

2021 SUSTAINABILITY REPORT

CONSOLIDATED NON-FINANCIAL STATEMENT PREPARED PURSUANT TO LEGISLATIVE DECREE 254/2016



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CONTENTS

Letter to Stakeholders	4	11. AGSM AIM and Covid	60
Methodological note	8	12. Group's business	62
Reporting scope	10	12.1 Electricity generation	62
1. The new AGSM AIM Group	12	12.2 Cogeneration for district heating	68
2. The path to integration	14	12.3 Natural gas and electricity distribution	70
3. Our first year together	16	12.4 Public lighting	78
4. Our identity	18	12.5 Telecommunications	80
5. The path to Sustainability	22	12.6 Car parks and car parking services	84
6. Materiality analysis	24	12.7 Electrical mobility	88
7. The Stakeholders	26	12.8 Environmental services	90
7.1 Stakeholder mapping	26	13. The importance of Stakeholders	98
8. The governance system	28	13.1 People	98
8.1 Organisational structure	29	13.2 Shareholders	112
8.2 The Internal Control and Risk Management System	36	13.3 Lenders and investors	114
8.3 Organisation, management and control model pursuant to Legislative Decree no. 231/2001	42	13.4 Authorities and institutions	116
8.4 Anti-corruption policy	43	13.5 The Customer	118
8.5 Whistleblowing	44	13.6 Suppliers	132
8.6 Protection of personal data	45	13.7 Community and territory	136
9. Creating value for Stakeholders	46	13.8 Group consumption	142
10. EUROPEAN TAXONOMY FOR ENVIRONMENTALLY SUSTAINABLE ACTIVITIES	48	13.9 Protection of the territory	145
10.1 The business of the AGSM AIM Group	50	Appendices	146
10.2 AGSM AIM's role in mitigating climate change	55	A.1 Table of concordance with the Global Compact	148
10.3 The results of the Group's environmentally sustainable activities	57	A.2 Table of concordance with GRI ("GRI-Referenced")	150
		A.3 Table of concordance with Global Goals	154
		Independent Auditor's Report	157

LETTER TO STAKEHOLDERS

Dear Stakeholders,

2021 will remain a pivotal date in the history of this Group as it is the year when AGSM AIM was created from the integration between AGSM Verona and AIM Vicenza. In this letter, we present the first Sustainability Report of the new Group, which aims to provide accurate and coordinated reporting of the results achieved and the improvement objectives that AGSM AIM intends to pursue in the economic, social and environmental fields.

The joining of AGSM Verona and AIM Vicenza has created a leading player in the multi-utility sector and has made it possible to enhance the expertise and resources of the two companies, leading to a more significant company size, which is now essential to face the challenges in store for the public utility service sector.

The need to implement energy efficiency measures for both households and businesses, the adoption of energy transition policies for the use of renewable sources, the need to modernise and digitise networks, the growing competition in the gas and electricity sales sector, with the exit from the controlled price system, the increase in waste disposal costs and the consequent need to centralise and optimise the capacity of the plants, and cross-industry convergence, which opens up new opportunities to create value in Smart Territory, are challenges that can only be faced with a critical mass capable of ensuring a high investment capacity.

In addition, the continuation of the Covid-19 pandemic and the dramatic events involving Europe due to the Russia-Ukraine conflict have further affected the context where multi-utility companies and companies in general operate.

The Goals of the 2030 Agenda and the challenges posed by energy transition and the current situation have heightened the awareness of sustainability and have brought attention to the need to implement a business model that guarantees resilience, flexibility and effectiveness in the long term. These goals are added to the ability to reduce risks and respond to external factors, also of an exceptional magnitude.

AGSM AIM has every sustainability issue at its core. Therefore, it is natural to integrate environmental, social and governance (ESG) criteria. Indeed, sustainability is the guiding star for the Group's future development. Suffice to say that, in the 2024 Business Plan, AGSM AIM envisages allocating most of the Euro 600 million of investments to sustainable projects, across the board of the Group's various businesses.

The attention to service quality and the economic, social and employment impacts have always been a priority of AGSM AIM, whose business is strongly rooted and connected to the needs of citizens

and local businesses. During 2021, AGSM AIM generated a high added value, producing wealth to redistribute it to the various stakeholders.

In 2021, the AGSM AIM Group made investments of Euro 84 million, especially in the digitisation of the electricity and gas networks, in the environmental sector, in the expansion of innovative and smart services and in improving the energy efficiency of street and city lighting, always with a view to improving the quality of life of people and citizens.

At a historic time of great complexity, characterised both by the extraordinary integration between AGSM Verona and AIM Vicenza and, above all, by the continuation of the Covid-19 pandemic, the new Group has paid a great deal of attention to people, ensuring the stability and protection of employment for the about 2,000 Group employees, offering a prospect of professional growth, as well as hiring new personnel to demonstrate the consistency of the Group's development path. Consider that, during 2021, 190 new resources joined the Group and significant efforts were made to use contract forms capable of offering greater job security such as permanent employment, which represents more than 94% of the employment contracts of Group Companies.

Several important initiatives were also defined and adopted to balance daily and family life with working life, offering employees the chance to take advantage of flexibility under exceptional circumstances, part-time on return from maternity leave and smart working.

To create a shared corporate culture, in 2021 a process began together with all the Group's collaborators to promote the guidelines for corporate conduct by sharing the Mission, Vision and values that employees acknowledge.

The integration then made it possible to optimise the Group's organisational and operational structure, creating virtuous synergies with clear advantages in terms of efficiency and reduction in operating costs. In this sense, at the beginning of 2022, the rationalisation of the Group's scope, launched in 2021, led to redefining the various business areas as an important first step, with the establishment of the operating Business Units and the consequent reduction in the subsidiaries by 11 units. The financial resources allocated to corporate governance were also reduced, currently lower than the sum of those used by the two companies before the merger.

The Group's efficient management, combined with the full benefits of the integration, allowed us to achieve revenue of Euro 1.9 billion and EBITDA of Euro 175.7 million.

I would like to thank all the men and women of AGSM AIM who, in an extraordinary year for the Group's life, made it possible to achieve these results. Thanks also to our shareholders, our stakeholders and the members of the Board of Directors and the Board of Statutory Auditors for their constant support.

*The Chairperson of the
Board of Directors*
Stefano Casali



*The Vice Chairperson of the
Board of Directors*
Gianfranco Vivian



The Chief Executive Officer
Stefano Quaglino





agsm aim

METHODOLOGICAL NOTE

The Consolidated Non-Financial Statement (CNFS), covering the period from 1 January 2021 to 31 December 2021, was prepared in accordance with the GRI Standards guidelines published by the Global Reporting Initiative, GRI-Referenced option. During the analysis, the topics and related indicators (“Disclosure”) of the GRI Standards were selected, which are necessary to give a complete and consistent picture of the economic, environmental and social impact of the Group’s activities, as well as to respond to the requests for information of Italian Legislative Decree 254/2016. The list of reported indicators, any boundary omissions and any detailed notes are shown in the *Concordance table* at the end of this document.

AGSM AIM S.p.A., a company resulting from the extraordinary merger between AGSM Verona S.p.A. and AIM Vicenza S.p.A., was incorporated from 1 January 2021, leading to the creation of a new industrial group operating in the multi-utility sector.

The new 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.it) in the Sustainability section.

The document is submitted for approval by the Board of Directors, concurrently with the draft Separate Financial Statements and the 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 Sustainability Report meets the criteria for reporting non-financial information related in particular to the presentation of the Group’s performance in relation to environmental and social issues, and issues regarding personnel, respect for human rights and the fight against active and passive corruption.

The Group is firmly committed to adopting sustainable policies and pays particular attention to compliance with issues related to corporate social responsibility. In this context, the Parent Company AGSM AIM adhered to the initiative promoted by the United Nations called “Global Compact”, and bases its business on the ten principles of the **United Nations Global Compact (UNGC)** on human rights, labour, the environment and the fight against corruption. In 2021, the Group continued to adhere to this United Nations’ initiative for the promotion of a corporate citizenship culture that encourages enterprises throughout the world to create an economic, social and environmental framework designed to promote a sound, sustainable global economy (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 fundamental principles.

At the end of the document is the *Concordance Table* between the ten fundamental principles and the actions implemented by the AGSM AIM Group in pursuit of said principles.

In addition, the Group focuses on the 17 goals of the **2030 Agenda**, also known as the **Sustainable Development Goals (SDGs)**. The Agenda was ratified by 193 countries at the UN summit in September 2015. It includes 17

Sustainable Development Goals defined by the United Nations.

The CNFS also provides information on the Global Goals for Sustainable Development through a Concordance Table that describes the activities carried out by the Group that meet the international sustainability goals set out in the 2030 Agenda.

An internal analysis was conducted during the year to specifically understand which goals the Group contributes to. More details can be found in the Concordance Table at the end of this document.

The CNFS includes information on managing the COVID-19 Emergency, the instruments adopted, the measures implemented and their impacts, in relation to Consob’s Notice no. 1 of 16/2/2021.

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 Sustainability Report represents the materiality matrix which shows the results of the Materiality Analysis and the stakeholder engagement process implemented with surveys provided to a representative sample of the

Group’s stakeholders. In this first phase of the new entity, it was considered more constructive to develop two matrices that provide two different visions: one in the present (as is) and one in the future (to be).

The CNFS is drawn up under the coordination of the Strategic Planning and Risk Management 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 competent corporate Departments, which transmit the data through a purposefully-created corporate data warehouse.

Due to the fact that this is the first year of reporting of the non-financial performance of the newly-formed AGSM AIM Group, the figures are shown for the 2021 financial year only. It was deemed correct to provide an assessment of the sustainability performance indicators for the current year only because, previously, the two Groups dealt with ESG issues differently, using different tools to extract information and not guaranteeing full comparability of data.

It is confirmed that the income statement and balance sheet figures are taken from the approved Consolidated Financial Statements.

REPORTING SCOPE

The CNFS 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. These include:

- AGSM AIM S.p.A.;
- AGSM Energia S.p.A.;
- AGSM Lighting S.r.l.;
- AIM Energy S.r.l.;
- AIM Mobilità S.r.l.;
- AMIA Verona S.p.A.;
- Astra Solar S.r.l.;
- CogasPiù Energie S.r.l.;
- Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.;
- Diesse Energia S.r.l.;
- Ecoenergia Vomano S.r.l.;
- EN.IN. ESCO S.r.l.;
- Megareti S.p.A.;
- Parco Eolico Carpinaccio S.r.l.;
- Parco Eolico Riparbella S.r.l.;
- S.I.T. Società Igiene Territorio S.p.A.;
- SER.I.T. S.r.l.;
- Servizi a Rete S.r.l.;
- Sigma S.r.l.;
- Società Intercomunale Ambiente S.r.l.;

- Sphere Energy 1 S.r.l.;
- Sphere Energy 2 S.r.l.;
- TRANSECO S.r.l.;
- TREV ambiente S.r.l.;
- TS Energia Due S.r.l.;
- Valore Ambiente S.r.l.;
- Vinci Energia S.r.l.;
- 2V Energy S.r.l..

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

- AGSM Holding Albania Sh.a.;
- EcoTirana Sh.a..

During 2016, AGSM Verona S.p.A. and AMIA Verona S.p.A. set up AGSM Holding Albania Sh.a., with registered office in Tirana (Albania). The company owns 49% of EcoTirana Sh.a., which collects urban waste currently in the city centre of Tirana, but with the aim of gradually extending its business throughout the municipality. ECO TIRANA SH.A. has an organisational and administrative structure that is typical of the local context and is currently being revised and coordinated based on the Group's approach.



Basilica di Santa Anastasia, Verona



Basilica Palladiana, Vicenza



1. THE NEW AGSM AIM GROUP

The AGSM AIM Group (hereinafter also “AGSM AIM”) is a multi-utility group operating in local public services such as:

- generation of electricity
- public lighting
- electricity and natural gas distribution
- sale of electricity, gas and heat
- district heating
- environmental health and environmental system management
- electric mobility
- telecommunications
- car parks and parking

Legend:

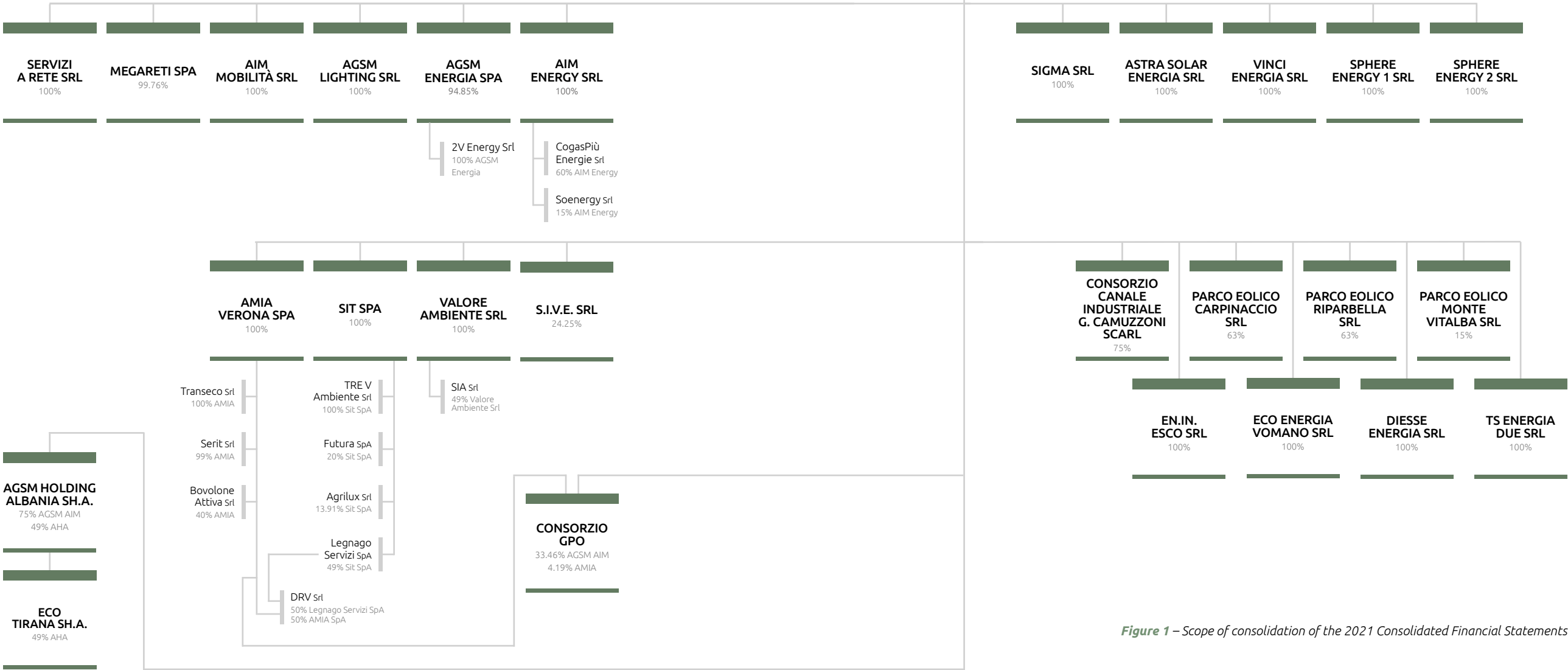


Figure 1 – Scope of consolidation of the 2021 Consolidated Financial Statements

2. THE PATH TO INTEGRATION

29 JUNE 2020

the proposal for the merger of AIM Vicenza S.p.A. (Incorporating Company) and AGSM Verona S.p.A. (Incorporated Company) was approved by the Management Bodies of the two companies

8 OCTOBER 2020

the proposal for the merger was approved by the City Councils of Verona and Vicenza

12 OCTOBER 2020

the two Extraordinary Shareholders' Meetings of AGSM Verona S.p.A. and AIM Vicenza S.p.A. were held to approve the proposal for the merger

23 DECEMBER 2020

the Extraordinary Shareholders' Meeting of AGSM Verona S.p.A. was held to approve the change of company name to AGSM AIM S.p.A.

29 DECEMBER 2020

the merger deed was signed on 29 December 2020, effective from 1 January 2021



From the top: Piazza Duomo - Vicenza, Piazza delle Erbe - Verona

3. OUR FIRST YEAR TOGETHER

The new AGSM AIM Group was established with the aim of playing a leading role in the multi-utility sector, as an aggregating hub, especially in the North-East of Italy.

This role allows the Group to significantly increase investments with the aim 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.

Moreover, the creation of the new AGSM AIM Group will lead to an increase in recruitment that will also contribute to growing the level of local employment.

During 2021, the activities necessary for the integration process were implemented, including but not limited to the alignment of the various information systems, the reorganisation of company processes and so on.

Extraordinary transactions have also begun that will lead to the formation of the new Business Units (BU) from January 2022:

- **Market BU**, resulting from the integration of AGSM Energia S.p.A. and AIM Energy S.r.l., commercial companies of the AGSM AIM Group;
- **Power BU**, with the aim of managing the plants producing electricity from various sources;
- **Heat BU**, which will operate in the cogeneration and district heating sector;
- **Networks BU**, resulting from the integration of Servizi a Rete S.r.l. and Megareti S.p.A., with the task of managing the gas and electricity distribution and metering service and with the aim of offering customers efficient and high-quality services;
- **Smart Solutions BU**, resulting from the integration of AGSM Lighting S.r.l. and AIM Mobilità S.r.l., with the aim of offering public lighting, telecommunications, and ground-level and underground car parks. The new BU will also provide smart mobility and energy efficiency solutions for buildings;
- **Environment BU**, with the task of providing waste collection, treatment and recovery services in the cities of Verona and Vicenza.



861
THOUSAND
Energy costumers in Italy

28.75 %

Production of electricity from renewable sources equal to 320 Gwh

140 THOUSAND

inhabitants served thanks 184 of network's cogeneration

1,994 PEOPLE

of the AGSM AIM Group in Italy

70 MUNICIPALITIES

That benefit from the environmental services

4. OUR IDENTITY

“ We are close to customers and the territories served. We interpret their needs and support their growth by offering quality services through integrated management of energy resources. We are 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
be a tangible point of reference, build trust and care for our customers and our people



Development
be agile and flexible, for the continuous improvement of ourselves and the Group



Teamwork
be a united and cohesive group, working together to achieve common objectives



Innovation
to be pursued with responsibility to build the future while respecting people, the environment and the society in which we live

Aware of the importance of designing a new cultural model for our Group, during the integration process, the “VOLT - Valori, Orizzonte, Leadership e Trasformazione” (values, vision, leadership and transformation) project was launched to understand what values inspire our new Group.

The point of view of the Group’s personnel on the system of values and principles that we believe must inspire our daily behaviour to build a new corporate DNA has been incorporated through workshops, targeted focus groups and questionnaires.

The Group believes that, while conducting its business, it is fundamental to carry out actions that are in line with the declared intentions and corporate values and rules. It also considers it important to maintain the commitments undertaken, seeking solutions to solve problems, communicate and act 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.

Being a Group means respecting others, their ideas and their identities, and being able to enhance the diversity of each person. Diversity creates value.

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.

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 have a positive ethical value and which the Group is inspired by when conducting its business.

The ethical principles adopted by the Group are listed below:

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

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





The Code of Ethics is published on the website agsmait.it, distributed throughout the AGSM AIM Group and promoted through specific company training.

The consolidated objective to be pursued by the Group from 2021 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."*





Objectives, strategies and measures envisaged in the **2021-2024 Business and Strategic Plan**, approved at the Board of Directors meeting held on 12 March 2021, are based on sustainability, chosen as a pillar of the Group's growth strategy by 2024.



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
-  **continuous improvement of the commercial offer** with the expansion of smart and innovative services
-  **investments in the digitisation of gas and electricity networks**
-  **increasing energy customers by 2024**

The identified strategic approaches are

-  **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 networks**
digitisation of electricity and gas networks in order to improve operating 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

5. THE PATH TO SUSTAINABILITY

The **Sustainable Development Goals of the 2030 Agenda** and the extraordinary challenges arising from energy transition have heightened the awareness of sustainable development, which also 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. Indeed, sustainability is the guiding star for our Group’s future development which, in its 2024 Business Plan, envisages most of the Euro 600 million in investments being allocated to sustainable projects.

“ It is a project that daily imposes new visions, because we are aware that the road ahead of us is still long. ”



Wind plant in Rivoli (VR)

The Group is aware that sustainability is not a precise objective but a process, called “**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.

In order to ensure that the Group’s strategy is closely related to the expectations of the numerous stakeholders, it is therefore necessary to undertake a process of mutual dialogue, listening and discussion.

The tool for launching this process is the Materiality Analysis carried out, where materiality is understood to mean the importance and relevance of an issue for the organisation and its stakeholders. The Materiality Analysis makes it possible to identify the priority issues for stakeholders, comparing them with the Group’s priorities and development strategy, also in order to identify any improvement actions. The result of this analysis supports the definition of the sustainable development goals and the issues for the preparation of the Sustainability Report.

» **LAVIA** »
VERSO LA SOSTENIBILITÀ

6. MATERIALITY ANALYSIS

During the year, the AGSM AIM Group performed the **Materiality Analysis** by comparing the **importance given by the Group and the stakeholders** to the activities carried on and the material **aspects** reported on in this Sustainability Report.

The analysis was conducted by defining two different time perspectives:

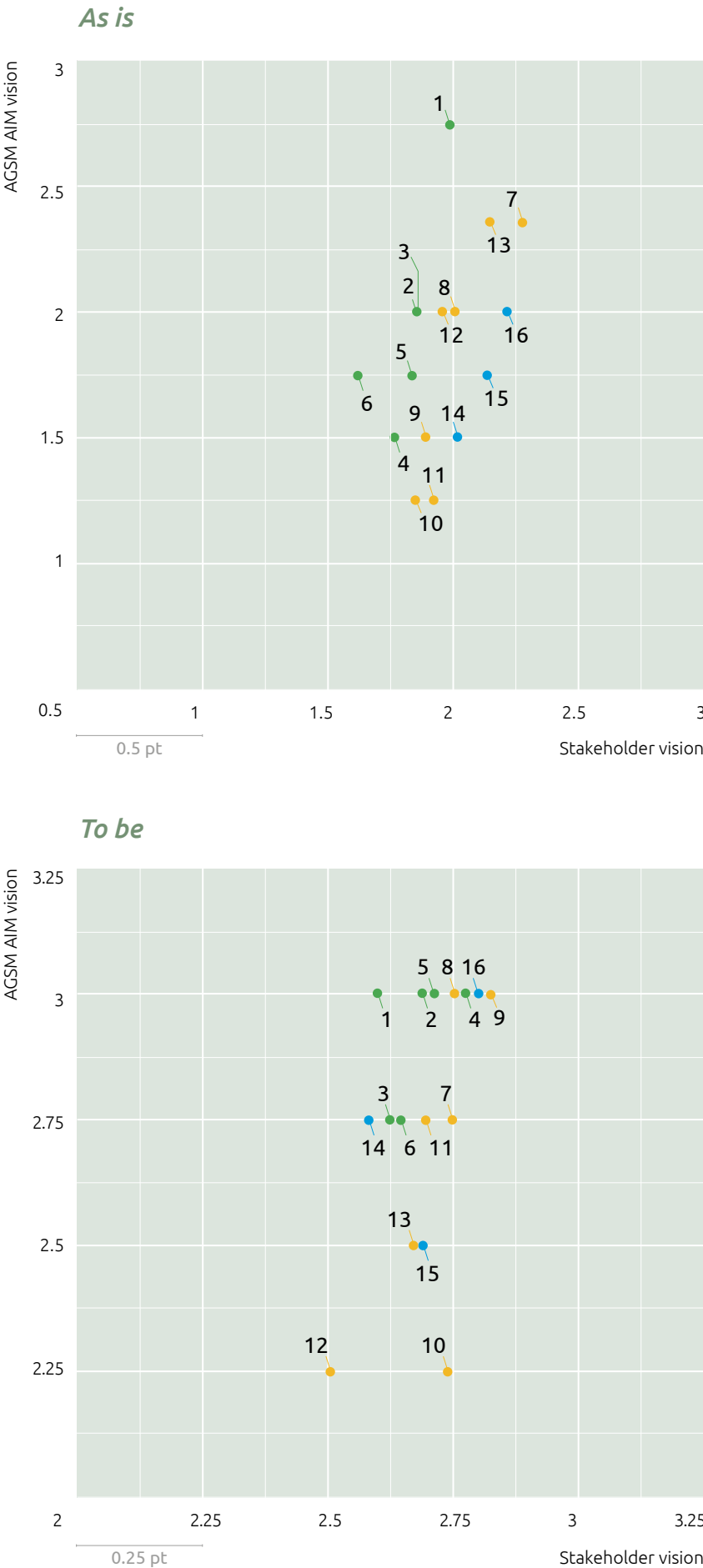
- the first asked stakeholders questions regarding the current assessment of the Group (as is),
- the second defined questions on the Group's future prospects (to be).

As highlighted in the methodological note, the materiality analysis process is based on the methodological references provided by the GRI

Standards (101 Foundation) and Communication 2017/C 215/01 from the European Commission ("Guidelines on non-financial reporting").

By launching an online survey, the main stakeholders were involved — including customers, banks, suppliers, shareholders and employees — for a total of more than 3,000 questionnaires received. At the end of the indicated listening activities, the aspects were also weighted according to the criteria of dependence and influence.

Bringing together the results of the two criteria mentioned above, and considering the overall interpretation of the business model and business strategies, the 2021 Materiality Matrix is represented below.



LEGEND

Environmental

- 1 Use of renewable sources
- 2 Containment of emissions
- 3 Protection of the territory
- 4 Energy efficiency
- 5 Circular economy
- 6 Electric mobility

Social

- 7 Occupational health and safety
- 8 Protection of the customer
- 9 Optimisation of human capital, equal opportunities and corporate welfare
- 10 Sustainability and security in the supply chain
- 11 Resilience and adaptation to innovation
- 12 Development of initiatives and creation of value for the territory
- 13 Emergency management

Governance

- 14 Economic and financial performance
- 15 Integrity and transparency in business development
- 16 Ethics and fight against corruption

7. THE STAKEHOLDERS

Attention to stakeholders is fundamental; 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 stakeholders of the AGSM AIM Group are highly interconnected.

The only shareholders are the Municipalities in which the Group operates, Vicenza and Verona, which are both Customers and Users, together with other institutions. Their territory becomes the vector for Citizens and the Community to which Customers, workers, suppliers and the main lenders belong.

This is a map of relationships where multiple threads intersect and connect the various stakeholders to the Group and vice versa, in an intersection of relationships and interests.

One of the Group’s main objectives is to listen to and understand 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 increasingly open and transparent, with a view to integrating this with its strategic choices.

The Sustainability Report provides an accurate report on the results achieved and improvement objectives to be pursued in the economic, social and environmental fields.

7.1 Stakeholder mapping

When defining the mapping of the stakeholders, every category of the Group’s main stakeholders was analysed and the most significant impacts of each of them in the engagement activity were assessed.

During 2021, the Group did not opt to use the various engagement tools, workshops or meetings, due to the current corporate integration process that is leading the structure to be constantly committed on various fronts and therefore not ready for an interactive and direct discussion with stakeholders.

Below is a summary of our stakeholders by category.








STAKEHOLDERS	CATEGORIES	KEY TOPICS	IMPACTS AND RELATIONS
People 	Temporary and permanent employees. Trade union representatives.	Stability, working environment, training, remuneration, incentives, skills enhancement, welfare, work/life balance, equal opportunities, occupational health and safety, internal communication, diversity and inclusion.	Safety in training, involvement of people, focus on diversity and inclusion, well-being of people and organisational well-being, focus on occupational safety.
Customers 	Domestic and business customers, Public Administration, consumer associations.	Service quality, rates, transparency, security, reliability of the service, communication, information, innovative services, transparent communication, credit management.	Meeting customer needs, up-to-date interaction systems, constantly evolving digital technology, customer satisfaction.
Shareholders 	Shareholders: Municipalities of Vicenza and Verona.	Dividends, history, protection, relations.	Transparent and continuous relationship, updates on operating performance.
Lenders and Investors 	Credit institutions and investment funds.	Continuity of the relationship, capital, economic and financial solidity and transparent communication.	Taking advantage of the best contractual conditions, diversifying sources, and ensuring that the investment in the company is safe.
Suppliers 	Suppliers of goods and services.	Continuity of the relationship, selection and qualification process, quality and security, payment terms, supply chain management, transparent communication, contractual conditions.	Contract management, CAMs (Minimum Environmental Criteria), green procurement.
Authorities and Institutions 	Local authorities, governments, regulatory authorities and bodies.	Transparent communication, compliance with the law, compliance, integrity and fairness in relations.	Provision of regulated public services. Inspections and Penalties.
Community and territory 	Local and trade associations, media, citizens.	Area of representation, investments and support for initiatives, transparent communication, social responsibility, attention to the territory, smart cities, dialogue and involvement, and value creation for the territory.	Smart city approach, innovation projects, technological developments in services, collaborations, active sponsorships.

Table 1 – Stakeholder Mapping

8. THE GOVERNANCE SYSTEM

MATERIAL ISSUES

Integrity and transparency in business development
Ethics and fight against corruption



The Group’s system of corporate governance is designed to create economic, social and environmental value for the Shareholders and for the local community over the medium/long term, in the knowledge of the social importance of the fields in which it operates, and in view of the need to take account of all interests affected by the Group’s business.

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.

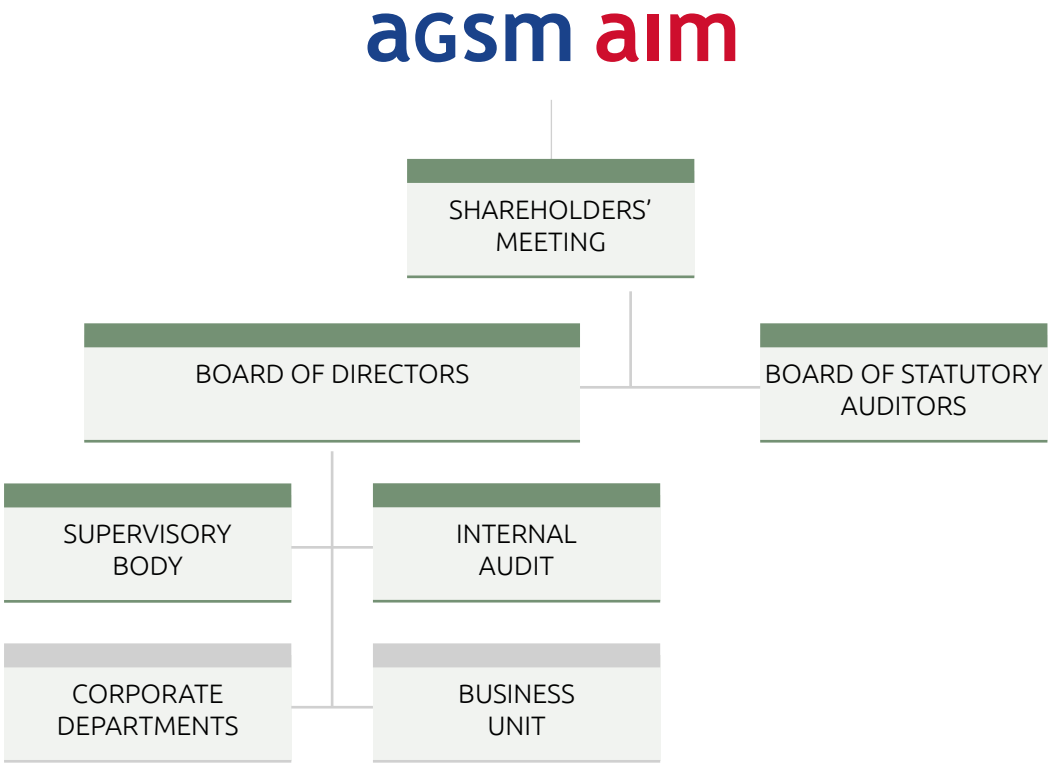
The organisational model of the AGSM AIM Group consists of a comprehensive system of delegated powers and powers of attorney in relation to the acts and transactions concerning the individual corporate Departments.

The Group’s operating companies, in concert with the Parent Company, manage the “technical-specialist” aspects of the managed services - gas, electricity, district heating, environmental health, parking, public lighting and telecommunications - 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 Group companies. In particular, in addition to activities directly related to the production of electricity, AGSM AIM S.p.A. is responsible, including but not limited to, for administrative and financial activities, the management of human resources, legal and corporate affairs, compliance and quality, safety and environment, management of owned assets, as well as planning and development activities.

8.1 Organisational structure

The AGSM AIM Group has a traditional management and control system, which consists of the following corporate bodies:



The statutory audit is entrusted, in accordance with the relevant regulations, to a leading audit firm appointed by the Shareholders’ Meeting.

In accordance with the Articles of Association, the Board of Directors of the Parent Company appointed a Chief Executive Officer, who was entrusted with the management of the Company, while decisions on certain matters are reserved to the Board of Directors.

The duties and operating procedures of the corporate bodies and committees are governed by law, the Articles of Association and the resolutions passed by the competent bodies.

Within the Board of Directors of the Parent Company, an **Executive Committee** is established, 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.

8.1.1 THE 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.

At the Group’s subsidiaries, a series of Shareholders’ Meetings were planned and held in 2021 to implement the integration project, which will continue in 2022.

Company	No. of Meetings in 2021	Company	No. of Meetings in 2021
AGSM AIM S.p.A.	2	Parco Eolico Riparbella S.r.l.	2
AGSM Energia S.p.A.	4	S.I.T. S.p.A.	3
AGSM Lighting S.r.l.	5	Ser.I.T. S.r.l.	1
AIM Energy S.p.A.	3	Servizi a Rete S.r.l.	3
AIM Mobilità S.r.l.	3	Sigma S.r.l.	3
AMIA Verona S.p.A.	2	Società Intercomunale Ambiente S.r.l.	2
Astra Solar S.r.l.	3	Sphere Energy 1 S.r.l.	3
CogasPiù Energie S.r.l.	2	Sphere Energy 2 S.r.l.	3
Consorzio Canale Industriale G, Camuzzoni di Verona S.c.a.r.l.	1	Transeco S.r.l.	2
Diesse Energia S.r.l.	3	TRE V Ambiente S.r.l.	1
EcoEnergia Vomano S.r.l.	3	TS Energia Due S.r.l.	3
EN,IN,ESCO S.r.l.	4	Valore Ambiente S.r.l.	1
Megareti S.p.A.	5	Vinci Energia S.r.l.	3
Parco Eolico Carpinaccio S.r.l.	2	2V Energy S.r.l.	2

Table 2 – Shareholders’ Meetings of the AGSM AIM Group



8.1.2 MANAGEMENT BODY

The Management Body (Board of Directors/Sole Director) plays a central role, since it is the body responsible for all the strategic and organisational choices that are necessary to achieve the corporate purpose.

Pursuant to the Articles of Association, 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.

The following table shows the appointments of Directors, of which **23.44%** are **women**.

AGSM AIM GROUP COMPANIES	BOARD OF DIRECTORS/SOLE DIRECTOR	TERM OF OFFICE
AGSM AIM S.p.A.	Chairperson: Stefano Casali Chief Executive Officer: Stefano Quaglino Vice Chairperson: Gianfranco Vivian Director: Francesca Vanzo Director: Anna Massaro Director: Fabio Sebastiano	from 28.01.2021 until approval of the 2023 financial statements
AGSM Energia S.p.A.	Chairperson: Mario Faccioli Vice Chairperson: Aldo Vangi Director: Giustina Rubina Director: Alice Braga Director: Gilberto Visentini	from 12.09.2018 until approval of the 2020 financial statements*
AGSM Lighting S.r.l.	Chairperson: Alberto Todeschini	from 27.02.2019 to 31.12.2021
	Vice Chairperson: Martina Rigo Director: Luca Corocher	from 27.04.2018 until approval of the 2020 financial statements*
AIM Energy S.p.A.	Sole Director - Fausto Costenaro	from 27.02.2019 until approval of the 2021 financial statements
AIM Mobilità S.r.l.	Sole Director - Francesco Omassi	from 27.02.2019 until approval of the 2021 financial statements
AMIA Verona S.p.A.	Chairperson: Bruno Tacchella Vice Chairperson: Alberto Padovani Director: Roberto Bertolo Director: Daniela Allegrini Director: Chiara Galli	from 12.09.2018 until approval of the 2020 financial statements*
Astra Solar S.r.l.	Sole Director - Renato Roncari	appointed by deed of 28.12.2020 – open-ended
CogasPiù Energie S.r.l.	Chairperson: Luca Sandonà	from 31.08.2020 until approval of the 2020 financial statements*
	Director: Barbara Biondani	from 26.02.2020 until approval of the 2020 financial statements*
	Director: Alba Dalla Lana	from 20.12.2018 until approval of the 2020 financial statements*

AGSM AIM GROUP COMPANIES	BOARD OF DIRECTORS/SOLE DIRECTOR	TERM OF OFFICE
Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.	Chairperson: Renzo Panozzo Vice Chairperson: Vittorino Sfligiotti Director: Vittorino Formenti	from 07.10.2019 until approval of the 2021 financial statements
Diesse Energia S.r.l.	Sole Director – Renato Roncari	appointed by deed of 28.12.2020 – open-ended
EcoEnergia Vomano S.r.l.	Sole Director – Renato Roncari	appointed by deed of 28.12.2020 – open-ended
En.In.Esco S.r.l.	Sole Director – Renato Roncari	from 30.06.2019 until approval of the 2021 financial statements
Megareti S.p.A.	Chairperson: Alessandro Montagna Vice Chairperson: Fabio Montoli Director: Barbara Bianchi	from 12.09.2018 until approval of the 2020 financial statements*
Parco Eolico Carpinaccio S.r.l.	Chairperson: Stefano Quaglino Chief Executive Officer: Rahimian Alì Chief Executive Officer: Marco Giusti Director: Andersen Knud Erik Director: Daniela Ambrosi	from 30.04.2021 until approval of the 2023 financial statements
Parco Eolico Riparbella S.r.l.	Chairperson: Stefano Quaglino Chief Executive Officer: Rahimian Alì Chief Executive Officer: Marco Giusti Director: Andersen Knud Erik Director: Daniela Ambrosi	from 30.04.2021 until approval of the 2023 financial statements
S.I.T. S.p.A.	Sole Director – Gaetano Stella	from 27.02.2019 until approval of the 2021 financial statements
Ser.I.T. S.r.l.	Chairperson: Massimo Mariotti Director: Laura Nascimbeni Director: Roberta Ruffo Director: Leonardo Pellegrini Cipolla Director: Paolo Formaggioni	from 07.08.2018 until approval of the 2020 financial statements*
Servizi a Rete S.r.l.	Sole Director – Giampaolo Dalla Via	from 29.03.2019 until approval of the 2021 financial statements

AGSM AIM GROUP COMPANIES	BOARD OF DIRECTORS/SOLE DIRECTOR	TERM OF OFFICE
Sigma S.r.l.	Sole Director – Renato Roncari	appointed by deed of 28.12.2020 – open-ended
Società Intercomunale Ambiente S.r.l.	Chairperson: Andrea Treu Director: Ruggero Casolin Director: Antonella Barcaro	from 29.10.2019 until approval of the 2021 financial statements
Sphere Energy 1 S.r.l.	Sole Director – Renato Roncari	appointed by deed of 28.12.2020 – open-ended
Sphere Energy 2 S.r.l.	Sole Director – Renato Roncari	appointed by deed of 28.12.2020 – open-ended
Transecò S.r.l.	Sole Director – Giuseppe Diego Meglioranzi	from 21.08.2018 until approval of the 2020 financial statements*
	Representative – Luca Salgaro	appointed by deed of 24.05.2019
TRE V Ambiente S.r.l.	Sole Director – Giovan Battista Landra	from 07.12.2020 until approval of the 2022 financial statements
TS Energia Due S.r.l.	Sole Director – Renato Roncari	appointed by deed of 28.12.2020 – open-ended
Valore Ambiente S.r.l.	Sole Director – Mariano Farina	from 29.03.2019 until approval of the 2021 financial statements
Vinci Energia S.r.l.	Sole Director – Renato Roncari	appointed by deed of 28.12.2020 – open-ended
2V Energy S.r.l.	Sole Director – Mirco Caliarì	from 28.08.2019 until approval of the 2021 financial statements

* Extended until the appointment of the new management bodies

Table 3 – Group management bodies

8.1.3 THE BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors 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 Company is adequate and works properly.

All the companies listed in the following table have a Board of Statutory Auditors composed of five standing statutory auditors, three of whom are regular auditors and the other two are alternate statutory auditors. The statutory auditors remain in office for three financial years.

Company	No. of Meetings in 2021
2V Energy S.r.l.	6
AGSM AIM S.p.A.	12
AGSM Energia S.p.A.	8
AIM Energy S.p.A.	5
AIM Mobilità S.r.l.	5
AMIA Verona S.p.A.	11
CogasPiù Energia S.r.l.	5
Consorzio Canale Industriale G. Camuzzoni di Verona S.c.a.r.l.	4
Megareti S.p.A.	6
S.I.T. S.p.A.	5
Ser.I.T. S.r.l.	6
Servizi a Rete S.r.l.	5
Società Intercomunale Ambiente S.r.l.	4
Valore Ambiente S.r.l.	6

Table 4 – Meetings of control bodies

8.2 The Internal Control and Risk Management System

Following the establishment of the new AGSM AIM Group, the Parent Company decided to define and adopt 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:

- the **first line** of defence is represented by the Business Units (BU) and the operational functions supporting the organisation. The representatives of the 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 in order 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);
- the **third line** of defence is 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 (ERM) 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 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 Risk Management function is assigned the following responsibilities:

- provide high-level support to disseminating the risk culture;
- define integrated risk measurement methods, in order to provide an overview of risks, uniform assessments and accurate measurement and constant monitoring of risks;
- ensure the correct application of the enterprise risk management methods;
- constantly discuss with the first level Managers and the heads of the BU in order to ensure adequate risk control and monitoring activities carried out by them;
- produce periodic reports on the risk management process to the bodies responsible for the SCI-GR.

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

The Compliance function is responsible for identifying, assessing and classifying compliance risks and the related controls through assessment activities.

A summary table that identifies the sources to monitor risk management in the various areas is available below.

SCOPE OF DECREE 254/2016	RISKS	DESCRIPTION OF THE RISK	RISK MANAGEMENT TOOLS/ METHODS (CONTROLS ADOPTED)
Environmental	Inadequate management of generated waste, temporarily stored in dedicated areas at production sites, transferred to third parties for transport, disposal or recovery.	The risk refers to the following types of waste: solid, hazardous and waste water. 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 company's business activities in full compliance with the regulatory framework (national and local obligations and regulations) and to protect all the stakeholders concerned.	Code of Ethics; ISO 14001; Internal audits for compliance with environmental legislation; internal procedure PO.0120.
Environmental	Ineffective containment of greenhouse gas emissions.	Some of the Group's production activities emit large quantities of greenhouse gases (GHG). The adequacy of the operating and control procedures is key to avoiding the production of greater quantities of GHG than those defined, i.e. that can be produced by the existing plants (e.g.: deterioration of the plants/equipment, malfunction of controls, increased leaks due to ineffective maintenance, etc.) — odourisation; gas leaks in the network; emission of radon; emission of hydrogen sulphide.	Code of Ethics; ISO 14001; ISO 9001.

SCOPE OF DECREE 254/2016	RISKS	DESCRIPTION OF THE RISK	RISK MANAGEMENT TOOLS/ METHODS (CONTROLS ADOPTED)
Environmental	Contamination of soil, subsoil and water.	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.	Code of Ethics; ISO 14001; ISO 9001; Internal audits for compliance with environmental legislation; Anti-discharge KIT; Environmental emergency plan; Tests on wastewater and yard rain-wash.
Environmental	Potential exceeding of regulatory limits on emissions of pollutants into the atmosphere.	The Group's generation companies 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 as required by integrated environmental authorisations). The risk of exceeding these limits is monitored through preventive or detective control systems. The causes may be the deterioration of the systems/ equipment, the malfunction of controls, use of a different fuel mix, etc..	Code of Ethics; ISO 14001; ISO 9001; Internal audits for compliance with environmental legislation; Anti-discharge KIT; Environmental emergency plan; Exhaust fumes monitoring.
Environmental	Excessive or anomalous water consumption.	The risk of excess or anomalous water consumption is typically linked to inadequate infrastructure (leaks due to the low integrity of the assets) or production processes (waste). The risk is identified in order to respect the environment (scarce resource) and avoid an increase in costs.	Code of Ethics; ISO 14001; ISO 9001; Internal audits for compliance with environmental legislation.
Environmental	Excessive use of energy.	The risk is linked to achieving energy consumption containment targets. The operating structure of the assets and their maintenance represent the key aspects to be checked and monitored. The effect on business activities concerns economic (increase in operating costs), environmental (lower GHG and pollutant emissions) and reputational aspects (stakeholders and territory).	Code of Ethics; ISO 14001; ISO 9001.

SCOPE OF DECREE 254/2016	RISKS	DESCRIPTION OF THE RISK	RISK MANAGEMENT TOOLS/ METHODS (CONTROLS ADOPTED)
Social	Health and safety risk for employees, suppliers, users and citizens.	The risk is mainly due to breakdowns and malfunctions (internal factors) and natural/ weather events that may have a negative impact on the integrity of the assets (e.g. generating gas leaks, collapses of overhead distribution lines, etc.). Asset management (routine and extraordinary maintenance) is fundamental.	Code of Ethics; ISO 14001; ISO 9001 (Operating procedures for asset management and maintenance); ISO 45001; Health insurance policies; Model under Legislative Decree 231/2001; Monitoring work-related stress (INAIL).
Social	Inadequate management of information systems and cybersecurity.	There is a dual risk; it concerns both the protection of personal data, in line with the regulatory provisions on privacy - GDPR, and the protection of business activities from cyber attacks (e.g. theft of sensitive data or sabotage with ransom demands).	Code of Ethics; ISO 9001; Cyber risk procedure; Regulations to use the company IT system (ODS 5/2015).
Personnel	Loss of key competences .	The risk refers to the failed or inadequate recruitment, development and management of personnel, including the issue of generational change, a cause of depletion of company skills.	Code of Ethics; Regulations on staff recruitment criteria and methods; ISO 9001.
Fight against corruption	Inadequate negotiation, signing and performance of contracts for the sale of goods and services to private individuals.	Risk linked to the unsuitable assignment of works, services and supplies. The Group has put in place models and procedures capable of constantly monitoring this risk through clear: <ul style="list-style-type: none"> definition of the subject of the assignment; identification of the method to choose the contracting party; identification of qualification requirements; assessment of bids; check of any anomalies in the bids; identification of award requirements; preparation of tender documents (invitation to tender, specification of tender, technical specifications, contract) appointment of the person in charge of the procedure revocation of the invitation to tender; 	Code of Ethics; Model 231; Three-Year Corruption Prevention Plan; Code of Governance; Regulations on expenditure on a time and materials basis; Public Procurement Code; Procedure for assigning works to companies or self-employed workers; Procedure for managing gas and electricity procurement.

SCOPE OF DECREE 254/2016	RISKS	DESCRIPTION OF THE RISK	RISK MANAGEMENT TOOLS/ METHODS (CONTROLS ADOPTED)
		<ul style="list-style-type: none"> management and performance of the contract; reporting of the contract; management of variants and reservations during the works; testing; management of disputes; communications and relations with the Authority. 	
Human rights	Violation of human rights.	<p>Risk linked to the company's inability to guarantee the fundamental aspects of human rights, such as:</p> <ul style="list-style-type: none"> ensure adequate working conditions for people, avoiding cases of forced or child labour; ensure a healthy and safe working environment; avoid discrimination and ensure people's privacy; ensure freedom of association and remuneration through collective bargaining; train employees. 	Code of Ethics; Model under Legislative Decree 231/2001; ISO 45001; ISO 9001.

Table 5 – Risk management

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	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
agsm aim	20/04/2024 – Verona area 02/08/2023 – Vicenza area	30/03/2022	09/06/2022
agsm ENERGIA	27/05/2022	-	-
agsm LIGHTING	19/04/2024	30/03/2022	05/04/2022
aim	02/08/2023	-	-
aim	02/08/2023	-	-
amia	21/12/2023	21/12/2023	29/05/2023
megareti	21/04/2024	02/03/2023	09/05/2022
Sit	10/07/2024	23/07/2024	31/12/2023
serit	23/08/2024	27/11/2024	09/06/2022
SAR	02/08/2023	-	-
sia	02/08/2023	-	05/12/2024
transeco	12/09/2024	12/09/2024	-
aim	-	10/07/2023	-
TREVI ambiente	02/08/2023	19/07/2023	-

Table 6 – ISO certifications of the AGSM AIM Group

AGSM AIM S.p.A. also obtained **F-GAS certification** (expiring on 19 October 2023) with regard to 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 AGSM AIM Group 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 Lighting S.r.l.	Consolidated Act on Tender Procedures	SOA-certificate 5518/57/01	07/03/2019	06/03/20224	OG10	II
Servizi a Rete S.r.l.	Consolidated Act on Tender Procedures	SOA-certificate 15254AL/16/00	07/04/2021	06/04/2026	OG6, OG10	IV bis, III bis
Società Igiene Territorio S.p.A.	Consolidated Act on Tender Procedures	SOA-certificate 20494/16/00	20/11/2018	19/11/2023	OG9-OS14	III bis-IV

Table 7 – AGSM AIM Group SOA Certificates

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

In order to comply with the provisions of Legislative Decree no. 231 of 8 June 2001 and to facilitate compliance with the principles of fairness and ethics in carrying out its business, the Parent Company AGSM AIM S.p.A. and the following subsidiaries adopted their Organisation, Management and Control Model (hereinafter also “Model 231”):

- AGSM Energia S.p.A.;
- AGSM Lighting S.r.l.;
- AIM Energy S.r.l.;
- AIM Mobilità S.r.l.;
- AMIA Verona S.p.A.;
- CogasPiù Energie S.r.l.;
- Consorzio Canale Industriale G, Camuzzoni S.c.a.r.l.;
- Megareti S.p.A.;
- Ser,I,T S.r.l.;
- Servizi a Rete S.r.l.;
- SIT S.p.A.;

- Società Intercomunale Ambiente S.r.l.;
- Transeco S.r.l.;
- Valore Ambiente S.r.l.,

Pursuant to Legislative Decree 231/2001, Model 231 constitutes a criminal defence against any offences, as set out in Decree 231, committed or attempted by persons in a senior position and by persons under their management or their supervision, from which the company may incur administrative liability pursuant to the above-mentioned legislation.

Therefore, Model 231 aims to represent the set of operational rules and rules of conduct aimed at preventing offences under Legislative Decree 231, which could arise from the poor and incorrect performance of the company's activities.

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 in the company.

The adoption of Model 231 has also led to an improvement in the effectiveness and transparency of the Group's operations, preventing lack of transparent information, possible corruption and improper use of the business structure for illegal purposes.

The Parent Company AGSM AIM S.p.A. and the aforementioned companies have appointed their Supervisory Body with the task of supervising the effectiveness and proper functioning of Model 231, through the continuous monitoring of corporate conduct, as well as continuous updating of the functioning of the Model, with subsequent periodic updates based on the needs arising from legislative measures or from company developments.

In order to facilitate the performance of supervisory and control activities, an e-mail address was set up for each Supervisory Body to submit any reports or requests for clarification.

8.4 Anti-corruption policy

Following the extraordinary merger, effective from 1 January 2021, the Parent Company AGSM AIM S.p.A., as a result of the issue of financial instruments by the former company AIM Vicenza S.p.A., obtained the status of “listed company” and is therefore subject to the disclosure rules applicable to the issuers of financial instruments.

In consideration of this status, in-depth analyses were performed to establish whether the AGSM AIM Group is subject to the provisions on the prevention of corruption (Law 190/2012) and administrative transparency (Legislative Decree 33/2013). The in-depth analyses revealed that AGSM AIM S.p.A., as a “listed company”, is not subject to the obligations imposed by anti-corruption and administrative transparency legislation.

However, considering that the fight against corruption is a fundamental value in the pursuit of its business activity, AGSM AIM has adopted a Group Anti-Corruption Policy on a voluntary basis that, in coordination with the Organisation, Management and Control Model adopted pursuant to Legislative Decree no. 231 of 2001 and the 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 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.

To monitor the anti-corruption system, the Compliance Function is assigned the following tasks:

- oversee the design and implementation of the corruption prevention system;
- provide advice and guidance to employees on the corruption prevention system and corruption issues;
- report on the functioning of the corruption prevention system to the Board of Directors.

The provisions of the Anti-Corruption Policy are binding for the conduct of all those involved in the AGSM AIM business organisation.

All Recipients of the Policy are responsible, each within their purview, for compliance with the Policy.

The heads of function 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 reports or requests for clarification, AGSM AIM has set up the following communication channels:

- ordinary post: to the attention of the Funzione Compliance – Lungadige Galtarossa 8, 3733 Verona (VR);
- e-mail: e-mail address compliance@AGSMAIM.it.

8.5 Whistleblowing

The communication channels existing within the Group, with reference to the Anti-Corruption Policy, and within the individual companies with regard to Model 231, were set up in compliance with Law no. 179 of 30 November 2017 on whistleblowing that governs the protection of whistleblowers reporting offences or irregularities.

Pursuant to Law 179/2017, whistleblowers are protected against any form of retaliation, discrimination, penalisation or any negative consequences arising from the report itself.

The confidentiality of the whistleblower's identity is ensured in all cases, without prejudice to legal obligations and the protection of the rights of the company or the persons accused, in the cases of wilful misconduct or gross negligence. In this regard, the AGSM AIM Group ensures that the report cannot be accessed by the reported person or third parties who have not been identified by the organisation as recipients of the report or as persons in charge of the subsequent investigation into the facts reported.

During 2021, **no reports were received with regard to potential offences, crimes or irregular conduct**, committed in violation of the Code of Ethics, the Anti-Corruption Policy and Models 231 adopted by Group companies.

8.6 Protection of personal data

In line with the provisions of the General Data Protection Regulation ("Regulation (EU) 2016/679" or "GDPR"), the AGSM AIM Group has adopted its privacy governance system in order to protect the privacy of all the natural persons with whom it interacts.

The privacy governance system, implemented in 2021 following the extraordinary merger, requires, *inter alia*, the fulfilment of the following obligations:

- 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);
- the 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 records of processing activities pursuant to Article 30 of the GDPR.

The Group also paid particular attention to the training and awareness of company resources. During 2021, specific training courses on the protection of personal data (GDPR) and Cybersecurity were provided through the e-learning platform.

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, and no penalties were imposed on this regard.

During 2021, the AGSM Group received **18 requests to exercise the rights** from data subjects pursuant to Articles 15-22 of the GDPR (access to data, exercise of the right to be forgotten, etc.).

9. CREATING VALUE FOR STAKEHOLDERS

The Group organises its business activities in order to achieve sustainable success to benefit its Stakeholders.

During 2021, the AGSM AIM Group generated a high Added Value, in terms of economic wealth, of approximately Euro 223.1 million, which was partly reinvested for Euro 26 million and partly distributed among its stakeholders for the remaining Euro 197.1 million, broken down as shown in the table below.

The amount of Added Value distributed to **Personnel** is equal to **57.02%** and consists of wages and salaries, for both employees and collaborators; **12.56%** was distributed to the **Public Administration** through the payment of direct and indirect taxes; **2.37%** to **Lenders** through financial expenses paid to credit institutions; **14.79%** to the **Shareholders** in the form of dividends and reserves; for the **Group's capitalisation**, **12.35%** was allocated and, finally, **0.91%** was disbursed to the **Local Community and Territory**, mainly through contributions to social, cultural and sporting initiatives and to consumption and environmental education.

Considering that 96.24% of AGSM AIM Group employees live in the Municipality of Vicenza and in the Municipality of Verona or in other municipalities in the two provinces, more than Euro 105.5 million was distributed locally in the form of wages and salaries, which contribute significantly to the economic and social growth within the territory.



The added value distributed in 2021 is broken down as shown in the table below.

DISTRIBUTION OF ADDED VALUE	€/000	%
TOTAL ADDED VALUE GENERATED	210,493	100.00%
PERSONNEL (wages and salaries for employees and collaborators)	120,027	57.02%
PUBLIC ADMINISTRATION (direct and indirect taxes)	26,444	12.56%
LOCAL COMMUNITY AND TERRITORY (contributions to social, cultural and sporting initiatives and to consumption and environmental education)	1,904	0.91%
LENDERS (financial expenses paid to credit institutions)	4,995	2.37%
SHAREHOLDERS (dividends and reserves)	31,132	14.79%
GROUP CAPITALISATION (SHARE REINVESTED IN THE COMPANY ORGANISATION)	25,991	12.35%

Table 8 – Added value distributed in 2021 (in thousands of Euro)



10. EUROPEAN TAXONOMY FOR ENVIRONMENTALLY SUSTAINABLE ACTIVITIES

Since January 2022, organisations 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 revenue, capital expenditure (CapEx) and operating expenditure (OpEx) that qualify as environmentally sustainable in accordance with current European legislation. In particular, Regulation (EU) 2020/852 introduced the Taxonomy for environmentally sustainable economic activities into the European regulatory framework, which requires the classification of activities that can be considered sustainable according to their alignment with the environmental objectives of the European Union. With respect to the three sustainability pillars covered by the acronym "ESG" (Environmental, Social, Governance), the European Taxonomy currently focuses 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:

1. Climate change mitigation;
2. Climate change adaptation;
3. The sustainable use and protection of water and marine resources;
4. The transition to a circular economy;
5. Pollution prevention and control;
6. The protection and restoration of biodiversity and ecosystems.

The Taxonomy is a guide:



for businesses,

to assess their activities, define corporate policies with a view to greater environmental sustainability and report to stakeholders in a more complete and comparable manner;



for investors,

to integrate sustainability issues into investment policies and understand the environmental impact of the economic activities in which they invest or could invest;



for public institutions,

which can use the Taxonomy to define and improve their ecological transition policies.

A series of Delegated Acts, drawn up by the European Union with the advice of the Platform on Sustainable Finance (some of which have already been published while others will be published by the end of 2022), detail the technical criteria that enable the assessment of the conditions under which each economic activity provides a substantial contribution to at least one of the six identified environmental objectives, without causing significant damage to any of the other five (the "Do No Significant Harm - DNSH" clause), in full compliance with minimum safeguards (Article 18 of Regulation EU 2020/852).

The Taxonomy is a guide:

- for companies, to assess their activities, define corporate policies with a view to greater environmental sustainability and report to stakeholders in a more complete and comparable manner;
- for investors, to integrate sustainability issues into investment policies and understand the environmental impact of the economic activities in which they invest or could invest;
- for public institutions, which can use the Taxonomy to define and improve their ecological transition policies.

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) will be 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:

- share of revenue from products or services associated with economic activities aligned with the Taxonomy;
- share of capital expenditure (CapEx);
- share of operating expenditure (OpEx) related to assets or processes associated with economic activities aligned with the Taxonomy.

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 in 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.

10.1 The business of the AGSM AIM Group

AGSM AIM S.p.A., a new wholly publicly owned company, was established to play a leading role in the multi-utility sector, as an aggregating hub, especially in the North-East of Italy. The achievement of a more significant critical mass will allow AGSM AIM to make significant investments with direct benefits for the local areas and better quality of the service offered. AGSM AIM will be called upon to respond effectively to the challenges faced by the public utility service sector.

10.1.1 PRODUCTION OF ELECTRICITY FROM RENEWABLE SOURCES

10.1.1.1 Production and management of hydroelectric energy

Within the AGSM AIM Group, the production and management of hydroelectric power, as a sustainable and renewable energy source, is entrusted to the Parent Company AGSM AIM S.p.A. and two other investees, Consorzio Canale Industriale G. Camuzzoni di Verona Scarl and EN.IN. ESCO S.r.l.

The companies manage the production of electricity from renewable water sources thanks to 7 different hydroelectric power plants: run-of-the-river or basin. The hydroelectric plants are located in different areas, in Vicenza, Verona and Trento, along the main water courses.

The Parent Company, which manages and coordinates production, is certified according to the UNI ISO 9001:2015, UNI ISO 14001:2015 and UNI ISO 45001:2018 standards. The aforementioned companies produce electricity, which is then mostly sold to AGSM Energia S.p.A., which deals with its sale on the markets or to other parties (mainly consortia and GSE institutional operators).



Hydroelectric plant in Speccheri (TN)

10.1.1.2 Production of photovoltaic solar power

Solar power is one of the main sources of renewable electricity. The installation of photovoltaic plants, in addition to being an advantage for the environment, since sustainable non-polluting power is produced, which does not imply long-term damage to the ecosystem, also results in an economic benefit: a photovoltaic plant leads to considerable savings on consumption and reduces electricity-related costs by producing the power required independently.

There are many Group companies that manage the 62 photovoltaic plants, such as AGSM AIM S.p.A., Sigma S.r.l., Sphere Energy 1 S.r.l., Sphere Energy 2 S.r.l., TS Energia 2, Diesse Energia, Vinci Energia S.r.l., Astra Solar Energia, EcoEnergia Vomano S.r.l., AIM Energy S.r.l. and Società Igiene Territorio S.p.A. (S.I.T.).

The companies deal with the installation and maintenance of owned photovoltaic plants.

10.1.1.3 Production of wind power

Another source of production, in which the Group intends to continue to make major investments, is wind.

The Group companies that manage the production of electricity from wind power are AGSM AIM S.p.A., Parco Eolico Carpinaccio and Parco Eolico Riparbella, the latter 75% owned by the Parent Company.

There are 6 managed plants, located in Affi and Rivoli, in the province of Verona, Firenzuola in the province of Florence, Riparbella and Chianni in the province of Pisa and Monterenzio in the province of Bologna.

The companies deal with the installation and maintenance of the owned wind plants and the protection of the surrounding area, especially during the construction of the plants, for which specific monitoring was carried out before construction in order to assess the environmental impact and introduce measures to mitigate the impacts.

10.1.2 ELECTRICITY AND NATURAL GAS DISTRIBUTION

With regard to the distribution of electricity, the subsidiaries Megareti S.p.A. and Servizi a Rete S.r.l. manage the electricity network that connects Terna with end users, and also deal with the distribution of electricity in the three municipalities of Verona, Grezzana and Vicenza. The network is about 4,450 kilometres long (high, medium and low voltage), with over 8,395.20 GJ of distributed electricity.

They also manage the distribution of natural gas in 32 municipalities in the provinces of Vicenza, Verona, Padua and Mantua. In addition, the Parent Company AGSM AIM S.p.A. manages the natural gas distribution plant of the Municipality of Treviso. The total distribution network is about 3,160 km and mainly made of steel; the total volume of gas fed into the network is about 640 million Scm.

The companies' commitment is mainly aimed at ensuring the security of the supply and the maintenance of an efficient and modern network, in full and constant compliance with environmental requirements. Major investments are planned in the network in the coming years.

The plan to replace traditional meters with smart meters is under way by the two Group companies, in the municipalities managed for both electricity and gas distribution. These smart meters increase the efficiency and quality of the service offered to customers, allowing for more precise monitoring of energy consumption and laying the foundations to develop new technological solutions for home automation and energy saving. At the same time, the aforementioned companies invested to ensure the network's resilience and to increase the quality and continuity of the distribution service.

10.1.3 COGENERATION AND DISTRIBUTION OF THERMAL ENERGY

The AGSM AIM Group manages the production and distribution of thermal energy directly through the Parent Company, which deals with the construction, production, distribution and maintenance of the thermal energy network. The activity focuses on producing and transporting heat below 95°C.

The company operates 8 cogeneration plants connected to 6 distribution networks, located in Verona and Vicenza, for a total of around 184 km. The heat starts from the production plant and comes directly to the homes through an underground network of pipelines, generating a saving of several thousand tonnes on CO2 emissions. To produce thermal energy, AGSM AIM uses natural gas and, to a lesser extent, waste heat from the industrial processes of a local steel plant. The company distributes 1,010,719 GJ to the end customers of the two municipalities.

The power plants are certified or being certified according to the following standards: UNI ISO 9001:2015, UNI ISO 14001:2015 and UNI ISO 45001:2018.

10.1.4 SALES AND TRADING

There are three companies of the AGSM AIM Group that operate in the sale of natural gas pursuant to Legislative Decree no. 164/2000, the sale of electricity to users of the free market and the controlled price market, as well as the sale of thermal energy to end customers, namely AGSM Energia S.p.A., AIM Energy S.r.l. and CogasPiù Energie S.r.l.

AGSM Energia S.p.A., a company 95% owned by the Parent Company AGSM AIM S.p.A. and 5% by Morenica S.r.l., operates throughout the country with 107 sales agencies and 10 desks located mainly in the Verona area. It develops business relations with domestic, business, large and Public Administration customers, managing the entire commercial chain for electricity, gas, district heating and value-added services. Its procurement activity is mainly carried out through 2V Energy S.r.l., wholly owned by AGSM Energia S.p.A.

AIM Energy S.r.l., a company wholly owned by the Parent Company AGSM AIM S.p.A., operates throughout the country through 13 sales agencies and 2 desks located in Vicenza and Treviso. It

also develops business relations with domestic, business and large customers, managing the entire commercial chain for electricity, in the free and controlled price market, natural gas and district heating.

CogasPiù Energie S.r.l., 60% owned by AIM Energy S.r.l. and 40% by Cogas Più S.r.l., manages the sale of natural gas pursuant to Legislative Decree no. 164/2000 and electricity to free market customers. The company operates on the market through 24 sales agencies and 2 physical desks in the provinces of Ortona and Frosinone.

10.1.5 WASTE COLLECTION AND TREATMENT MANAGEMENT ACTIVITIES

There are seven Group companies that manage the collection and treatment of waste at the various processing sites.

AMIA Verona S.p.A. deals with collection in the area of Verona and in the municipalities of the Province, and transport, treatment, recovery, recycling and disposal of solid urban waste. It also performs cleaning and washing services in public areas, manages urban green areas and provides paid commercial services in urban areas. There are about 328,000 inhabitants in the 4 municipalities served — Verona, San Giovanni Lupatoto, Grezzana and Villafranca — where AMIA provides a complete waste collection, transport and management service. AMIA also manages the collection of glass in about 30 municipalities and the collection of some waste from the waste collection centres of Mozzecane, Bosco Chiesanuova and Cerro Veronese.

In the Verona area, AMIA manages a biological treatment plant at the Ca' del Bue site, where urban waste coming from the city of Verona is treated. The plant selects and sorts the waste sent to the site to then refine it.

Ser.I.T. S.r.l. collects and recovers solid urban waste in 60 municipalities in the Verona area; it operates in a plant located in Cavaion called also Centro Comprensoriale (CC, District Centre), being part of the COREPLA circuit, where the pre-cleaning of the plastic from sorted waste collection subsequently sent for selection is carried out through a sorting process. There are about 350,000 inhabitants in the 60 municipalities served.

Transecò S.r.l. manages a plant for the treatment of non-hazardous urban waste (mainly bulky waste, wood, paper) and of special non-hazardous waste. The company 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.

Valore Ambiente S.r.l., an investee based in the Vicenza area, operates a waste treatment and recovery platform and manages the collection, recovery and disposal of solid urban waste and the cleaning of public streets and pavements in the municipality of Vicenza. The municipality of Vicenza where Valore Ambiente operates covers a total area of 80.46 km² with a total of 111,005 inhabitants served.

Valore Ambiente is the owner of an operational landfill, managed by SIA S.r.l., located in the municipality of Grumolo delle Abbadesse (VI) where a system of recovery and exploitation of biogas produced by the stabilisation of stored waste is active which is used for the generation of electricity, thus allowing the exploitation of the resource and reducing the emission of these greenhouse gases into the atmosphere.

Società Intercomunale Ambiente S.r.l. (SIA), controlled by Consorzio Igiene Ambientale del Territorio, which brings together 45 municipalities in the Province of Vicenza, including the municipality of Vicenza itself, and an investee of Valore Ambiente, since 2011, has been managing the construction and operation of the landfill at Grumolo delle Abbadesse, operating since 1999. The landfill is engaged in the disposal of dry urban waste from high efficiency dry-wet sorted waste collection, and special non-hazardous waste coming from plants for the mechanical separation of urban waste, located in the province of Vicenza, within an integrated waste disposal management system organised in the provincial area. The landfill has a system for exploiting the biogas produced.

Società Igiene Territorio S.p.A. (SIT) operates in the urban health sector, which includes collecting and transporting urban waste, sweeping public spaces, other urban health services and ancillary services to local authorities and environmental management companies. The collection is carried out in support of the marketing activities of TREV Ambiente for special non-hazardous waste in the province, with recovery and disposal in third-party facilities. SIT also manages waste treatment, disposal and storage plants, in addition to the post-management phase for two landfills. The company, as part of a temporary association with Tecnologie Ambientali, operates a purification system at the Strillaie landfill in Grosseto. There are 171,843 inhabitants in the 5 municipalities served, where SIT carries out its business.

TREV 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;
- TREV Ambiente handles 575.87 tonnes of hazardous waste.

10.1.6 EXECUTION AND MANAGEMENT OF THE PUBLIC LIGHTING SERVICE

The activity is carried out in the Verona area by a Group company, AGSM Lighting S.r.l., and in the Vicenza area by Servizi a Rete S.r.l. in the Electricity Division.

The activity carried out includes the execution and management of the public lighting service with the construction of new systems and new lighting networks as well as all of the connected,

ancillary and related activities, including remote control and transmission of system completion data.

The service is provided to 28 municipalities with a network of over 1,050 km, in which more than 71 thousand lighting points are managed, 84.39% of which with energy-saving lighting fixtures, leading to a significant reduction in CO₂ emissions.

10.1.7 TELECOMMUNICATIONS NETWORK MANAGEMENT AND DATA DISCLOSURE

The telecommunications service of the AGSM AIM Group is offered in the Verona area by AGSM Lighting S.r.l., a Group company, and in the Vicenza area by Servizi a Rete S.r.l., which design, install and manage telecommunications infrastructure that exploits the capillarity of subsoil to achieve high coverage in the municipalities of Verona and Vicenza.

The infrastructure is mainly used by the companies of the Group to create broadband connections between their head offices and their facilities, and by the Municipal Administration for similar connections among municipal offices and for city video surveillance; but there is more, as the “active” network is also sold to customers such as Public Administration, local companies and telephone operators for the “dark” part of the fibre.

The optical fibre network has a length of over 650 km with over 400 nodes and terminal points distributed on 226 Vodafone cabinets in the Vicenza area, 800 terminal points connected to 10 PoP rings and over 1000 devices in the Verona area.

10.2 AGSM AIM's role in mitigating climate change

In line with the provisions of Regulation (EU) 2020/852 (Taxonomy Regulation), which sets the ambitious objective of supporting the EU's economic activities in the adoption of a common ESG language and the promotion of the decarbonisation of the European economy by 2050, the AGSM AIM Group has decided to commit on various fronts in order to achieve the first of the six objectives currently governed by the Taxonomy: climate change mitigation. In particular, the reference chapters in the Technical Annexes published by the European Commission in June 2021 and in which the Group recognised its activities are:

- **Electricity generation using solar photovoltaic technology (4.1)**, which consists in building and operating photovoltaic panels to develop green and sustainable electricity from renewable sources. The advantages associated with this type of energy production are primarily environmental as they imply using a non-polluting source and, secondly, economic ones, as there is a significant reduction in costs;
- **Electricity generation from wind power (4.3)**, which consists in building and operating plants for the production of electricity from wind power, sustainable and renewable energy for significant environmental benefits;
- **Electricity generation from hydropower (4.5)**, which consists in building and operating plants using a renewable and sustainable energy source;

- **Transmission and distribution of electricity (4.9)**, which consists in building and operating networks to transport electricity throughout the territory via low, medium, high and extra-high voltage systems;
- **District heating/cooling distribution (4.15)** through the construction, redevelopment and management of pipelines and associated infrastructure for heating distribution, ending at the substation or heat exchanger;
- **Collection and transport of non-hazardous waste in source segregated fractions (5.5)**, which consists in sorted waste collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling;
- **Anaerobic digestion of bio-waste (5.7)**, which takes place through building and operating dedicated plants to treat separately collected bio-waste through anaerobic digestion, with the resulting production and utilisation of biogas and digestate and/or chemical products;
- **Material recovery from non-hazardous waste (5.9)**, 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;
- **Installation, maintenance and repair of energy efficiency equipment (7.3)** carried out by the Group companies AGSM Lighting S.r.l. and Servizi a Rete S.r.l. - Electricity Division - through upgrades involving new installations, maintenance and repair of public lighting devices with the virtuous aim of increasing energy efficiency;
- **Installation, maintenance and repair of charging stations for electric vehicles (7.4)**, which consists in the installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings;
- **Data processing, hosting and related activities (8.1)** carried out through the storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.

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 two categories listed below, as defined by the regulations:

- **ELIGIBLE:** any activity explicitly included in Annex I to the Taxonomy Regulation since it contributes substantially to achieving Objective 1: climate change mitigation or Objective 2: climate change adaptation and meets the criteria set out in the Taxonomy Regulation with reference to the first two environmental objectives;
- **NOT ELIGIBLE:** any activity not included in Annex I to the Taxonomy Regulation.

The values indicated in the paragraph below and 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 2021.

10.3 The results of the Group's environmentally sustainable activities

The indicators that represent the results achieved by the AGSM AIM Group in 2021 relating to the share of revenue, capital expenditure (CapEx) and operating expenditure (OpEx) that qualify as environmentally sustainable in accordance with current European Taxonomy legislation are shown below.



Wind plant in Rivoli (VR)

The chart below shows the overall environmentally sustainable performance indicator relating to **eligible revenue** of 12.52%, calculated taking into account:

- for the denominator, the Group's total consolidated revenue recorded during 2021 (equal to Euro 1,916.063 million);
- for the numerator, the amount of consolidated revenue from each eligible activity carried out by AGSM AIM (equal to Euro 239.833 million).

The complementary share of non-eligible revenue therefore corresponds to the residual 87.48% (equal to Euro 1,676.230 million).

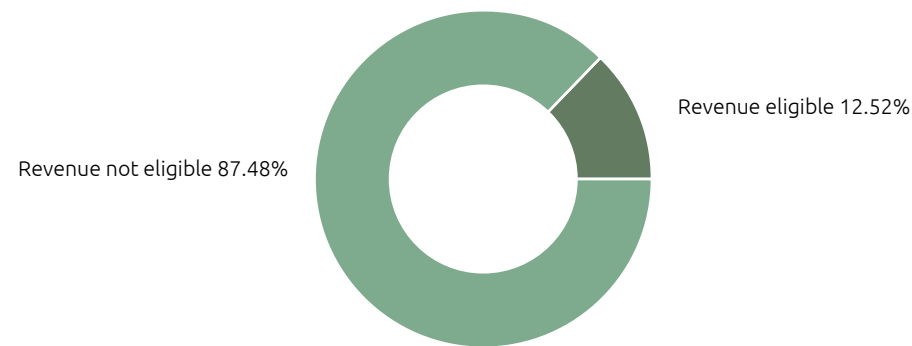


Figure 2 – Share revenue 2021

The chart below shows the overall environmentally sustainable performance indicator relating to direct non-capitalised operating expenditure (OpEx) of 31.81%, calculated taking into account:

- for the denominator, the total non-capitalised direct costs by relevant category (i.e. research and development, short-term lease, routine maintenance and repair of property, plant and equipment) recorded during 2021 (equal to Euro 42.052 million, corresponding to 2.59% of total operating expenditure);
- for the numerator, the amount of eligible operating expenditure incurred relating to each eligible activity carried out by AGSM AIM (equal to Euro 13.376 million).

Total consolidated operating expenditure amounts to Euro 1,624.878 million, and the complementary share of non-eligible operating expenditure therefore corresponds to the residual 97.41% (equal to Euro 1,582.826 million).

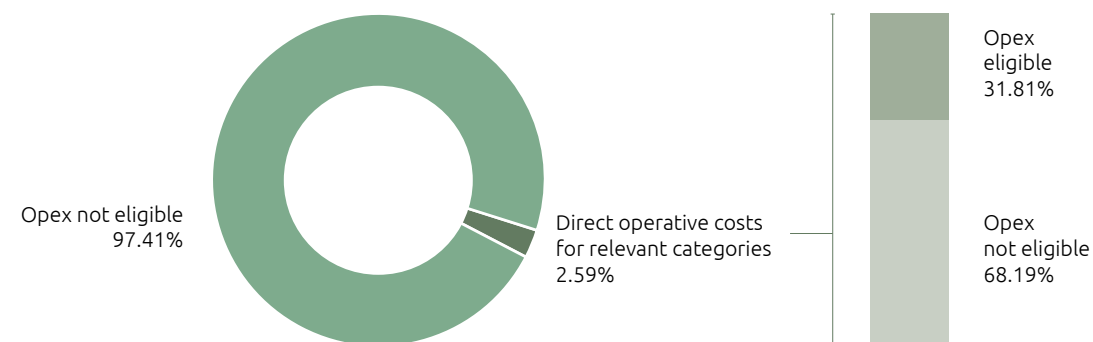


Figure 3 – Direct non capitalised costs 2021 (OpEx)

The chart below shows the overall environmentally sustainable performance indicator relating to capitalised expenditure (CapEx) in property, plant and equipment of 83.40%, calculated taking into account:

- for the denominator, the total increases in the Group's property, plant and equipment recorded during 2021 (equal to Euro 47.696 million);
- for the numerator, the amount of increases in eligible property, plant and equipment resulting from the investments made by the companies of the AGSM AIM Group (equal to Euro 39.779 million).

Therefore, the complementary share of non-eligible property, plant and equipment corresponds to the residual 16.60% (equal to Euro 7.917 million).

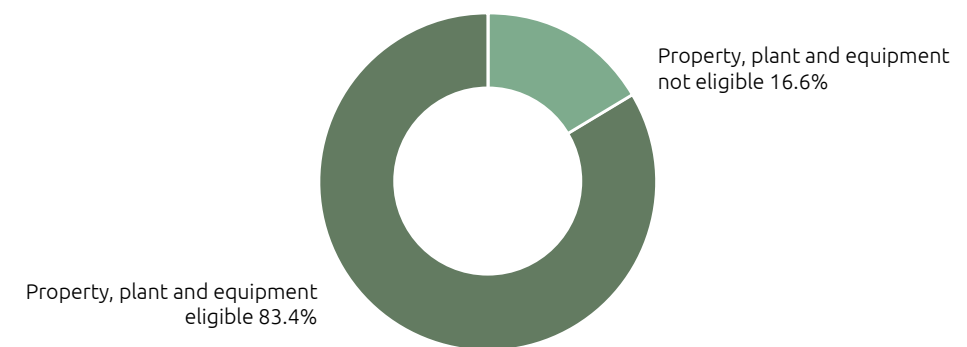


Figure 4 – Capitalised expenditure (CapEx) in property

The chart below shows the overall environmentally sustainable performance indicator relating to capitalised expenditure (CapEx) in intangible assets of 28.04%, calculated taking into account:

- for the denominator, the total increases in the Group's intangible assets recorded during 2021 (equal to Euro 34.676 million);
- for the numerator, the amount of increases in eligible intangible assets resulting from the investments made by the companies of the AGSM AIM Group (equal to Euro 9.724 million).

Therefore, the complementary share of non-eligible intangible assets corresponds to the residual 71.96% (equal to Euro 24.952 million).

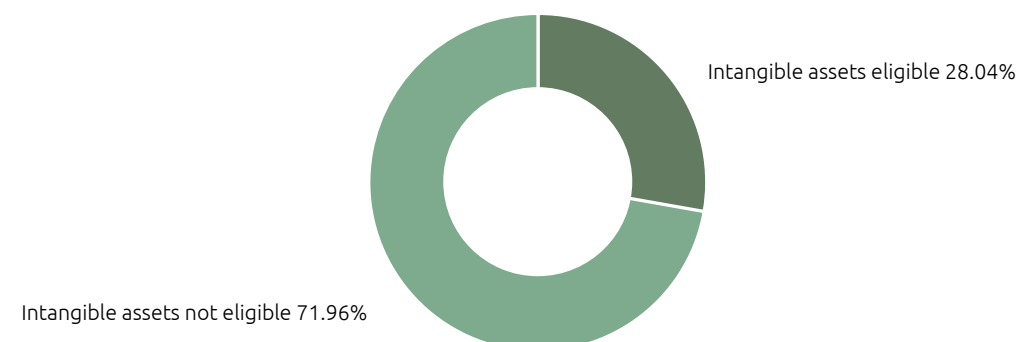


Figure 5 – Capitalised expenditure (CapEx) in intangible assets

11. AGSM AIM AND COVID

The companies of the AGSM AIM Group have continued to pursue the policy adopted since the beginning of the pandemic with the utmost attention to epidemiological developments.

In order to monitor and promote conduct and activities aimed at combating infections within the workplace, a **Safety Committee** was set up, composed of company and workers' representatives, which met every three weeks in 2021.

The regulatory developments occurred over the months have always been promptly communicated to all personnel through the disclosure of specific company notices.

All the activities aimed at limiting infections within the company were maintained and implemented, i.e. a partial change in the layout of the offices, reinforcing the cleaning and sanitisation of workplaces, and the constant supply of sanitising gel in the common areas of the various premises.

In accordance with the regulations in force and in compliance with the EU General Data Protection Regulation, an activity was established to regulate access to common areas and, more generally, to company premises by requesting to produce a Green Pass and through daily temperature measurement.

The smart working scheme was also maintained for all those who could actually carry out their tasks remotely, together with staggered and more flexible working hours, and the use of prefabs to create more changing rooms for operations personnel in order to avoid crowds.

Within the framework of individual measures, with the constant support of the Company Doctors, particular attention was paid to "fragile" workers, adopting a specific work organisation for them. More operational individual measures were adopted, such as the distribution to all personnel of surgical masks and washable masks for medical use, or FFP2 masks, based on the various activities carried out.



12. GROUP'S BUSINESS

MATERIAL ISSUES

- Use of renewable sources
- Containment of emissions
- Protection of the territory
- Energy efficiency
- Resilience and adaptation to innovation



12.1 Electricity generation

The electricity production plants of the AGSM AIM Group mainly consist of plants that use renewable, hydroelectric, photovoltaic and wind energy sources and plants that use traditional fossil fuels, cogeneration and thermoelectric power sources.



Wind plant in Rivoli (VR)

Renewable energy production sources are divided into:



Hydroelectric plants

- in turn broken down into basin (55.93 MW);
- run-of-the-river plants (16.67 MW).



Photovoltaic plants

for a total of 20.50 MW.



Wind farms

for a total of 59.29 MW.



Biogas plants

for a total of 1.78 MW.

Non-renewable energy production sources are divided into:



Thermoelectric plants

for a total of 190 MW.



Cogeneration plants

with 61.61 MW installed.

- 1 LOBIA**
Lobia (VI) - Pot. nom. kW 300
- 2 BELFIORE**
Belfiore (VR) - Pot. nom. kW 3,778.00
- 3 TOMBETTA**
Verona - Pot. nom. kW 11,840.00
- 4 CHIEVO**
Verona - Pot. nom. kW 1,500.00

- 5 SAN COLOMBANO**
Terragnolo (TN) - Pot. nom. - kW 11,440.00
- 6 MASO CORONA**
Ala. Leno (TN) - Pot. nom. - kW 42,840.00
- 7 VALBONA**
Ala. Leno (TN) - Pot. nom. - kW 1,646.90

- 8 AFFI**
Affi (VR) - Pot. nom. - kW 4,000.00
- 9 RIVOLI VERONESE**
Rivoli (VR) - Pot. nom. - kW 8,000.00
- 10 CARPINACCIO**
Firenzuola (FI) - Pot. nom. - kW 13,600.00
- 11 RIPARBELLA**
Riparbella (PI) - Pot. nom. - kW 20,000.00
- 12 MONTE VITALBA**
Chianni (PI) - Pot. nom. - kW 892.50
- 13 CASONI DI ROMAGNA**
Monterenzio (BO) - Pot. nom. - kW 12,800.00

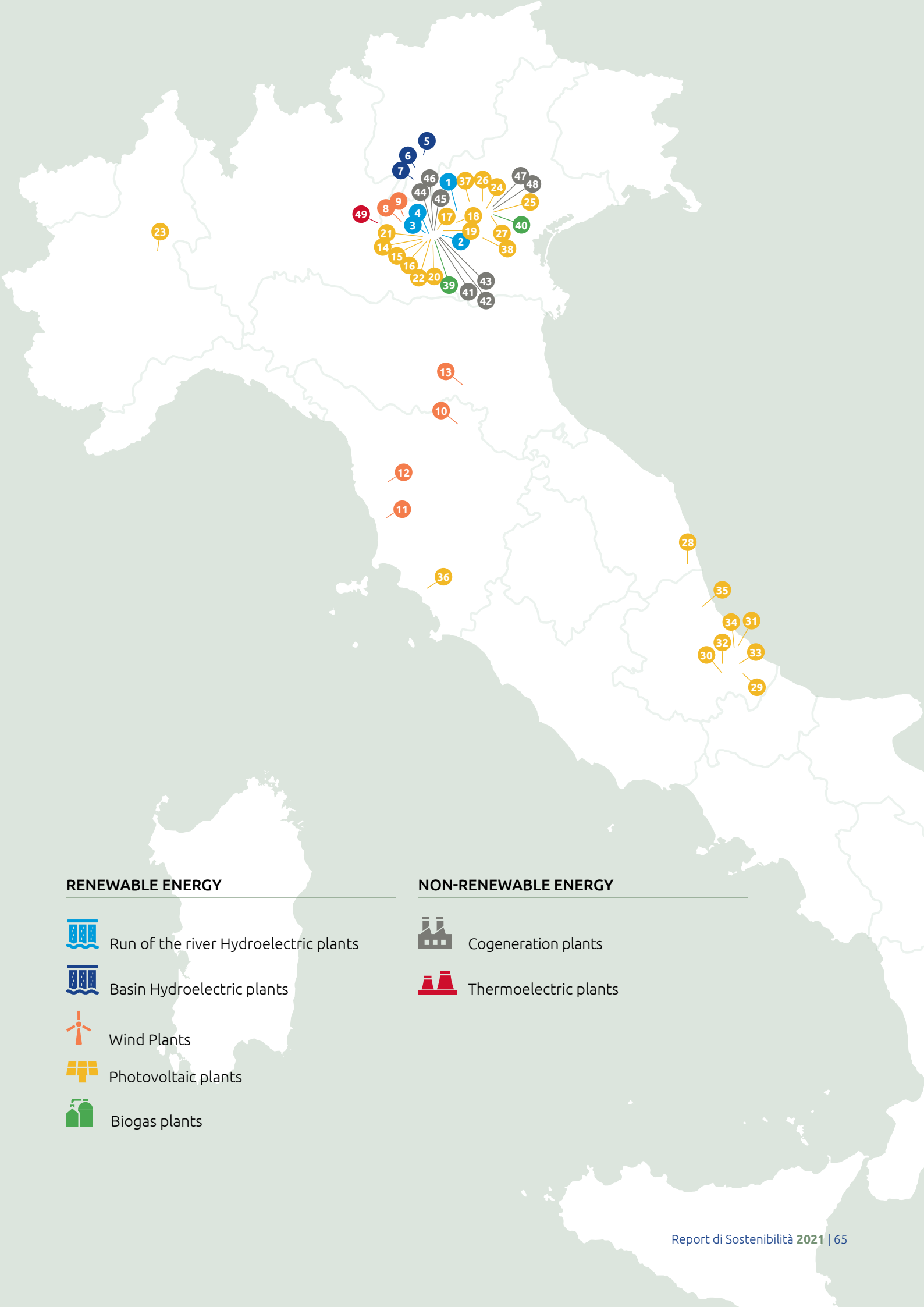
- 14 SCUOLE VERONESI**
Verona - Pot. nom. kW 991.74
- 15 STADIO BENTEGODI**
Verona - Pot. nom. kW 999.07
- 16 CONSORZIO ZAI**
Verona - Pot. nom. kW 3,778.28
- 17 GREZZANA CORRUBBIO ZERBARO**
Grezzana (VR) - Pot. nom. kW 1,143.61
- 18 EX BASE MILITARE DI RONCÀ**
Roncà (VR) - Pot. nom. kW 593.28
- 19 VALCIAPELO**
Valciapelo (VR) - Pot. nom. kW 561.89
- 20 CÀ DEL BUE**
Cà del Bue (VR) - Pot. nom. kW 403.20
- 21 ZAMBELLI**
Verona - Pot. nom. kW 178.50
- 22 SEDE AGSM AIM S.P.A.**
Lungadige Galtarossa (VR) - Pot. nom. kW 399.68
- 23 CARISIO**
Carisio (VC) - Pot. nom. kW 895.68
- 24 FUSINIERI**
Fusinieri (VI) - Pot. nom. kW 725.00
- 25 MONTE CROCETTA**
Vicenza - Pot. nom. kW 39.74

- 26 ISOLA VICENTINA**
Isola Vicentina (VI) - Pot. nom. kW 69.80
- 27 SCUOLE VICENTINE**
Vicenza - Pot. nom. kW 314.64
- 28 SIGMA**
Monsanpolo Del Tronto (AP) - Pot. nom. kW 1,760.00
- 29 SPHERE ENERGY 1**
Montazzoli (CH) - Pot. nom. kW 979.16
- 30 SPHERE ENERGY 2**
Gessopalena (CH) - Pot. nom. kW 990.99
- 31 TS ENERGIA 2**
Torino di Sangro (CH) - Pot. nom. kW 980.56
- 32 DIESSE ENERGIA**
Roccascalegna (CH) - Pot. nom. kW 997.28
- 33 VINCI ENERGIA**
Carpineto Sinello (CH) - Pot. nom. kW 483.00
- 34 ASTRA SOLAR ENERGIA**
Paglieta (CH) - Pot. nom. kW 990.00
- 35 ECOENERGIA VOMANO**
Atri (TE) - Pot. nom. kW 1,000.00
- 36 DISCARICA DI LONIGO**
Grosseto - Pot. nom. kW 70.20
- 37 DISCARICA MASONA**
Sandrigo (VI) - Pot. nom. kW 160.32
- 38 DISCARICA FOSSA LUNGA**
Lonigo (VI) - Pot. nom. kW 996.30






- 39 DEPURATORE VERONA**
Verona - Pot. nom. kW 875.00
- 40 DISCARICA DI GRUMOLO DELLE ABBADESSE**
(VALORE AMBIENTE) - Grumolo delle Abbadesse (VI)
Pot. nom. kW 905.00

- 41 FORTE PROCOLO**
Verona - Pot. nom. kW 6,400.00
- 42 BANCHETTE**
Verona - Pot. nom. kW 4,210.00
- 43 GOLOSINE**
Verona - Pot. nom. kW 4,210.00
- 44 CENTRO CITTÀ**
Verona - Pot. nom. kW 10,525.00
- 45 BORGIO TRENTO**
Verona - Pot. nom. kW 31,500.00
- 46 FIERA VERONA**
Verona - Pot. nom. kW 275.00
- 47 CRICOLI**
Vicenza - Pot. nom. kW 4,494.00
- 48 MONTE ZEBIO**
Vicenza - Pot. nom. kWt 7,500.00



- 49 MINCIO**
Mincio (MN) - Pot. nom. kW 190,000.00



RENEWABLE ENERGY

-  Run of the river Hydroelectric plants
-  Basin Hydroelectric plants
-  Wind Plants
-  Photovoltaic plants
-  Biogas plants

NON-RENEWABLE ENERGY

-  Cogeneration plants
-  Thermoelectric plants

The electricity produced by plants powered by renewable sources is 1,154,678 GJ (corresponding to 320.74 mWh) and represents 28.75% of the Group’s plants.

The table below shows the values of electricity production in 2021, broken down by source.

	GJ	%
Total non-renewable sources, of which	2,861,773.42	71.25%
Thermoelectric – Mincio Power Plant	1,800,741.54	
Cogeneration	1,061,031.88	
Total renewable sources, of which:	1,154,677.95	28.75%
Hydroelectric	633,312.19	
Photovoltaic	85,551.05	
Wind	408,186.09	
Biogas	27,628.62	
Total	4,016,451.37	100.00%

Table 9 – Electricity produced in GJ in 2021



Wind plant in Rivoli (VR)



DIPARTIMENTO DI SCIENZE POLITICHE,
GIURIDICHE E STUDI INTERNAZIONALI
UNIVERSITÀ DEGLI STUDI DI PADOVA

“REACT EU – PON
Research and Innovation 2014-2020” project – Ministerial Decree 1062/2021

Energy governance for the future (G4F). Public engagement, dialogue and social acceptance as drivers of energy transition and climate neutrality.

In recent years, the growing focus on the governance factors that impact energy transition has contributed to promoting more collaborative methods of interaction between public decision-makers, businesses, stakeholders and citizens, in order to encourage dialogue and social acceptance.

The project, financed with PON REACT European funds and co-funded by AGSM and AIM, is developed by the Department of Political Science, Law and International Studies (SPGI) of the University of Padua in collaboration with AGSM AIM. Its main aim is to investigate the extent to which adopting collaborative practices can help create the necessary support for energy transition policies and participate in the effective improvement of the environmental results of decision-making processes, thus reducing CO2 emissions and triggering virtuous learning mechanisms for policy makers and the other categories of players involved.

After an initial phase of analysis of international scientific literature on ‘collaborative governance’, ‘energy democracy’ and ESG — also thanks to using text-mining methods — a series of process indicators will be identified to build a qualitative/quantitative Collaborative Governance Index (CoGI) in order to assess and compare various case studies: from the energy plans of the 27 EU member states and some Italian regions and municipalities, to the strategic business plans of multi-utilities, to which a specific survey at national level will also be dedicated.

The results of the research will be progressively shared in open mode on the Governance4Future platform, involving AGMS-AIM and other multi-utilities in the monitoring and assessment section and in the creation of an ‘online participatory tools and forum’ section to encourage public entities, stakeholders and citizens to participate in the debate on renewable energy sources.

MATERIAL ISSUES

Protection of the territory
Energy efficiency
Resilience and adaptation to innovation



12.2 Cogeneration for district heating

By using cogeneration plants with energy inputs of natural gas and own transport networks, the Group produces electricity and heat, with which it provides the district heating service in the municipalities of Verona and Vicenza.

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 capacity of **61,614 KW**.

In Vicenza there is a powerful geothermal reservoir in the deep subsoil of the city (from 1,500 m to 2,100 m), previously acquired by Agip during the oil exploration activity carried out in the Po Valley. In the 1980s, the Agip-Enel joint venture decided to drill a well in the area identified by the District Heating Division of AIM S.p.A. to locate the district heating plant, with the aim of using the geothermal resource, clean and renewable, to replace and integrate the cogenerated heat fed into the distribution network.

In 1983, Saipem drilled the geothermal well for the Agip-Enel joint venture.

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.

The data relating to the district heating infrastructure and heated users is shown below:

Length of network	km	184.43
Thermal energy to end customers	GJ	1,149,121
Heated volume (estimate)	m3	15,358,200
Equivalent apartments *	m3	68,563.71
Equivalent inhabitants served (estimate)	n	143,987

* Residential housing unit with trading area and volume of 80 m² and 224 m³, respectively

Table 10 – District heating service data

The AGSM AIM Group, through its eight cogeneration plants, emits **171,873 t CO₂** through the fuels burnt by energy production plants, thus saving 10,751 TOE (tonnes of oil equivalent).

The emission data only concerns electricity production plants subject to Directive (EU) 2003/87 (“**Emission trading**”), updated by Directive (EU) 2018/410, setting up the “emission market” for greenhouse gases.



Cogeneration plant in Borgo Trento (VR)

MATERIAL ISSUES

Protection of the territory
Energy efficiency
Resilience and adaptation to innovation



12.3 NATURAL GAS AND ELECTRICITY DISTRIBUTION

12.3.1 NATURAL GAS DISTRIBUTION SERVICE

Methane gas distribution is a local public service governed by Legislative Decree no. 164/00 (Letta Decree), which liberalised the national gas system.

In the AGSM AIM Group, until 31 December 2021 the methane gas distribution service was carried out by the two distribution companies, Megareti S.p.A. and Servizi a Rete S.r.l.

Distribution consists in two phases: the pick-up of gas from Snam Rete Gas' pipelines through first-stage pick-up points, followed by its transport and distribution to end users.



Methane gas distribution activity:

Megareti S.p.A.

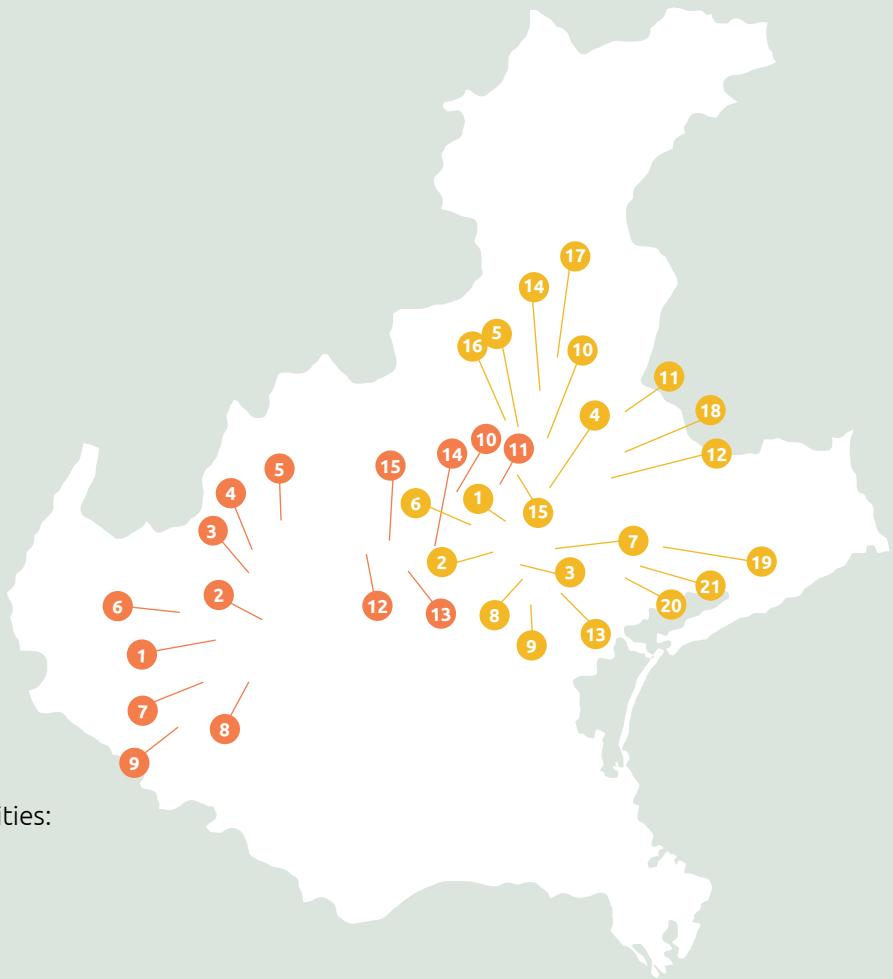
distribution in the following municipalities:

- 1 VERONA
- 2 ILLASI (VR)
- 3 TREGNAGO (VR)
- 4 BADIA CALAVENA (VR)
- 5 SELVA DI PROGNO (VR)
- 6 BUSSOLENGO (VR)
- 7 BUTTAPIETRA (VR)
- 8 SAN GIOVANNI LUPATOTO (VR)
- 9 GOITO (MN)
- 10 CHIAMPO (VI)
- 11 ARZIGNANO (VI)
- 12 SAN PIETRO MUSSOLINO (VI)
- 13 NOGAROLE VICENTINO (VI)
- 14 ALTISSIMO (VI)
- 15 CRESPADORO (VI)

Servizi a Rete S.r.l.

distribution in the following municipalities:

- 1 VICENZA
- 2 ALTAVILLA VICENTINA (VI)
- 3 ARCUGNANO (VI)
- 4 BOLZANO VICENTINO (VI)
- 5 BRESSANVIDO (VI)
- 6 CREAZZO (VI)
- 7 GRUMOLO DELLE ABBADESSE (VI)
- 8 LONGARE (VI)
- 9 MONTEGALDA (VI)
- 10 MONTICELLO CONTE OTTO (VI)
- 11 POZZOLEONE (VI)
- 12 QUINTO VICENTINO (VI)
- 13 TORRI DI QUARTESOLO (VI)
- 14 VILLAVERLA (VI)
- 15 COSTABISSARA (VI)
- 16 CALDOGNO (VI)
- 17 THIENE (VI)
- 18 DUEVILLE (VI)
- 19 CARMIGNANO DEL BRENTA (PD)
- 20 GAZZO (PD)
- 21 GRANTORTO (PD)



The distribution service in the province of Verona is managed by virtue of a thirty-year concession issued by the Municipality of Verona on 1 January 2000. On the other hand, the management of the service in the municipalities of the provinces of Vicenza and Mantua was obtained following public tenders.

Using its own infrastructure, **Servizi a Rete S.r.l.** also supplies other municipalities (Costabissara, Caldogno, Carmignano del Brenta, Dueville, Thiene) where it manages the so-called “overruns”, i.e. for those residual groups of users who connect to the network because of their proximity.

As regards the infrastructure used, the total development of the gas network in 2021 is equal to **3,163 km**.

The infrastructure for the distribution of gas resources is made of different materials, the choice of which comes from technological and performance requirements.

Table 10 shows the extension of the network for the main types of pipelines.

LENGTH OF THE GAS NETWORK	KM
Medium pressure	936
Low pressure	2,227
Total	3,163

Table 11 – AGSM AIM Group network length in 2021

GAS NETWORK PIPELINES	KM
Gas network in steel	2,061
Gas network in polyethylene	836
Gas network in other materials	266
Total	3,163

Table 12 – AGSM AIM Group main pipelines used for gas distribution and their extension

The volume of gas **injected into the distribution network** in 2021, expressed in **millions of Scm** is shown in **Table 12**.

TOTAL VOLUME OF GAS INTRODUCED INTO THE NETWORK	MILLIONS SMC
Vicenza and province	272.31
Treviso	77.70
Province of Verona	276.17
Province of Mantua	8.99
Province of Padua	6.47
Total	641.64

Table 13 – Total volume of gas injected into the network in millions of smc in 2021

Table 14 shows the number of meters for 2021 as indicator of the development of the natural gas distribution infrastructure.

Investments

During 2021, 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.

Megareti meters replaced during 2021: **49,546**.

Servizi a Rete meters replaced during 2021: **9,986**.

Electronic meters account for over **75% of those installed**.

METERS	ACTIVE	NON-ACTIVE	TOTAL
Traditional meters	70,402	10,795	81,197
Electronic meters	224,269	15,393	239,662
Total	294,671	26,188	320,859

Table 14 – Number of meters present

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.

White Certificates (Energy Efficiency 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). They represent an incentive - in line with European guidelines - for the achievement of the primary energy reduction targets set in the “20-20-20 Climate and Energy” package following the Kyoto Protocol, that is to say:

- reducing CO₂ emissions by 20%;
- increasing the share of renewables in final energy consumption to 20%;
- moving towards a 20% increase in energy efficiency.

“**Obliged**” 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**.

Megareti and Servizi a Rete are obliged parties with regard to both the gas sector and the electricity sector, and each year have always met their own set minimum targets through their support for the modernisation, the rationalisation and the reduction in energy consumption in the various sectors.

In 2021, ARERA assigned the Group the following White Certificates broken down by sector:

WHITE CERTIFICATES	NO.
Gas 	10,280
Electricity 	2,914
Total	13,194

Table 15 – White certificates assigned to the two distribution companies of the AGSM AIM Group

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.

The AGSM AIM Group, through various projects developed in the cogeneration of electricity, obtained **1,310 white certificates**, which can be measured in Tonnes of Oil Equivalent (TOE) saved. Each white certificate is actually equivalent to one tonne of oil equivalent saved.

12.3.2 ELECTRICITY MANAGEMENT AND DISTRIBUTION SERVICE

The entire supply chain of the electricity market is composed of five phases:

1. cogeneration,
2. wholesale sales,
3. transmission,
4. distribution and metering,
5. retail sales to end customers.

The AGSM AIM Group, through the Electricity Division of the two distribution companies, mainly carries out the transformation, distribution and metering of electricity throughout the territory of the Municipality of Vicenza (through Servizi a Rete S.r.l.) and the municipalities of Verona and Grezzana (through Megareti S.p.A.).

In 2021, the length of the Megareti's and Servizi a Rete's low (LV), medium (MV) and high voltage (HV) electricity networks is as follows:

NETWORK EXTENSION	KM
HV Network	58.28
MV Network	1,639.14
SV Network	2,753.53
Total	4,450.95

Table 16 – Extension of the electricity distribution network in 2021 (km)

In 2021, 8,395.20 GJ of **electricity was distributed**, equal to 2,332 mWh, distributed between low, medium and high voltage as shown in the table.

ELECTRICITY DISTRIBUTED	GJ
LV	4,078.80
MV and HV	4,316.40
Total	8,395.20

Table 17 – Energy distributed in 2021 (in GJ)

The **number of meters connected** to the distribution network in 2021 stood at **274,019**.

Table 16 shows the evolution of the number of meters in 2021.

	ACTIVE	NON-ACTIVE	TOTAL
Meters present	244,844	29,175	274,019
of which the following numbers were installed during the year	24,356	4,370	28,726

Table 18 – Summary of total meters in 2021



Hydroelectric plant in Tombetta (VR)

MATERIAL ISSUES

Protection of the territory

Energy efficiency

Resilience and adaptation to innovation



12.4 Public lighting

In 2021, the Public Lighting service of the AGSM AIM Group operates in Vicenza through the Electricity Division of Servizi a Rete S.r.l. and in Verona through AGSM Lighting S.r.l.

The two companies manage the operation and routine maintenance of the service in the Municipalities of Affi, Angiari, Arcole, Bonavigo, Casaleone, Castagnaro, Castel d'Azzano, Cerro Veronese, Isola Rizza, Legnago, S. Mauro di saline, Villa Bartolomea, Verona, Posina, Battaglia Terme, Cervarese Santa Croce, Castelbaldo, Costa di Rovigo, Massanzago, Merlara, Piombino Dese, Torreglia, Urbana, Villa Estense, Veggiano, Mestrino, Alleghe, Arsìe, Chies D'Alpago and Selva di Cadore.

In 2021, the Municipality of Vicenza signed the public lighting agreement with the current contractor Consip. On 1 September 2021 the Group transferred the management of the public lighting service and delivered the systems mainly with gas-discharge lamps.

Until August 2021, the service in the Municipality of Vicenza had a network of **456 km** in length in which there were **16,322 lighting points**, of which **7.57% energy-saving lighting points**.

In the other municipalities, we signed various concessions 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 with troubleshooting and service restoration activities.

The companies directly deal with the construction, design and maintenance of local public lighting systems by using the latest generation technologies and 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 **71,707 lighting points** managed throughout the service, of which **60,515 energy-saving LED lights**.

SERVICE MANAGEMENT	NO.
Lighting points	71,707
of which LED (84.39%)	60,515
Length of network (km) *	1,051.50
Reduction of CO ₂ emissions (in t _{co2} /year)	12,083.56

* Figure relating solely to the Municipality of Verona

Table 19 – Lighting elements and public lighting network in 2021

55.37% of the lighting points managed by the service are in the territory of the **Municipality of Verona**, of which 80.53% are LED.

In this service, the sustainable approach leads to a huge saving in terms of not only light pollution, but also greenhouse gas emissions, which in 2021 amounted to **12,083.56 tonnes of CO₂ (estimate)**¹.

The main values that characterise the public lighting service include:

- 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;
- energy consumption and optimisation in maintaining the service provided and expanding into new areas.



Smart lamp

¹ Emission factors used: Verona: 0.4938 kgCO₂/kWh. Source: "Atmospheric emission factors for greenhouse gases in the national electricity sector and in the main European countries" ed. 2020; Vicenza: 0.30921 kgCO₂/kWh, taken from ISPRA analysis no. 212/2015 processed for Terna S.p.A.

MATERIAL ISSUES

Protection of the territory

Energy efficiency

Resilience and adaptation to innovation



12.5 Telecommunications

The telecommunications service of the AGSM AIM Group is offered in the Vicenza area by Servizi a Rete, which carries out the design and laying of optical fibre networks for the Municipality of Vicenza. The infrastructure is mainly used by the companies of the Group to create broadband connections between their head offices and their facilities, and by the Municipal Administration for similar connections among municipal offices and for city video surveillance.

The optical fibre network is **249 km** long with **443 nodes and terminal points** and is used in the "dark fibre" mode by national telecommunications operators in order to provide private and business customers with telephone and IT broadband FTTC and FTTH connectivity through **226 Vodafone cabinets**.

From 2014 onwards, Vodafone commissioned the former AIM to design, build and maintain the plants called FTT CAB, which were built to increase the infrastructure in Vicenza's local area. Through the project financed by the EIB, the backbones were built to connect the main electricity substations in the area.

The Group company was entrusted by the Municipality of Vicenza with the activities of coordinating above-ground and underground operations, that is the excavation, laying and management of structures for the installation of telecommunications networks within the Municipality, with the aim of entrusting a single entity with the planning, design, construction, maintenance and management of technological systems. The assignment of this task to the Group, already a major player in the management of underground networks in the city of Vicenza, allowed the city to enjoy in recent years the sustainable development of optical fibre networks and highly reliable telecommunications services thanks to the coordination entrusted to AIM for underground works.

In fact, in the design and execution of the laying of new optical fibres, it has been possible to make use of existing cable conduits of other company networks for cable routing, particularly low voltage electricity networks, reducing the need for new excavations and better protecting the territory and the surrounding environment.

The main connections to the network include: AGSM AIM offices in the Vicenza area, SVT offices, Viacqua 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. The network management service, intended as marketing and maintenance, is carried out by the ICT Services of the Group, present in the Holding Company.

The ICT Services department also manages optical fibre connections among various company offices, and on 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 to the Companies.

In the Verona area, the optical fibre network managed by AGSM Lighting 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; therefore the service extends across **5 municipalities** for a length of **403.7 km**.

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 network is more than **400 km** long with **800 active terminal points** and over **1.000 network devices** that ensure the proper functioning of 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:

- 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 hospitals of Borgo Trento and Borgo Roma and at the 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 Lighting is an **Internet Service Provider** and a telephone operator which enables the provision of high-content digital services to customers:

- 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 **70 customers** who have signed a contract with the company, the **toll-free number 800 394800** 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 that of 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

Now firmly in the mainstream, the term Internet of Things (IoT) means the technological area which, thanks to using the network, makes it possible to connect objects or to exchange information between things or places.

In 2021, the Group consolidated its activities and commitment to developing digital infrastructure and services to support the integration of digital technologies:

- **169 MHz network.** It is the network distributed throughout the territory that allows the use of radio technology to collect service data and information. The remote reading of gas meters and, as a future extension, the reading of different types of sensors (environmental and service);
- **Verona SmartApp.** This App was developed by the Group as a portal for accessing next-generation digital services. The services include:
 - access to a public Wi-Fi network;
 - activation and use of charging stations for electric vehicles;
 - information support for mobility (availability of parking spaces, news on traffic, access to public transport sites);
 - useful information on events and tourism;
 - MuoVERsi, a section supporting alternative mobility. In this section, you can track the routes used as an alternative to car use and, take part in contests launched by the municipality;
 - Percorsi: this section gathers various routes throughout the city with historical, social and environmental issues. The app allows users to receive detailed proximity information as they approach points of interest of their choice;
 - list of public defibrillators distributed in the city;
 - Verona rispLEnDe: access to the portal to upgrade public lighting in Verona for replacing lamps with LED technology;
 - Christmas lights: during the Christmas period you can view a map of the illuminations installed in the city with details of the installations.

MATERIAL ISSUES

Protection of the territory
Sustainable mobility



12.6 Car parks and car parking services

AIM Mobilità, a company based in Vicenza, manages ground-level and underground car parks, and also free and pay parking areas, in the city of Vicenza on behalf of the Parent Company AGSM AIM, owner of the Global Service.

On 25 February 2016, AIM Mobilità S.r.l. and FTV S.p.A. assigned their respective transport businesses to SVT S.r.l., the balance sheet results of which reveal the following equity investments: a 34.66% stake held by AIM Mobilità S.r.l.; a 65.34% stake held by FTV S.p.A.

Since 1 March 2016, as a result of the assignment of the Local Public Transport business unit to SVT S.r.l., AIM Mobilità has only managed the car parking service. AIM Mobilità S.r.l. has thus continued to manage the car parking service within the Municipality of Vicenza, on behalf of AIM Vicenza S.p.A., this being **a service under concession that is part of Global Service**, by carrying out the following activities:

- the management of pay barrier car parks and street-level car parks (parking spaces marked by blue lines are for pay-by-the-hour parking, while those marked by yellow lines are parking spaces for local residents);
- the control of, and the issue of fines in relation to blue and yellow marked parking spaces;
- the maintenance and management of public mobility support systems (information panels, etc.);
- management of information panels on the availability of parking spaces in automated car parks.

The maintenance of the control gates for access to the Limited Traffic Zone (under the Global Service) ceased in 2021, since the Municipality of Vicenza purchased a new system on the CONSIP platform.

During 2021, the Municipal Administration called a public tender to designate the new operator of the Parking Service in the Municipality of Vicenza. In addition to AIM Mobilità, two other competitors participated in the tender. However, the award to a competitor based in Piacenza is still suspended since the second-ranked candidate filed an appeal with the Regional Administrative Court (TAR), which plans to issue a ruling by the end of March 2022.

As a result, the Municipal Administration of Vicenza **extended the administrative concession** (“Global Service”) to manage pay parking areas.

Car parking spaces in the City of Vicenza are subdivided as follows:

TOTAL PARKING SPACES	NO.
Car parking spaces marked by yellow lines	609
Car parking spaces marked by blue lines	6,538
Barrier car parks	4,200
Total	11,347

Table 20 – Car parking spaces in the City of Vicenza in 2021

CARS THAT ENTERED BARRIER CAR PARKS	NO.
Total cars	1,911,208
of which electric cars	16,014
of which hybrid cars	7,945

Table 21 – Cars that accessed the City’s barrier car parks in 2021

With Municipal Order no. 68327/13 of 18/09/13, the procedures were established to take advantage of free parking within the Municipality of Vicenza in pay blue-marked parking spaces and within the controlled access car parks (barrier), for fully electric vehicles.

During operations, a smaller number of cars entering the barrier car parks was noted, mainly attributable to the various measures (Prime Minister’s Decrees) for the temporary closure of businesses and the restrictions on the mobility of citizens due to the health emergency.

In addition, in July 2021 the Cattaneo B Park (reclamation site) and part of the Cattaneo A Park were closed to create a cycle path, with a further loss of 136 parking spaces.

Parking in blue-marked parking spaces in the city may be paid for not only in cash through the parking meters, but also by smartphone using apps like **EasyPark**, **MyCicero** and recently **PayByPhone**. A customised APP for Vicenza, AIMFACILE, is also always active and can be downloaded free of charge.

Parking fees vary depending on the area, and they get cheaper the further away from the city centre the parking space is.

In 2021, a new parking area was taken over and set up (with parking meter and signs) in Via Battaglion Framarin to service the Municipal Theatre with 211 blue-marked **parking spaces**.

In order to innovate and make parking easier in car parks controlled by AIM Mobilità, the “**POSSibile**” payment service was activated on the city’s 15 barrier car parks. Vicenza was the first Italian city to introduce this new “**Card in – Card out**” **contactless payment system**, which is based on the use of a credit/debit card and a smartphone for access. This system 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. In 2021, the payment system was used by 5% of drivers in barrier car parks and 2% at parking meters.

The city of Vicenza has **215 parking meters** serving the parking areas available to users. There are POS terminals on **91** payment devices (parking meters and automatic tellers), and these readers can be used to pay by electronic cards rather than using cash, facilitating the payment transaction and making it easier and faster.

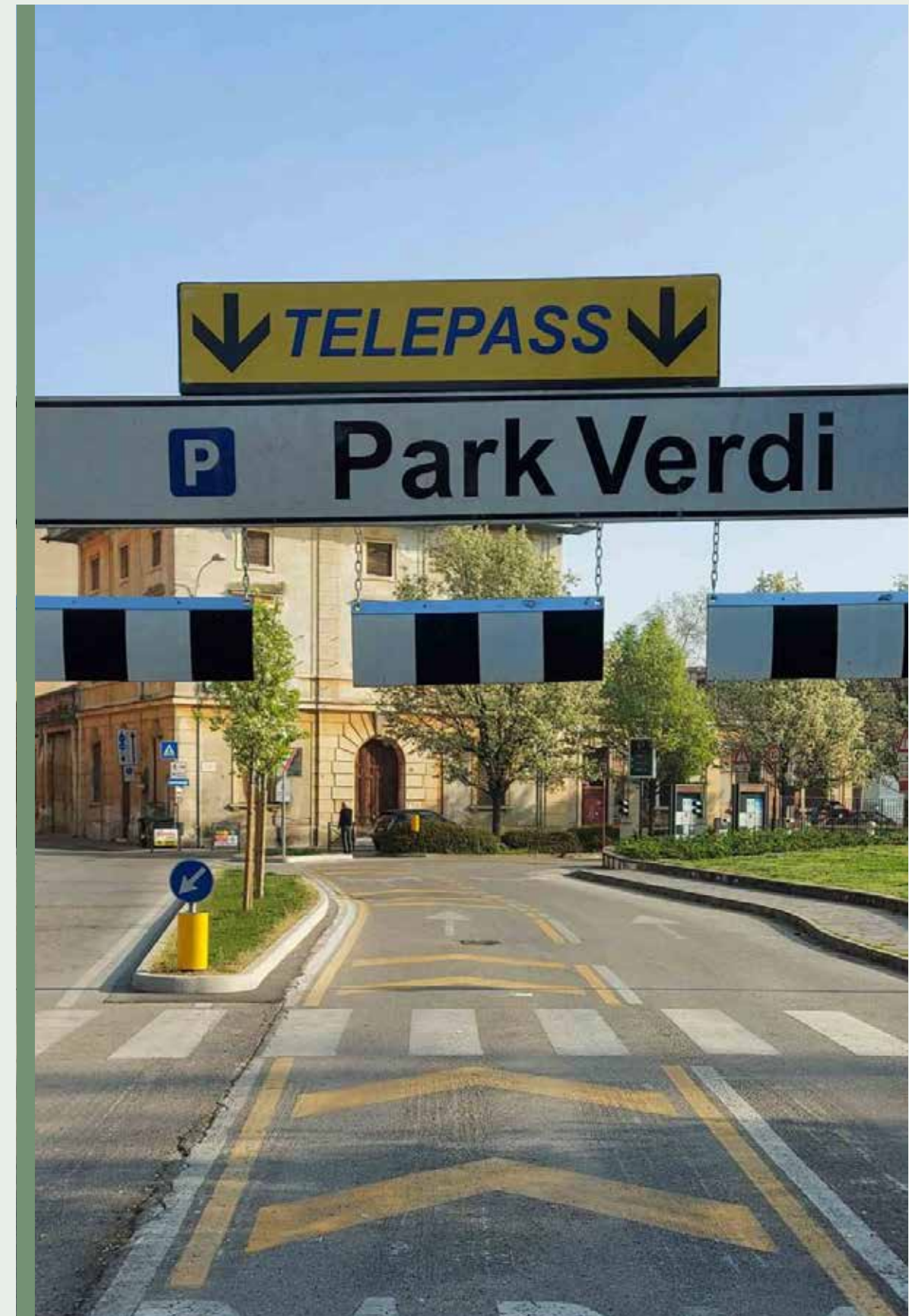
Payment via APP was only used for 1% of payment methods, very little compared to the use of cash and POS terminals at the teller. Payment for parking services is also available by using **Telepass**, a circuit used for about **7%** of payments. In 2021, this service was also activated at Park Verdi.

The yellow-line parking spaces in the city are reserved for residents who can use them subject to the acquisition of the corresponding parking permit. For these parking areas, a portal called **PASS 3.0** has been developed, where customers can conveniently renew their parking permits online from home (also via a mobile device) by paying by credit card.

In order to ensure accessibility to the parking service for all citizens and the correct rotation in the paid parking areas, AIM Mobilità 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.

There are **15 barrier car parks** and **2 interchange car parks in the city**, accounting for a total of **4,200 available parking spaces**. The **shuttle bus service** enables people who use the interchange car parks to get directly to the city centre in Vicenza, reducing traffic and pollution.

In order to contribute to the reduction of traffic in the city, AIM Mobilità uses variable message panels that constantly inform drivers, in real time, about the **availability of parking spaces in the barrier car parks**. The data is also available via the portal www.AIMmobilita.it.



Park Verdi, Vicenza

MATERIAL ISSUES

Sustainable mobility
Energy efficiency
Resilience and adaptation to innovation
Containment of emissions



12.7 Electrical mobility

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.

The AGSM AIM Group intends to proactively contribute to transforming the city’s mobility through two projects:

- **Electrify Verona project**
Launched by the Municipality of Verona in 2019 in order to create a new fully electric mobility system; it creates a network of electric charging infrastructure where AGSM AIM, sponsored by the Municipality of Verona and with the promotion of Volkswagen Group Italia, aims to make Verona the city with the highest number of fast charging stations per inhabitant in Italy. In 2021, the number of 22 kW fast charging stations (that allow a “full” charge in about 90 minutes for specially designed cars) available in **56 charging stations** in the city and easily found and booked with **VeronaSmartApp** was increased. Another **18 charging points** have already been installed and are being connected and tested.
- **Lampionet Project**
Launched in 2019 in some car parks and in other areas of the city of Vicenza where electric charging stations are available. By registering with the **Lampionet App**, users can check the availability of a socket and/or book a charge remotely; they can then recharge their electric vehicle for free, also using the AIM Card. All charging stations are geolocated and the App guides the user to the charging station. Each station is equipped with two sockets that enable the simultaneous charging of two electric vehicles; it can also be used to power the charging of any electronic device.

The charging sockets installed in the territory have supplied a total of 4,037 GJ of power, equal to 1,121.48 mWh.

SERVICE E-MOBILITY	CHARGING SOCKETS	GJ SUPPLIED
Verona	100	3,677.14
Vicenza	4	360.20
Total	104	4,037.34

Table 22 – E-Mobility Service (charging sockets and GJ supplied)



MATERIAL ISSUES

Protection of the territory Circular economy



12.8 Environmental services

The AGSM AIM Group, through its investees, offers a series of environmental services, such as waste collection, management and treatment, urban health and maintenance of urban decorum.

The Group 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 of the service.

In order to better illustrate this link between the Group and the territory, the various Group companies and their services are described below.

Valore Ambiente S.r.l.

An investee based in the Vicenza area, it operates waste treatment and recovery platforms and manages the collection, recovery and disposal of solid urban waste and the cleaning of public streets and pavements in the municipality of Vicenza. The Municipality of Vicenza where Valore Ambiente operates covers a **total area of 80.46 km²** with **111,005 inhabitants served**.

The method of collection is diversified based on the real nature of the territory and the characterisation of the users, in particular supplementary home services for specific types of waste are active for non-domestic users.

70,297.78 tonnes of urban waste were collected in the City of Vicenza, with a **percentage of sorted waste collection of 74.2%**, calculated using the ISPRA method. Sorted waste collected was sent to the sorting and recovery facilities depending on its commercial nature and classification established by the European Waste Catalogue (EWC). Residual waste with respect to the sorted waste collection



is instead treated at the mechanical treatment plant of Monte Crocetta and sent to the two final plants of the area, namely the Schio Waste-to-Energy Plant, not owned by the Group, and the landfill at Grumolo delle Abbadesse operated by the investee S.I.A. S.r.l.

47,822.56 tonnes of waste were sent for recycling, while unsorted waste sent for recovery amounted to **20,384 tonnes**.

Società Intercomunale Ambiente S.r.l. (SIA)

Controlled by Consorzio Igiene Ambientale del Territorio, which brings together 45 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 landfill is engaged in the disposal of dry urban waste from high efficiency dry-wet sorted waste collection, and special non-hazardous waste coming from plants for the mechanical separation of urban waste, located in the province of Vicenza, within an integrated waste disposal management system organised in the provincial area.

Before being stored in the tank, the waste is processed and reduced into pressed cubes in order to occupy less space.

The volume of waste treated in 2021 is **45,962.42 tonnes**.

Società Igiene Territorio S.p.A. (SIT) and TRE V Ambiente S.r.l.

It operates in the urban health sector, which includes collecting and transporting urban waste, sweeping public spaces, other urban health services and ancillary services to local authorities and environmental management companies. The collection is carried out in support of the marketing activities of TREV Ambiente for special non-hazardous waste in the province, with recovery and disposal in third-party facilities. SIT also manages waste treatment, disposal and storage plants, in addition to the post-management phase for two landfills. The company, as part of a temporary association with Tecnologie Ambientali, operates a purification system at the Strillaie landfill in Grosseto. There are **171,843 inhabitants** in the **5 municipalities served**, where SIT carries out its business.



Collection methods are mainly divided into roadside and door-to-door collection.

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.

TREV Ambiente handles **575.87 tonnes** of hazardous waste. There were also **36 asbestos removal operations** in 2021.

AMIA Verona S.p.A.

It manages urban health services in the area of Verona and in the municipalities of the Province.

AMIA deals with the collection, transport, treatment, recovery, recycling and disposal of solid urban waste. It also performs cleaning and washing services in public areas, manages urban green areas and provides paid commercial services in urban areas. There are about **328,000 inhabitants in the 4 municipalities served** — Verona, San Giovanni Lupatoto, Grezzana and Villafranca — where AMIA provides a complete waste collection, transport and management service. AMIA also manages only the collection of glass in about 30 municipalities and only the collection of some waste from the



waste collection centres of Mozzecane, Bosco Chiesanuova and Cerro Veronese. Collection methods are mainly divided into door-to-door and mixed roadside and door-to-door collection.

Ser.I.T. S.r.l.

It collects and recovers solid urban waste in 60 municipalities in the Verona area. It operates in a plant located in Cavaion called also Centro Comprensoriale (CC, District Centre), being part of the COREPLA circuit, where the pre-cleaning of the plastic from sorted waste collection subsequently sent for selection is carried out through a sorting process. There are **about 350,000 inhabitants in the 60 municipalities served**. Collection methods are mainly divided into door-to-door, roadside and mixed collection.

Transec S.r.l.

It manages a plant for the treatment of non-hazardous urban waste (mainly bulky waste, wood, paper) and of special non-hazardous waste. Over time it 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. Transec is also a COMIECO platform authorised in accordance with Ministerial Decree 188 - End Of Waste (EOW).

Collection centres

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.

The collection centres in the Verona area, managed through AMIA and Ser.I.T., are designed with the aim of encouraging the sorted waste collection and recycling of recoverable materials.

In Vicenza, **13%** of collected waste **goes to** recycling centres, whereas in Verona only **2.74%** of the waste collected by Amia and **16.52%** of the waste collected by Ser.I.T. goes to recycling centres.

Landfills

The AGSM AIM Group, through its subsidiaries, manages **1 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**.

A system of recovery and exploitation of biogas produced by the stabilisation of stored waste is active in the facility of Grumolo delle Abbadesse; it is used for the generation of electricity, thus allowing the exploitation of the resource and reducing the emission of these greenhouse gases into the atmosphere. In the Grumolo delle Abbadesse landfill, **45,962.42 tonnes** of waste are treated, also taking into account special non-hazardous waste and producing **1,455,410 m³** of biogas intended for the **production of electricity** sold entirely for **7,223.70 GJ**.

At the landfills of Lonigo, Sandrigo and Grosseto, there are three photovoltaic parks for the production of electricity introduced into the network or self-consumed on site.

The Fossalunga landfill in Lonigo (VI) is managed by SIT, through a contract for the management by CIATT (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.

The post-closure landfills are located in the Vicenza and Verona areas and carry out supervisory, environmental monitoring and maintenance activities. 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.

Material recovery facilities

In the Vicenza area, through the company Valore Ambiente, we manage a storage, sorting and recovery facility of urban waste collected in the Municipality of Vicenza together with other smaller quantities of waste from other adjacent municipalities.

The volumes treated in the facility amount to **30,692 tonnes**, of which approximately **779.62 tonnes** were recovered.

In the Verona area, through the investee Ser.I.T. in Cavaion Veronese, an urban waste sorting and recovery plant is operated for paper and plastic, for a total of **38,575 tonnes**.

Through Transeco S.r.l., in the Verona area it manages a plant 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 2021 is **43,129.47 tonnes**, of which **50.42%** was urban waste.

The biological treatment plant

In the Verona area, the investee AMIA Verona manages a biological treatment plant at the Ca' del Bue site, where urban waste coming from the city of Verona is treated for a total of about 60,000 tonnes a year. The plant is authorised to treat 156,000 tonnes and selects and sorts the waste sent to the site to then refine it.

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 AMIA Verona, 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:

- 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. 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 and guano;
- collection of leaves, performed using small and large mechanical or vacuum auto-sweepers, operated by workers who either manually, or with the aid 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;



- eco-mobile or mobile recycling centre; this is a kind of skip, equipped for the delivery of seven types of special waste. The skip is placed daily in the vicinity of the local markets. In addition to the practical function of waste collection, it acts as a means of communication for the community thanks to the presence of an operator;
- waste dumped outside the dedicated containers is collected by means of extra operations by waste collectors;
- collection of bulky waste at home with the collaboration of social cooperatives in recycling centres equipped to correctly dispose of bulky waste. 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.



From the top: Viale Roma - Vicenza, Lungadige San Giorgio - Verona

13. THE IMPORTANCE OF STAKEHOLDERS

MATERIAL ISSUES

Optimisation of human capital,
equal opportunities and corporate welfare
Occupational health and safety
Resilience and adaptation to innovation



13.1 People

People are an **essential asset** for the AGSM AIM Group.

Their development represents a fundamental factor for the performance of the activity and for the achievement of the corporate objectives. The **personnel optimisation** principle is one of the guiding values, as also indicated in the Code of Ethics.

Efforts to optimise people are also channelled through the use of contractual forms that offer greater guarantees, such as that of **permanent employment**, which characterises **94.33%** of employment contracts of the Group Companies. Almost all employees reside within the areas in which the Group operates, in particular Veneto (AGSM AIM), Milan (AGSM Energia) and Abruzzo (CogasPiù Energie).

PEOPLE	NO.
Veneto	1,919
Outside Veneto	75
Total	1,994

Table 23 – People of the AGSM AIM Group, broken down by geographical area

The breakdown by **age of personnel** shows, in particular, a greater presence in the “above 50” age group, equal to **58.68%** of total employees (**1,994 people**).

	WOMEN	MEN	TOTAL	%
Temporary	5	108	113	5.67%
less than 30	2	9	11	0.55%
from 30 to 50	2	54	56	2.81%
above 50	1	45	46	2.31%
Permanent	279	1,602	1,881	94.33%
less than 30	12	36	48	2.41%
from 30 to 50	150	559	709	35.56%
above 50	117	1,007	1,124	56.37%
Total	284	1,710	1,994	100%

Table 24 – People of the AGSM AIM Group, broken down by age, gender and type of contract



To better describe our personnel, below is their breakdown by **job title**, **age** and **gender** in 2021:







	 WOMEN	 MEN	TOTAL
Senior managers 1.20% 	2	22	24
less than 30	0	0	0
from 30 to 50	1	2	3
above 50	1	20	21
Middle managers 3.16% 	8	55	63
less than 30	0	0	0
from 30 to 50	4	10	14
above 50	4	45	49
White collar workers 37.36% 	262	483	745
less than 30	14	20	32
from 30 to 50	142	171	313
above 50	106	292	398
Blue collar workers 58.27% 	12	1,150	1,162
less than 30	0	25	25
from 30 to 50	5	430	435
above 50	7	695	702
Total 100%	284	1,710	1,994

Table 25 – People of the AGSM AIM Group, broken down by age, gender and job title

The Group’s workforce breaks down as follows: **1.20% senior managers**, **3.16% middle managers**, **37.36% white collar workers** and **58.27% blue collar workers**.

The breakdown of the **female presence** within the Group’s workforce shows that women are **14.24%** of the company’s population, of which **92.25% is qualified as a white collar worker**. **53.52%** of the **women** employed by the Group **are in the 30-50 age group**.

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 and the maintenance of networks and systems.

The Group encourages a better **work-life balance** by applying flexible and elastic working hours, providing part-time employment contracts, and allowing the use of smart working.

4.46% of employees take advantage of the **possibility** of having **reduced working hours** at the AGSM AIM Group.

87.64% of the employees who make use of **part-time** employment in the Group, generally for family needs, are **women**.

Moreover, within the Group some **personnel belong to the protected categories**, representing **5.42%** of the total workforce.

In 2021, **62** people took **parental leave**: **21** women and **41** men.

The Group’s **personnel seniority** has two main categories: the “16 to 25 years” category accounts for **29.99%** of the total; the “less than 6 years” category accounts for 28.13%.

Therefore a strong presence of new people hired within the Group is worth noting.

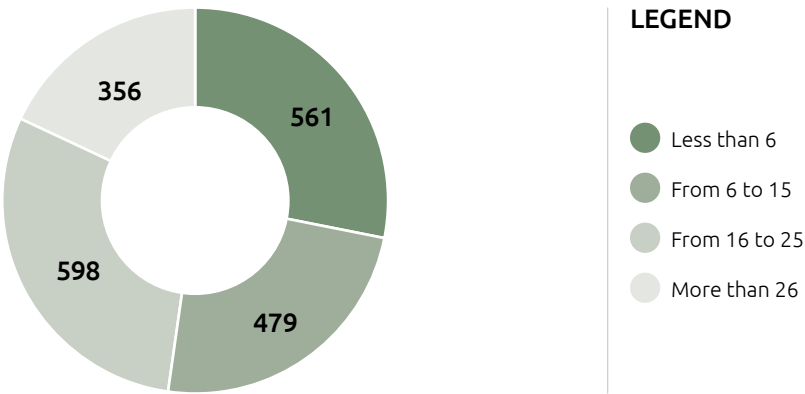


Figure 6 – Seniority for employees of the AGSM AIM Group

The **incoming turnover rate** for personnel, obtained from the ratio between the sum of people joining during the year and the total number of Group employees in the relevant year, is **9.53%**, while the **outgoing turnover rate is 8.32%**.

190 people were hired during 2021, of which **2.63% are women**, and **166 people left the Group**.


	RECRUITMENT	TERMINATIONS
 Women	5	6
less than 30	1	0
from 30 to 50	3	1
above 50	1	5
 Men	185	160
less than 30	25	10
from 30 to 50	87	43
above 50	73	107
Total	190	166

Table 26 – Recruitment and terminations within the AGSM AIM Group, by gender and age

The main **reasons** for the termination of the employment relationship are voluntary resignation (**49.40% of cases**), followed by retirement (**22.89% of cases**) and temporary employment contract expiry, for **20.48%** of the total.

In support of employment and in order to reconcile daily life with personal needs and 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 form maternity leave**, granted to enable the new mother to care for the child on a continuous basis;
- **smart working.** As a result of the health emergency, the white collar workers of the AGSM AIM Group started working remotely, based on a weekly plan. Therefore, the Group launched a process with the Trade Unions aimed at regulating the use of smart working also outside the health emergency, according to a new management approach, i.e. a new and different method of working.

13.1.1 THE PROCESS OF SELECTION

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

- 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 General Services 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. At the end of the process a document summarising the various steps of the process is drawn up.

The CVs received at the office, after a period of two years, will be discarded, 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.

13.1.2 REMUNERATION AND WELFARE

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

These **reclassified personnel costs** are shown below.

PERSONNEL COSTS	€/000
Wages and salaries	83,594
Employee severance indemnities	5,095
Employee pensions and similar obligations	2
Miscellaneous services for employees	990
Total indirect remuneration	89,681
Social security contributions	25,758
Other costs	2,790
Total employee personnel costs	118,229
Board of Directors fee	1,211
Board of Statutory Auditors fee	587
Non-employee personnel costs	1,798
Total	120,027

Table 27 – Personnel costs of the AGSM AIM Group

These costs are a significant indicator of the contribution of the AGSM AIM Group to employment in the local **area (Veneto)** in which **96.24%** of its employees reside.

In 2021, agreements were signed that govern the 2021 Performance Bonus of the following companies: AGSM AIM S.p.A., AGSM Energia S.p.A., AIM Energy S.r.l., Megareti S.p.A., Servizi a Rete S.r.l., AGSM Lighting S.r.l., Consorzio Canale Industriale G. Camuzzoni S.c.a.r.l., AIM Mobilità S.r.l., Valore Ambiente S.r.l. and SIA S.r.l.

The possibility of converting, in whole or in part, the amount of the Performance Bonus into forms of welfare was also maintained.

In particular, to all workers who freely choose to convert their Bonus into welfare goods and services, the Company makes 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 choose to convert the Performance Bonus by allocating it in whole or in part to the sector Supplementary Pension Fund, will be granted a further amount equal to 5%, in addition to the above value of 20%, of the converted portion of the Bonus.

Among the “**Flexible Benefits**” that the AGSM AIM Group makes available to beneficiaries are: 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 makes 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.

13.1.3 TRAINING

It is extremely important for the AGSM AIM Group to optimise its resources.

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 and is the basis for providing an adequate and efficient level of service.

In 2021, the **per capita training hours** per participant in the AGSM AIM Group amounted to **10.07**.

TRAINING	TOTAL HOURS	%
Women	3,159	15.74%
Men	16,912	84.26%
Total	20,071	100.00%
Senior managers	516.50	2.57%
Middle managers	1,028.50	5.12%
White collar workers	11,228.00	55.94%
Blue collar workers	7,298.00	36.37%

Table 28 – Average hours of training by gender and level

As evidence of the Group's focus on its employees, in 2021, **30.47%** of total training hours were dedicated to mandatory **occupational safety**. With regard to the remaining training areas, **56.79%** were related to **technical issues**, **9.94%** to **regulatory issues** and **2.81%** to **administrative issues**. As regards the methods of delivery of courses, the AGSM AIM Group arranges for sessions that are organised both within the company and in external specialised training centres located near the company's office.

With regard to company training, in addition to mandatory training on occupational safety, a plan was launched and completed to provide individual training hours as per the National Collective Bargaining Agreement (CCNL) for the electricity sector, based on the choice made by each employee from a catalogue of courses shared between employer and single company union representative. The courses concerned both language skills (English and Spanish) and soft skills (time management, conflict management, written and oral communication).

In April and May 2021 training was provided on the subject of Legislative Decree 231 to the employees of AGSM AIM S.p.A.

A management training programme was also launched in 2021 to support organisational change.

In 2021, the AGSM AIM Group collaborated with various universities, allowing **17 university students** to carry out **curricular training projects** for about 3 months..



13.1.4 INCENTIVE SYSTEM

The profitability, productivity and quality objectives to be pursued in 2021 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 objective 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:

- a. to the profitability parameter for a percentage of 60%;
- b. to the productivity and quality parameter for a percentage of 40%.

Profitability parameter

Given the need to record a positive final result, the Profitability parameter is deemed to have been achieved if the EBITDA of the AGSM AIM Group exceeds Euro 123.3 million.

13.1.5 INDUSTRIAL RELATIONS

There are numerous National Collective Bargaining Agreements (CCNL) applied within the AGSM AIM Group.

The main ones are:

- Senior Managers of public utility service companies CCNL;
- UTILITALIA Gas-Water Sector CCNL until 31.12.2021;
- UTILITALIA Environment Sector CCNL;
- FISE - Environment CCNL;
- UTILITALIA Electricity Sector CCNL;
- Confcommercio Services CCNL;
- Public Transport (Local Public Transport) Sector CCNL.

In the AGSM AIM Group companies, as required by the National Collective Bargaining Agreements, the negotiating delegations have been set up, consisting of, on the part of the company, the Human Resources and General Services Department, and, on the part of the trade unions, the Regional and Local sector Secretariats as well as the single company union representative/union officials.

The **trade union membership rate** in the AGSM AIM Group in 2021, calculated considering the number of personnel **having joined the union** compared to the total number of employees, was equal to **48.5%**.

13.1.6 OCCUPATIONAL HEALTH AND SAFETY

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 Legislative Decree no. 81/08, provides for a careful examination of the risks of each sector of workers' activity with the consequent 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 7 Group companies.

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 for each type of service or activity carried out. The company then assesses the risks to the health and safety of workers due to the hazards detected in the workplace, and checks whether there is the possibility of eliminating or reducing them by adopting prevention and protection measures.

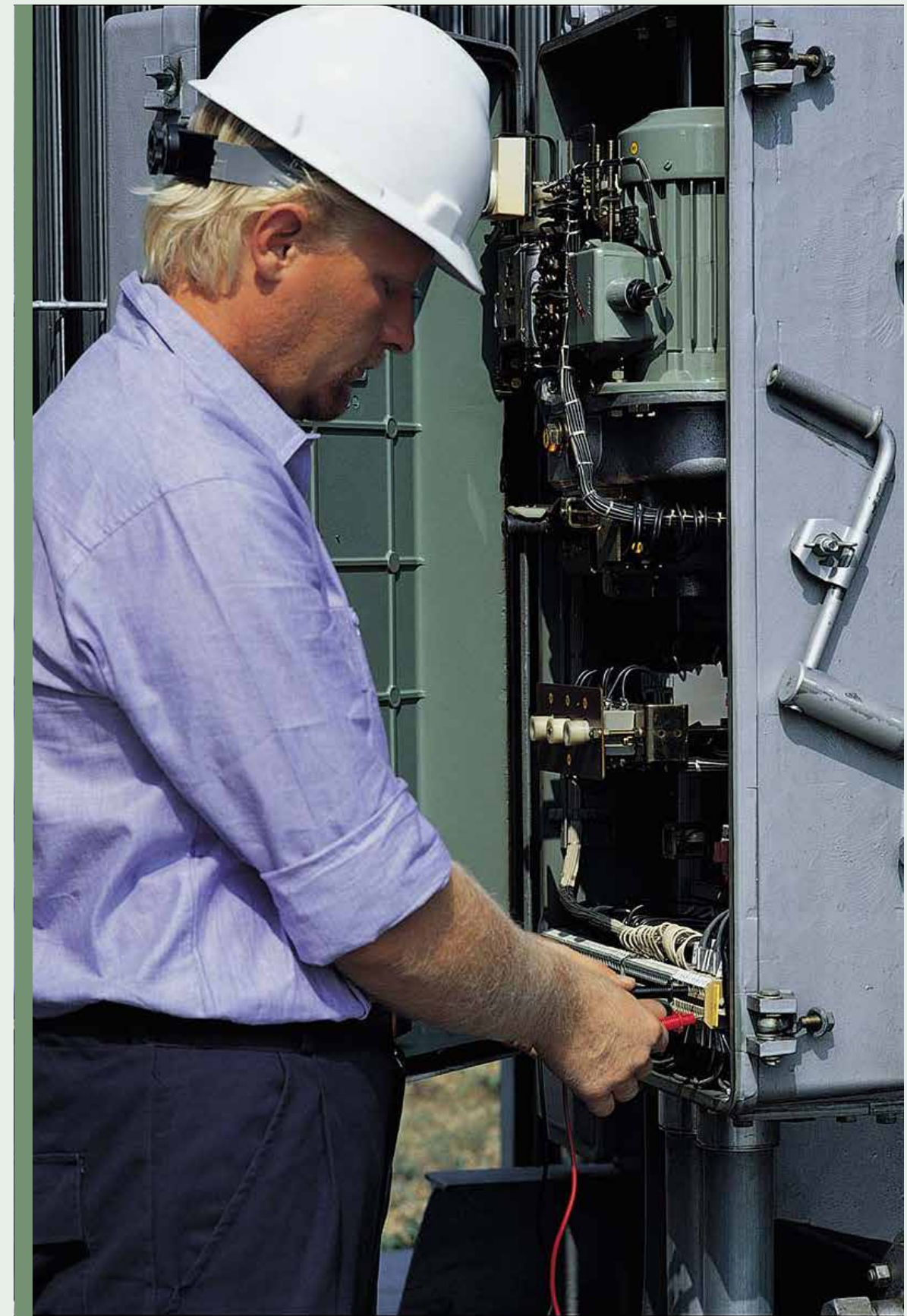
In the event of an accident, an investigation is launched which may include, in addition to interviewing the injured person and any witnesses, an inspection of the site of the event. The objective of the investigation is to determine the causes in order to identify the measures to be taken to prevent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

In accordance with the provisions of Articles 17, 18, 28 and 29 of Legislative Decree 81/08 (Consolidated Law on Occupational Safety), Employers, in collaboration with the Heads of the Health and Safety Service 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 prevention and protection measures to avoid or, if not possible, reduce the likelihood of an unfavourable event or, in any case, reduce the consequences of the event.

The provision of Personal Protective Equipment (e.g. helmet, footwear, high-visibility clothing, etc.) or Collective Protective Equipment is the responsibility of the company, which also provides training for correct use.

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

The **Health and Safety Service** of the Parent Company, which is part of the centralised services, monitors the companies on the application of the regulations, guidelines and company policies. This Service is composed of the Head of the Health and Safety Service (RSPP) and the Health and Safety Service Operator (ASPP), who are also present in the various Group companies.



In the various company premises, plans are in place to manage any emergencies, called “**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.

It is extremely important for each employee to be aware of the risks to which they are exposed in their activities: awareness is also gained through participating in safety training organised by the Group. The Group is deeply committed to involving employees, of 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.

110 accidents in the workplace occurred in 2021, the main causes of which were tripping, slipping, strain injuries, and work-related injuries; **21 accidents** can be classified as **accidents with serious consequences** due to absence from work of more than 40 days. No event had an initial prognosis of more than 40 days.

There were **7 commuting accidents**, this term indicating those accidents occurring when travelling from home to the workplace and vice versa 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.

In 2021, the AGSM AIM Group, mainly in the Vicenza companies, 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 Legislative Decree no. 81/08 and in the Risk Assessment Document, is entrusted to two external professionals (Article 41 of Legislative Decree no. 81/08) who meet the legal requirements.

Company doctors, based on risk assessment and regulations, define health protocols for health surveillance.

The doctors 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 Group’s head offices, a room hosts the infirmary and is used by doctors on a weekly or on-demand basis. Blood tests and specialist exams, which always 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 the health data processed by the company doctors remains with them and the employee alone.

Health surveillance includes the prevention of **occupational diseases** that the worker could contract in carrying out their activity. **11 applications** were received in 2021 **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.

2,337 fitness-for-duty examinations were carried out in 2021.

In 2021, the AGSM AIM Group, on the recommendation of the competent Local Health Unit, played an active role to inform personnel on the possibility of **voluntary vaccination** against seasonal flu.

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.

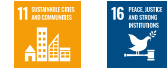
Total number of accidents	103
Severity rate	0.80
Rate of recordable accidents in the workplace	32.58
Lost working days (occupational disease and accidents)	2,821
Work-related deaths	0

Table 29 – Accidents involving Group employees in 2021

MATERIAL ISSUES

Economic and financial performance

Integrity and transparency in business development



13.2 Shareholders

Aware of the importance of the role played by the Shareholders, the AGSM AIM Group ensures them accurate, truthful and timely information, as well as aimed at improving the conditions of 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 Municipality of Vicenza and the Municipality of Verona aimed at governing the performance of activities subject to concessions and/or administrative authorisations.

The Group's commitment is to protect and increase 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.

In 2021, the AGSM AIM Group paid **dividends to the Municipalities of Verona and Vicenza** for a total of **Euro 28.44 million** from the profits allocated in the 2020 Financial Statements, which amounted to a total of Euro 31.13 million.



From the top: City of Vicenza, City of Verona

MATERIAL ISSUES

Economic and financial performance
Integrity and transparency in business development



13.3 Lenders and investors

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 debt capital (to be repaid within the following year) and long-term debt (to be repaid beyond the following year).

Net financial debt at 31 December 2021 was equal to **Euro 401.43 million**.

NET FINANCIAL DEBT	€/000
Current	309,132
Non-current	92,296
Total	401,428

Table 30 – Net financial debt (in thousands of Euro) in 2021

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 **Net Financial Position** amounts to more than Euro 400 million.

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 2021 **amounted to Euro 6.58 million**.

The AGSM AIM Group has entertained relations with the **Banca Etica** credit institution that recognised the company’s social and environmental requirements, thereby allowing the opening of some credit facilities aimed at the company’s economic-social sustainability.

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, 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 will have a duration of 7 years, expiring in 2025, and an annual coupon of 1.984%.

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



MATERIAL ISSUES

Integrity and transparency in business development

Development of initiatives and creation of value for the territory



13.4 Authorities and institutions

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 trade associations by participating and actively collaborating in benchmarking against other companies and to promote regulatory and technological updates, including but not limited to Utilitalia, Confservizi and Confindustria.

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 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 the provisions of the regulations, Megareti S.p.A. and Servizi a Rete S.r.l., vertically integrated into the AGSM AIM Group, set up their respective Independent Managers for the distribution of natural gas and electricity.

The two Independent Managers are 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 fees paid by the Group were as follows:

FEES	€/000
To the Authorities	518.31
To organisations and associations	442.15
Total	960.46

Table 31 – Fees paid by the AGSM AIM Group (in thousands of Euro)

The tax burden incurred by the AGSM AIM Group was as follows:

TAXES AND DUTIES	€/000
Direct income tax for the year (IRES and IRAP)	29,938
Indirect taxes and duties (other taxes)	3,533
Total	33,471

Table 32 – The tax burden incurred by the AGSM AIM Group (in thousands of Euro)

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(Cassa 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.

MATERIAL ISSUES

Protection of the customer

Integrity and transparency in business development

Protection of the territory

Use of renewable sources



13.5 The Customer

Customers and users are key stakeholders in the eyes of the AGSM AIM Group.

The AGSM AIM Group believes that in order to further customer retention, all customer relations must be based on the principles of loyalty, helpfulness, transparency and professionalism.

To this end, the AGSM AIM Group has adopted a Services Charter by means of which it has made a series of undertakings to the public, in regard to the performance of its activity, and on the basis of its UNI EN ISO 9001 certification it undertakes to constantly provide customers with services that meet their requirements and that are compliant with applicable legislation.

The AGSM AIM Group, through its investees, guarantees its customers equal rights, equal treatment and non-discrimination. The Group is increasingly 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.

13.5.1 QUALITY AND PROXIMITY: RELATIONS WITH ENERGY CUSTOMERS

AGSM Energia, AIM Energy and CogasPiù Energie are the AGSM AIM Group's commercial companies, and they operate in the sale of electricity, natural gas and heat to various types of customer.



In 2021 they served a total of **861,289 customers** broken down as follows:

CUSTOMERS	NO.
Electricity	539,839
Natural gas	317,883
Heat *	3,567
Totale	861,289

* Customers of the district heating service

Table 33 – Customers served by the AGSM AIM Group in 2021

Residential customers account for 47.66% of **electricity customers**, 74.41% of **gas** customers and 16.48% of **heat** customers.

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.

To offer an increasingly efficient service close to its customers and potential customers, the Group has a vast indirect sales network, which at the end of 2021 consisted of **144 agents and sales agencies** operating throughout **Italy**.

The strong presence in the territory that characterises the AGSM AIM Group is also unequivocally reflected in the customer base and its concentration. As can be seen in **Table 33**, about **60.52%** of **customers** are registered in the Veneto region, and in particular in the **Verona and Vicenza** areas.

ENERGY CUSTOMERS *	ELECTRICITY %	NATURAL GAS %
Veneto region	49.78%	78.31%
Other regions	50.22%	21.69%
Vicenza and Verona's share of the total	45.58%	73.16%

* District heating customers are not taken into account

Table 34 – Geographical distribution of energy customers

In 2021, for the supply of Natural Gas and Electricity, the sales companies of the AGSM AIM Group **issued over 3.6 million bills**, of which over **1.2 million** were issued **electronically**, accounting for approximately **34% of total bills issued**. The service of sending bills in electronic format is called by the three companies with the names of **Bollettelettronic@**, **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 2021, **over 14,000 customers** activated this service, thus contributing to the continuous saving of paper.

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

Always via the Customer Area and the App, the AGSM AIM Group provides its Customers with the possibility of paying bills by credit card and activating payment via SEPA (Single Euro Payments Area) direct debit, facilitating the customer in the movement and printing of documentation, with consequent saving of paper.

In 2021, **90,393 bills** were paid by credit card via websites and Apps.

TYPES OF PAYMENT USED	%
SEPA direct debit	55.13%
Pre-Printed Postal Payment Slips	33.61%
Collection Orders, Bank Transfers	11.26%

Table 35 – Types of payment used by customers

13.5.2 INCLUSION AND INCREASED ACCESS TO SERVICES

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.

55,035 contracts are eligible for the Electricity and Natural Gas Bonus.

The amounts of the bonuses paid for 2021 are set out below.

DISBURSEMENT OF THE SOCIAL BONUS	€/000
Gas bonus	2,711
Electricity bonus	5,011
Total	7,722

Table 36 – Social Bonuses paid

For the Municipality of Vicenza, another form of welfare support for poorer families is that offered by the cooperation with the charitable organisation “Caritas”, through the creation of a **fund for the association Diakonia Onlus**, the operating wing of Caritas, for those families in temporary financial difficulties, intended to cover part of the cost of gas and electricity.

In 2021, the AGSM AIM Group disbursed **Euro 17,747.81** for local families in social and economic hardship.

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

In general, the Group pays attention to and tries to accommodate the requests for extended payment terms for bills where possible, also in those cases not provided for by the Authority.

Responsible and transparent offers

The Group’s commercial companies provide diversified energy offers and tariff plans, suited to the needs of the various types of customer, comprising households and companies.

The offers provide benefits in terms of savings through discounts, support services, energy bonuses, electronic billing, online desk and billing based on real consumption.

The marketing campaign, aimed at illustrating the difference between protected market and free market, promoted the offers and services developed in the free market, with a view to brand loyalty and brand reputation consolidation.

For the sale of electricity, the sales companies promote the choice to serve end customers in the free market with electricity produced from renewable energy sources with GO certification (Guarantee

of Origin) that prove the green source of production. AIM Energy and CogasPiù Energie guarantee green energy to end customers at no additional cost, with a 100% renewable fuel mix. AGSM Energia allows customers to include renewable energy in all commercial offers, contributing to the protection of the environment and the reduction of CO₂ emissions. 50,390 contracts were signed in 2021 with the sale of renewable energy.

Some active commercial offers are: Sempre Luce, which allows customers to save 10% on the energy price set by ARERA; PiùStabile and Idea Fissa Luce, on the other hand, allow customers to set the price of the commodity for a whole year, while Chiara, Premium Web Luce and PiùChiara allow customers to buy energy at the wholesale price.

For the sale of natural gas, the Easy Winter promotion is active, which involves sending monthly bills from November to April, and on a bimonthly basis for the remaining months of the year. This billing method allows the payment of the winter bills, those in which most of the consumption is concentrated, to be spread out. On top of this is the advantage of reporting self-reading, obtaining a Euro 5 discount each, and paying only for the actual consumption. Idea Fissa Gas allows to set the price of natural gas for a year and obtain a further discount through self-readings. Solido Risparmio grants up to 80 m³ of natural gas free of charge for customers with

consumption greater than or equal to 1,000 m³ and who pay by bank account or otherwise of 60 m³ in case of payment by postal payment slips. Ben Spesa and IperSpesa offer customers Euro 50 in store credit that can be used at a major local retailer. PiùReale and Gas Mercato Libero offer a fixed discount on the price set by ARERA. Premium Web Gas allows customers to purchase natural gas at the PSV (Virtual Trading Point) price, the main index in Italy for the wholesale market.

For customers with a VAT number, the following offers are active: Energia all'ingrosso (wholesale energy) and Business Light, which envisage the application of an energy component indexed to the average PUN (Single National Price) set on the national electricity exchange market. Several offers are active for gas, such as Good Gas, which provides for the application of a gas component indexed to the PSV price.

Agreements

The Group's commercial companies entertain relations based on an effective collaboration with the representatives of the various consumer associations operating in the territory concerned.

13.5.3 CUSTOMER PROTECTION AND CONTINUOUS LISTENING

In all relationships with customers, the Group ensures compliance with the Privacy Code in the management of personal data (Regulation (EU) 2016/679) and ensures continuous contact thanks to its territorial presence.

The Group operates in the territory through **14 sales desks** located as follows: **12 in Veneto** (2 of AIM Energy and 10 of AGSM Energia) **1 in Abruzzo** and **1 in Lazio** (both of CogasPiù Energie).

In addition, the Group has **144 sales agencies** operating throughout Italy. Moreover, AGSM Energia, with a view to ensuring a widespread presence throughout the country, provides customers with over 50 indirect shops (**AGSM Shops**), thanks to the partnership with local businesses, where it is possible to request advice on bills or sign up to commercial offers.

In the 14 physical desks open to the public, customers can find numerous information leaflets concerning the self-reading service, digital services, consumer education campaigns and the many promotions active in the electricity and natural gas market.

In 2021 **53,977** customers were served at the AGSM AIM Group desks, respectively:

- AGSM Energia: 34,791 (Verona and province);
- AIM Energy: 10,683 (Vicenza and Treviso);
- CogasPiù Energie: 8,503 (Abruzzo and Lazio).

Since 2020, due to the COVID-19 pandemic, AIM Energy and CogasPiù Energie have changed the way customers are managed at sales desks.



In order to be able to access the desks, for any commercial matters or information on bills and rates, AIM Energy customers must book an appointment (via the website or toll-free number): in this way, the waiting times to deal with the relevant matters were eliminated. Alternatively, customers may:

- log in to the dedicated area on the AIM Energy website for contract management enquiries (e.g. activation of or change in SEPA details, change of residence, change of power level, cancellation, StopCarta activation);
- download from the public area of the AIMenergy.it website the kits available for each of the commercial matters, fill them out and return them via e-mail or deliver them to the desk by appointment.

CogasPiù Energie also replaced the wait at the desk with a customised appointment system, excluding the payment desk. Customers can also log in to the dedicated area of the website to provide their self-reading, check bills and payment status, activate bank direct debit and request bills be sent in digital format.

AGSM Energia still continues with the "traditional" management of the desks, i.e. customers can visit at any time without an appointment. Alternatively, in the "Fai da Te" (do-it-yourself) section of the website, redesigned in 2021, customers can independently submit multiple contract management enquiries by filling in and sending the forms provided. For example, it is possible to activate a contract for transfer, reactivation and first activation; activate a bank direct debit, request electronic bills, manage payments and customise bills. Customers can also monitor the progress of their enquiries with the ticket available once the enquiry has been submitted, book an appointment, and find information in the FAQs, thanks to the new breakdown by topic that facilitates reading.

The table below shows the average waiting times at desks (without appointment).


DESK SERVICE	TICKETS AT THE DESK	 AVERAGE WAITING TIME (MIN)
AGSM Energia desk, Verona – Single queue	28,284	07:23
CogasPiù Energie desk – Payment queue	7,189	02:43

Table 37 – Average waiting time at the desk

In addition to desks, the Group companies provide customers with a call centre service. During 2021, **423,908 calls** were received with an **average waiting time of 137.5 seconds** and with a **percentage of successful calls of 92.4%**.

Through mobile and website channels, companies give customers the possibility to experience the **online desk directly from home** on their computer but also their smartphone or tablet.

270,797 files were handled by the online desk, accounting for **65.98%** of all files managed by the sales companies.

AIM Energy activated a **chatbot** on the website that allows chats and direct interaction with a Call Centre operator, and also enabled **InFace**, the video call assistant service that allows the execution of all contractual transactions, using face-to-face assistance with an operator. In 2021, **9,401** chats and **834** video calls were handled and **675 online contracts** were signed via the AIM Energy website. A new feature was introduced, which considerably simplified the online signing procedure. When the customer uploads the bill, the system automatically recognises the contractual details, pre-fills in the form and sends the contract, signed with an electronic signature, via e-mail to the customer. From the Customer Area of the AIMenergy.it website, the customer can operate independently on their contract, with the possibility of submitting the main contractual files and monitoring their processing status. Similarly, the App can be used, with the same features as the Customer Area. In 2021, **17,814 files were received through the Customer Area/App**.

CogasPiù Energie: some features are available from the Customer Area of the cogaspiuenergie.it website, which led to the processing of **419 files** in 2021.

AGSM Energia: the company enabled InFace, the video call assistant service. In 2021, **2,775 video calls** were handled and **2,442 online contracts** were signed via the website. **190,691 requests** were received through the "Fai da Te" Area.

In 2021, AGSM Energia through the Trustpilot online review platform (with 85 million reviews and 370,000 registered domains), received more than 11,000 certified reviews, mostly from customers who used the telephone customer care service: after the telephone call, customers receive an e-mail which invites them to leave a review and a star rating for the service received. There are also unsolicited reviews (called "organic reviews") from the AGSMperte.it website. Ratings that are not fully positive (from one to three stars) are analysed to identify any shortcomings in the service and rapid improvement actions are taken.

Continuous, widespread and interactive listening to customers is also guaranteed through social media channels. Below is the total number of followers or users of the various channels:




THE CONTACT CHANNELS	NO.
 Facebook	10,877
 Twitter	463
 LinkedIn	8,016
 YouTube	48,799
 App (AIM Energy – CountBox – CogasPiù Energie)	41,336
 Websites	537,083
 Customer area of websites	163,110
 Instagram	314

Table 38 – Contacts through the network of channels

13.5.4 CUSTOMER SUPPORT

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 ongoing monitoring of complaints by the AGSM AIM Group is to identify critical issues and define and implement corrective actions, with a view to continuous improvement.

In particular, through a specific system, the 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 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, amount to **18,072** and are broken down as follows:

- **13.06%** were **complaints**, which were answered in over 97.41% of cases within the 30 days required by regulations;
- **18.06%** were **billing adjustment requests**, which were answered in 100% of cases within the required time limits;
- **68.88%** were **requests for information**.

13.5.5 QUALITY IN NATURAL GAS DISTRIBUTION SERVICE

For the **distribution of natural gas**, Servizi a Rete and Megareti manage gas transport through local pipeline networks, for delivery to end users through two phases: the pick-up of gas from Snam Rete Gas’ pipelines through first-stage pick-up points, followed by its 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.

Overall, in 2021 Servizi a Rete and Megareti, for the division relating to the distribution of natural gas, managed **294,671 users**, introducing more than **641 million standard cubic metres of natural gas into the network**.

The natural gas distribution service makes reference to the commercial quality parameters set by ARERA. In 2021, the **minimum times and levels required by the Gas Distribution Service Quality Regulation (RQDG)** were **widely complied with**.

ARERA QUALITY STANDARDS	SERVIZI A RETE	AGSM AIM (TV)	MEGARETI	2021 TOTAL
Total number of services performed	7,279	2,621	10,762	20,662
Number of cases of non-compliance with commercial quality standards with right of automatic compensation to the user	29	0	86	115
Percentage of cases of compliance with commercial quality standards	99.60%	100.00%	99.20%	
Average time for performing simple services (Article 51 of the TUDG - Consolidated Act on the regulation of the quality and rates of gas distribution and metering services)	5.36	3.23	5.15	
Total number of simple services	513	248	439	1,200
Average time for performing complex services (Article 52 of the TUDG - Consolidated Act on the regulation of the quality and rates of gas distribution and metering services)	23.56	3.83	14.59	
Total number of complex services	31	22	151	204
Average time for activating the supply (Article 53 of the TUDG - Consolidated Act on the regulation of the quality and rates of gas distribution and metering services)	4.43	2.87	2.73	
Total number of supply activation cases	3,236	992	4,639	8,867
Average time for supply reactivation following suspension due to lack of payment (Article 55 of the TUDG - Consolidated Act on the regulation of the quality and rates of gas distribution and metering services)	1.21	1.06	0.64	
Total number of supply reactivation cases following suspension due to lack of payment	685	364	693	1,742

Table 39 – Quality standards offered by the distribution companies of the AGSM AIM Group

13.5.6 QUALITY IN THE ELECTRICITY DISTRIBUTION SERVICE

For the **distribution of electricity**, with Resolution 646/2015/R/eel, which came into force on 1 January 2016, ARERA approved the “*Integrated Output-Based Regulation of Electric Power Distribution and Metering Services*” for the period from 2016 to 2023.

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.

Megareti and Servizi a Rete had a total of **244,844 active users** as at 31 December 2021, over a **network of 4,450.95 km**.

USERS	N,
Domestic	189,960
Non-domestic	54,884
Total	244,844

Table 40 – Users of the service in 2021

LENGTH OF NETWORK	KM
HV Network	58
MV Network	1,639
LV Network	2,754
Total	4,451

Table 41 – Km of network in 2021

Below are some indicators that measure the **quality of the service** and can have an impact on end customers. **The specific commercial quality standards for electricity were 99.14% and 99.97% complied with** by Megareti and Servizi a Rete respectively in 2021.

QUALITATIVE STANDARDS	SERVIZI A RETE	MEGARETI	TOTAL
Average number of interruptions - no./users: *			
Scheduled	0.04	0.12	0.16
Without notice	1.01	0.90	1.91
Average duration of interruptions - min/user			
Scheduled	3.79	16.1	19.89
Without notice	10.22	8.01	18.23

* Overall in MV/LV transformers and lines

Table 42 – Service quality standards offered by the distribution companies of the AGSM AIM Group



MATERIAL ISSUES

Protection of the territory
Sustainability and security in the supply chain
Resilience and adaptation to innovation
Ethics and fight against corruption



13.6 Suppliers

The suppliers of the AGSM AIM Group occupy a strategic position in achieving the Group's growth and sustainability objectives.

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 various 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 selection of suppliers is carried out in compliance with the principles enshrined in the **EU Treaty for the protection of competition**, as well as the general principles of sound governance, effectiveness, efficiency and economy, aimed at ensuring that acquisitions and awards of contract are carried out with transparency and at the best conditions.

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 (<https://AGSM AIM.bravosolution.com/web/login.html>).

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.

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, recently, minimum environmental requirements.

For some types of supplies and services, the AGSM AIM Group Companies require candidates, 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 the quality standards** issued on the basis of the European standards of the UNI EN ISO 9001 series and others.

All suppliers and contractors are required to comply with environmental and safety standards, to protect work conditions, and finally to **adhere to the Code of Ethics approved by the Group** and the Organisation, Management and Control Model adopted pursuant to Legislative Decree 231/2001.

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, ISO 14000 and 45001 certifications.

The Group aims to build a transparent, proactive and cooperative relationship with suppliers, involving them in the compliance with the quality, environmental and safety standards adopted by the Group.

In 2021, the companies of the AGSM AIM Group issued over **14.8 thousand orders** for a total value of over **Euro 190 million**.

13.6.1 PUBLIC TENDERS OF THE SO-CALLED ORDINARY AND NEGOTIATED AWARD TYPES

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 often 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.

The awarding of tenders mainly takes place with the criterion of the **most economically advantageous tender**, in order to evaluate, according to different parameters based on the type and characteristics of the award, economic, technical, qualitative, social, environmental, ethical and safety aspects.

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.

Where applicable, the Group companies, through the Person Responsible for the Procedure (RUP), prepare the **risk assessment document** which indicates the measures taken to eliminate or minimise the risks from interference (DUVRI); they draft the interference risk assessment document which includes an evaluation of the standard risks related to the type of work that could potentially derive from the performance of the contract.

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).

13.6.2 PURCHASES ON THE TERRITORY

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.

In 2021, the AGSM AIM Group made purchases from over **19,500 suppliers**, **41.04%** of which are based in the provinces of **Verona and Vicenza** (“local suppliers”).



Wind plant in Rivoli (VR)

MATERIAL ISSUES

*Protection of the territory
Development of initiatives and creation
of value for the territory*



13.7 Community and territory

For the AGSM AIM Group, 2021 was full of challenges and changes, beginning with the completion of the merger between the two historic Groups AGSM Verona and AIM Vicenza. The activity initially focused on streamlining processes, with the aim of best integrating the two entities into a single Group capable of meeting the needs of citizens and the territory with renewed strength and investment capacity. Effort was made in parallel with traditional business activities, which had to face important challenges such as the effects of the continuation of the Covid-19 health emergency and the considerable increase in commodity prices.

Within this context, AGSM AIM continued to pursue its goals, including its commitment to sustainable development in the energy sector and the digitisation of services.

During the year, the **External Relations and Communication Department** dealt with studying and defining the coordinated image of AGSM AIM and its special purpose companies. In addition, the activity was aimed at communicating to the media and the various stakeholders the key points of the integration, the establishment of the various Business Units and the Holding's Business Plan. Communication of all the initiatives carried out by the Group at business, institutional, cultural and social level, also continued.

In the overall scenario in which AGSM AIM operated during 2021, the Department managed the communication of the implications deriving from the volatility of energy markets and potential critical issues due to the increase in commodity prices, which generated a significant rise in bills.

In 2021, the activities carried out by the External Relations and Communication Department resulted in about **40 press releases** of various types, which generated **50 television reports** and, directly or indirectly, almost **250 articles** in the local and national press, also on the basis of the activities for extraordinary corporate transactions that occurred during the year.

Despite the well-known limitations due to the current pandemic, which have drastically reduced the numerous initiatives planned, in 2021 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 exceeding Euro 1.9 million**.

The criteria adopted to disburse economic resources through sponsorships and donations always comply with the principles of consistency and are governed by the company Regulation on the management of sponsorships and donations.

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, minor 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.

13.7.1 SOCIAL INITIATIVES

During 2021, 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 also supported numerous social promotion associations, including La cura sono io, **Gli orti di San Giuseppe**, **Donna Chiama Donna**, **Avis (Italian Association of Voluntary Blood Donors) of Verona**, **La Rondine**, **La grande sfida onlus**, **Anvolt – National Association of Volunteers for the Fight against Cancer**, **Italian Dyslexia Association (A.I.D.)**, and **National Deaf Organisation**.

Collective awareness of social issues is also achieved through light. During important social initiatives, the AGSM AIM Group lights a local monument with the related "symbolic colour", increasing the visibility of the event.

"The Arena turns pink against breast cancer"

Rare diseases - Green, pink and light blue Arena

"INSIEME PER LA VITA" (TOGETHER FOR LIFE)

The Group signed up to the TV marathon organised by Videomedia and Publiadige that succeeded in raising funds for five non-profit associations: Abam Vicenza - Association for the care of children with congenital malformation; Lilt Vicenza - Italian Association for the Fight against Cancer; Vicenza for Children - Supporting hospitalised children and their families; Fondazione San Bortolo of Vicenza - Children's Oncological Area; Cuamm medici con l'Africa - International health area.

13.7.2 CULTURAL INITIATIVES

Numerous cultural initiatives were held where the AGSM AIM Group, also with its companies, was one of the main partners and supporters of cultural associations, including **Associazione Culturale Theama and Fondazione Teatro Comunale, Associazione Idem, Fondazione Atlantide Teatro and Concetto Armonico Associazione Culturale.**

TOCATÌ - INTERNATIONAL FESTIVAL OF STREET GAMES

The AGSM AIM Group supports Tocatì - International Festival of Street Games, by providing Eco-electricity, i.e. certified electricity from renewable sources, and services for sorted waste collection. The International Festival of Street Games, 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.

FESTIVAL OF BEAUTY

During the reporting period, the AGSM AIM Group supported the eighth edition of the Festival of Beauty on the theme "Dante and poetic expression". An event of interconnected performances and reflections on poetry in Dante's places, artistic cities and UNESCO sites, for the first time in various historical scenarios, including Roman Theatre of Verona, Olympic Theatre of Vicenza, Palazzo della Ragione in Padua, Bibiena Theatre in Mantua, Villa Mosconi Bertani in Valpolicella, Torrigiani Garden in Florence, Isola del Garda, and Vittoriale Amphitheatre and Auditorium.

"INFERNUS" EXHIBITION

The AGSM AIM Group was the main sponsor of the "Infernus" exhibition through which the artist Leonardo Frigo paid homage to Dante in the year when the 700th anniversary of the Supreme Poet's death was celebrated. 34 musical instruments, on which the artists drew ink illustrations inspired by the First Canticle of the Divine Comedy, Inferno, were exhibited in the hall of the Basilica Palladiana of Vicenza from 26 June to 31 August 2021. Each musical instrument is dedicated to a specific canto, the result of painstaking work completed over five years of artistic creation.

FESTIVAL OF SCIENCE

The Group supported the Festival organised by the Associazione Festival della Scienza of Verona, a non-profit organisation founded with the aim of promoting, enhancing and disseminating scientific and cultural knowledge with collaboration networks at national and international level. The Festival aims to rediscover the desire to get involved, experiment, and discover new methods and skills to acquire new knowledge. Communicate actions, good and best practices related to sustainable environmental, social and cultural development.

13.7.3 MUSICAL INITIATIVES

In 2021, the AGSM AIM Group also supported numerous musical associations and initiatives, including **Fondazione Verona per l'Arena, Fondazione AIDA, Liszt 2011, Associazione Coro e Orchestra of Vicenza, Associazione del Quartetto of Vicenza, Music Weeks at the Olympic Theatre, and Lyrical Music Academy.**

13.7.4 SPORTS INITIATIVES

In 2021, 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 sponsorships for 2021 include **Scaligera Basket Verona, A.S.D. Mastini Verona, L.R Vicenza Virtus S.p.A., Pallacanestro Vicenza SSDRL, Verona Volley and Magic Basket Chieti, and events such as Straverona, Verona Marathon, and the Italian Volleyball Federation (FIPAV Verona).**



From the top: City of Vicenza, City of Verona

13.7.5 ENVIRONMENTAL PROTECTION INITIATIVES

"M'ILLUMINO DI MENO" (LESS LIGHT ON ME)

The Group took part in the initiative to raise awareness on energy savings promoted by Radio Due by switching off the lights in one of the city's most significant monuments for an hour.

EARTH HOUR 2021

AGSM AIM took part in the global event organised by WWF to celebrate the beauty of our planet and to invite us to reflect on the importance of our choices to preserve nature and combat the climate crisis.

SORTED WASTE COLLECTION GUIDE IN SIX FOREIGN LANGUAGES

Through its subsidiary Amia Verona S.p.A., the AGSM AIM Group launched an innovative project dedicated to the tens of thousands of foreign citizens residing in the city.

AMIA REWARDS GOOD CITIZENS

Awareness campaign with the aim of optimising sorted waste collection and the sorting of urban waste, combating degradation and the deplorable phenomenon of illegal dumping.

HEALTHY SNACKS IN SCHOOLS

A healthy snack for a better environment. Even the snack that children eat at school can have a positive impact on the surrounding environment, as well as being good for the physical and mental health of those who eat it. The Municipality of Verona, together with AMIA and Coldiretti, launched a new awareness project aimed specifically at lower secondary school students. The initiative was a reflection on what students eat and how they can improve the quality of the food they choose. An experience that has highlighted the importance of correct food choices, how to dispose of waste, how to store food, and above all how to choose from seasonal and local foods.

OPEN PLANTS

As part of training and awareness on environmental protection, the landfill at Grumolo delle Abbadesse (VI), managed by the investee Società Intercomunale Ambiente S.r.l. (S.I.A.), received school groups and delegations of entities for guided tours of the plant during 2021.

In order to ensure a greater awareness and knowledge of the waste treatment activity, which represents an important phase in the urban waste management cycle, through this initiative, SIA explained the actual activities carried out at the landfill site, how they are conducted and the environmental controls in place.

RECYCLING CENTRES OPEN ON SUNDAYS

An initiative launched in order to further stimulate the collection of recyclable and reusable materials, given the fact that many users already use and appreciate the service during the week. The opening on Sundays also provides citizens with a further opportunity to avoid improper waste deliveries or dumping.



MATERIAL ISSUES

Protection of the territory
Containment of emissions



13.8 Group consumption

13.8.1 ENERGY CONSUMPTION

The Group’s **direct energy consumption** refers to the use of fuel for the production of electricity and heat in the Group’s plants (cogeneration plants, boilers, landfill) as well as non-renewable primary energy flows not directly connected with energy production (e.g. heating, transport fuels used in performing company activities).

Indirect energy consumption, i.e. the electricity that the Group purchases and consumes, refers to the Group’s production sites and plants. The electricity used by the energy production plants is partly self-produced and the related values are included in the direct fuel consumption.

The Group is responsible for monitoring emissions, mainly of the following types:

- **scope 1:** all direct emissions from sources owned by the Group, i.e. the CO₂ emissions generated by fuels burnt in the plants to produce electricity and heat, those originating from the company vehicle fleet and those deriving from the consumption of methane to heat buildings in the various premises and/or for other activities supporting production;
- **scope 2:** CO₂ emissions from the Group’s indirect consumption, i.e. the emissions generated by the purchase of electricity from third-party suppliers which is used both in the Group’s plants and at company premises.

With the aim of reducing its environmental footprint, the Group fully certified the electricity used for its activities through the purchase of green certificates; these certificates cover the Group’s entire electricity requirements. A total of **31,587 green certificates** were purchased (equivalent to 3 mWh consumed).

CONSUMPTION	GJ
Thermal energy from natural gas for technological uses	3,348,718.54
Energy consumed from petrol by the company fleet	5,842.70
Energy consumed from diesel by the company fleet	172,347.21
Energy consumed from natural gas by the company fleet	111,083.80
Energy consumed from LPG by the company fleet	1,755.20
Purchased electricity consumption (renewable)	113,713.72
Total	3,753,461.46

Table 43 – Group energy consumption in GJ in 2021

The AGSM AIM Group’s company fleet is made up of **1,440 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. The company vehicle fleet is subject to particular attention by the Group, which is committed to reducing atmospheric emissions deriving from road traffic in the coming years, through the systematic renewal of the most polluting vehicles and the improved and more efficient management of travel between company premises.

13.8.2 EMISSIONS

The use of fossil fuels is one of the elements most responsible for climate change; reducing their use, together with increasing energy efficiency, is one of the most effective strategies for reducing the greenhouse effect, which is primarily due to carbon dioxide. The Group is committed to reducing these emissions and reporting the performance achieved, in order to ensure transparency and continuous improvement of its performance.

The Group’s greenhouse gas emissions (GHG - Greenhouse Gases) derive in particular from plants (waste-to-energy plants and district heating), from losses in the gas network, from landfills and, albeit to a lesser extent, from technological plants relating to operating sites.

Table 43 shows the CO_{2eq} emissions, expressed in tonnes, related to the use of fossil fuels by the company fleet and the use of natural gas for technological uses (Scope 1).

SCOPE 1 CO ₂ EMISSIONS FROM COMBUSTION	T _{CO2EQ}
Natural gas for technological uses	188,865.82
Petrol by the company fleet	393.20
Diesel by the company fleet	12,047.61
Natural gas by the company fleet	4.06
LPG by the company fleet	59.49
Total CO₂ emissions	201,370.19

Table 44 – CO₂ emissions from the use of fossil fuels by the AGSM AIM Group (in t_{CO2eq})

Considering the certified origin of green electricity, the emissions related to Scope 2¹ are to be considered nil.

The avoided greenhouse gas emissions are composed of five categories, resulting from:

- electricity purchased and consumed by Group companies for their operating activities, entirely generated from renewable sources;
- electricity from renewable sources that the Group purchases for its domestic customers who request it and industrial customers, which guarantee their supply of electricity from renewable sources;
- the recovery and use of natural gas produced from biomass in the Group's waste storage facilities; this gas is used for the generation of electricity, which covers the internal consumption of the plants and the remainder of which is put on the market;
- the district heating activity that, thanks to the better efficiency compared to the individual production of thermal energy, allows to reduce the gas emissions deriving from the combustion of fossil fuel and consequently mitigate the emissions in urban environment;
- the replacement of public lighting systems, with energy-saving LED lights;
- the adoption of low-absorption elements and the replacement of low-energy-efficient elements (such as the windows of the Group's operating sites) reduced over the years the Group's ecological footprint, contributing to the reduction of greenhouse gas emissions.

¹ SCOPE 2: indirect GHG emissions from generating electricity, heat and steam imported and consumed by the organisation, as the importer is indirectly responsible for the emissions generated by the supplier to produce the required energy.

13.9 Protection of the territory

The AGSM AIM Group operates in an area rich in biodiversity, also 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 Group is aware that its electricity production activities have an impact on the surrounding natural resources. As a consequence, before implementing new projects and maintenance activities of importance, which could give rise to environmental impacts in particular areas, the Group submits the intervention to more specialised assessments for the safeguard of the area affected by the service.

This took place during the construction of the wind plants of the AGSM AIM 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 plants (Affi, Rivoli Veronese, Casoni di Romagna, Parco Eolico Carpinaccio S.r.l., Parco Eolico Riparbella S.r.l., Parco eolico Monte Vitalba S.r.l., that of Rivoli Veronese (VR) is an exemplary case.

The wind plant in Rivoli Veronese was installed in 2013 on a Site of Community Importance (SIC) and ZPS (Special Protection Zone) of particular landscape and naturalistic value. The site is located in the so-called "Anfiteatro Morenico di Rivoli", a natural formation dating back to the last glacial phase, of important cultural and landscape value. In addition, the site is characterised by the presence of Dry Meadows, soils largely occupied by rare herbaceous plant species that have adapted to particular water deficit conditions.

In collaboration with Legambiente (Baldo-Garda association "Il tasso"), AGSM Verona S.p.A. 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 replanted after the works. This measure made it possible to preserve rare species, even at risk of extinction.

For the waste production and management activities carried out by the Group, there is no environmental hazard since the areas of the sites are not of the protected type.

For the natural gas and electricity distribution service, there is no 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.

APPENDICES



A.1 Table of concordance with the Global Compact

THE TEN UNIVERSAL PRINCIPLES	GROUP ACTIONS
HUMAN RIGHTS Principles 1, 2 - Businesses should support and respect the protection of internationally proclaimed human rights within their respective spheres of influence, and make sure that they are not, albeit indirectly, complicit in human rights abuses.	<p>Agreement with Caritas Diocesana;</p> <p>Economic and social support agreements; Granting extensions to pay bills to customers in financial difficulty;</p> <p>Focus on people; Protection of Occupational Safety;</p> <p>Periodic medical examinations by the Company Doctor;</p> <p>Accident prevention policies;</p> <p>Code of Ethics and values;</p> <p>Health surveillance and training to prevent substance and drug abuse and the harmful use of alcohol;</p> <p>Health insurance coverage for the Group's people; Financial coverage of the management body, control body, senior managers and employees with powers by the Board of Directors; Promoting a healthy and safe working environment through the Safety Procedures pursuant to Consolidated Act 81/08;</p> <p>Focus on people;</p> <p>Code of Ethics and values.</p>
LABOUR Principles 3, 4, 5, 6 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.	<p>Application of various National Collective Bargaining Agreements;</p> <p>Trade union rights guaranteed to all workers</p> <p>Transparent and impartial recruitment policy pursued while respecting equal opportunities;</p> <p>Part-time work granted to employees;</p> <p>Projects with schools and universities (PhD programmes, etc.);</p> <p>Internships;</p> <p>VOLT: project to promote a new corporate cultural model;</p> <p>Training and professional courses;</p> <p>Gender equality is guaranteed in personnel recruitment;</p> <p>Presence of women in top management positions;</p> <p>No episodes of discrimination;</p> <p>Part-time work granted to working women-mothers;</p> <p>Focus on people;</p> <p>Skills development;</p> <p>Refresher and personal development courses.</p>

THE TEN UNIVERSAL PRINCIPLES	GROUP ACTIONS
ENVIRONMENT Principles 7, 8, 9 - Businesses should support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility, and encourage the development and diffusion of environmentally friendly technologies.	<p>Energy efficiency at offices and production sites;</p> <p>Services focused on the real needs of customers, also from a smart point of view;</p> <p>Investments in renewable energy production sites;</p> <p>Increased efficiency of distribution networks;</p> <p>Improvement of the integrated waste service;</p> <p>Increased efficiency of the waste cycle from a circular economy point of view;</p> <p>Production of energy from renewable sources (wind, hydroelectric, photovoltaic, geothermal and biogas);</p> <p>Production of thermal energy from sustainable sources (geothermal energy);</p> <p>Infrastructure improvement projects for networks, smart services, environment, generation and district heating;</p> <p>Support for local cultural initiatives;</p> <p>Smart meters for accurate gas and electricity consumption;</p> <p>Improved management of public lighting;</p> <p>Efficient use of natural sources; Approach to clean production processes;</p> <p>Management and reduction of CO₂ emissions;</p> <p>Efficient and innovative management of parking in the City; Free electricity supply for sustainable mobility;</p> <p>Sustainable treatment of waste in designated sites;</p> <p>Raising citizens' awareness of proper waste management;</p> <p>Promotion of sustainable mobility;</p> <p>Free electricity supply for sustainable mobility;</p> <p>Sustainable treatment of waste in designated sites;</p> <p>Attention to the quality of air in the City.</p>
ANTI-CORRUPTION Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.	<p>Training on the Code of Ethics, Legislative Decree 231, transparency and anti-corruption;</p> <p>Selection of suppliers in accordance with specific regulations; Adoption of the Anti-Corruption Policy;</p> <p>Supervisory Body; Transparency in relations with Shareholders.</p>

A.2 Table of concordance with GRI ("GRI-Referenced")





GRI STANDARDS REFERENCED		Page	Notes
101	Principles		
101-2	Using the GRI Standards for sustainability reporting	8 - 9	
101-3	Making claims related to the use of the GRI Standards	8 - 9	
102	General disclosures		
102-1	Organisational profile	1 - 8 - 10	
102-2	Name of the organisation	12	
102-3	Activities, brands, products and services	1	
102-4	Location of headquarters	46 - 64 - 68 - 70 - 75 - 78 - 80 - 81 - 84 - 88 - 90 - 91 - 92 - 93 - 94	
102-5		10 - 112	
102-6	Location of operations	12 - 119	
102-7	Ownership and legal form	10 - 12 - 13	
102-8	Markets served	98 - 111	
102-9	Scale of the organisation	132 - 134	
102-12	Information on employees and other workers	136 - 141	
102-13	Supply chain	116 - 123	
	Strategy		
102-14	Statement from senior decision-maker	4 - 5	
102-15	Key impacts, risks, and opportunities	36 - 40	
	Ethics and integrity		
102-16	Values, principles, standards and norms of behaviour	8 - 18 - 19 - 20	
	Governance		
102-18	Governance structure	28 - 35	
102-22	Composition of the highest governance body and its committees	31 - 34	
102-23	Chair of the highest governance body	31	




GRI STANDARDS REFERENCED		Page	Notes
102-24	Nominating and selecting the highest governance body	32 - 34	
102-29	Identifying and managing economic, environmental, and social impacts	46 - 47	
102-30	Effectiveness of risk management processes	37 - 40	
102-33	Communicating critical concerns	44 - 45	
102-36		103 - 104	
	Process for determining remuneration		
102-40	List of stakeholder groups	26 - 27	
102-41	Collective bargaining agreements	107	
102-42	Identifying and selecting stakeholders	26 - 27	
102-43	Approach to stakeholder engagement	26 - 27	
	Reporting practice		
102-45	Entities included in the consolidated financial statements	10 - 12 - 13	
102-46	Defining report content and topic Boundaries	8 - 10	
102-47	List of material topics	24 - 25	
102-48	Restatements of information	9	
102-49	Changes in reporting	9 - 10	Omitting the scope of consolidation
102-50	Reporting period	10 - 13	
102-52	Reporting cycle	8	
102-53	Contact point for questions regarding the report	1	
102-54	Claims of reporting in accordance with the GRI Standards	8 - 9	
102-55	GRI content index	150 - 153	
102-56	External assurance	157 - 158 - 159	
103	Management Approach		
103-1	Explanation of the material topic and its Boundary	24 - 25	
103-2	The management approach and its components	36 - 41 - 42- 43 - 45	



GRI STANDARDS REFERENCED		Page	Notes
200	Economic		
201	Economic performance		
201-1	Direct economic value generated and distributed	46 - 47	Don't reference to operative costs in the distributed economic value
203	Indirect economic impacts		
203-2	Significant indirect economic impacts	47	
204	Procurement practices		
204-1	Proportion of spending on local suppliers	134	
205	Anti-corruption		
205-2	Communication and training about anti-corruption policies and procedures	43 - 44 - 45	
205-3	Confirmed incidents of corruption and actions taken	45	
300	Environment		
302	Electricity		
302-1	Energy consumption within the organisation	142 - 143 - 144	
304	Biodiversity		
304-2	Significant impacts of activities, products and services on biodiversity	145	
305	Emissions		
305-1	Direct (Scope 1) GHG emissions	144	The emission factors published by DEFRA 2021 were used for the assessment of Co _{2eq} emissions for Scope 1
305-2	Indirect GHG emissions (Scope 2) of energy	144	Certified electricity from renewable sources
308	Supplier Environmental Assessment		
400	Social		
401	Employment		Reference indicators for employees in Italy only
401-1	New employee hires and employee turnover	102 - 103	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	102 - 103	
401-3	Parental leave	101	

GRI STANDARDS REFERENCED		Page	Notes
403	Occupational Health and Safety		Reference indicators for employees in Italy only
403-1	Occupational health and safety management system	108 - 109 - 110 - 111	The severity indicator and the frequency index were calculated by using formulas from the reference source UNI 7249
403-3	Occupational health services	111	
403-4	Worker participation, consultation, and communication on occupational health and safety	108 - 110	
403-5	Worker training on occupational health and safety	106	
403-6	Promotion of worker health	108 - 110	
403-8	Workers covered by an occupational health and safety management system	111	
403-9	Work-related injuries	111	
403-10	Work-related ill health	111	
404	Training and Education		
404-1	Average hours of training per year per employee	105 - 106	
405	Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	31 - 32 - 33 - 34	
413	Local Communities		Reference to the Italian territory only
413-1	Operations with implemented local community engagement, impact assessments and development programmes	136 - 138 - 139 - 140 - 141	
414	Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	132	
415	Public Policy		
415-1	Political contributions	117	
417	Marketing and Labelling		
417-1	Requirements for product and service information and labelling	122 - 123	
418	Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	45	

A.3 Table of concordance with Global Goals

GOALS	ISSUE AREA	IMPACT OF THE ACTIVITY ON THE AGSM AIM GROUP	MATERIAL ISSUES
1. No Poverty: End poverty in all its forms 	Territory and business	Agreement with Caritas Diocesana	Development of initiatives and creation of value for the territory. Emergency management.
	Territory and business	Economic and social support agreements	
	Territory and business	Granting extensions to pay bills to customers in financial difficulty	
4. Quality education 	Territory and business	Projects with schools and universities (PhD programmes, etc.)	Optimisation of human capital, equal opportunities and corporate welfare.
	Territory and business	Internships	
	Territory and business	Cybersecurity training course	
	Territory and business	VOLT: project to promote a new corporate cultural model	
	Territory and business	Training and professional courses	
	Territory and business	Days granted to people in the company for study and training courses	
5. Gender equality 	Territory and business	Ensuring equal rights for men and women: there were no episodes of discrimination.	Optimisation of human capital, equal opportunities and corporate welfare.
	Territory and business	Gender equality is guaranteed in personnel recruitment	
	Territory and business	Presence of women in top management positions	
	Territory and business	Part-time work granted to working women-mothers	
	Territory and business	Diversity	
7. Affordable and clean energy 	Energy Environment	Energy efficiency at offices	Use of renewable sources. Containment of emissions. Protection of the territory. Energy efficiency. Circular economy. Electric mobility. Resilience and adaptation to innovation.
	Energy	Increased efficiency of public lighting systems	
	Energy	Services focused on the real needs of customers, also from a smart point of view	
	Energy Environment	Investments in renewable energy production sites	
	Energy Environment	Guarantees of origin on sold electricity generated from renewable sources	

GOALS	ISSUE AREA	IMPACT OF THE ACTIVITY ON THE AGSM AIM GROUP	MATERIAL ISSUES
	Energy Environment	CO ₂ avoided thanks to renewable energy sources	
	Energy	Increased efficiency of distribution networks	
	Energy Environment	Production of thermal energy from sustainable sources (geothermal energy)	
8. Decent work and economic growth 	Territory and business	Focus on people	Occupational health and safety. Optimisation of human capital, equal opportunities and corporate welfare.
	Territory and business	Skills development	
	Territory and business	Works entrusted to Social Cooperatives	
	Territory and business	Attention to contractual terms and conditions	
	Territory and business	Refresher and personal development courses	
	Territory and business	Protection of occupational health and safety, periodic medical examinations by the Company Doctor	
	Territory and business	Accident prevention policies	
	Territory and business	Choice of local suppliers	
9. Industry, innovation and infrastructure 	Territory and business	Infrastructure improvement projects for networks, smart services, environment, generation and district heating	Energy efficiency. Electric mobility. Protection of the customer. Resilience and adaptation to innovation.
	Territory and business	Innovation in tools serving customers and users	
11. Sustainable cities and communities 	Territory and business Environment	Improvement of the integrated waste service	Protection of the territory. Circular economy. Electric mobility. Protection of the customer. Resilience and adaptation to innovation. Development of initiatives and creation of value for the territory. Emergency management.
	Territory and business Environment	Management of street cleaning	
	Territory and business Environment	Improving the efficiency of infrastructure on local sites to reduce atmospheric pollution	
	Territory and business Environment	Support for local cultural initiatives	
	Territory and business Environment	Improvement of optical fibre infrastructure and accessibility	
	Territory and business Environment	Smart meters for accurate gas and electricity consumption	
	Territory and business Environment	Improved management of public lighting	

GOALS	ISSUE AREA	IMPACT OF THE ACTIVITY ON THE AGSM AIM GROUP	MATERIAL ISSUES
12. Responsible consumption and production 	Environment	Efficient use of natural sources	Circular economy. Use of renewable sources . Sustainability and security in the supply chain.
	Environment	Approach to clean production processes	
	Environment	Increased efficiency of the waste cycle from a circular economy point of view	
	Environment	Improved energy efficiency of the sites	
	Environment	Support to customers in managing sorted waste collection and energy consumption	
13. Climate action 	Territory and business Energy	Production of energy from renewable sources (wind, hydroelectric, photovoltaic, geothermal and biogas)	Protection of the territory. Circular economy. Use of renewable sources. Electric mobility. Sustainability and security in the supply chain. Resilience and adaptation to innovation. Development of initiatives and creation of value for the territory. Emergency management.
	Territory and business Energy Environment	Management and reduction of CO ₂ emissions	
	Territory and business Energy Environment	Promotion of sustainable mobility	
	Territory and business Energy	Investments in network infrastructure	
	Territory and business Energy	Increased efficiency of internal processes	
16. Peace, justice and strong institutions 	Territory and business	Training on the Code of Ethics, Legislative Decree 231, transparency and anti-corruption	Economic and financial performance. Integrity and transparency in business development. Ethics and the fight against corruption.
	Territory and business	Selection of suppliers in accordance with specific regulations	
	Territory and business	Adoption of the Anti-Corruption Policy	
	Territory and business	Supervisory Body	
	Territory and business	Code of Ethics and values	

INDIPENDENT AUDITOR’S REPORT



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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 of article 5 of CONSOB Regulation n. 20267 of January 18 2018

To the Board of Directors of AGSM AIM S.p.A.

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, 2021 prepared in accordance with article 4 of the Decree, and approved by the Board of Directors on March 4, 2022 (hereinafter the "NFS").

The limited assurance engagement performed by us does not extend to the data contained in paragraph "European Taxonomy for environmentally sustainable activities" of the NFS, required by article 8 of the European Regulation 2020/852.

Directors' and Board of Statutory Auditors' responsibility 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-Referenced" option (hereinafter "GRI Standards"), identified as a reporting standard.
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 to design a business management model for the organisation of the Group's activities, as well as, with reference to the topics 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 established by law, compliance with the provisions set out in the Decree.

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

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Pag. 1 di 3



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. If applicable: 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;
 - Main 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 in point 5, letter a).

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. and we also performed limited documentary verifications, 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.

Conclusion

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, 2021 has not been prepared, in all



material respects, in accordance with the requirements of articles 3 and 4 of the Decree and selected GRI Standards.

Our conclusions on the NFS of AGSM AIM Group do not extend to the data contained in paragraph "*European Taxonomy for environmentally sustainable activities*" thereof, required by article 8 of the European Regulation 2020/852.

Verona May 20, 2022

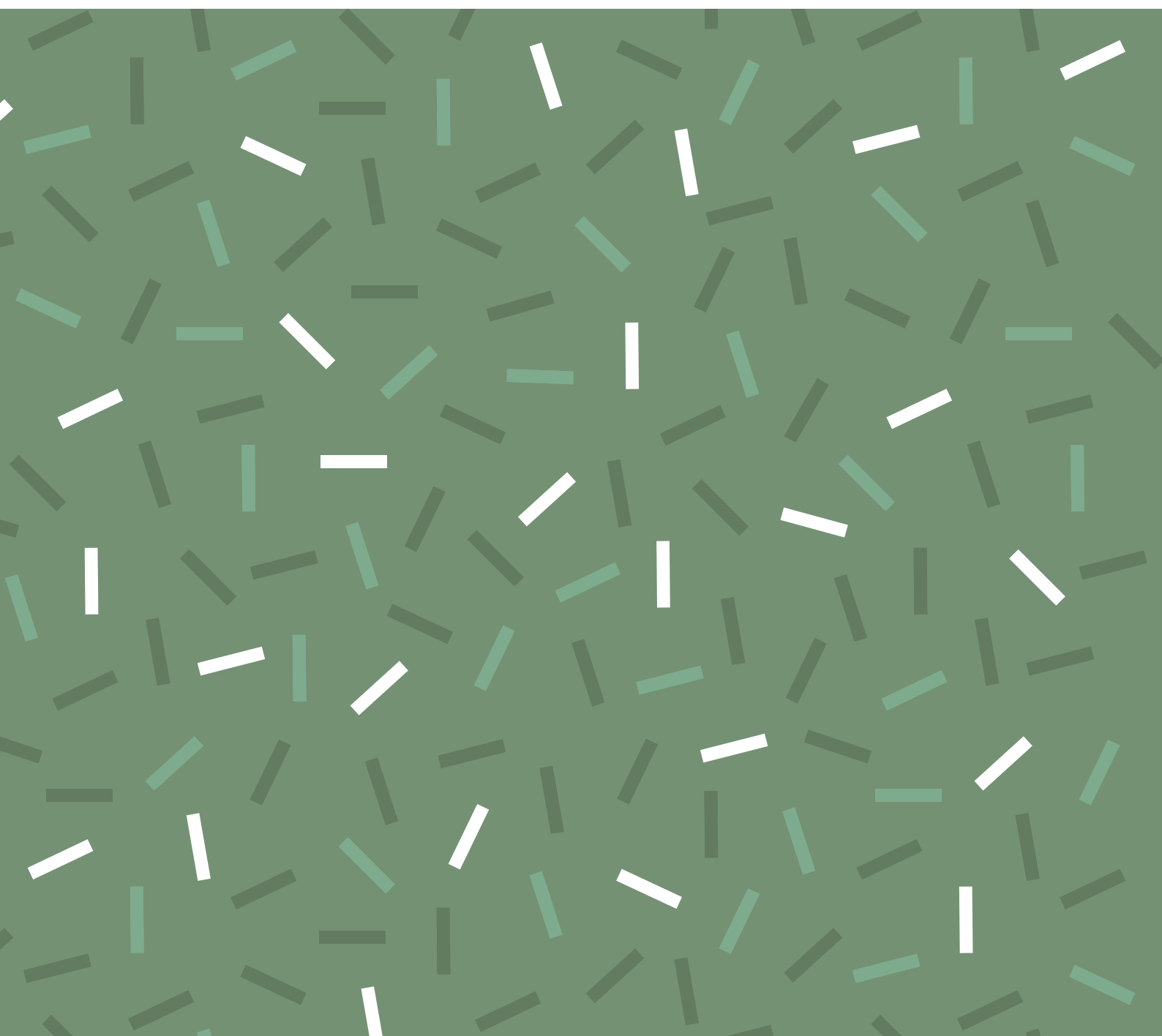
Signed by
BDO Italia S.p.A.

Carlo Boyancé
Partner

*This report has been translated into English language
solely for the convenience of international readers.*



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