41.3%
> 50 years	1,170	58.7%	1,297	54.6%	956	52.5%

**GRI 405-2** Ratio of basic salary and remuneration of women compared to men by qualification and length of service

	2023	
	Women's/men's basic salary ratio	Women's/men's remuneration ratio
<b>Senior managers and middle managers</b>	<b>94%</b>	<b>92%</b>
Less than 6 years	94%	107%
Between 6 and 15 years	76%	63%
Between 16 and 25 years	96%	88%
More than 26 years	150%	165%
<b>White collar workers</b>	<b>92%</b>	<b>74%</b>
Less than 6 years	93%	76%
Between 6 and 15 years	95%	76%
Between 16 and 25 years	90%	75%
More than 26 years	93%	74%
<b>Blue collar workers</b>	<b>80%</b>	<b>62%</b>
Less than 6 years	0%	0%
Between 6 and 15 years	92%	81%
Between 16 and 25 years	78%	54%
More than 26 years	0%	0%

Personnel costs (thousands of Euro)

	2023
Wages and salaries	66,497
Employee severance indemnities	3,682
Employee pensions and similar obligations	3
Miscellaneous services for employees	1,375
<b>Total Remuneration</b>	<b>71,557</b>
Social security contributions	20,239
<b>Total Remuneration and Social Security Contributions</b>	<b>91,796</b>
Board of Directors fee	1,072
Board of Statutory Auditors fee	484
Supervisory Body fee	109
<b>Non-Employee Personnel Costs</b>	<b>1,665</b>
<b>Total personnel costs</b>	<b>93,461</b>

## GRI 403-9 Accidents in the workplace

	2021	2022	2023
Total number of accidents in the workplace	103	79	80
Severity rate (*)	0.80	0.74	0.65
Rate of accidents in the workplace with serious consequences (**)	6.64	7.00	4.37
Rate of recordable accidents in the workplace (***)	32.58	25.00	25.00
Lost working days	2,821	2,338	2,672
Hours worked	3,161,744	3,159,386	3,205,736
Work-related deaths	0	0	0

(\*) The severity rate corresponds to the ratio between the number of actual accident days and the number of hours worked multiplied by 1,000.

(\*\*) Rate of accidents in the workplace corresponds to the ratio between the number of serious accidents and the number of hours worked multiplied by 1,000,000.

(\*\*\*) Rate of accidents in the workplace corresponds to the ratio between the number of accidents and the number of hours worked multiplied by 1,000,000.

## Chapter 7.3: Lenders and investors

Net financial debt (thousands of Euro)

	2021	2022	2023
<b>Current</b>	309,132	417,079	214,063
<b>Non-current</b>	92,296	215,631	156,369
<b>Total</b>	<b>401,428</b>	<b>632,709</b>	<b>370,432</b>

## Chapter 7.4: Authorities and Institutions

Taxation incurred by the AGSM AIM Group (thousands of Euro)

	2021	2022	2023
Direct income tax for the year (IRES and IRAP)	22,911	29,874	13,886
Indirect taxes and duties (other taxes)	12,633	9,491	7,944
<b>Total</b>	<b>35,544</b>	<b>39,365</b>	<b>21,830</b>

## Chapter 7.5: Customers

### Energy customers served by commercial companies of the AGSM AIM Group

	2021	2022	2023
Electricity	543,767	527,558	530,192
Natural gas	319,056	320,294	322,077
Heat (*)	3,188	2,956	2,939
<b>Total</b>	<b>866,011</b>	<b>850,808</b>	<b>855,208</b>

(\*) Customers of the district heating service

### Geographical breakdown of energy customers (\*)

	Electricity %			Natural gas %		
	2021	2022	2023	2021	2022	2023
Veneto	49.7%	50.7%	47.9%	78.3%	74.8%	70.8%
Abruzzo	-	-	1.7%	-	-	4.2%
Other regions	50.3%	49.3%	50.5%	21.7%	25.2%	25.1%

(\*) Net of district heating customers

### Customers served at the desk

	2021	2022	2023
Number of customers served at the desk	53,977	54,873	61,270
Average number of customers served per desk	3,856	3,920	3,829
Number of practices managed by online desks	270,797	305,978	391,584
Desk Practices Percentage	66.0%	66.2%	76.0%

### Average waiting time at desks (min.)

	2021	2022	2023
Verona desk - Single queue	07:23	19:26	4:21
CogasPiù Energie desk - Payment queue	02:43	04:18	4:00



## Calls to the call centre

	2021	2022	2023
Number of calls received from the corporate call centre	423,908	551,815	785,221
Average response time to received calls (seconds)	138	127	158

## Bills issued

	2021	2022	2023
Total bills issued	3,621,342	4,012,489	5,117,891
Electronic bills issued	1,235,747	1,705,352	2,612,872
Percentage of electronic bills issued	34.1%	42.5%	51.1%

## Types of payment used for the payment of bills

	2021	2022	2023
SEPA direct debit	55.1%	54.8%	56.7%
Pre-Printed Postal Payment Slips	33.6%	24.2%	27.1%
Collection Orders, Bank Transfers	11.3%	16.1%	13.3%
Cbill - PagoPA	-	3.0%	2.1%
Credit/debit card	-	1.9%	0.8%

## Contracts entitled to the social bonus (n.)

	2021	2022	2023
Number of contracts eligible for the EE Bonus	20,874	57,675	74,699
Number of contracts eligible for the Gas Bonus	15,766	34,083	51,937
<b>Total</b>	<b>36,640</b>	<b>91,758</b>	<b>126,636</b>

## Social bonuses provided (thousands of Euro)

	2021	2022	2023
EE Bonus	5,011	30,938	25,151
Gas Bonus	2,711	30,268	34,010
<b>Total</b>	<b>7,722</b>	<b>61,206</b>	<b>59,161</b>

## Chapter 8.1: Electricity Generation

### Electricity produced

	2021			2022			2023		
	MWh	GJ	%	MWh	GJ	%	MWh	GJ	%
<b>Total non-renewable sources, of which</b>	<b>794,937</b>	<b>2,861,773</b>	<b>71.3%</b>	<b>680,817</b>	<b>2,450,940</b>	<b>76.9%</b>	<b>298,005</b>	<b>1,072,819</b>	<b>52.6%</b>
Mincio thermoelectric power plant <sup>13</sup>	500,206	1,800,742		461,303	1,660,690		118,307	425,906	
Cogeneration	294,731	1,061,032		219,514	790,249		179,698	646,912	
<b>Total renewable sources, of which:</b>	<b>320,744</b>	<b>1,154,678</b>	<b>28.7%</b>	<b>204,062</b>	<b>735,295</b>	<b>23.1%</b>	<b>268,154</b>	<b>965,353</b>	<b>47.4%</b>
Hydroelectric	175,920	633,312		81,277	292,596		127,211	457,959.31	
Photovoltaic	23,764	85,551		22,255	80,790		21,581	77,693	
Wind	113,385	408,186		94,278	339,399		114,585	412,505	
Biogas	7,675	27,629		6,253	22,510		4,777	17,197	
<b>Total</b>	<b>1,115,681</b>	<b>4,016,451</b>	<b>100.0%</b>	<b>884,879</b>	<b>3,186,235</b>	<b>100.0%</b>	<b>566,159</b>	<b>2,038,172</b>	<b>100.0%</b>

## Chapter 8.2: Cogeneration for District Heating

### District heating service data

	U.M.	2021	2022	2023
Length of network	km	184.43	184.43	185.46
Thermal Energy introduced into the network	GJ	1,364,285	1,142,088	1,075,084
	KWht	378,968,084	317,246,664	298,634,512
Heated volume - estimate (*)	m <sup>3</sup>	15,358,200	15,372,855	11,885,256
Equivalent apartments (*)	no.	68,564	68,628	68,628
Equivalent inhabitants served (estimate)	no.	143,987	142,785	140,280

(\*) residential housing unit with trading area and volume of 80 m<sup>2</sup> and 224 m<sup>3</sup>, respectively

<sup>13</sup> Portion owned by the AGSM AIM Group equal to 50% of the Ponti sul Mincio thermoelectric power plant.

## Capitolo 8.3: Distribution of electricity and natural gas

### 8.3.1: Electricity distribution service

#### Electricity network extension

	2021	2022	2023
HV Network	58	48	48
MV Network	1,639	1,644	1,671
LV Network	2,754	2,753	2,794
<b>Total</b>	<b>4,451</b>	<b>4,445</b>	<b>4,513</b>

#### Distributed electricity (in GJ)

	2021	2022	2023
LV	4,079	3,432,903	3,257,165
MV and HV	4,135	6,887,947	6,698,967
<b>Total</b>	<b>8,394</b>	<b>10,320,851</b>	<b>9,956,132</b>

#### Pod summary (n.)

	2021	2022	2023
BT POD	306,615	308,509	312,359
MT/AT POD	1,067	1,088	1,098
<b>Total Pods</b>	<b>307,682</b>	<b>309,597</b>	<b>313,457</b>

#### Quality standards of service offered by the distribution companies of the AGSM AIM Group

	2021	2022	2023
Total number of services performed	28,824	18,231	17,578
Unannounced interruptions per user (art. 15.2 of the TIQE)	N.A.	N1 Verona 0.97 N1 Vicenza 0.95	1.19
Total duration of interruptions per user (art. 15.4 of the TIQE) - minute/user	N.A.	D1 Verona 12.44 D1 Vicenza 29.30	1.29
Total number of LV/MV supply activation cases	11,918	10,954	10,880
Total number of LV/MV supply reactivation cases following suspension due to lack of payment	4,582	7,277	6,698

## 8.3.2: Natural Gas management and distribution service

### Gas network extension (Km)

	2021	2022	2023
High Pressure	-	21	20
Medium Pressure	936	922	937
Low Pressure	2,227	2,241	2,271
<b>Total</b>	<b>3,163</b>	<b>3,184</b>	<b>3,228</b>

### Gas network pipelines (Km)

	2021	2022	2023
Gas network in steel	2,061	2,056	2,085
Gas network in polyethylene	836	873	902
Gas network in other materials	266	255	240
<b>Total</b>	<b>3,163</b>	<b>3,184</b>	<b>3,228</b>

### Total volume of gas injected into the network in millions of Smc

	2021	2022	2023
Vicenza and province	272.3	229.2	217.5
Province of Padova	6.5	5.3	4.5
Treviso	77.7	58.3	55.9
Province of Verona	276.2	225.2	204.0
Province of Mantova	9.0	6.6	6.5
<b>Total</b>	<b>641.6</b>	<b>524.4</b>	<b>488.4</b>

### White certificates assigned to the two distribution companies of the AGSM AIM Group

	2021	2022	2023
Gas (n.)	10,280	17,519	25,471
Energy (n.)	2,914	5,022	6,734
<b>Total</b>	<b>13,194</b>	<b>22,541</b>	<b>32,205</b>

## Quality standards of service offered by the distribution companies of the AGSM AIM Group

	2021	2022	2023
Total number of services performed	20,662	19,815	18,459
Total number of simple services	1,200	1,565	1,438
Total number of complex services	204	255	274
Total number of supply activation cases	8,867	8,041	7,870
Total number of supply reactivation cases following suspension due to lack of payment	1,742	1,639	1,489

## Chapter 8.4: Smart Services

### 8.4.2: Public Lighting

#### Lighting elements and public lighting network

	2021	2022	2023
Lighting points managed (no.)	71,707	72,424	78,956
of which LED (no.)	60,515	66,701	70,701
% LEDs on total lighting points managed	84.4%	92.1%	89.5%
Length of network (km)	1,052	1,052	1,052
CO <sub>2</sub> ton emission reduction	12,084	13,319	14,117

### 8.4.4 Car parks and car parking services

#### Parking spaces managed in the City of Vicenza

	2021	2022	2023
Yellow-marked parking spaces (no.)	609	-	-
Blue-marked parking spaces (no.)	6,538	778	778
Barrier car parks spaces (no.)	4,200	1,574	1,574
<b>Total Spaces (no.)</b>	<b>11,347</b>	<b>2,352</b>	<b>2,352</b>
Total cars entering the car parks (no.)	1,911,208	1,375,870	804,557

## Chapter 9.1: Energy consumption of the Group

### GRI 302-1 Energy consumption in GJ of the Group<sup>14</sup>

	2021	2022	2023
<b>Direct consumption from non-renewable sources</b>	<b>7,535,008</b>	<b>6,228,790</b>	<b>4,451,332</b>
<b>For internal use</b>	<b>7,243,980</b>	<b>6,064,738</b>	<b>4,289,378</b>
Natural gas for technological uses	7,243,980	6,064,738	4,286,765
Diesel	N.A.	N.A.	2,470
Methane	N.A.	N.A.	121
Petrol for equipment	N.A.	N.A.	21
<b>Corporate fleet</b>	<b>291,029</b>	<b>164,052</b>	<b>161,954</b>
Petrol	5,843	5,909	4,231
Diesel	172,347	154,053	154,811
Methane	111,084	3,591	1,128
LPG	1,755	499	1,784
<b>Indirect consumption</b>	<b>126,072</b>	<b>81,511</b>	<b>62,676</b>
<b>From non-renewable sources</b>	<b>12,359</b>	<b>11,050</b>	<b>14,824</b>
Electricity for internal use	12,359	11,050	14,824
<b>From renewable sources</b>	<b>113,714</b>	<b>70,461</b>	<b>47,852</b>
Electricity for internal use	113,714	70,461	47,729
Electricity for company vehicles	0	0	123
<b>Total</b>	<b>7,661,081</b>	<b>6,310,300</b>	<b>4,514,009</b>

<sup>14</sup> Energy consumption in 2021 and 2022 reported in DNF 2022 amounted to 3,753,461.46 GJ and 2,720,029.40 GJ respectively. In 2023, the scope was revised to include the Mincio CTE and exclude AMIA.

## Chapter 9.2: The Group's greenhouse gas emissions

### GRI 305-1, 305-2, 305-3 Composition of AGSM AIM Group CO<sub>2</sub> emissions (in tCO<sub>2</sub>eq)<sup>15</sup>

	2021	2022	2023
<b>For internal use</b>	<b>387,046</b>	<b>321,794</b>	<b>219,650</b>
Natural gas for technological uses	387,046	321,794	219,478
Diesel	0	0	164
Methane	0	0	6
Petrol for equipment	0	0	1
<b>Corporate fleet</b>	<b>12,504</b>	<b>11,679</b>	<b>10,707</b>
Petrol	393	389	261
Diesel	12,048	11,078	10,283
Natural gas	4	182	58
LPG	59	30	106
<b>Direct emissions (Scope 1)</b>	<b>399,550</b>	<b>333,473</b>	<b>230,357</b>
Scope 2 emissions - Location-based method	N.A.	4,993	5,550
Scope 2 emissions - Market-based method	N.A.	1,401	1,882
<b>Scope 1 + Scope 2 (Location-based)</b>	<b>N.A.</b>	<b>338,466</b>	<b>235,907</b>
<b>Scope 1 + Scope 2 (Market-based)</b>	<b>N.A.</b>	<b>334,874</b>	<b>232,240</b>
Category 3 - Energy and fuel-related activities	N.A.	N.A.	2,993,019
Category 7 - Employee commuting	N.A.	N.A.	2,442
Category 11 - Use of sold products	N.A.	N.A.	1,383,353
<b>Indirect emissions (Scope 3)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>4,378,814</b>
<b>Total emissions Scope 1 + Scope 2 (LB) + Scope 3</b>	<b>N.A.</b>	<b>N.A.</b>	<b>4,614,721</b>
<b>Total emissions Scope 1 + Scope 2 (MB) + Scope 3</b>	<b>N.A.</b>	<b>N.A.</b>	<b>4,611,054</b>

<sup>15</sup> Emission factors used:

- Scope 1: DEFRA - GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2023
- Scope 2 Location-based: ISPRA - Italian Greenhouse Gas Inventory 1990-2021 National Inventory Report 2023
- Scope 2 Market-based: AIB - 2022 European Residual Mix
- Scope 3, Category 3: DEFRA - GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2023
- Scope 3, Category 7: DEFRA - GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2023
- Scope 3, Category 11: DEFRA - GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2023

## Chapter 9.3: Water

### GRI 303-3 Water withdrawal (megalitres)

	2021	2022	2023
<b>Surface water (Total)</b>	<b>6,865,332</b>	<b>3,775,840</b>	<b>4,351,879</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	6,865,332	3,775,840	4,351,879
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Groundwater (Total)</b>	<b>3,144</b>	<b>2,060</b>	<b>2,228</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	3,144	2,060	2,228
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Seawater (Total)</b>	<b>0</b>	<b>0</b>	<b>0</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	0	0	0
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Produced water (Total)</b>	<b>0</b>	<b>0</b>	<b>0</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	0	0	0
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Third-party water resources (Total)</b>	<b>5</b>	<b>13</b>	<b>11</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	5	13	11
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Total water withdrawal</b>	<b>6,868,482</b>	<b>3,777,912</b>	<b>4,354,118</b>

### GRI 303-4 Water discharges (megalitres)

	2021	2022	2023
<b>Surface water (Total)</b>	<b>6,868,425</b>	<b>3,777,866</b>	<b>4,354,082</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	6,868,425	3,777,866	4,354,082
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Groundwater (Total)</b>	<b>0</b>	<b>0</b>	<b>0</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	0	0	0
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Seawater (Total)</b>	<b>0</b>	<b>0</b>	<b>0</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	0	0	0
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Third-party water resources (Total)</b>	<b>0.9</b>	<b>0.5</b>	<b>0.8</b>
fresh water ( $\leq 1,000$ mg/l total dissolved solids)	0.9	0.5	0.8
other types of water ( $> 1,000$ mg/l total dissolved solids)	0	0	0
<b>Total water discharges</b>	<b>6,868,426</b>	<b>3,777,866</b>	<b>4,354,083</b>



## GRI 303-5 Water consumption (megalitres)<sup>16</sup>

	2021	2022	2023
Water consumption	55.7	46.0	35.1
Total water consumption in areas of water stress	0	0	0
Total water storage at the end of the reporting period	0	0	0
Total water storage at the beginning of the reporting period	0	0	0
Change in water storage	0	0	0

## Chapter 9.4: Waste

### GRI 306-3 Waste produced (tonnes)

	2021	2022	2023
Hazardous waste	388	367	307
Non-hazardous waste	23,293	11,582	28,623
<b>Waste generated</b>	<b>23,682</b>	<b>11,949</b>	<b>28,930</b>

### GRI 306-4 Waste not landfilled (tonnes)

	2021	2022	2023
Hazardous waste	202	226	281
Non-hazardous waste	2,235	1,487	15,073
<b>Total waste not delivered to landfills</b>	<b>2,437</b>	<b>1,713</b>	<b>15,355</b>

### GRI 306-5 Waste landfilled (tonnes)

	2021	2022	2023
Hazardous waste	186	141	26
Non-hazardous waste	5,674	8,573	13,549
<b>Total waste delivered to landfills</b>	<b>5,860</b>	<b>8,715</b>	<b>13,575</b>

<sup>16</sup> Compared to the contents of the Sustainability Report for 2022, which was the first year of reporting water consumption, the overall value of water consumption (23,741 ML in 2021 and 23,005 ML in 2022) has been recalculated due to a refinement in the logic of data extraction and processing.

## Appendix 3 - AMIA Verona S.p.A.

On 29 November 2023, the acquisition process of the company AMIA Verona S.p.A. by the Municipality of Verona, thus becoming an in-house company, was completed. Therefore, in application of IFRS 5 (Non-current assets held for sale and discontinued operations), AMIA Verona's information and data referring to the period from 1 January to 29 November 2023 were presented in an annex to this CNFS and not consolidated with the non-financial performance of the AGSM AIM Group.

AMIA Verona S.p.A. provides services for the collection, transport, treatment, recovery, valorisation and disposal of solid urban waste in the territory of Verona and in some municipalities of the Province. The company also performs cleaning and washing services in public areas and manages urban green areas.

The following tables show the non-financial information of AMIA Verona available for the financial years 2022 and 2023.

### GOVERNANCE

#### Number of meetings of the Shareholders' Meeting and the Board of Directors

	31 December 2022	29 November 2023
Shareholders' Meeting	1	5
Board of Directors	N.A.	7

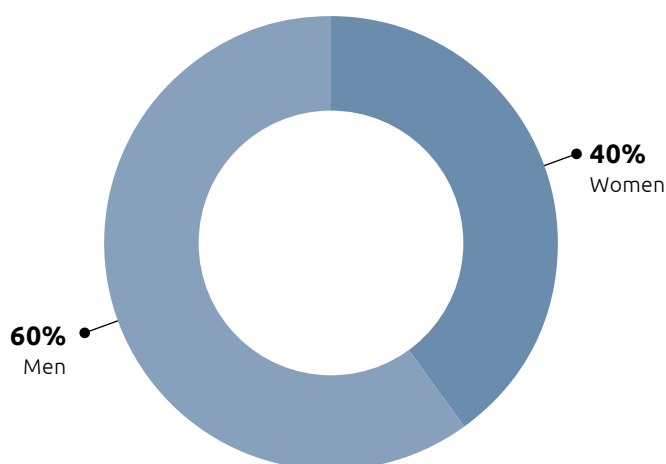


Figure 36. Composition of the Board of Directors

## AMIA'S PEOPLE

### GRI 2-7 Personnel divided by gender and type of contract<sup>17</sup>

	31 December 2022				29 November 2023			
	Women	Men	Total	%	Women	Men	Total	%
Temporary (no.)	4	40	44	7.6%	0	11	11	2.0%
Permanent (no.)	32	505	537	92.4%	33	520	553	98.0%
<b>Total</b>	<b>36</b>	<b>545</b>	<b>581</b>	<b>100.0%</b>	<b>33</b>	<b>531</b>	<b>564</b>	<b>100.0%</b>

### GRI 2-7 Full-time and part-time staff by gender

	31 December 2022				29 November 2023			
	Women	Men	Total	%	Women	Men	Total	%
Full-time	35	544	579	99.7%	32	530	562	99.6%
Part-time	1	1	2	0.3%	1	1	2	0.4%
<b>Total</b>	<b>36</b>	<b>545</b>	<b>581</b>	<b>100.0%</b>	<b>33</b>	<b>531</b>	<b>564</b>	<b>100.0%</b>

### GRI 2-7 Staff divided by geographical area

	31 December 2022	29 November 2023
Veneto	574	554
Italy (outside Veneto)	7	10
<b>Total Italy</b>	<b>581</b>	<b>564</b>
Outside Italy	0	0
<b>Total</b>	<b>581</b>	<b>564</b>

### GRI 401-1 Assumptions divided by gender and age

	31 December 2022	29 November 2023
<b>Total recruitment</b>	<b>86</b>	<b>58</b>
Men	81	57
Women	5	1
Other	-	-
< 30 years	6	3
30 ≤ x ≤ 50 years	35	29
> 50 years	45	26

<sup>17</sup> The data relating to gender is obtained from the personnel tax code at the time of recruitment.

## GRI 401-1 Terminations divided by gender and age

	31 December 2022	29 November 2023
<b>Total terminations</b>	<b>100</b>	<b>67</b>
Men	97	66
Women	3	1
Other	-	-
< 30 years	4	1
30 ≤ x ≤ 50 years	36	22
> 50 years	60	44





## GRI 404-1 Average per capita hours of training by gender and professional qualification



	31 December 2022	29 November 2023
<b>Total</b>	<b>7.40</b>	<b>23.41</b>
Men	3.51	12.32
Women	3.89	11.09
Senior managers	6.67	13.50
Middle managers	9.09	21.09
White collar workers	5.51	10.34
Blue collar workers	3.00	12.42

## GRI 404-1 Hours of training by gender and professional qualification

	31 December 2022		29 November 2023	
	Total hours	%	Total hours	%
Men	1,914	93.2%	6,544	94.7%
Women	140	6.8%	366	5.3%
<b>Total</b>	<b>2,054</b>	<b>100.0%</b>	<b>6,910</b>	<b>100.0%</b>
Senior managers	20	1.0%	27	0.4%
Middle managers	100	4.9%	232	3.4%
White collar workers	512	24.9%	962	13.9%
Blue collar workers	1,422	69.2%	5,689	82.3%

## GRI 405-1 Staff divided by gender and professional qualification

	31 December 2022						29 November 2023							
		%		%	Other	Total	%		%		%	Other	Total	%
<b>Senior managers</b>	-	0.0%	3	0.6%	-	3	0.5%	-	0.0%	2	0.4%	-	2	0.4%
<b>Middle managers</b>	3	8.3%	8	1.5%	-	11	1.9%	4	12.1%	7	1.3%	-	11	2.0%
<b>White collar workers</b>	30	83.3%	63	11.6%	-	93	16.0%	27	81.8%	66	12.4%	-	93	16.5%
<b>Blue collar workers</b>	3	8.3%	471	86.4%	-	474	81.6%	4	6.1%	456	85.9%	-	458	81.2%
<b>Total</b>	<b>36</b>	<b>100.0%</b>	<b>545</b>	<b>100.0%</b>	<b>0</b>	<b>581</b>	<b>100.0%</b>	<b>33</b>	<b>100.0%</b>	<b>531</b>	<b>100.0%</b>	<b>0</b>	<b>564</b>	<b>100.0%</b>

 Women     Men

## GRI 405-1 Staff divided by age and professional qualification

	31 December 2022					29 November 2023				
	< 30 years	30 ≤ x ≤ 50 years	> 50 years	Total	%	< 30 years	30 ≤ x ≤ 50 years	> 50 years	Total	%
<b>Senior managers</b>	0	0	3	3	0.5%	0	0	2	2	0.4%
<b>Middle managers</b>	0	0	11	11	1.9%	0	0	11	11	2.0%
<b>White collar workers</b>	3	19	71	93	16.0%	0	20	73	93	16.5%
<b>Blue collar workers</b>	5	133	336	474	81.6%	7	136	315	458	81.2%
<b>Total</b>	<b>8</b>	<b>152</b>	<b>421</b>	<b>581</b>	<b>100.0%</b>	<b>7</b>	<b>156</b>	<b>401</b>	<b>564</b>	<b>100.0%</b>

## GRI 403-9 Indicators on accidents of the Group personnel

	31 December 2022	29 November 2023
Total number of accidents in the workplace	41	24
Severity rate (*)	1.01	0.65
Rate of accidents in the workplace with serious consequences (**)	44.89	27.76
Rate of recordable accidents in the workplace (**)	6.57	18.51
Lost working days	920	559
Hours worked	913,257	864,517
Work-related deaths	0	0

(\*) The severity rate corresponds to the ratio between the number of actual accident days and the number of hours worked multiplied by 1,000.

(\*\*) Rate of accidents in the workplace corresponds to the ratio between the number of serious accidents and the number of hours worked multiplied by 1,000,000.

(\*\*\*) Rate of accidents in the workplace corresponds to the ratio between the number of accidents and the number of hours worked multiplied by 1,000,000.

## THE SERVICES OFFERED BY AMIA

### Waste collected and treated (tonnes)

	31 December 2022	29 November 2023
Urban Waste Collected (tonnes)	126,463	117,564
Waste Treated (tonnes)	59,571	55,700

## CONSUMPTION AND EMISSIONS

### GRI 302-1 Direct and indirect energy consumption (GJ)

	31 December 2022	29 November 2023
<b>Direct consumption from non-renewable sources</b>	<b>568,934</b>	<b>488,398</b>
<b>For internal use</b>	<b>4,888</b>	<b>6,027</b>
Natural gas for technological uses	4,888	6,027
Diesel	0	0
Methane	0	0
Petrol for equipment	0	0
<b>Corporate fleet</b>	<b>564,045</b>	<b>482,371</b>
Petrol	2,638	3,080
Diesel	47,639	46,689
Methane	498,616	420,201
LPG	15,154	12,401
<b>Indirect consumption from renewable sources</b>	<b>3,480</b>	<b>2,303</b>
Electricity for internal use	3,480	2,303
<b>Total</b>	<b>572,414</b>	<b>490,701</b>

## Direct (Scope 1) and indirect (Scope 2) GHG emissions<sup>18</sup> (tCO<sub>2</sub>e)

	31 December 2022	29 November 2023
<b>For internal use</b>	<b>248</b>	<b>309</b>
Natural gas for technological uses	248	309
Diesel	-	-
Methane	-	-
Petrol for equipment	-	-
<b>Corporate fleet</b>	<b>33,834</b>	<b>28,962</b>
Petrol	166	190
Diesel	3,191	3,101
Natural gas	768	635
LPG	29,708	25,037
<b>Direct emissions (Scope 1)</b>	<b>34,082</b>	<b>29,271</b>
Scope 2 emissions - Location-based method	278	207
Scope 2 emissions - Market-based method	0	0
<b>Scope 1 + Scope 2 (Location-based)</b>	<b>34,360</b>	<b>29,478</b>
<b>Scope 1 + Scope 2 (Market-based)</b>	<b>34,082</b>	<b>29,271</b>

18 Emission factors used:

- Scope 1: DEFRA - GOV. UK - Department for Energy Security and Net Zero - Greenhouse gas reporting: conversion factors 2023
- Scope 2 Location-based: ISPRA - Italian Greenhouse Gas Inventory 1990-2021 National Inventory Report 2023
- Scope 2 Market-based: AIB - 2022 European Residual Mix

## Appendix 4 - Content Index (“Gri-Referenced”)

GRI Standards Indicator		Legislative Decree 254/2016	Chapter	Page	Notes
<b>GRI 2 - GENERAL DISCLOSURES 2021</b>					
<b>The organisation and its reporting practices</b>					
2-1	Organisational details	•		10	
2-2	Entities included in the organisation's sustainability reporting	•	1. The AGSM AIM Group	16	
2-3	Reporting period, frequency and point of contact	•	10. Methodological note	186	
2-4	Restatements of information	•		186, 214, 217	
2-5	External assurance	•	Report of the Independent Auditors	231	
<b>Activities and workers</b>					
2-6	Activities, value chain and other business relationships	•	8. Group's business	136	
2-7	Employees	•	7.1 People	93, 202-201	
2-8	Non-employees	•		95	
<b>Governance</b>					
2-9	Governance structure and composition	•			
2-10	Nomination and selection of the highest governance body	•	4. Group Governance	48	
2-11	Chairperson of the highest governance body	•			
2-15	Conflicts of interest	•			
<b>Strategy, policies and practices</b>					
2-22	Statement on sustainable development strategy	•	3. The path to sustainability	24	
2-27	Compliance with laws and regulations	•	-		No significant cases of non-compliance with laws and regulations were recorded during the reporting period.
2-28	Membership Associations		7.4 Authorities and institutions	112	
<b>Stakeholder engagement</b>					
2-29	Approach to stakeholder engagement	•	3.2. Stakeholder engagement	31	
2-30	Collective bargaining agreements	•	7.1.2.2 Remuneration and welfare	98	




















GRI Standards Indicator	Legislative Decree 254/2016	Chapter	Page	Notes
<b>SPECIFIC STANDARDS - ECONOMIC SPHERE</b>				
<b>201 - Economic performance</b>				
201-1	Direct economic value generated and distributed	6. Creating value for Stakeholders	90	
<b>204 - Procurement practices</b>				
204-1	Proportion of spending on local suppliers	7.6 Suppliers	122	
<b>205 - Anti-corruption</b>				
205-1	Transactions assessed to determine corruption-related risks	•	4.4.2 Organisational Model 231	
205-2	Communication and training about anti-corruption policies and procedures	•	4.4.3 Anti-Corruption Policy	69-72
205-3	Confirmed incidents of corruption and actions taken	•	4.4.4 Whistleblowing	
<b>GRI 3 - MATERIAL TOPICS 2021</b>				
3-1	Process to determine material topics			
3-2	List of material topics	3.4 Materiality Analysis	38	
3-3	Management of material topics			
<b>SPECIFIC STANDARDS - ENVIRONMENTAL SPHERE</b>				
<b>302 - Energy</b>				
302-1	Energy consumption within the organisation	•	9.1 Energy consumption of the Group	177, 214
<b>303 - Water and effluents</b>				
303-3	Water withdrawal	•		
303-4	Water discharges	•	9.3 Water	181, 216-217
303-5	Water consumption	•		
<b>304 - Biodiversity</b>				
304-2	Significant impacts of activities, products, and services on biodiversity	•	9.5 Protection of biodiversity	184
<b>305 - Emissions</b>				
305-1	Direct (Scope 1) GHG emissions	•		
305-2	Energy indirect (Scope 2) GHG emissions	•	9.2 The Group's greenhouse gas emissions	178, 215
305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	•		

GRI Standards Indicator	Legislative Decree 254/2016	Chapter	Page	Notes
<b>306 - Waste</b>				
306-2	Management of significant waste-related impacts			
306-3	Waste generated	9.4 Waste	182, 217	
306-4	Waste diverted from disposal			
306-5	Waste directed to disposal			
<b>SPECIFIC STANDARDS - SOCIAL SPHERE</b>				
<b>400 - Employment</b>				
401-1	New employee hires and employee turnover	7.1 People	93, 201-202	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.1.2.2 Remuneration and welfare	98	
401-3	Parental leave			
<b>403 - Occupational Health and Safety</b>				
403-1	Occupational health and safety management system			
403-2	Hazard identification, risk assessment and incident investigation			
403-3	Occupational health services			
403-4	Worker participation, consultation, and communication on occupational health and safety	7.1.4 Occupational health and safety	106-107, 206	
403-5	Worker training on occupational health and safety			
403-6	Promotion of worker health			
403-8	Workers covered by an occupational health and safety management system			
403-9	Work-related injuries			
403-10	Work-related ill health			

GRI Standards Indicator	Legislative Decree 254/2016	Chapter	Page	Notes
<b>404 - Training and Education</b>				
404-1	Average hours of training per year per employee	•	7.1.3 Training and development	103
404-2	Skills upgrading programmes and transition assistance programmes	•		
<b>405 - Diversity and Equal Opportunity</b>				
405-1	Diversity of governance bodies and employees	•	4.2 Management bodies	52, 94
405-2	Ratio between basic salary and women's salary compared to men	•	7.1 People	101, 205
<b>406 - Non-discrimination</b>				
406-1	Incidents of discrimination and corrective measures taken	•	7.1.2.4 Diversity & Inclusion	101
<b>413 - Local Communities</b>				
413-1	Operations with local community engagement, impact assessments, and development programmes	•	7.7 Community and territory	125
<b>415 - Public Policy</b>				
415-1	Political contributions		7.4 Authorities and institutions	112
<b>418 - Customer Privacy</b>				
418-1	Proven complaints concerning breaches of customer privacy and loss of customer data	•	4.4.5 Protection of Personal Data	73

## Appendix 5 - Table of connection between material themes, GRI standards and SDGs

Material theme	GRI	Global goals	Group actions
[E1] Climate change	GRI 302-1 GRI 305		The AGSM AIM Group promotes climate change mitigation strategies in order to reduce climate-changing emissions that have a direct impact on the quality of the environment in which we live. It pays great attention and makes important investments in developing renewable sources in order to create a more sustainable energy system, less dependent on fossil fuels and, therefore, less polluting.
[E2] Decarbonisation, energy efficiency and the use of renewable sources			The AGSM AIM Group is constantly committed to minimising its environmental impact, with particular regard to reducing CO <sub>2</sub> emissions. In this regard, the Group is committed to implementing improvement plans aimed at containing and reducing its climate-changing emissions, through the continuous energy efficiency of its offices and plants and the progressive replacement of the company's fleet with new vehicles and vehicles with low environmental impact.
[E3] Protection of the environment, biodiversity and ecosystems	GRI 303		AGSM AIM Group is committed to safeguarding the natural value and biodiversity of the areas in which it operates and affected by the presence of its plants through the implementation of appropriate environmental safeguards and measures. During the performance of its activities, the AGSM AIM Group adopts a business model that is attentive to sustainable and environmentally responsible behaviour. It pays particular attention to the flora and fauna of the places where it operates, undertaking to carry out its activities by taking into account the needs of the surrounding ecosystem and to promptly correct any negative impacts that may occur as part of its business activities.
[E4] Circular economy	GRI 306		AGSM AIM is committed to respecting the principles of sustainability and circular economy through a responsible use of natural resources and a targeted use of new raw materials in carrying out its activities.
[E5] Smart cities and sustainable mobility			The AGSM AIM Group focuses on innovation and the green economy by providing robust development models for all the services offered with the aim of accompanying the public administration in the energy and digital transition and by supporting local communities with its effectiveness in managing energy efficiency projects and its expertise in managing complex projects such as the redevelopment in public buildings.
[E6] Development of distribution networks			The AGSM AIM Group is committed to making its infrastructures increasingly resilient and able to remain available even in times of climate emergency, ensuring the continuous provision of essential services and helping to mitigate the effects of climate change in the territories where it is present with its assets.  During the financial year 2023, the Group's distribution company adopted the Development Plan for electricity distribution networks to improve service quality and adapt the electricity system with a view to decarbonising consumption.
[S1] Attention to customer needs and customer satisfaction			AGSM AIM promotes responsible management throughout the supply chain by adopting sustainable supply policies in order to promote integrated and effective supply chain management capable of reducing the environmental and social impacts generated.

<p>[S2] Corporate wellbeing, diversity and inclusion - protection of human rights</p>	<p>GRI 400 GRI 404 GRI 405</p>	  	<p>Attention to People is a central element of the AGSM AIM Group's growth project as they represent an essential factor for carrying out the activity and achieving the company objectives.</p> <p>AGSM AIM promotes an inclusive work environment that encourages work-life balance, values people, respects human dignity and individuality and is committed to ensuring that recruitment, development and career advancement are based on merit and free of any form of discrimination.</p>
<p>[S3] Occupational health and safety</p>	<p>GRI 403</p>		<p>The AGSM AIM Group considers the health and safety of the person a priority for its business model. In this regard, it has implemented an effective management system compliant with the international standard ISO 45001 which, together with staff training and awareness-raising activities, plays a key role in reducing health and safety risks for staff.</p>
<p>[S4] Commitment to local communities and protection of the territory</p>	<p>GRI 413</p>		<p>AGSM AIM supports the development and economic growth of the People who live in the territory in which the Group operates, generating job opportunities and preferring the selection of local suppliers.</p> <p>The Group is committed to increasing the development and the well-being not only economic, but also social and cultural, of the communities, thanks to sponsorships and donations, investing in projects that can generate a positive impact on people.</p> <p>The initiatives in the area, partly financed with the contribution of AGSM AIM which for the year 2023 corresponds to an economic commitment of Euro 1.45 million, are aimed at protecting and enhancing the historical and cultural heritage, as well as encouraging the education and training of young people, in terms of education, music and sports.</p>
<p>[S5] Responsible supply chain management</p>		 	<p>The choice of suppliers is inspired by principles of impartiality, competence, competition and cost-effectiveness, as well as principles of transparency and excellence, in compliance with the highest quality standards. The supply relationships are based on compliance with the laws and regulations in force also in the field of labour, human rights, health and safety, environmental protection, the fight against corruption and illegality.</p> <p>The AGSM AIM Group prefers the choice of qualified, reliable suppliers and, where possible, located in its reference territory. Support for local production is, in fact, an integral part of the Group's commitment to the communities where it operates, in order to foster the development of the local economy, promoting the creation of shared value.</p>
<p>[S6] Technological innovation and digital transformation</p>			<p>The AGSM AIM Group is committed to adopting innovative technologies capable of ensuring cultural and social evolution, in an efficient business context, also in compliance with the protection of personal data.</p>
<p>[G1] Governance geared towards sustainable success</p>			<p>The Group organises its business activities in order to achieve sustainable success to benefit its stakeholders.</p>
<p>[G2] Business integrity and corporate reputation</p>	<p>GRI 205</p>		<p>The AGSM AIM Group carries out business activities inspired by high standards of fairness, loyalty, integrity and transparency and in compliance with current legislation. In this regard, the Group adopts policies aimed at spreading the culture of legality, protecting the company's reputation, thus ensuring value creation over time.</p> <p>In the belief that the fight against corruption represents a fundamental value in the conduct of its business, AGSM AIM has defined and adopted, on a voluntary basis, its Group Code of Ethics, the Anti-Corruption Policy and, where deemed appropriate, the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001.</p>

*Report of the  
Independent Auditors*

## **AGSM AIM S.p.A.**

Independent Auditors' Report on  
the Consolidated Non-Financial  
Statement pursuant to article 3,  
paragraph 10 of Legislative  
Decree no.254/2016 and of  
article 5 of CONSOB Regulation  
n.20267 of January 18, 2018

As at December 31, 2023

## Independent Auditors' Report

on the consolidated non-financial statement pursuant to article 3, paragraph 10 of Legislative Decree no. 254 of December 30, 2016 and article 5 of CONSOB Regulation n. 20267 of January 18, 2018

To the Board of Directors of  
AGSM AIM S.p.A.

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Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 ("Decree") and to article 5 of the CONSOB Regulation n. 20267 of January 18, 2018, we have been engaged to perform a limited assurance engagement on the Consolidated Non-Financial Statement of AGSM AIM S.p.A. and its subsidiaries (the "Group") as at December 31, 2023 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on May 7, 2024 (hereinafter the "NFS").

The limited assurance engagement performed by us does not extend to the information set out in the "European taxonomy of eco-sustainable activities" paragraph of the NFS, required by article 8 of the European Regulation 2020/852.

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### Responsibilities of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of a NFS in accordance with articles 3 and 4 of the Decree and "Global Reporting Initiative Sustainability Reporting Standards" established by GRI - Global Reporting Initiative ("GRI Standards"), disclosed in the paragraph "Methodological Note" of the NFS, identified by them as reporting standards.

The Directors are also responsible, within the terms established 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 the identification of the content of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the Group' business and characteristics, to the extent necessary to ensure an understanding of the Group's business, performance, results and the 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 for the identification and management of the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms prescribed by law, compliance with the Decree.

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### Auditors' Independence and quality control

We are independent in compliance with the ethics and independence principles of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) issued by the *International Ethics Standards Board for Accountants*, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behaviour. During the period to which the current engagement refers, our firm applied the International Standard on Quality Control 1 (ISQC Italia 1), and as a result, maintained a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.



## Auditors' responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the requirements of the Decree and the GRI Standards. We carried out our work in accordance with the criteria established in the *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. This standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with *ISAE 3000 Revised*, and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on the NFS are based on our professional judgement and include inquiries, primarily of the company's personnel responsible for the preparation of the information presented in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence, as appropriate.

Specifically, we carried out the following procedures:

1. analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the process in place for the selection process in the light of the provisions of article 3 of the Decree and taking into account the adopted reporting standard;
2. analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance to the Decree;
3. comparison of data and financial economic disclosures presented in the NFS with those included in the Group's consolidated financial statements;
4. Understanding of the following matters:
  - business management model of the Group's activity, with reference to the management of the topics set out in article 3 of the Decree;
  - policies adopted by the entity in connection with the topics set out in article 3 of the Decree, achieved results and related key performance indicators;
  - key risks generated and/or undertaken, in connection with the topics set out in article 3 of the Decree.

With reference to these matters, we compared them with the disclosures presented in the NFS and carried out the procedures described under point 5, letter a) below.

5. Understanding of the processes underlying the origination, recording and management of significant qualitative and quantitative information disclosed in the NFS.

Specifically, we carried out interviews and discussions with the management of AGSM AIM S.p.A. We also performed limited analysis of documentary evidence, in order to gather information on the processes and procedures supporting the collection, aggregation, processing and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, with respect to significant information, taking into consideration the Group's business and characteristics:

- at Parent Company's level:
  - a. with regards to qualitative information included in the NFS, and specifically with reference to the business model, policies applied and main risks, we carried out interviews and gathered supporting documentation to check for consistency with available evidence;
  - b. with regards to quantitative information, we carried out both analytical and limited procedures to ensure, on a sample basis, the correct aggregation of data.

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## Conclusion

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Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of AGSM AIM Group as of December 31, 2023 is not prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the Decree and with GRI Standards.

Our conclusions on the NFS of AGSM AIM Group do not extend to the information set out in the "*European taxonomy of eco-sustainable activities*" paragraph of the NFS, required by article 8 of the European Regulation 2020/852.

Verona, May 22, 2024

Signed by  
BDO Italia S.p.A.

Carlo Boyancé  
Partner

*This report has been translated from the Italian original  
solely for the convenience of international readers.*



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